



# AGENDA

## Ordinary Council meeting Monday, 2 August 2021

**I hereby give notice that an Ordinary Meeting of Council will be held on:**

**Date: Monday, 2 August 2021**

**Time: 10.30am**

**Location: Tauranga City Council  
Council Chambers  
91 Willow Street  
Tauranga**

*Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: [www.tauranga.govt.nz](http://www.tauranga.govt.nz).*

**Marty Grenfell  
Chief Executive**



# Terms of reference – Council

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## Membership

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<b>Chairperson</b>	Commission Chair Anne Tolley
<b>Members</b>	Commissioner Shadrach Rolleston Commissioner Stephen Selwood Commissioner Bill Wasley
<b>Quorum</b>	<u>Half</u> of the members physically present, where the number of members (including vacancies) is <u>even</u> ; and a <u>majority</u> of the members physically present, where the number of members (including vacancies) is <u>odd</u> .
<b>Meeting frequency</b>	As required

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## Role

- To ensure the effective and efficient governance of the City
- To enable leadership of the City including advocacy and facilitation on behalf of the community.

## Scope

- Oversee the work of all committees and subcommittees.
- Exercise all non-delegable and non-delegated functions and powers of the Council.
- The powers Council is legally prohibited from delegating include:
  - Power to make a rate.
  - Power to make a bylaw.
  - Power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan.
  - Power to adopt a long-term plan, annual plan, or annual report
  - Power to appoint a chief executive.
  - Power to adopt policies required to be adopted and consulted on under the Local Government Act 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 following:
  - Power to compulsorily acquire land under the Public Works Act 1981.
- Make those decisions which are required by legislation to be made by resolution of the local authority.
- Authorise all expenditure not delegated to officers, Committees or other subordinate decision-making bodies of Council.
- Make appointments of members to the CCO Boards of Directors/Trustees and representatives of Council to external organisations.
- Consider any matters referred from any of the Standing or Special Committees, Joint Committees, Chief Executive or General Managers.



## **Procedural matters**

- Delegation of Council powers to Council's committees and other subordinate decision-making bodies.
- Adoption of Standing Orders.
- Receipt of Joint Committee minutes.
- Approval of Special Orders.
- Employment of Chief Executive.
- Other Delegations of Council's powers, duties and responsibilities.

## **Regulatory matters**

Administration, monitoring and enforcement of all regulatory matters that have not otherwise been delegated or that are referred to Council for determination (by a committee, subordinate decision-making body, Chief Executive or relevant General Manager).







## Order of Business

<b>1</b>	<b>Opening Karakia .....</b>	<b>7</b>
<b>2</b>	<b>Apologies .....</b>	<b>7</b>
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<b>4</b>	<b>Acceptance of Late Items.....</b>	<b>7</b>
<b>5</b>	<b>Confidential Business to be Transferred into the Open.....</b>	<b>7</b>
<b>6</b>	<b>Change to the Order of Business .....</b>	<b>7</b>
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<b>14</b>	<b>Closing Karakia.....</b>	<b>197</b>







- 1      OPENING KARAKIA**
- 2      APOLOGIES**
- 3      PUBLIC FORUM**
- 4      ACCEPTANCE OF LATE ITEMS**
- 5      CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**
- 6      CHANGE TO THE ORDER OF BUSINESS**



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## **7 CONFIRMATION OF MINUTES**

### **7.1 Minutes of the Council meeting held on 26 July 2021**

**File Number:** A12727959

**Author:** Jenny Teeuwen, Committee Advisor

**Authoriser:** Robyn Garrett, Team Leader: Committee Support

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### **RECOMMENDATIONS**

That the Minutes of the Council meeting held on 26 July 2021 be confirmed as a true and correct record.

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### **ATTACHMENTS**

#### **1. Minutes of the Council meeting held on 26 July 2021**





# **MINUTES**

**Ordinary Council Meeting  
Monday, 26 July 2021**



**Order of Business**

<b>1</b>	<b>Opening Karakia .....</b>	<b>3</b>
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	Nil	
<b>10</b>	<b>Recommendations from Other Committees .....</b>	<b>4</b>
	Nil	
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<b>13</b>	<b>Public excluded session .....</b>	<b>13</b>
	Nil	
<b>14</b>	<b>Closing Karakia.....</b>	<b>13</b>



**MINUTES OF TAURANGA CITY COUNCIL**

**ORDINARY COUNCIL MEETING  
HELD AT THE TAURANGA CITY COUNCIL, COUNCIL CHAMBERS, 91 WILLOW STREET,  
TAURANGA  
ON MONDAY, 26 JULY 2021 AT 1.30PM**

**PRESENT:** Commission Chair Anne Tolley, Commissioner Shadrach Rolleston, Commissioner Stephen Selwood and Commissioner Bill Wasley

**IN ATTENDANCE:** Marty Grenfell (Chief Executive), Paul Davidson (General Manager: Corporate Services), Barbara Dempsey (General Manager: Regulatory & Compliance), Susan Jamieson (General Manager: People & Engagement), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy & Growth), Gareth Wallis (General Manager: Community Services), Carlo Ellis (Manager: Strategic Maori Engagement), Kathryn Sharplin (Manager: Finance), Tracey Hughes (Financial Insights and Reporting Manager), Jim Taylor (Transactional Services Manager), Mohan De Mel (Treasurer), Jeremy Boase (Manager: Strategy & Corporate Planning), Josh Logan (Team Leader: Corporate Planning), Hemi Leef (Corporate Solicitor), Anne Blakeway (Manager: Community Partnerships), Ariell King (Team Leader Policy), Ross Boreham (Civic Communications Specialist), Ceilidh Dunphy (Community Relations Manager), Coral Hair (Manager: Democracy Services), Robyn Garrett (Team Leader: Committee Support), Raj Naidu (Committee Advisor) and Jenny Teeuwen (Committee Advisor)

**EXTERNAL** Clarence Susan, Audit NZ  
Warren Goslett, Audit NZ

## **1 OPENING KARAKIA**

Carlo Ellis, Manager: Strategic Maori Engagement, opened the meeting with a Karakia.

## **2 APOLOGIES**

Nil

## **3 PUBLIC FORUM**

### **3.1 Mr Jordan Williams – New Zealand Taxpayers Union**

#### **Key points**

- Mr Williams was the Executive Director of the NZ Taxpayers Union. He was accompanied by Ms Kim Williams, a spokesperson for the Tauranga Ratepayers Alliance.
- The protest taking place outside on the street was noted.
- 356 submissions to the 2021-2031 Long-term Plan (LTP) had been received from members and supporters of the Tauranga Ratepayers Alliance.
- Tauranga rates were already among the highest in the country. At the end of the period for the LTP, Tauranga would have by far the highest rates in New Zealand.
- It had been 'sneaky' for Council to use the \$1 per day claim.
- Council's current burrowing equated to approximately \$11,000 per household, and this would go up to \$30,000 per household; within the realm of Auckland and Christchurch.



- Those protesting outside of the Council chambers wanted their city and democracy back. If elections were not held next year, this movement would get larger and they would continue to protest.

The Commission Chair thanked Mr Williams for his presentation.

#### **4 ACCEPTANCE OF LATE ITEMS**

Nil

#### **5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**

Nil

#### **6 CHANGE TO THE ORDER OF BUSINESS**

Nil

#### **7 CONFIRMATION OF MINUTES**

##### **7.1 Minutes of the Council meeting held on 14 to 18 June 2021**

##### **RESOLUTION CO14/21/1**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the minutes of the Council meeting held on 14 to 18 June 2021 be confirmed as a true and correct record.

**CARRIED**

##### **7.2 Minutes of the Council meeting held on 24 and 25 June 2021**

##### **RESOLUTION CO14/21/2**

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

That the minutes of the Council meeting held on 24 and 25 June 2021 be confirmed as a true and correct record.

**CARRIED**

#### **8 DECLARATION OF CONFLICTS OF INTEREST**

Nil

#### **9 DEPUTATIONS, PRESENTATIONS, PETITIONS**

Nil

#### **10 RECOMMENDATIONS FROM OTHER COMMITTEES**

Nil



## 11 BUSINESS

### 11.1 Adopt Tauranga City Council Long-term Plan 2021-2031

**External** Clarence Susan, Audit NZ  
Warren Goslett, Audit NZ

A copy of the tabled documents for this item can be viewed on Tauranga City Council's website in the Minutes Attachments document for this council meeting.

#### Commission Chair comment

Tauranga City Council's Long-term Plan (LTP) had been delayed by a month to ensure a better consultation process with the community over what were some very difficult decisions that needed to be made. The month of consultation enabled wide discussions across the city and gave the Commissioners a greater understanding of the needs of the various communities of Tauranga. The city had been overwhelmed by rapid growth and there was considerable resentment of that growth and what it meant for the existing residents. The former council were acknowledged for beginning the LTP work. The Commission had improved the focus on community facilities and amenities for existing residents as well as providing for growth and infrastructure for the future of Tauranga city. The Commission Chair, Anne Tolley, thanked everyone who contributed to the process; 1,800 submitters and the several hundred who gave oral submissions. She also thanked the TCC staff for 18 months of hard work. The LTP being adopted today would be a hugely significant plan that set a clear path forward for Tauranga city, both for the existing residents and for those who came to live here in the future.

#### RESOLUTION CO14/21/3

Moved: Commissioner Stephen Selwood  
Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Adopts the Schedule of User Fees and Charges for 2021/22 (**Attachment 1**) with the 2021-2031 Long-term Plan;
- (b) Approves the 2021-2031 Long-term Plan (including Revenue and Finance Policy, Financial Strategy and Infrastructure Strategy) as set out in **Attachment 2**;

**CARRIED**

#### RESOLUTION CO14/21/4

Moved: Commissioner Bill Wasley  
Seconded: Commissioner Stephen Selwood

- (c) Receives the audit report relating to the Long-term Plan, pursuant to section 94(1) of the Local Government Act 2002;

**CARRIED**

Mr Clarence Susan from Audit New Zealand was then asked to present the auditor's report.

#### Auditor's comments

- The plan provided a reasonable basis for long-term, integrated decision-making and co-ordination of the Council's resources and accountability to the community. The information and assumptions underlying the forecast information in the plan were reasonable and the disclosure pages represented a complete list of the disclosures required and accurately reflected the information drawn from the plan.
- Three areas were highlighted; uncertainty over three waters reforms, uncertainty over the delivery of the capital programme, and the breach of the statutory deadline.

The Commissioner Chair thanked Mr Susan for his overview.



**RESOLUTION CO14/21/5**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

- (d) Adopts the Audited 2021-2031 Long-term Plan pursuant to section 93 of the Local Government Act 2002;
- (e) Authorises the Chief Executive to make any necessary minor drafting or presentation amendments to the 2021-2031 Long-term Plan before going to print.

**CARRIED**

**Attachments**

- 1 Audit Opinion Report - Audit NZ
- 2 Long-term Plan 2021-2031 - Amended Pages 226 and 227
- 3 Long-term Plan 2021-2031 - Amended Page 281

**11.2 2021/2022 Rates Resolution****Commission Chair comment**

The Commission was aware of the fact that there was a significant increase in both residential and commercial rates; this had been raised with the Commissioners on many occasions during the consultation process. The Commission was concerned for those residents on fixed incomes for whom a rates increase would be difficult. They had requested that staff work on simplifying the process for rates deferment and to work with Local Government New Zealand who were also working on a national rates deferment scheme. It was hoped that a system would be up and running by next year. Generally there had been acceptance from most people that rates needed to increase in order to provide what the community was asking for, support was on the premise that TCC delivered for the community.

**In response to questions**

- The previous council had several targeted rates e.g. for 'The Excelsa', stormwater and resilience. The increase in the number of targeted rates for 2021/2022 was in response to public feedback and to provide more transparency.
- Pages 16 and 17 of the LTP document provided a clear explanation of the residential and commercial rates. In particular, Page 16 clearly showed what made up the total residential rates for a median house, which included everything as well as the new waste kerbside service. The increase for a median house would be \$368 per annum, and this divided by 365 days equated to near enough \$1 per day. The benefits of the investment were significant. It would improve the sustainability and liveability of the city, provide better community amenities and enable the funding of infrastructure that would help to contain the city's growth. An increase of \$7 per week was considered good value for money.

**RESOLUTION CO14/21/6**

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Sets the following rates under the Local Government (Rating) Act 2002, in accordance with the relevant provisions of the Council's Long Term Plan 2021-2031 and the Funding Impact Statement in the Long Term Plan for the 2021/2022 rating year, on rating units in the city for the financial year commencing on 1 July 2021 and ending on 30 June 2022.



The rates and charges specified are inclusive of Goods and Services Tax at the prevailing rate.

i. General Rate

A general rate set under section 13(2) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$0.00249736 in the dollar of capital value on all residential rateable rating units in the City.
- A rate of \$0.00399578 in the dollar of capital value on all commercial rateable rating units in the City.

("residential" and "commercial" are as defined in the Funding Impact Statement).

ii. Uniform Annual General Charge

A uniform annual general charge set under section 15(1)(b) of the Local Government (Rating) Act 2002 at:

- A rate of \$199.00 per separately used or inhabited part of a rateable rating unit.

iii. Waste Collection Rate

A uniform targeted rate for the kerbside waste collection services, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, on all rating units in the City on which there is one or more residential use and that will be provided with the standard waste collection service, at:

- A rate of \$210 per standard waste service capacity provided for each residential use on each rating unit in the City.

iv. Garden Waste Rate (optional)

Uniform targeted rates for garden waste collection services, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, on all rating units in the City used for residential purposes and that will be provided with the garden waste collection service, at:

- A rate of \$95 for each garden waste bin (two weekly collection).
- A rate of \$60 for each garden waste bin (four weekly collection).

v. Wastewater Rate

A differential targeted rate for wastewater, set under sections 16(3)(b) and 16(4)(b) of the Local Government (Rating) Act 2002 at:

- A rate of \$538.88 for each water closet or urinal in a connected rating unit in the city.
- A rate of \$269.44 per separately used or inhabited part of a rating unit for any serviceable rating units in the city.

("separately used or inhabited part of a", "connected" and "serviceable" rating units, are defined in the Funding Impact Statement).

A rating unit used primarily as a residence for 1 household will not be treated as having more than 1 water closet or urinal.

vi. Stormwater Rate

A targeted rate for stormwater infrastructure investment, set under section 16(3)(a) and 16(4) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$0.00004562 in the dollar of capital value on all residential rateable rating units in the City.
- A rate of \$0.00007298 in the dollar of capital value on all commercial rateable rating units in the City.

vii. Water Supply Rates

Volumetric rate

A targeted rate for metered water supply set under section 19(2)(a) of the Local Government (Rating) Act 2002 at:



- A rate of \$2.90 per cubic metre of water supplied.

#### Base rate

A differential targeted rate per connection on every rating unit in the City which is provided with a metered water supply service, set under sections 16(3)(b) and 16(4)(b) of the Local Government (Rating) Act 2002, calculated on the basis of the nature of the connection size as follows:

Meter Size	Amount
20mm	\$35.00
25mm	\$66.00
32mm	\$66.00
40mm	\$273.00
50mm	\$540.00
80mm	\$1,079.00
100mm	\$1,329.00
150mm	\$1,329.00
200mm	\$1,329.00
250mm	\$1,329.00

#### viii. Water Supply Rates (unmetered)

##### Unmetered rate

A uniform targeted rate on every rating unit in the City which is provided with and connected to an unmetered water supply service, set under sections 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$804.00 for each separately used or inhabited part of a rating unit as defined in the Funding Impact Statement.

#### ix. Economic Development Rate

A targeted rate for economic development in the City, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 at:

- A rate of \$0.00053944 in the dollar of capital value on every commercial rateable rating unit (as defined in the Funding Impact Statement).

#### x. Mainstreet Rates

Targeted rates for Mainstreet organisations, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$0.00053479 in the dollar of capital value for every commercial rating unit in the Tauranga Mainstreet rating area as defined in the Funding Impact Statement.
- A rate of \$0.00084437 in the dollar of capital value for every commercial rating unit in the Mt Maunganui Mainstreet rating area as defined in the Funding Impact Statement.
- A rate of \$0.00180928 in the dollar of capital value for every commercial rating unit in the Greerton Mainstreet rating area as defined in the Funding Impact Statement.
- A rate of \$0.00033422 in the dollar of capital value for every commercial rating unit in the Papamoa Mainstreet area as defined in the Funding Impact Statement.

#### xi. Special Services Rates

##### 'The Lakes' Targeted Rate

A uniform targeted rate for additional levels of service in relation to maintenance and renewal of street gardens, street trees, footpaths and the removal of litter from ponds provided to 'The Lakes' subdivision, located at Pyes Pa, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$99.90 per rating unit located within 'The Lakes' subdivision as defined in the Funding Impact Statement.



'The Coast Papamoa' Targeted Rate

A uniform targeted rate for additional levels of service in relation to maintenance and renewal of street trees and footpaths provided to 'The Coast Papamoa' subdivision, located at Papamoa, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$34.02 per rating unit located within 'The Coast Papamoa' subdivision as defined in the Funding Impact Statement.

'The Excelsa' Targeted Rate

A uniform targeted rate for additional levels of service in relation to maintenance and renewal of street gardens, street trees and up lights under trees provided to 'The Excelsa' subdivision, located at Papamoa, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$50.32 per rating unit located within 'The Excelsa' subdivision as defined in the Funding Impact Statement.

xii. Resilience Rate

A targeted rate for resilience infrastructure investment in Water, Wastewater, Stormwater, Transportation and Emergency Management, set under section 16(3)(a) and 16(4) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$0.00001175 in the dollar of capital value on all residential rateable rating units in the City.
- A rate of \$0.00001880 in the dollar of capital value on all commercial rateable rating units in the City.

xiii. Transportation Rate

A targeted rate for Transportation infrastructure investment, set under section 16(3)(a) and 16(4) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$0.00004200 in the dollar of capital value on all residential rateable rating units in the City.
- A rate of \$0.00006719 in the dollar of capital value on all commercial rateable rating units in the City.

xiv. Community Rate

A targeted rate for Community amenity investment, set under section 16(3)(a) and 16(4) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$0.00011959 in the dollar of capital value on all residential rateable rating units in the City.
- A rate of \$0.00019134 in the dollar of capital value on all commercial rateable rating units in the City.

- (b) That all rates (except the water supply volumetric rate set under section 19 and the water supply base rate for metered connections under section 16 of the Local Government (Rating) Act 2002) be payable in two equal instalments due on:
- 31 August 2021 and
  - 28 February 2022.
- (c) That all metered water rates will, except as to high users, be invoiced on a quarterly basis dependant on when the water meters are read, in accordance with the table below headed "Due dates and penalty dates for rates for metered water supply". The due dates will also be specified on the invoice. Rating units, which are considered high users of water (namely having an average consumption more than 5m<sup>3</sup> per day) will be invoiced monthly, and these rates will be due on the first Thursday after 23 days following the date of the invoice.
- (d) That the Council authorises the addition of penalties to rates that are not paid by the due date, as follows, in accordance with sections 57 and 58 of the Local Government (Rating) Act 2002, and delegates authority to the Manager Finance to apply penalties in accordance with this regime:



- (i) a charge of 10% on so much of any rates instalment after 1 July 2021 which is unpaid after the relevant due date (except for the volumetric rate under section 19 and the water supply base rate for metered connections under section 16 of the Local Government (Rating) Act 2002) will be applied on:

Instalment due date	Penalty Date
31 August 2021	9 September 2021
28 February 2022	9 March 2022

- (ii) a charge of 10% on so much of any of the volumetric rate under section 19 and the water supply base rate for metered connections under section 16 of the Local Government (Rating) Act 2002 invoiced after 1 July 2021 and which is unpaid after the due date will be applied on whichever is the next consecutive date following the due date of the invoice to which the penalty applies, being:

Water Penalty Date
28 October 2021
3 February 2022
28 April 2022
28 July 2022

#### Due dates and penalty dates for rates for metered water supply and connection

Week	Area	Q1 Due date	Q2 Due date	Q3 Due date	Q4 Due date
1	Mt Maunganui North, Omanu, Arataki	26-Aug-21	11-Nov-21	17-Feb-22	19-May-22
2	Mt Maunganui Industrial, Matapihi, Arataki, Te Maunga, Papamoa West	26-Aug-21	18-Nov-21	24-Feb-22	26-May-22
3	Papamoa West / East	02-Sep-21	25-Nov-21	03-Mar-22	02-Jun-22
4	Papamoa East / South, Kairua, Welcome Bay	09-Sep-21	02-Dec-21	10-Mar-22	09-Jun-22
5	Welcome Bay, Hairini, Poike, Pyes Pa	16-Sep-21	09-Dec-21	17-Mar-22	16-Jun-22
6	Hairini, Maungatapu, Greerton, Gate Pa,	23-Sep-21	16-Dec-21	24-Mar-22	23-Jun-22
7	Tauranga Central/ South, Sulphur Point, Judea	30-Sep-21	23-Dec-21	31-Mar-22	30-Jun-22
8	Te Reti, Brookfield, Judea, Otumoetai	07-Oct-21	13-Jan-22	07-Apr-22	07-Jul-22
9	Bellevue, Otumoetai, Matua	14-Oct-21	20-Jan-22	14-Apr-22	14-Jul-22
10	The Lakes, Bethlehem	21-Oct-21	27-Jan-22	21-Apr-22	21-Jul-22
<b>All</b> (including High users)	<b>Penalty Added Date</b>	28-Oct-21	03-Feb-22	28-Apr-22	28-Jul-22

- (e) Where a ratepayer makes any payment that is less than the amount now payable, the Council, will apply the payment firstly to any rates outstanding from previous rating years and then proportionately across all current year rates due.

**CARRIED**



### 11.3 Adoption of the Final 2021/22 Development Contributions Policy

#### Commission Chair comment

The increases to development contributions had been widely commented on during the oral submissions as well as in the wider discussion the Commissioners had had with the community. It was a significant increase in recognition of the significant investment being made, particularly in the provision of water. The increase to citywide development contributions had been larger than signalled and a transitional regime would be implemented to stagger the increase. Paragraph nine of the agenda report provided a full explanation of how the transitional regime would work.

#### RESOLUTION CO14/21/7

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Adopts the 2021/22 Development Contributions Policy.
- (b) Delegates to the General Manager: Strategy and Growth the authority to rectify any minor errors or omissions that are identified in the 2021/22 Development Contributions Policy prior to final publication.

**CARRIED**

### 11.4 Borrowing Programme 2021-2022

#### Commission Chair Comment

It was acknowledged that the borrowing programme was large but it was necessary to deliver a large capital programme. Borrowing allowed the costs to the various beneficiaries to be spread fairly over a period of time.

#### RESOLUTION CO14/21/8

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

That the Council:

- (a) Receives Report – Borrowing Programme 2021-2022;
- (b) Approves the Borrowing Resolution for the 2021-2022 financial year:
  - i. The borrowing of \$193,700,000 (the “Borrowing”). This Borrowing being made up of:
    - \$127,375,000 of new loans approved for the financial year 2021-2022
    - \$66,225,000 of maturing loans during the financial year 2021-2022;
    - That in addition a bank overdraft facility of \$100,000 be retained.
  - ii. The borrowing is to be secured against the rates revenue of Council under the Debenture Trust Deed.
  - iii. That the Council may also fund the capital expenditure programme and its working capital requirements from its cash reserves and other internal / external sources of funds.
- (c) Approves that authority is delegated to the Chief Executive and the General Manager Corporate Services, subject to the Local Government Act 2002 and the Treasury Policy, to:



- i. determine the details and timing of the Borrowing whether in this financial year or in the future and to raise long or short-term loans, whether by one or more bank facilities or other facilities, or by one or more issues of stock, whether by internal funding or external, and whether by wholesale issue or by private placement to habitual investors, to yield a maximum external borrowing identified in (b)(i) above, of \$193,700,000 secured under the Debenture Trust Deed as the Chief Executive and General Manager Corporate Services consider appropriate and in accordance with the Council's Treasury Policy; and
  - ii. execute all loan and security documentation in relation to the Borrowing on behalf of Council, including any loan and/or credit agreements and stock certificates, investment statement and any other documents which Council may be required to enter into in respect of the borrowing, and to give one or more certificates in respect thereof for the purposes of Section 118 of the Local Government Act in respect of Council's entry into such borrowing security or related documentation.
- (d) Approves that authority is delegated to the General Manager Corporate Services to borrow internally to manage the funding requirements, subject to availability of internal funding and reassign approved borrowings between activities for approved projects.
  - (e) Approves that authority is delegated to the General Manager Corporate Services to enter into interest rate risk management transactions with institutions with whom the Council has interest rate risk management documentation in place as and when he considers appropriate, subject to the limits set out in Council's Treasury Policy.

**CARRIED**

#### **11.5 2021-2031 Long-term Plan - Other topics**

The Commissioners had had the opportunity to review the submission responses and provide feedback to staff. Everyone who had made a submission to the LTP would receive a written response by the end of August.

#### **RESOLUTION CO14/21/9**

Moved: Commissioner Stephen Selwood  
Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Approves staff comments on submissions relating to other topics in **Attachments 1**.
- (b) Approves staff comments on submissions relating to development contributions in **Attachment 2**.
- (c) Authorises the Chief Executive and General Managers to make amendments to Council's proposed response comments to each submission point in **Attachments 1 and 2**, to refine wording and style prior to responses being sent to submitters no later than one month after the adoption of the LTP.

**CARRIED**

#### **11.6 Adoption of Community Funding Policy**

#### **RESOLUTION CO14/21/10**

Moved: Commissioner Bill Wasley  
Seconded: Commission Chair Anne Tolley



That the Council:

- (a) Adopts the Community Funding Policy 2021, noting the following:
  - (i) That the Match Fund will be retained as a separate fund to promote a pathway for projects to be supported from initiation to establishment;
  - (ii) That applicants to the Community Grant Fund are not required to “match” any Council funded amount with their own funds, noting that all grants will recognise Council’s role as a complementary funder through prioritising those organisations that have actively sought other funding, prior to approaching Council;
  - (iii) That the minimum funding amount for the Community Grants Fund is \$10,001;
  - (iv) That applications for amounts less than \$10,000 will be referred to the Community Development Match Fund; and
  - (v) That the policy and the amount of the Community Grant Fund will be reviewed within the next 18 months to align with the Annual Plan planning cycle.
- (b) Authorises the Chief Executive to make any necessary minor drafting or presentation amendments to the Community Funding Policy 2021 before it is published.

**CARRIED**

## **12 DISCUSSION OF LATE ITEMS**

Nil

## **13 PUBLIC EXCLUDED SESSION**

Nil

## **14 CLOSING KARAKIA**

Carlo Ellis, Manager: Strategic Maori Engagement, closed the meeting with a karakia.

**The meeting closed at 2.15pm.**

**The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 2 August 2021.**

.....  
**CHAIRPERSON**



**8        DECLARATION OF CONFLICTS OF INTEREST**



## **9 DEPUTATIONS, PRESENTATIONS, PETITIONS**

### **9.1 Petition - Pembroke Drive flat seal**

## **ATTACHMENTS**

- 1. Petition to Commissioners to obtain flat seal on streets/roads - Tauranga City - A12727429**  



10/6/2021

TO: Tauranga City Council

THIS PETITION IS TO OBTAIN FLAT SEAL on our streets and roads within the Tauranga City Council.  
The cheap bitumen with metal that has been placed on Pembroke Drive, at The Mount and Moffat Road and other streets and roads is not acceptable. It creates the following:

RECEIVED

10 JUN 2021

TAURANGA CITY COUNCIL

1. It is flicked onto our lawns by passing vehicles.
2. It sticks to our shoes and vehicle's tyres and ends up into our houses, onto carpets.
3. It causes serious tinnitus in the ears.
4. It wears out our tyres on our motor vehicles, quicker.
5. If anyone falls off a bike, example a child it will cause serious lacerations and badly hurt them.

PLEASE SIGN THIS PETITION IN ORDER TO GET SOME ACTION FROM THIS COUNCIL.

NAME	ADDRESS	DATE	SIGNATURE
Don Townsend	25 Allington place		
Rae Chapman	"		
Paul & Elaine	21 Pembroke Drive		
Steven chimney Brown			
Kaitlin chimney Brown			
Paul Badger	60 Pembroke Dr Bethlehem		
Bert Cassie	Pembroke Drive		
David Gladwin	52 Pembroke Dr		
Andrea Hockley	52 Pembroke Drive		
Len Hockley	63 Pembroke Drive		
Clayton			
Colin Mewen			
Mandeep Kaur	47 Pembroke Drive, Bethel		
Indeep Singh	47 Pembroke Drive		
Mandeep Kaur	"		
Keslie Mearns	46 Pembroke Drive		
Kevin Chai Kim	45 Pembroke Drive		
Seah Song	45 Pembroke Drive		
Jason Alwood	23 Allington Pl Bethlehem		
Kau Willis	17 Allington Place Bethlehem	6/6/21	K Willis
Kesh Willis	"	"	
Kate Christie	17 Pembroke drive		
Abb Christie	"		
Susan Marsden	15 Pembroke Drive Bethlehem		
ONS Beck	9 Pembroke Drive		
Margaret Beale	9 Pembroke Drive Bethlehem		
Jan Jansen	7 Saltwood Lane Bethlehem		
Stefford Adams	6 Saltwood Lane Bethlehem		
Michael Edel	10 Saltwood Lane Bethlehem		
Judy & Murray Bary	12 Saltwood Lane Bethlehem		
Patrice	14 Saltwood Lane		
Miss E. Palmer	18 Saltwood Lane		
Lorraine Palmer	18 Saltwood Lane		
Shirley Akhurst	29 Pembroke Drive Bethlehem		



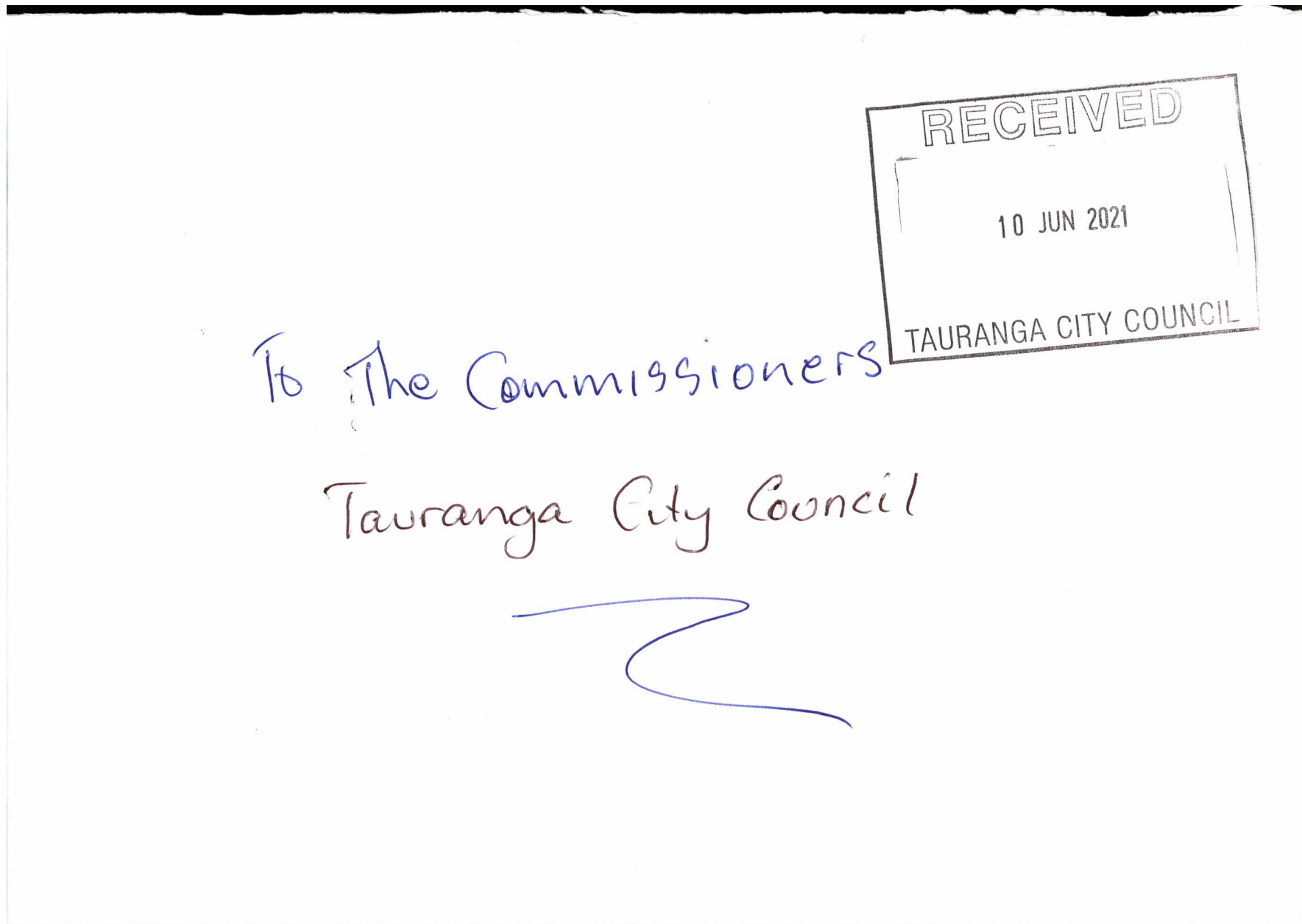
TO: Tauranga City Council

1. It is flicked onto our lawns by passing vehicles.
2. It sticks to our shoes and vehicle's tyres and ends up into our houses, onto carpets.
3. It causes serious tinnitus in the ears.
4. It wears out our tyres on our motor vehicles, quicker.
5. If anyone falls off a bike, example a child it will cause serious lacerations and badly hurt them.

NAME	ADDRESS	DATE	SIGNATURE
------	---------	------	-----------

Kristine Ardwick	5 Arlington Pl	6/6/21	Kristine Ardwick
Bruce Riskey	7 Arlington Pl	7/6/21	Bruce Riskey
David Hardwick	9 Atlantic Pl	7/6/21	David Hardwick
David Jones	11 Atlantic Pl	7/6/21	David Jones
David Jones	13 Pembroke Dr	7/6/21	David Jones
David Jones	15 Pembroke Dr	7/6/21	David Jones
David Jones	16 Pembroke Dr	7/6/21	David Jones
Kerry Gaintfort	9-14 Pembroke Dr	7-6-21	Kerry Gaintfort
Paula Powell	8 Pembroke Drive	7/6/21	Paula Powell
Lynal Powell	8 Pembroke Drive	7/6/21	Lynal Powell
Gina Neamouth	6 Pembroke Drive	7/6/21	Gina Neamouth
Christina Wong	2 Pembroke Drive	7/6/21	Christina Wong
Rochin Chetty	1 Pembroke Drive	7/6/21	Rochin Chetty
Kamlesh Chetty	1 Pembroke Drive	7/6/21	Kamlesh Chetty
Jungeun Kim	3 Saltwood Lane	7/6/21	Jungeun Kim
Greg Smith	30 Pembroke Drive	7/6/21	Greg Smith
Karin Shuler	30 Pembroke Drive	7/6/21	Karin Shuler
Les Richards	28 Pembroke Dr	7/6/21	Les Richards
Laurie Inskip	5 Pembroke Drive	7/6/21	Laurie Inskip
Cheryl Inskip	5 Pembroke Drive	7/6/21	Cheryl Inskip
Dulce Allen	5 Saltwood Lane	7/6/21	Dulce Allen
Li Liu	11 Saltwood Lane	7/6/21	Li Liu
Greg Smith	17 Saltwood Lane	5/6/21	Greg Smith
Tom Eades	19 Saltwood Lane	7/6/21	Tom Eades
Margaret Eades	19 Saltwood Lane	7/6/21	Margaret Eades
Brian Smith	21 Saltwood Lane	7/6/21	Brian Smith
Barbara Crover	23 Saltwood Lane	7/6/21	Barbara Crover
Aaria Cameron	25 Saltwood Lane	7/6/21	Aaria Cameron







**10 RECOMMENDATIONS FROM OTHER COMMITTEES**

Nil



## 11 BUSINESS

### 11.1 12th Avenue Community Issues Update

**File Number:** A12653323

**Author:** Jane Barnett, Policy Analyst

Ariell King, Team Leader: Policy

**Authoriser:** Barbara Dempsey, General Manager: Regulatory & Compliance

#### PURPOSE OF THE REPORT

1. To provide an update on the Twelfth Avenue community issues.
- 

#### RECOMMENDATIONS

That the Council:

- (a) Receives the Twelfth Avenue Community Issues Update Report.
- 

#### EXECUTIVE SUMMARY

2. Council received two petitions regarding homelessness and behaviour in the Twelfth Avenue area on the 10 May 2021. One of the petitions requested an alcohol ban be put in place.
3. Council considered this request at the Council meeting on the 21 June 2021. In response, Council asked staff to investigate the process and conditions for a temporary alcohol ban, to continue to work with the Police to implement an action plan for Twelfth Avenue, and to report back on the progress in six weeks' time.
4. The problems faced by the residents of Twelfth Avenue stem from the underlying issue of homelessness in our city. Homelessness is deeply complex and is driven by structural issues, system failures (such as poverty and lack of employment opportunities) and individual vulnerabilities or circumstances (such as trauma, exposure to family violence, mental health and addictions, relationship breakdowns, ill health and episodes of imprisonment).
5. A temporary alcohol ban does not address this underlying issue and is more than likely to result in displacement, moving the problems of litter, waste and feeling unsafe to another part of the city.
6. Several statutory criteria must be met before introducing a new alcohol-free area. In particular, Council must be satisfied that there is evidence of a high level of crime and disorder caused, or made worse by alcohol consumption in that same area.
7. Western Bay of Plenty Police have reviewed the evidence and concluded that *'there is no demonstrable link between alcohol and offending in and around Twelfth Avenue, as a result Police will not be in a position to support the imposition of a liquor ban in that area'*.
8. Council has been working with the Police and other organisations to help address the concerns and problems faced by the Twelfth Avenue residents. One of the business owners reported, on 14 July 2021, that this work has reduced the problems. This message was reiterated on 22 July 2021 when it was reported that they were *'very pleased with the response and current positive change'*.



## BACKGROUND

9. On 10 May 2021, two petitions were presented to Council. One requested that 'Council stop all homeless people from being on our street' – Twelfth Avenue. The second petition requested an alcohol ban in the Twelfth Avenue area.
10. At the Council meeting on 21 June 2021, based on the available evidence in accordance with the Section 147 of the Local Government Act, staff did not recommend putting in place an alcohol ban. Instead, the recommendation was for Council to continue to work with the Police to investigate an action plan to help address the underlying issue.
11. Western Bay Police also did not support a temporary alcohol ban.
12. Council directed staff to investigate the process and conditions for a temporary alcohol ban, and continue to work with Police to implement an action plan for Twelfth Avenue. This report responds to this direction and reports back on the progress made to date.

## DISCUSSION

### The issue

13. The underlying issue is complex. Homelessness results from the cumulative impact of structural factors, system failures and individual circumstances. The problems experienced by the residents of Twelfth Avenue, litter, waste and feeling unsafe, all stem from people being homeless and displaced.
14. An alcohol ban will not address this underlying issue. If an alcohol ban did result in moving these problems from Twelfth Avenue, the same problems are likely to pop up and occur elsewhere in the city.
15. The only way to prevent these problems occurring for Tauranga as a whole, is to address the broader issue of homelessness. This is not something Council can do on its own. However, Council can respond to any resulting problems as soon as they occur, and continue to collaborate with support agencies to help ensure people receive support.

### Actions and progress

16. On the 23 June 2021, Council's Safe and Resilient Communities Advisor, Council's Bylaws Officer and the Community Constable for Twelfth Avenue, visited the Twelfth Avenue community. They spent time with Paul Billingham (alcohol ban petition coordinator) to discuss his concerns. They also connected with a person who has been rough sleeping in the area.
17. As a result of this visit:
  - an extensive clean-up of the area was carried out and any clean ups required in the future can now be responded to much more rapidly; and
  - Council's Community Development team have activated our Kāinga Tupu: Growing Homes (Western Bay of Plenty Homelessness Strategy) contacts to reach out for support for the person rough sleeping in the area.
18. Information has been passed on to help ensure the person rough sleeping has access to support services.
19. Council's Bylaw Officer has been visiting the area regularly to check in with the community and monitor the area.
20. Police have, as and when demand allows, been making visits to the area.
21. Council's Safe and Resilient Communities Advisor has been making regular contact with Paul Billingham. On 14 July 2021, Mr Billingham reported a significant improvement. He also noted that other business owners had reported that they were impressed with the change and how rapidly it had been dealt with.



**Potential future actions**

22. Council provides support for a collection of services (the Western BOP Provider Network) to come together and discuss collaborating on services and projects to support those experiencing homelessness. Council also funds the coordinator position for the Kāinga Tupu work programme and has significantly funded projects for the first year of operation.
23. The following are some additional options that Council may wish to investigate:
  - Broadening the scope of the Tauranga Intensive Case Management Group (initiated through Kāinga Tupu, now led by BOPDHB and Police through the 'Navigate' programme). The current scope focuses on supporting people experiencing homelessness who also have complex addictions and/or mental health, **and** a history of recidivist offending. Broadening the scope of this approach would enable a greater number of complex clientele to receive intensive case management between agencies. The current limitation to broadening the scope is staff capacity.
  - Developing an outreach team within Council (or through external provider contract) to undertake community liaison work to respond to community concerns.
  - Developing a city-wide approach instead of a number of separate community action plans. Developing action plans for different neighbourhoods, displaces the issue into another area and ultimately does not reduce or eliminate the issue, and further exacerbates issues of enforcement.

**Legal requirements for a Temporary Alcohol-free area**

24. Clause 8 of Council's Alcohol Control Bylaw 2018 (the Bylaw) allows Council, through publicly notified resolution, to put in place alcohol-free areas for a specific time period and/or event ('temporary alcohol-free area').
25. The Bylaw is enforced by the NZ Police. The Local Government Act provides the enforcement powers to the Police. Council's Bylaw Officers do not have powers to enforce alcohol-free areas.
26. At the 21 June 2021 Council meeting, Council directed staff to investigate the process and conditions for a temporary alcohol ban.
27. The Local Government Act 2002 (the Act) requires that before putting in place an alcohol ban, Council must be satisfied that the following statutory conditions are met:
  - the ban is justified as a reasonable limitation on people's rights and freedoms (section 147A(1)(a));
  - evidence of a high level of crime and disorder that can be shown to have been caused or made worse by alcohol consumption in that same area (section 147A(1)(b)(i)); and
  - the alcohol ban is appropriate and proportionate in the light of that crime and disorder (section 147A(1)(b)(ii)).
28. Before making a decision on a temporary alcohol ban, Council must also comply with the general decision-making requirements under the Act. Section 77(1) requires that all reasonably practical options for the achievement of the objective of a decision are identified, and their advantages and disadvantages are assessed. This could include considering the nature, severity and frequency of alcohol-related crime and disorder, alternative solutions, and whether an alcohol ban would result in displacement of the crime and disorder, or any other associated problems such as litter and people not feeling safe.
29. Under the Bylaw, if a resolution is passed to put in place an alcohol ban, a minimum 14 days public notice shall be given prior to the alcohol ban taking effect. In the past, residents of temporary alcohol-free areas have also been notified directly.



30. Signs would also be required before Police may activate the power of search under the Act. As set out in the Alcohol Control Areas 21 June 2021 report, the indicative estimate for signage and public notification and communications is \$4,000.

### **Consideration of evidence for a Temporary Alcohol-free area**

31. To put in place an alcohol-free area in Twelfth Avenue, Council must be satisfied that there is evidence of a high level of crime and disorder shown to have been caused or made worse by alcohol consumption in the area.
32. Evidence in the form of community feedback, Police data and complaints to Council is set out below for consideration.

#### *Community feedback*

33. Feedback from the Twelfth Avenue community presenting the petitions provided some evidence of crime (break in), but there was no conclusive evidence that this crime was caused by alcohol consumption in the area.
34. There was a strong message that some residents felt threatened and intimidated by the presence of people gathering in the area; *'some people won't go past them as they are very intimidating'*, *'staff felt unsafe and intimidated'*. They also reported (and provided photos) of the litter and mess in the area; *'the mess that is left behind is terrible'*.
35. More recently, the business owner who initiated the petition for an alcohol ban has reported that progress has been made. The resident who initiated the other petition also reported on 22 July 2021 that there was *'no one about at the moment; it has been bliss'*.

#### *Police data*

36. In response to the petition received by Council on 10 May 2021, Western Bay Police compared the temporal and spatial distribution of calls for service and incidents in the Twelfth Avenue area with Brookfield. Brookfield has a permanent 24-hour, seven-day-a-week alcohol ban in place under the current bylaw. Brookfield is the same sized area with a similar use. It has a small shopping centre close to residential areas. The Police reported that; *'whilst there are naturally differences in the jobs attended, the data at the Twelfth Avenue site does not show any major inconsistencies with the compared area'* (Brookfield).
37. The evidence provided by the call out data did not indicate a higher level of crime and disorder in Twelfth Avenue, when compared to a similar area with an existing alcohol ban.
38. It is also important to note that not all the calls for service may be directly attributable to alcohol.
39. Police concluded that *'there is no demonstrable link between alcohol and offending in and around Twelfth Avenue and as a result, Police will not be in a position to support the imposition of a liquor ban in that area'*.
40. More recently Police have reported a small increase in the number of calls for service and incidents in the Twelfth Ave area. This slight increase was expected as residents and business owners have been encouraged to report any concerns and incidents to ensure these can be addressed effectively.
41. Police retain their position, of not supporting an alcohol ban in the area.

#### *Council complaints*

42. Council has received five complaints since March 2021 reporting incidents in Twelfth Avenue. These complaints reported drinking in a public place, rubbish, bags and blankets left on the street and at times, obstruction of entrances and aggressive behaviour.



43. Council's Bylaws Officer responded to four of these reports by visiting the area and asking those drinking to relocate, also asking the owner of the blankets and bags to store them in a tidy pile. The other complaint was regarding threatening aggressive behaviour so the person reporting this was asked to contact the Police directly.

### **Conditions for a Temporary Alcohol Ban**

44. If Council takes the view that the available evidence shows a high level of crime and disorder resulting from alcohol consumption in the area, and that a temporary alcohol ban is the most effective way of addressing this problem, decisions on the conditions of the ban then need to be made:
- Time period for the ban – in accordance with section 147A(1)(b)(ii) of the Act, this must be appropriate and proportionate in the light of the crime and disorder experienced in the area. Council must also be satisfied that the ban is justified as a reasonable limitation on people's rights and freedoms
  - Spatial area of the ban – Attachment A includes 3 possible options. Option 1 proposes the section of Twelfth Avenue where the initial problems were occurring. Option 2 extends this coverage up to Edgumbe Road, and option 3 includes Eleventh and Thirteenth Avenues
45. Based on their experience, Police report that the problems arising from homelessness will move to other parts of the city if a ban is put in place. Therefore, each option is likely to have a corresponding displacement impact and this must be considered when reviewing the options.

### **ANALYSIS**

46. The problems experienced by the Twelfth Avenue community stem from the underlying issue of homelessness.
47. A two-staged response is currently being undertaken. Some actions respond to the problems and some help to support those rough sleeping on Twelfth Avenue.
48. A direct response to the waste and litter problem has been activated so that residents and business owners do not have to deal with this, and it is cleaned up promptly.
49. A greater Police and Council presence in the area is likely to help residents and business owners feel safer. This is linked to more effective communication and reporting channels for ongoing issues and concerns.
50. Council's Safe and Resilient Communities Advisor and Bylaws Officer have engaged with the community, both residents and those rough sleeping in the area. Information on the person rough sleeping has been forwarded to support services.
51. On balance, the staff's assessment of the available evidence is that it fails to meet the legal criteria required for an alcohol ban to be put in place. Implementing a temporary alcohol ban, without meeting the legal requirements, puts Council at risk of being legally challenged.
52. Even if there was sufficient evidence of a high level of crime and disorder, an alcohol ban is not considered the most effective way of addressing the problems. Displacement would occur and the same problems are likely to arise in a different area.
53. It is not possible for Council to address homelessness and all its complexities on its own. However, Council can play an important role in responding to any resulting problems as soon they occur, and continuing to collaborate with support agencies to help ensure people receive support. This has been illustrated by the progress made to date at Twelfth Avenue.



**FINANCIAL AND LEGAL IMPLICATIONS CONSIDERATIONS**

54. The financial and legal considerations are covered in the discussion section above. The indicative costs to put in place a temporary alcohol ban is \$4,000.
55. The key legal risk is a legal challenge to the decision to implement a ban. If this risk was to eventuate there would be associated financial implications. These are unable to be quantified at this point in time due to the unknown nature of any potential legal challenge.



## SIGNIFICANCE AND ENGAGEMENT

56. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
57. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
  - (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
  - (b) any persons who are likely to be particularly affected by, or interested in, the issue; and
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
58. In accordance with the considerations above, the recommendation to receive this report is considered of low significance. However, the underlying issue facing the city (as outlined above) is significant.
59. Taking into consideration the above assessment, that receiving this report is of low significance, officers are of the opinion that no further engagement is required.

## NEXT STEPS

60. Council staff will continue to engage with Twelve Avenue residents, Police and other community support agencies, to monitor the situation and support the community where possible.
61. Council's Safe and Resilient Communities Advisor will continue to follow up on the person who was rough sleeping on Twelve Avenue, by checking in and working with the relevant support agencies.

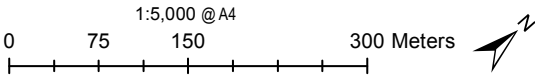
## ATTACHMENTS

1. **Option 1\_Cameron12thDevonport - A12722015** [↓](#) 
2. **Option 2\_Edgecumbe12thDevonport - A12722018** [↓](#) 
3. **Option 3\_13thCameron11th - A12722020** [↓](#) 





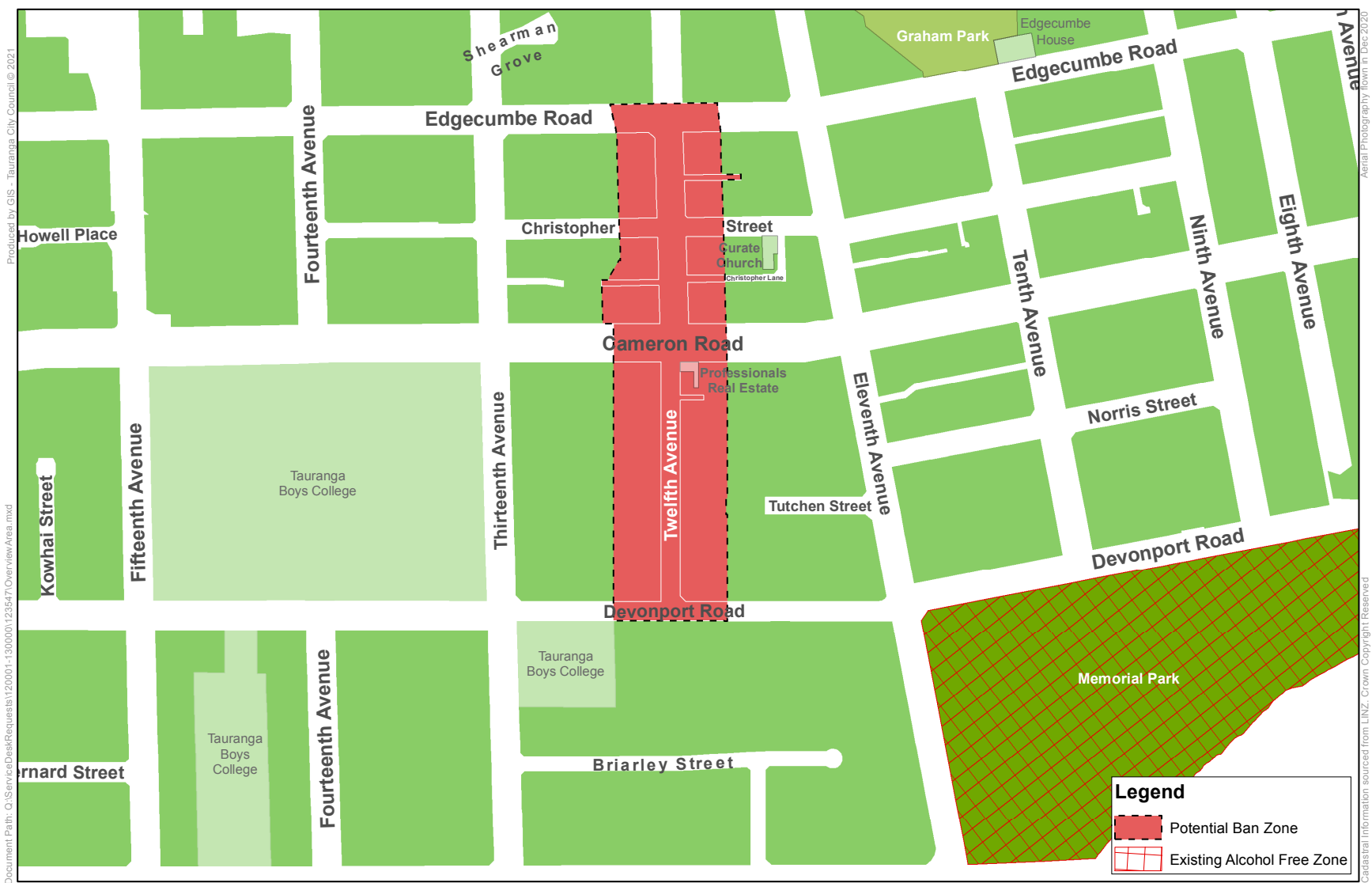
Option 1 - Potential Alcohol Ban:  
Twelfth Avenue  
Cameron Road to Devonport Road



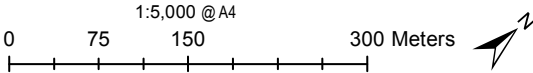
Information shown on this plan is indicative only. The Council accepts no liability for its accuracy and it is your responsibility to ensure that the data contained herein is appropriate and applicable to the end use intended.







**Option 2 - Potential Alcohol Ban:**  
**Twelfth Avenue**  
**Edgumbe Road to Devonport Road**



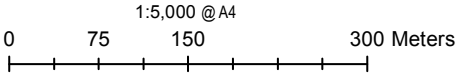
Information shown on this plan is indicative only. The Council accepts no liability for its accuracy and it is your responsibility to ensure that the data contained herein is appropriate and applicable to the end use intended.







**Option 3 - Potential Alcohol Ban:**  
**Eleventh, Twelfth & Thirteenth Avenues**  
Edgecumbe Road to Cameron Road to Devonport Road



Information shown on this plan is indicative only. The Council accepts no liability for its accuracy and it is your responsibility to ensure that the data contained herein is appropriate and applicable to the end use intended.





## **11.2 Council-Controlled Organisations' Final Statements of Intent 2021/2022 to 2023/2024**

**File Number:** A12632815

**Author:** Josephine Meuli, CCO Specialist

**Anne Blakeway, Manager: Community Partnerships**

**Authoriser:** Gareth Wallis, General Manager: Community Services

### **PURPOSE OF THE REPORT**

1. The purpose of this report is to provide the final Statements of Intent 2021/2022 to 2023/2024 for Tauranga City Council's five council-controlled organisations; Bay Venues Limited, Tauranga Art Gallery Trust, Tourism Bay of Plenty, Bay of Plenty Local Authority Shared Services, and Local Government Funding Agency, as required by the Local Government Act (2002).

### **RECOMMENDATIONS**

That the Council:

- (a) Receives the Council-Controlled Organisations' Final Statements of Intent 2021/22 to 2023/24 report.
- (b) Receives and approves Bay Venues Limited's final Statement of Intent 2021/22 to 2023/24 (Attachment 1).
- (c) Receives and approves Tauranga Art Gallery Trust's final Statement of Intent 2021/22 to 2023/24 (Attachment 3).
- (d) Receives and approves Tourism Bay of Plenty's final Statement of Intent 2021/22 to 2023/24 (Attachment 5).
- (e) Notes that Western Bay of Plenty District Council (WBOPDC), as joint shareholder, will receive the final Statement of Intent 2021/22 to 2023/24 for Tourism Bay of Plenty at their Council meeting on 12 August 2021.
- (f) Receives and approves Bay of Plenty Local Authority Shared Services Statement of Intent 2021/2022 to 2023/24 (Attachment 7).
- (g) Receives and approves Local Government Funding Agency Statement of Intent 2021/2022 to 2023/24 (Attachment 9).

### **EXECUTIVE SUMMARY**

2. Bay Venues Limited (BVL), Tauranga Art Gallery Trust (TAGT), Tourism Bay of Plenty (TBOP), Bay of Plenty Local Authority Shared Services Limited (BOPLASS), and the Local Government Funding Agency (LGFA) are council-controlled organisations and as such, are required to prepare a Statement of Intent (SOI) and provide a copy to their shareholder, Tauranga City Council, by 30 June each year.
3. Draft Statements of Intent for BVL, BOPLASS, TAGT, TBOP and LGFA were considered by Council on 12 April 2021 and feedback provided to the boards.
4. After receiving and considering Council's feedback on their draft Statements of Intent, the boards of BVL, TAGT, TBOP, BOPLASS and LGFA have adopted their final Statements of Intent for 2021/2022 to 2023/2024.
5. An analysis of each council-controlled organisation's final Statement of Intent was undertaken, with particular reference to the shareholder feedback provided in April. All five



council-controlled organisations' Statements of Intent meet the statutory requirements as outlined in schedule 8, section 9 of the Local Government Act (2002).

6. Commentary from the boards of BOPLASS and LGFA is provided.
7. The final Statement of Intent for TBOP will be considered by Western Bay of Plenty District Council at their Council Committee meeting on 12 August 2021.

## BACKGROUND

### Consideration of Statements of Intent

8. In accordance with the Local Government Act 2002 (LGA), council-controlled organisations are required to provide their draft Statements of Intent to Council by 1 March each year. This document is intended to cover the next three financial years.
9. Council considered the draft Statements of Intent for BVL, TAGT, TBOP, BOPLASS, and LGFA at a Council meeting on 12 April 2021 and the shareholder's feedback was provided to each council-controlled organisation's board.
10. The shareholder feedback provided is outlined under the individual sections below.
11. The council-controlled organisations are required to consider Council's comments on the draft Statement of Intent prior to submitting their final Statement of Intent by 30 June each year.
12. All entities met the deadline and statutory requirements outlined in schedule 8, section 9 of the Local Governance Act (2002).

### Changes from draft to final Statement of Intent

13. A discussion of the key changes from the draft to final Statement of Intent are outlined in paragraphs 14 to 33 below. The council-controlled organisations have generally updated their Statements of Intent to reflect the feedback from Council.

### Bay Venues Limited (BVL)

14. BVL's final Statement of Intent was received on 6 May 2021. BVL addressed the majority of Council feedback in their final Statement of Intent, including:
  - Participate in regular meetings with TCC to review alignment of BVL's implementation of the TCC set strategic direction for the organisation (Objective 8, page 13).
  - Build relationship between TCC executive and governance structures, and BVL – quarterly meetings to set scene for ongoing collaboration (Objective 8, page 13).
  - Work with Council to review the new Board arrangements within 12 months of establishment (Objective 8, page 13).
  - Participate in working towards a TCC Group and co-branding when promoting any activity, service or facility receiving council funding (Objective 7, page 13).
  - Working with council to position the organisation, and the public perception as an integral part of council's business operations (Objective 7, page 13).
  - Build relationship with mana whenua as the kaitiaki of the land upon which our community facilities are located (Objective 8, page 13).
  - Looking for opportunities to deliver operational efficiencies through shared-service delivery models with Council (Objective 7, page 13).
  - Working with Council to reorganise BVL's finance structure and funding model (Objective 14, page 14).
  - Investigate options around a methodology to report on the empirical evidence on the social and environmental impact that BVL facilities and programmes have on the community (Objective 13, page 14).



- Going to the market to recruit a permanent Chief Executive for the organisation (Objective 9, page 14).
  - Review the Remuneration Strategy to move the organisation towards paying the living wage for all staff (Objective 9, page 14).
15. There is no specific commentary within BVL's final Statement of Intent on the following two requests from Council in their feedback to the draft Statement of Intent:
- (i) Investigate by 30 September 2021 the viability of moving community halls and community centres back under the direct control of Council; and
  - (ii) Investigate options regarding avoidance of competition within the private sector by BVL.
16. However, at the first meeting of the new BVL Board on 5 July, the Board and the Acting Chief Executive drew up an action plan of the recommendations coming out of the strategic review and agreed on timelines and responsibilities. This plan refers to point (i) above as being led by TCC staff, supported by BVL, to be completed by 1 February 2022. Point (ii) above is also included in the plan, to be led by the BVL Executive, supported by BVL and TCC staff, with a date to be confirmed by the Acting Chief Executive.
17. A copy of Council's Shareholder Feedback letter is provided as Attachment 2 and BVL's final Statement of Intent as Attachment 1. Staff are satisfied that the board have responded appropriately to Council's shareholder feedback.

### **Tauranga Art Gallery Trust (TAGT)**

18. TAGT's final Statement of Intent was received on 30 June 2021. TAGT addressed the majority of Council feedback in their final Statement of Intent, including:
- Additional work has been undertaken by TAGT on the Toi Tu Tauranga Strategy 2025, with diversity included as an anchor (page 4).
  - Partnering with tangata whenua as a strategic priority has been included in Strategic Alignment (page 6) and Stakeholder Engagement (page 12):
    - Reflect the unique character and needs of the Tauranga community, visitors and tangata whenua (page 6).
    - TAGT is inclusive and promotes partnerships with tangata whenua, values culture and diversity, and where people of all ages and backgrounds are included, feel safe, connected and healthy.
    - Deliver 12 offsite education outreach visits in the first year (2021-2022).
    - Appropriate and increased use of te reo Māori (as part of Māori engagement strategy) (High).
    - Diverse, skilled and experienced staff (High).
    - Stronger inclusion of te reo Māori throughout the Statement of Intent.
  - Working collaboratively with Tauranga City Council and other council-controlled organisations on the development of a new Statement of Intent template (page 11).
  - Updated financial information (page 18), including removing the Civic Art Collection as an income and updating trustee remuneration to align with the increase from TCC's recent remuneration review.
  - Developing a Social Return of Investment (SROI) assessment and strategy in the non-financial performance framework (page 10), to better calculate economic impact and strategically raise TAGT's Return on Investment (ROI).
19. A copy of Council's Shareholder Feedback letter is provided as Attachment 4 and TAGT's final Statement of Intent as Attachment 3. Staff are satisfied that TAGT has addressed the Commissioners' feedback in its revised final Statement of Intent.



**Tourism Bay of Plenty (TBOP)**

20. TBOP's final Statement of Intent was received on 30 June 2021. TBOP addressed the majority of Council feedback in their final Statement of Intent, including:
- TBOP will work with council on the development of a council-controlled organisations' draft Statement of Intent template and common key performance indicators for the Statement of Intent (section 3.1, page 4.)
  - Identify opportunities to assist with the development of walking and cycling infrastructure planning, and promote walking and cycling experiences in the Western Bay of Plenty (section, 3.2 (8), page 5).
21. It is noted that TBOP still need to amend the TCC level of funding from the \$2,342,721 they have detailed on page 21 of the Statement of Intent, to reflect what is included in the Long-Term Plan, i.e. \$2,342,724.
22. It is also noted that TBOP's final Statement of Intent has revised the Strategic Priorities and Success measures section (pages 13-16), as the initial draft document included measures from 2020:
- External focus areas – economic comparison from May 2020:
    - Total visitor spend YE May 2021: up 18%
    - Domestic visitor spend YE May 2021: up 27%
    - International visitor spend YE May 2021: down 51%
  - Employment comparison from May 2020:
    - Tourism jobs down 759 from 8,209 to 7,450
  - Cultural comparison from May 2020:
    - Four new iwi relationships: total of 11
  - Social – measuring resident sentiment towards tourism:
    - Tauranga residents: down 10% from 76% to 66%
    - Western Bay of Plenty district residents: no change at 72%
    - Whakatane residents: up from 75% to 79%
  - Internal focus areas:
    - TBOP team: employee engagement survey down from 80% to 76%
23. A copy of Council's Shareholder Feedback letter is provided as Attachment 6 and TBOP's final Statement of Intent as Attachment 5.
24. Staff are satisfied that TBOP have incorporated Council's shareholder feedback into the final Statement of Intent document.

**Bay of Plenty Local Authority Share Services (BOPLASS)**

25. BOPLASS's final Statement of Intent was received on 22 June 2021. There are no remarkable changes between the draft and the final document (Attachment 7).
26. Staff were advised that the BOPLASS board approved the final Statement of Intent for circulation to the shareholders on 21 June 2021.
27. The BOPLASS Ltd Statement of Intent for 2021-2024 is now being circulated to councils and following this will be published on the BOPLASS website.
28. The BOPLASS Board acknowledged the support received from this council in the past year and is looking forward to another successful year.
29. A copy of Council's Shareholder Feedback letter is provided as Attachment 8 and BOPLASS's final Statement of Intent as Attachment 7.



**Local Government Funding Agency (LGFA)**

30. LGFA's final Statement of Intent was received on 30 June 2021 and is provided as Attachment 9.
31. The following points regarding LGFA's final Statement of Intent 2021/22 are worth noting, referred to in the LGFA letter to shareholders (Attachment 10):
- The Statement of Intent performance targets are similar to the previous year's target, except for the market share target which has been set at 80% (previous year 85%). The 80% target is consistent with periods prior to last year.
  - There remains some uncertainty within the Statement of Intent forecasts relating to the amount of both councils' borrowings and LGFA bond issuances. These are largely dependent on the timing of councils borrowing.
  - Large borrowing increases are planned by councils in their draft Long-Term Plans and these will be influenced by the ability of councils to deliver on their capital expenditure programmes.
  - Profitability remains strong and is forecast at \$33.8 million over the three-year period.
  - No change to the Dividend Policy and return to shareholders expected at LGFA fixed rate bond cost of funds plus 2.0% over the medium term.

**STRATEGIC / STATUTORY CONTEXT**

32. The Statement of Intent is a key governance and planning document. Engaging with each council-controlled organisation throughout the development of the annual Statement of Intent is one of the ways Council can influence the entity across its work programme.
33. The Statement of Intent development and feedback process is a key way for Council to ensure alignment with its strategic community outcomes.

**FINANCIAL CONSIDERATIONS**

34. Budgets for BVL, TAGT and TBOP, including Tauranga City Council's contributions, are included in the final Statements of Intent.

**LEGAL IMPLICATIONS / RISKS**

35. Each of the council-controlled organisation has met their legislative requirements under the Local Government Act (2002).
36. Council must have strong justification for requiring additional charges to the final Statement of Intent once signed off by the boards.

**CONSULTATION / ENGAGEMENT**

37. It is not required or expected to consult on a Statement of Intent under the Local Government Act.

**SIGNIFICANCE**

38. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
39. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
  - (b) any persons who are likely to be particularly affected by, or interested in, the decision.













(c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

40. In accordance with the considerations above, criteria and thresholds in the Significance and Engagement Policy, it is considered that the decision is of medium significance as the adoption of the Statement of Intent and the activities of council-controlled organisations would have an impact on a sub group of people within the city and it is likely these documents will be of moderate public interest.

## NEXT STEPS

41. The council-controlled organisations will be informed of Council's consideration of this report and of Council's resolutions.
42. Western Bay of Plenty District Council (WBOPDC), as joint shareholder, will receive the final Statement of Intent 2021/22 to 2023/24 for Tourism Bay of Plenty at their Council meeting on 12 August 2021.
43. The Statements of Intent for 2021/2022 to 2023/2024 will be made public via the Tauranga City Council website.

## ATTACHMENTS

1. **BVL final Statement of Intent 2021/2022 to 2023/2024 - A12666192** [↓](#) 
2. **Shareholder feedback to BVL's draft Statement of Intent 2021/2022 to 2023/2024 - A12670694** [↓](#) 
3. **TAGT final Statement of Intent 2021/2022 to 2023/2024 - A12690256** [↓](#) 
4. **Shareholder feedback to TAGT's draft Statement of Intent 2021/2022 to 2023/2024 - A12670720** [↓](#) 
5. **TBOP final Statement of Intent 2021/2022 to 2023/2024 - A12690274** [↓](#) 
6. **Shareholder feedback to TBOP's draft Statement of Intent 2021/2022 to 2023/2024 - A12670678** [↓](#) 
7. **BOPLASS final Statement of Intent 2021/2022 to 2023/2024 - A12690343** [↓](#) 
8. **Shareholder feedback to BOPLASS's draft Statement of Intent 2021/2022 - A12462476** [↓](#) 
9. **LGFA final Statement of Intent 2021/2022 to 2023/2024 - A12690329** [↓](#) 
10. **LGFA Letter to shareholders - A12690328** [↓](#) 





## Bay Venues Ltd: Statement of Inte





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## 1. Foreword

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I have pleasure, on behalf of Bay Venues Limited (BVL), in introducing our Statement of Intent for the 2021/2022 to 2023/2024 period.


As Tauranga City Council's largest Council Controlled Organisation (CCO), BVL play a major role in contributing to the wellbeing of Tauranga City. We are the kaitiaki of community facilities. Our facilities and the experiences we provide, enhance the quality of life for the residents and visitors of Tauranga City.

This statement is presented in accordance with the requirement of Section 64 (i) of the Local Government Act 2002 and incorporates the expectations of Tauranga City Council as outlined in the revised Enduring Statement of Expectations adopted in December 2018 along with the annual Letter of Expectations received on 16<sup>th</sup> December 2020. It outlines BVL's objectives, nature and scope of activities undertaken, and the performance targets by which we will be measured for the year 1 July 2021 to 30 June 2022.

As I write this, I am reflecting on the immense changes the organisation has faced over the last 12 months which were foreshadowed in the previous SOI. Our previous SOI required significant revision following the emergence of COVID 19 on the New Zealand landscape in March 2020 which resulted in the closure of our entire network for 8 weeks in 2020. Since that time, we have refocused to ensure that the organisation was well placed to navigate through the challenging year ahead. I am proud to report that BVL as an organisation has not only survived the challenges of the COVID and widespread facility closures but has thrived. We are now in a stronger position both in terms of our financial outlook and our community outcomes, than we have been in prior years.

It is acknowledged that between the time of submitting this Statement of Intent and the date of it taking effect that there will be a new governance board appointed and its focus in collaboration with Tauranga City Council staff, will be to develop a clearer Statement of Intent with clearer strategic direction and more focussed Key Performance Indicators, in particular in the delivery of identified community outcomes.

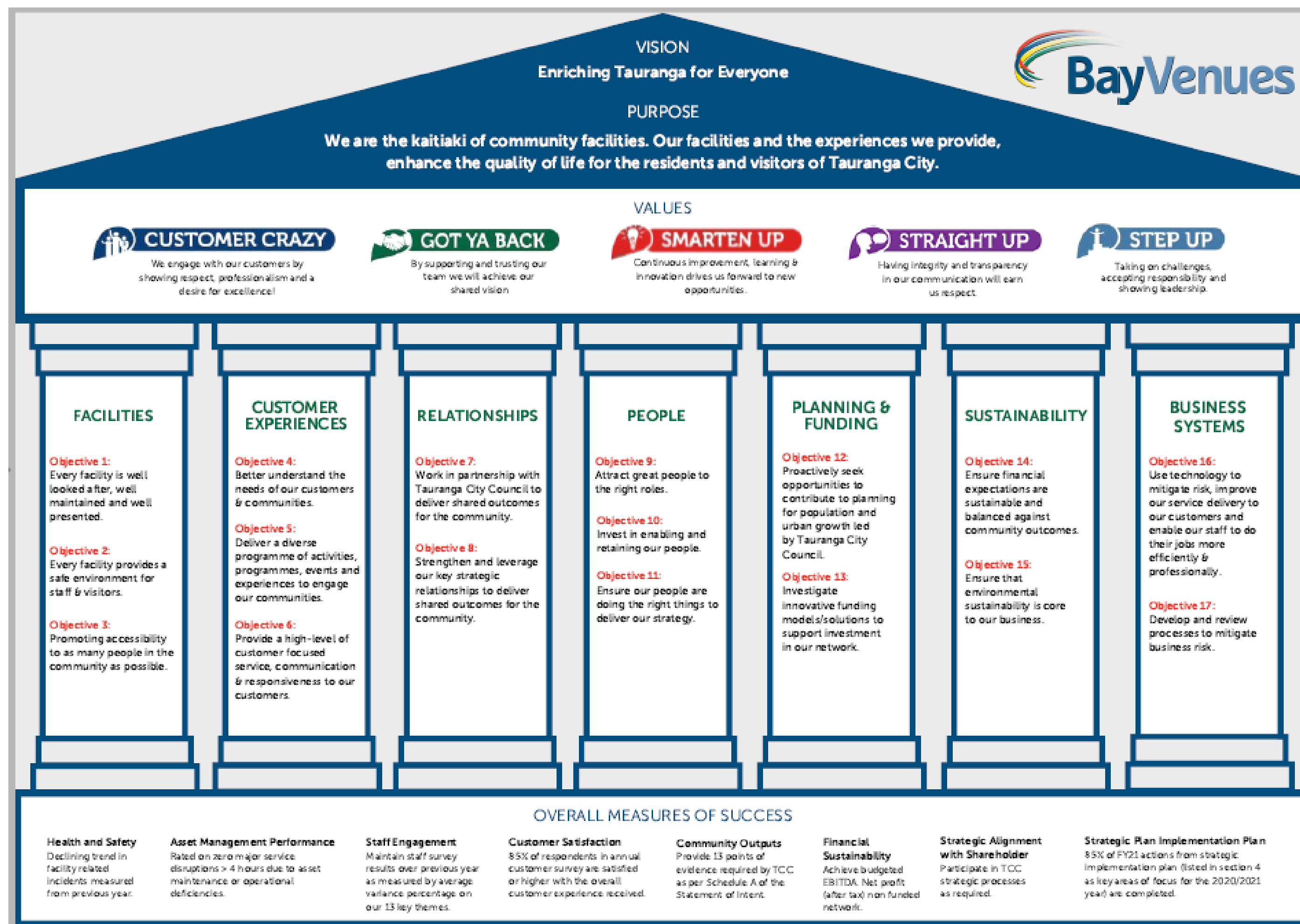
The purpose of this document is to provide some surety and consistency for the organisation until then.



**Michael Smith**  
Chairman  
Bay Venues Limited



## 2. Strategic Vision and Objectives





### 3. Nature and Scope of Activities

BVL's core business is venue ownership and management of facilities and the operation of venue-based businesses, programmes and services.

BVL is also in the business of providing event services and hosting and operating events within its venues.

Assets under BVL management are worth approximately \$125 million.

BVL employs over 355 full time, fixed term, part-time, and casual staff. This equates to 181 full time equivalent staff (FTE).

We welcomed nearly 1.8 million visitors to our facilities in the 2019/2020 year in spite of an eight-week shutdown during the COVID-19 pandemic. This was down from 2.1 million visitors the previous year. We will continue to work hard to welcome both members of our community and visitors to our facilities during the 2021/2022 year.

BVL owns and/or manages twenty-four facilities comprising five aquatic facilities, a Stadium and ancillary buildings at Baypark, one large contemporary multi-purpose recreation and event centre, two indoor sports recreation facilities, three community centres, two community share facilities, eight community halls and a high performance sports training centre.

Aquatic Facilities (5)	Community Halls & Centres (11)	Indoor Sports Facilities (5)	Other (3)
Baywave	Arataki Community Centre	Trustpower Arena	Trustpower Stadium
Mount Hot Pools	Elizabeth St Community Centre	QEYC & Memorial Hall	University of Waikato Adams Centre for High Performance
Greerton Pool	Papamoa Community Centre	Mount Sports Centre	Pavilions
Memorial Pool	Papamoa Sports & Rec Centre	Aquinas Action Centre	
Otumoetai Pool	Bethlehem Hall	Merivale Action Centre	
	Matua Hall		
	Greerton Hall		
	Welcome Bay Hall		
	Tauriko Hall		
	Waipuna Park Pavilion		
	Cliff Rd Building		



## Aquatic Facilities

### Baywave

This is an aquatic and leisure centre, recognized regionally as providing a variety of recreational & leisure, competition, aquatic education, exercise, health & wellbeing activities. The pool complex also boasts a new Aqua Play Station which has three water slides, water guns, a tipping water bucket and lots of water fountains. The configuration of the lap pool also accommodates synchronised swimming, water polo and underwater hockey as well as regional and national aquatic events. The venue is home to a number of water-based sporting clubs/squads.

A number of secondary business units operate within the complex which are complimentary to the overall purpose of the facility:

- Learn to Swim (including water safety lessons)
- Clubfit (health & fitness club)
- Café
- Merchandise

We have also recently completed constructing a 4-bed massage suite within the facility to complement the health, fitness and recreation offerings hosted at Baywave.

### Mount Hot Pools

An iconic and unique hot saltwater facility and world-class tourist attraction, providing rest, relaxation and rejuvenation/rehabilitation for a broad range of visitors. The Mount Hot Pools also provides a number of physical therapy options for the general public including massage therapy, aqua walking and aquarobics.

### Greerton Aquatic & Leisure Centre

An aquatic and leisure centre, providing a variety of fun, safe, well-maintained aquatic and therapy activities for the general public (primarily local). The 18m hydrotherapy pool is popular for rehab and senior adults. Aquatic Evolution Tauranga are anchor tenants of the facility. Other activities which complement the centre include:

- Learn to Swim (including water safety lessons)
- Aqua aerobics
- Clubfit (health & fitness club)

### Memorial Pool

An outdoor seasonal facility with a lap and learners pool, BBQ facilities and green space, providing a safe, clean, maintained environment for families and recreational swimmers to enjoy during the summer months.

### Otumoetai Pool

Otumoetai Pool provides a safe, clean, well-maintained facility servicing the local community, in particular the neighbouring College during school hours and the anchor tenants, Evolution Aquatics Tauranga who are high-users of the facility.



## Indoor Sports and Events Facilities

### Trustpower Stadium Lounge

The Stadium Lounge is a self-contained venue adjoined to the Baypark Stadium offering a secure and private environment to host public and private functions. Suitable for meetings, conferences, gala dinners, school balls, private functions, weddings and small to medium sized trade shows, this venue can comfortably accommodate up to 500 people for dinner or 900 for performances. For major stadium events, this facility offers the client added flexibility for hosting corporate hospitality or pre and post event activities.

### Trustpower Arena

This is a versatile multi-purpose venue with the ability to host any type of event – from community and national sporting fixtures through to trade shows, conferences, gala dinners, corporate hospitality and concerts. The Trustpower Arena is the key sporting venue for indoor sports such as basketball, volleyball, futsal and premier netball. The facility also provides a range of pay for play sports leagues and programmes that service the community. Within the facility is a licensed café providing quality food and beverage service.

### Aquinas Action Centre (Community Share Facility)

Situated on the grounds of Aquinas College, the facility features a single court gymnasium suitable for hosting sport, recreational and cultural activities outside of agreed school access hours.

### Merivale Action Centre (Community Share Facility)

This facility is located on the grounds of Merivale Primary, it features a single court gymnasium suitable for hosting sporting / recreational groups and community activities.

### Mt Maunganui Sports Centre

Located at Blake Park, this facility features a single court gymnasium suitable for hosting sporting and recreational groups, community activities and minor events. The facility is also home to Tauranga City Basketball office.

### Queen Elizabeth Youth Centre (including Memorial Hall)

Located at Memorial Park, this facility provides the City with a multi-court venue suitable for hosting sporting & recreational groups, cultural and community activities. The venue also hosts a variety of regional and national tournament and events. Pay for play sports leagues and centre-run programmes are also provided at this venue.



## Community Halls & Centres

### Arataki Community Centre

This venue provides a high quality, versatile indoor space of varying sizes and flooring as well as equipment, to enable community groups to host their activities. During the weekdays, PlayTime hosts an OSCAR programme at the facility.

### Bethlehem Hall

This venue is primarily used for local community groups to host a variety of activities. Private functions also use this venue.

### Cliff Road Building

This building is not owned by BVL, rather we manage the bookings, repairs and maintenance on behalf of Council. It provides a space for hire and is home to No Compromise Fitness.

### Elizabeth St Community & Arts Centre

This building is not owned by BVL, rather we manage the bookings, repairs and maintenance on behalf of Council. This is a facility for community groups to host a variety of activities. It also provides space for individuals to host private functions.

### Greerton Hall

This is a facility for local community groups to host a variety of activities. It also provides space for individuals to host private functions. Greerton Hall is also used as office space for Greerton Village Mainstreet.

### Matua Hall

This venue provides space for local community groups and individuals to host a variety of activities and private functions. During the weekdays, PlayTime hosts an OSCAR programme at the facility.

### Papamoa Community Centre (at the Library)

This building is not owned by BVL, rather we manage the bookings, repairs and maintenance on behalf of Council. The venue provides a high quality, versatile indoor space of varying sizes and flooring as well as equipment, to enable community groups to host their activities. During the weekdays, PlayTime hosts an OSCAR programme at the facility. The venue also provides visitors with useful information including activities and services available in the community.

### Papamoa Sports & Recreation Centre

Located at Gordon Spratt Reserve, this indoor facility has rooms of varying sizes as well as a range of equipment, to enable community groups to host their activities. There is also a commercial kitchen and licensed bar for groups, businesses and individuals to host functions. During the weekdays, PlayTime hosts an OSCAR programme at the facility.



**Tauriko Hall**

This hall provides space for local community groups to host a variety of activities and provides a venue for individuals to host private functions. During the weekdays, Schools' Out hosts an OSCAR programme at the facility.

**Waipuna Park Pavilion**

This building is not owned by BVL, rather we manage the bookings, repairs and maintenance on behalf of Council. This pavilion is for the users of Waipuna Park to utilise for registrations, after match functions and meetings at no charge. Other community groups can also utilise the facility to host their activities.

**Welcome Bay Hall**

These venues provide space within the local community for community groups to host a variety of activities. They also provide space for individuals to host private functions.

**Other****Trustpower Stadium, Baypark**

This is Tauranga City's only significant outdoor stadium. It has the capacity for crowds of up to 18,000 people inclusive of seated and corporate hosting areas. It features a 480 metre oval clay speedway track and a turf area (inside the track) which fits field sports codes such as rugby or football. The primary activity is Speedway race meetings (15-17 per annum). Trustpower Stadium is also a venue for other events and activities suited to outdoor spaces (Jetboats, drifting and outdoor concerts etc.)

Corporate boxes and a Premium Lounge are also available for businesses to utilise for hosting, functions or meetings.

**University of Waikato Adams Centre for High Performance**

Based at Blake Park opposite Bay Oval, the UoW Adams Centre for High Performance is a world-class facility of over 2,500 m<sup>2</sup> of state-of-the-art facilities including a 652m<sup>2</sup> gym, plunge pools, physiotherapy, massage and rehabilitation rooms, a sport science laboratory with performance testing, research and acclimatisation facilities, meeting rooms, board and conference rooms along with an athletes lounge and kitchen. It caters for a wide range of athletes, high performance organisations, sports science research and athlete medical support services. Current tenants of the Centre include NZ Rugby, BOP Rugby, Body in Motion High Performance Sports and the University of Waikato.

**Pavilions, Baypark**

Three Pavilions are located on the Baypark site – Pavilion One is the home of Impact Gymsport Academy. The second Pavilion is currently used for storage. The third Pavilion is home of BayStation.



## Businesses

BVL operates a number of venue-based businesses including:

### Bay Events

This business unit is primarily responsible for attracting events to BVL facilities. Venue hire, corporate hospitality, signage, corporate boxes, outdoor space hire and event support make up the products and services offered by Bay Events.

### Clubfit

This is made up of two gyms located at Baywave and Greerton Aquatics Centre. Clubfit provides support and fitness programming to members who have access to mid to high level quality equipment.

### Bay Catering

This business unit primarily provides catering services at venues managed by BVL as well as some off-site catering at other venues and events. Bay Catering also operates food and beverage outlets throughout the Trustpower Baypark venue as well as the cafes at Trustpower Arena and Baywave.

Bay Catering is also an approved supplier as part of the Free and Healthy School Lunches for schools within Bay of Plenty and currently delivers nutritious prepared lunches to eight schools in Tauranga and Whakatane, providing around 4,000 lunches per week to tamariki across the region.

### Bay Audio Visual

A sound, lighting and audio-visual equipment and support business unit that provides services primarily at the Trustpower Arena, Trustpower Stadium Lounge, Trustpower Stadium and some external off-site events and venues.

### BayStation

BayStation is located at Baypark and is home to Drift Karts Paintball, Lasertag and Blokarting.

### BaySwim

Bay Venues delivers a quality Learn to Swim programme catering for all ages at Baywave and Greerton Aquatic and Leisure Centres.

In addition, BaySwim also provides Water Safety Education for primary school groups as part of our funded Water Safety NZ's 'Water Safety for Life' programme.

### Sports Leagues

BVL organises sports leagues both at the Trustpower Arena and Queen Elizabeth Youth Centre for indoor netball, fastnet, football, and turbo touch.

### Community Centre-Run Programmes

BVL runs a number of community focused programmes across the network for pre-schoolers, children, youth and adults including the popular Tumble Time, Funky Fundays, Oddball, coaching clinics, sports days, birthday parties, social badminton and more.



**Speedway**

Trustpower Baypark is regarded as one of the best equipped Speedway venues in New Zealand with a fast, wide clay track, a large well serviced pit area, and seating capacity of up to 15,000. A Promoter is contracted to promote and operate Speedway events at Baypark.

**Merchandise**

BVL operates small retail outlets at its aquatics facilities selling swimming apparel and associated products.



## 4. Key Areas of focus for the 2021/2022 year

The key focus areas for FY22 outlined in this section are derived from the following strategic guidance:

1. Enduring Letter of Expectations (attached as schedule 1)
2. Annual Letter of Expectations (attached as schedule 2)
3. Schedule of outcomes and outputs (attached as schedule 3)
4. Shareholder Feedback on the draft Statement of Intent 2021/22 to 2023/24 (As approved 27/4/21 and subsequent recommendations)

Each year Council provides BVL with an operating grant to facilitate the delivery of specific outcomes. The outcomes expected of BVL include business related outputs which apply across all facilities and community related outputs which apply only to the facilities and activities that are considered to have a community focus (the funded network).

These expectations and outputs can be summarised as:

<b>Business Outputs</b>	<b>Community Outputs</b>
Health and Safety	Ensuring accessibility for all
Asset Management	Meeting community needs
Renewals	Maintaining levels of service
Providing a range of programmes and services	

In FY22 as in prior years, we will continue to focus on the delivery of these outputs. These specific expectations, along with the actions and activities that are required to deliver them and the evidence to be provided, are detailed in schedule 3. In addition to the Business As Usual (BAU) activity, to deliver on the outputs in schedule 3, we are also committed to the following key focus areas in FY22.

<b>Strategic Pillar 1</b>	<b>Facilities</b>
<b>Objective 1</b>	<b>Every facility is well looked after, well maintained and well presented.</b>
	<ul style="list-style-type: none"> <li>Implementation of renewals programme across all of our facilities in alignment with TCC timeframes to ensure all facilities are well maintained and well presented.</li> </ul>
<b>Objective 2</b>	<b>Every facility provides a safe environment for staff and visitors</b>
	<ul style="list-style-type: none"> <li>Investigate and implement if appropriate, Safe365 as an occupational health and safety assessment and monitoring tool.</li> </ul>
<b>Objective 3</b>	<b>Promoting accessibility to as many people in the community as possible</b>
	<ul style="list-style-type: none"> <li>Audit major facilities within our network to establish the level of physical accessibility.</li> <li>Review user fees and charges and ensure they are transparent, and changes communicated effectively to all users of the funded network and the wider community.</li> <li>Continue to work with targeted communities and groups to identify opportunities to reduce barriers to encourage participation across diverse social and economic demographic communities.</li> </ul>

12



<b>Strategic Pillar 2</b>	<b>Customer Experiences</b>
<b>Objective 4</b>	<b>Better understand the needs of our customers and communities</b>
	<ul style="list-style-type: none"> <li>Collect user information across the network of facilities to build a profile of users at each site and use this information to drive the development of specific programmes and activities.</li> <li>Survey the wider community i.e. non-users of the facilities, to identify and understand opportunities available to BVL to provide new programmes or activities to increase utilisation and respond to community needs.</li> <li>Continue roll out of phased Digital Transformation Strategy to improve our understanding of our customers and recognise their interactions across all our facilities and services.</li> </ul>
<b>Objective 5</b>	<b>Deliver a diverse programme of activities, programmes, events and experiences to engage our communities</b>
	<ul style="list-style-type: none"> <li>Deliver programmes and activities whose content and price will cater for our diverse Tauranga communities including different life- stages and demographics to encourage participation.</li> <li>Review industry trends and seek out new opportunities to increase utilisation of facilities within the network.</li> </ul>
<b>Objective 6</b>	<b>Provide a high level of customer focussed service, communication and responsiveness to our customers</b>
	<ul style="list-style-type: none"> <li>Implement the digital customer sentiment tool (replacement for annual survey) to provide real-time monitoring of customer satisfaction and feedback.</li> </ul>
<b>Strategic Pillar 3</b>	<b>Building Strategic Partnerships and Relationships to achieve shared outcomes</b>
<b>Objective 7</b>	<b>Work in Partnership with Council to deliver shared outcomes for the community</b>
	<ul style="list-style-type: none"> <li>Work with Council to position the organisation, and the public perception of the organisation as an integral part of Council's business-as-usual operations</li> <li>Actively participate in Tauranga City Council's City Futures Project.</li> <li>Actively participate in the creation of an Events Strategy for Tauranga City.</li> <li>Support Council with the implementation of the approved recommendations from the Strategic Review.</li> <li>Participate in working towards a Tauranga City Council Group and co-branding when promoting any activity, service or facility receiving council funding.</li> <li>Looking for opportunities to deliver operational efficiencies through shared service delivery models with Council.</li> </ul>
<b>Objective 8</b>	<b>Strengthen and leverage our key strategic relationships to deliver shared outcomes for the community</b>
	<ul style="list-style-type: none"> <li>Participate in regular meetings with TCC to review alignment of BVL's implementation of the TCC set strategic direction for the organisation.</li> <li>Build relationship between TCC executive and governance structures and BVL by meeting quarterly to set the scene for ongoing collaboration.</li> <li>Work with Council to review the new Board arrangements within 12 months of establishment.</li> <li>Build relationship with mana whenua as the kaitiaki of the land upon which our community facilities are located.</li> </ul>



<b>Strategic Pillar 4</b>	<b>Enabling People</b>
<b>Objective 9</b>	<b>Attract great people to the right roles</b>
<ul style="list-style-type: none"> <li>Review the Remuneration Strategy to move the organisation towards paying the living wage for all staff.</li> <li>Going to the market to recruit a permanent Chief Executive for the organisation.</li> </ul>	
<b>Objective 10</b>	<b>Invest in enabling and retaining our people</b>
<ul style="list-style-type: none"> <li>Continue to invest in targeted training and development including capability and career pathway mapping.</li> <li>Develop and implement a suitable reward and recognition for high performance and behaviours that align with our values and culture.</li> <li>Continue investment in our systems and processes through the next phases of the Digital Transformation Strategy to provide the right tools to our staff to do their jobs effectively.</li> <li>Demonstrate a commitment towards measuring, developing and improving organisational culture and staff well-being.</li> </ul>	
<b>Objective 11</b>	<b>Ensure our people are doing the right things to deliver our strategy</b>
<ul style="list-style-type: none"> <li>Undertake an organisational review to ensure we have the scale and capacity and have allocated our resources appropriately to deliver our strategic objectives.</li> <li>Develop a cultural awareness training programme for BVL staff to improve their knowledge and understanding of tikanga Maori.</li> </ul>	
<b>Strategic Pillar 5</b>	<b>Planning and Funding future facilities</b>
<b>Objective 12</b>	<b>Proactively seek opportunities to contribute to planning for population and urban growth led by TCC</b>
<ul style="list-style-type: none"> <li>Work with Council to progress the Community Facilities Investment Plan through the LTP.</li> </ul>	
<b>Objective 13</b>	<b>Investigate innovative funding models to support investment in our network</b>
<ul style="list-style-type: none"> <li>Investigate alternative organisation structures to successfully apply for external grant funding to progress programme and facility opportunities.</li> <li>Investigate options around a methodology to report on the empirical evidence on the social and environmental impact that BVL facilities and programmes have on the community.</li> </ul>	
<b>Strategic Pillar 6</b>	<b>Ensure Sustainability</b>
<b>Objective 14</b>	<b>Ensure financial expectations are sustainable and balanced against community outcomes</b>
<ul style="list-style-type: none"> <li>Working with Council to reorganise BVL's finance structure and funding model.</li> <li>Identify and prioritise opportunities to support/grow sustainable revenue streams without impacting on community outcomes.</li> </ul>	
<b>Objective 15</b>	<b>Ensure that environmental sustainability is core to our business</b>
<ul style="list-style-type: none"> <li>Resource and support organisational wide initiatives to achieve KPIs around reduction in waste and achieving energy efficiencies aligning with Climate Change Response (Zero Carbon) Amendment Act 2019 legislation.</li> </ul>	



<b>Strategic Pillar 7</b>	<b>Business Systems</b>
<b>Objective 16</b>	<b>Use technology to mitigate risk, improve customer service and enable staff to do their jobs more efficiently and professionally</b>
	<ul style="list-style-type: none"><li>• Implement our Digital Transformation Strategy and FY22 Roadmap</li></ul>
<b>Objective 17</b>	<b>Develop and review processes to mitigate business risk</b>
	<ul style="list-style-type: none"><li>• Develop Crisis Management Plans aligned to top organisational risks.</li><li>• Commitment to continual improvement to business systems to mitigate organisational risks and create efficiencies.</li></ul>



## 5. Performance Measures

### a. Balanced Scorecard

Activity	Target	Weighting
Health and Safety	Declining trend in facility related incidents measured from previous year.	10%
Asset Management Performance	Rated on zero major service disruptions > 4 hours due to asset maintenance or operational deficiencies	10%
Staff Engagement	Improve staff survey results over previous year as measured by average variance percentage across all key themes surveyed.	10%
Customer Satisfaction	85% of respondents in customer survey(s) are satisfied or higher with the overall customer experience received.	20%
Community Outputs	Provide 13 points of evidence required by TCC as per Schedule 3 (Attached).	20%
Financial Sustainability	Achieve Budgeted EBITDA	10%
	Non-funded network achieves positive result at NPBT (net profit before tax) level to help subsidise the funded network	10%
Strategic Plan Implementation Plan	85% of FY22 actions from strategic implementation plan (listed in section 4 as key areas of focus for the 2021/2022 year) are completed.	10%



## b. Financial

Bay Venues Ltd Profit & Loss (000's)	Budget 20/21	Forecast 20/21	Budget 21/22	Draft Budget 22/23	Draft Budget 23/24
	Total	Total	Total	Total	Total
<b>Revenue</b>					
User Fees and Charges	14,512	19,178	21,344	22,411	23,532
TCC Community Outcome Subsidy	2,917	2,887	2,988	3,048	3,109
<b>Total Revenue</b>	<b>17,429</b>	<b>22,065</b>	<b>24,332</b>	<b>25,459</b>	<b>26,641</b>
Less Total expenditure before interest and Depreciation	18,885	21,503	24,331	25,061	25,813
<b>EBITDA Profit/(Loss)</b>	<b>(1,457)</b>	<b>562</b>	<b>1</b>	<b>398</b>	<b>828</b>
BVL Funded Depreciation	616	616	677	877	813
BVL funded Debt Servicing	430	414	621	659	724
<b>Suplus/(Deficit) - after BVL capital costs</b>	<b>(2,503)</b>	<b>(467)</b>	<b>(1,296)</b>	<b>(1,138)</b>	<b>(710)</b>
Add back: Adjustments for funding					
Renewals Grant	5,823	3,995	4,954	5,098	5,563
Debt Servicing Grant	550	550	550	550	550
Debt Retirement Grant	735	735	735	735	735
Less: Other Depn and debt servicing					
Depreciation	6,148	5,959	6,424	6,653	6,883
Debt Servicing	550	550	550	550	550
<b>Net Suplus/(Deficit)</b>	<b>(2,092)</b>	<b>(1,696)</b>	<b>(2,031)</b>	<b>(2,692)</b>	<b>(2,030)</b>

It is noted that compensation from local authority (section 15 of this SOI) is likely to change once the required additional rates funding, including the amount of community subsidy not currently being funded to BVL, has been confirmed by TCC staff in the Long-term Plan 2021-31 and will have impact on this budget.



### c. Reporting

BVL is committed to considering Council's strategic priorities and objectives. BVL will endeavour to respond promptly and appropriately on issues raised by Council.

BVL will provide Council with the following information:

#### i. Statement of Intent (SOI)

Provide Council with a draft SOI by 1 March 2021 and a final SOI by 30 June 2021

#### ii. Annual Report

Provide an Annual Report to Council within two months after the end of the financial year. This will comply with section 68 of the Local Government Act 2002 and include the following:

- a. Board report including summary of the financial results, a report of the operations, a comparison of performance in relation to objectives and any recommendation as to dividend;
- b. Audited financial statements for the financial year in respect of the Company, and;
- c. The Auditor's report on:
  - i. Those financial statements; and
  - ii. The performance targets and other measures by which performance has been judged in relation to the objectives.
- d. The audited financial statements shall consist of:
  - i. Statement of Financial Position; and
  - ii. Statement of Comprehensive Income; and
  - iii. Statement of Movements in Equity; and
  - iv. Statement of Cashflows; and
  - v. Disclosure of Related Party Transactions; and
  - vi. Notes to the Financial Statements; and
  - vii. Such other statements as may be necessary to fairly reflect the financial position of the Company and its subsidiaries, the resources available to the Company and its subsidiaries and the financial results of the operations of the Company and its subsidiaries.

The annual report is to be presented in the format prescribed by TCC to enable consolidation into the Group.

#### iii. Half-Year Report

Within two months after the end of the first six months of each financial year, BVL will provide Council with a report of performance against the SOI including the following unaudited financial statements:

- a. Statement of Comprehensive Income;
- b. Statement of Financial Position;
- c. Report on non-financial KPI's year to date;
- d. A commentary on performance year to date;
- e. A commentary on expected performance for the next 6 months.



**iv. Quarterly Meetings**

The Board of BVL will meet with representatives of the TCC governance body quarterly in a confidential, informal workshop setting to discuss and review issues of common interest.

**v. Half Yearly Governance to Governance Meeting**

The Board of BVL will meet with the full Tauranga City Council Commission every six months in a confidential, informal session to discuss and review any issues of common interest.

**vi. Half Yearly Commission Chair & CEO to Chair & CEO Meeting**

The Commission Chair and CEO of TCC will meet with the BVL Chair and CEO every six months, three months before or after the Governance to Governance meeting, to discuss and review any issues of common interest.

**vii. No Surprises**

Notwithstanding the reporting requirements the Board will operate on a 'no' surprises' basis to ensure that TCC is appraised as soon as is practicable, of any event or the possibility of an adverse effect of an economic social or political nature.

## **6. The Board's Approach to the Governance of BVL**

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The Directors of BVL are responsible for the stewardship and future well-being of the organisation. Directors exercise leadership, enterprise, integrity and judgement in directing the organisation so as to provide assurance of its continuing and lasting prosperity and effectiveness.

In discharging their responsibilities, Directors have a duty to act in the best interest of BVL as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations. Directors' first duty and loyalty must be to the legal entity defined in the BVL Constitution consistent with 1.3.1 of the Companies Act.

More detailed obligations in relation to both the Directors obligations to BVL and TCC's obligations to BVL are outlined in the Enduring Statement of Expectations (ESE).

## **7. Board Performance Reviews**

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A Board led bi-annual review will be undertaken in July 2023 by an independent entity, with results reported to Council. This review will be conducted within the Institute of Directors (IoD) "Better Boards" programme providing comparative data to prior reviews by IoD.

The report will provide assessment on the Board's performance within:

- Chair and Individual Director effectiveness.
- Board policies and procedures/effectiveness.
- Overall Board effectiveness, dynamics and connectivity to Stakeholder and Community.



## 8. Ratio of Consolidated Funds

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In November 2014 Council resolved that an appropriate starting debt equity ratio of 20:80 is appropriate for BVL but the ratio may change up to 25:75. This ratio is calculated as: Debt to Equity Ratio = Total Debt / Total Equity.

## 9. Estimate of Commercial Value

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The Board estimate that the commercial value of the TCC's investment in BVL is represented by the net assets of BVL. This value is calculated from total assets less liabilities.

## 10. Accounting Policies & Other Compliance

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Financial statements will be prepared in accordance with generally accepted accounting practice (GAAP), NZ International Financial Reporting Standards, Companies Act 1993, Local Government Act 2002 and Financial Reporting Act 1993.

## 11. Dividend Policy

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Any retained surpluses over \$250,000 (nett after depreciation and interest) must be approved by Council unless otherwise agreed or prevented due to legal requirements.

Council may decide to reinvest part or all of the surplus into BVL if BVL establishes a compelling investment proposal and/or using such option to retire debt

In determining funds that are 'surplus', Council will consider the operating result against budget including the accounting surplus, the underlying cash surplus, and surpluses generated from particular activities.

## 12. Procedures for Acquisition of Other interests

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Pursuant to the Constitution, BVL will only invest in the shares of a new or existing company or organisation with the prior approval of Council. Where the Board consider the size of the acquisition warrants it, they will have due diligence carried out prior to any binding agreement being made.

## 13. Other Matters Agreed as Between the Directorate and the Shareholders

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BVL shall enter into where necessary, such agreements with TCC giving effect to any restrictions, requirements and obligations required by TCC.



## 14. Transactions between Related Parties

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Transactions between TCC and BVL will be conducted on a commercial basis (fair and reasonable) and if appropriate contestable basis.

Other related party transactions will be on a commercial basis and in accordance with BVL's procurement policy.

## 15. Compensation from Local Authority

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Compensation for any services provided to the Council has been agreed as per the revised Enduring Statement of Expectations and the Letter of Expectations.

Council provide BVL with an operating grant of \$2.887m, which increases annually with CPI. Council's operating grant to BVL helps deliver:

- Business related outputs, which apply across all facilities
- Community related outputs which apply only to the facilities and activities that are considered to have a community focus (the funded network).

The outputs expected of BVL are detailed in section 4 of the ESE.

In return for the operating grant, the Schedule of Outcomes and Outputs detailed in, schedule 3, provides further details of the actions and activities to be completed along with the evidence to be provided.



## **Schedule 1 – Ensuring Statement of Expectations**





## Enduring Statement of Expectations for Bay Venues Ltd

### 1. Introduction

This document applies to Bay Venues Ltd (BVL) as a council-controlled organisation (CCO) of Tauranga City Council (TCC). It is designed to help the BVL Board operate efficiently in its role and to clarify its responsibilities. It outlines the shareholder's enduring expectations of the BVL Board in relation to matters which are unlikely to change from year to year, such as the role and purpose of the Board, governance and funding principles.

This lead document is intended to complement the Letter of Expectation (LOE), which outlines specific annual expectations of BVL, and is reflected in the Statement of Intent (SOI).

It should be read with due consideration to all relevant TCC Policies and Plans, as well as all relevant legislation and amendments, including:

- [Companies Act 1993](#)
- [Local Government Act 2002](#), including [section 4](#) referring to the Treaty of Waitangi
- [Health and Safety at Work Act 2015](#)
- [Resource Management Act \(1991\)](#) and all relevant amendments.

The document will be updated periodically as processes, policies and shareholder's expectations change. It is available on Tauranga City Council's website.

### 2. Interpretation

Throughout this document, the term 'the Council' or 'Council' is intended to mean the governance body of Tauranga City Council. Council management and staff are specifically referenced where intended.

In the case of any doubt regarding the interpretation of any aspect of this document, BVL should consult with Council's CCO Manager in the first instance.

### 3. The purpose of BVL

#### 3.1. BVL as a CCO

BVL was established as a CCO entity as per [Section 6\(1\) of the Local Government Act 2002](#) (LGA), with Tauranga City Council as 100% shareholder.

As a CCO, BVL is required to operate in a financially prudent manner and is intended to produce an operating surplus (adjusted for depreciation funding and renewals grants paid by TCC).

BVL's purpose as a whole is to provide a service to the community on behalf of Council rather than to operate a business for profit (which would make it a council-controlled trading organisation (CCTO)).



It is recognised that BVL as an organisation consists of numerous different facilities and activities, which have differing degrees of commercial and community focus.

It is expected that the operating surplus (adjusted for depreciation funding and renewals grants paid by TCC) generated by the more commercially focused activities in the BVL network will go some way towards offsetting the potential deficit generated by the community activities.

### 3.2. Purpose of BVL

BVL exists to care for and optimise community facilities to create value for Tauranga City and enhance the quality of life of its people, now and into the future.

Consistent with the [Funding Needs Analysis](#) for the Parks and Recreation activity in Council's Revenue and Financing Policy (*Appendix B*), the purpose of BVL is to provide, on behalf of Tauranga City Council, recreation amenities for the use and enjoyment of residents and visitors.

### 3.3. Strategic setting

Council is committed to enhancing community wellbeing and increasing the quality of life for Tauranga residents, in order to provide a higher standard of living for all.

BVL's strategic direction shall be set with due consideration to Council's aspirations and strategic drivers. Council's key strategic drivers are:

- Accessibility for all
- More people, more active, more often
- Community responsiveness and identity
- Customer engagement, and satisfaction
- Safe and well-maintained facilities
- Maintain levels of service
- Managing growth within existing facilities and provide input into TCC's strategies for managing city wide growth.

*See schedule of outcomes in BVL's annual Letter of Expectations for further clarity on key outcomes.*

## 4. Principles of the Enduring Statement of Expectations

### 4.1 Expected Outputs from BVL

Council's operating grant to BVL helps deliver:

- Business related outputs, which apply across all facilities
- Community related outputs which apply only to the facilities and activities that are considered to have a community focus.

Business Outputs	Community Outputs
Health and Safety	Ensuring accessibility for all
Asset management	Meeting community needs
Renewals	Maintaining levels of service
Providing a range of programmes and services	

The community outputs only apply to the Funded Facility Networks listed in Table 1 below, which include four 'Network Types' – Aquatics, Community Centres, Community Halls and Community Courts .



Table 1 – Funded and Non-Funded Facilities and Activities, as related to ESE principles

Business Outputs Apply	
Community Outputs Apply	
Funded Networks	Non-Funded Networks
<b>Community Aquatic Network</b> <ul style="list-style-type: none"> <li>• Baywave pool</li> <li>• Greerton pool</li> <li>• Otumoetai pool</li> <li>• Memorial pool</li> </ul> <b>Community Centre Network</b> <ul style="list-style-type: none"> <li>• Arataki Community Centre</li> <li>• Papamoa Community Centre</li> <li>• Papamoa Sport and Recreation Centre</li> </ul> <b>Community Hall Network</b> <ul style="list-style-type: none"> <li>• Greerton Hall</li> <li>• Bethlehem Hall</li> <li>• Tauriko Hall</li> <li>• Welcome Bay Hall</li> <li>• Matua Hall</li> <li>• Waipuna Pavilion</li> <li>• Elizabeth Community Centre</li> <li>• The Cliff Road Building</li> </ul> <b>Community Indoor Sports Network</b> <ul style="list-style-type: none"> <li>• Queen Elizabeth Youth Centre (and Memorial Hall)</li> <li>• Mount Sports Centre</li> <li>• Merivale Action Centre</li> <li>• Aquinas Action Centre</li> <li>• ASB Arena - 6 court</li> </ul>	<b>Aquatic Network</b> <ul style="list-style-type: none"> <li>• Mount Hotpools</li> </ul> <b>Programmes Network</b> <ul style="list-style-type: none"> <li>• BaySwim</li> <li>• BayKids OSCAR programmes</li> <li>• Sports Leagues and Centre Run Programmes</li> <li>• Little Splashes Childcare</li> </ul> <b>Indoor Sports Network</b> <ul style="list-style-type: none"> <li>• The UOW Adams Centre of High Performance</li> <li>• Baypark Arena - 3 Court</li> <li>• Clubfit</li> </ul> <b>Events Network</b> <ul style="list-style-type: none"> <li>• Baypark Arena Suites</li> <li>• Baypark Stadium, Lounge, Pavilions &amp; Fields at Baypark</li> <li>• Bay Catering</li> <li>• Bay AV</li> <li>• Bay Events</li> <li>• BayStation</li> </ul>

#### 4.1.1 Council's expectations of BVL's community outputs

Maintaining and enhancing accessibility for all is the predominant strategic driver of the ESE and can be achieved through the two core deliverables described below:

##### (a) Maintaining and enhancing community access

BVL is expected to maintain and enhance community access and ensure awareness of, and the ability to be responsive to changing community needs. In order to contribute to a vibrant city BVL will provide accessible opportunities for our diverse population to participate in activities that; encourages them to be more physically active, fosters increased well-being and positive experiences, and promotes and encourages community cohesion and identity within our Community Facilities.

##### (b) Maintaining levels of service

BVL is expected to maintain the levels of service currently provided across the network of Facilities. BVL is expected to achieve this by monitoring the following areas to ensure existing infrastructure is fit for purpose now and in the future:



- high levels of community and customer satisfaction,
- that all BVL facilities are safe, welcoming, and well looked after, and
- that the management of the facilities is conducted in line with best practice.

#### **4.1.2 Council's expectations of BVL's business outputs**

**In general, BVL is expected to operate its business in an effective and efficient manner. This means:**

- Providing key services which deliver value to the customer/ratepayer.
- Managing and investing in assets in a way that maintains and enhances them into the future.
- Operating in an entrepreneurial manner, i.e. results-focused, demonstrating proactive leadership and a preparedness to take sensible levels of risk relative to the nature of the entity).
- Operating in a manner which does not fiscally disadvantage the Council.
- Generating an ongoing decrease (when calculated on a per user basis) in the overall ratepayer contribution to the BVL funded network.
- Reporting to Council in a timely and transparent manner that ensures no surprises.

**In addition to these general expectations, Council has more specific expectations of BVL in relation to the following business outputs:**

##### **(a) Health and Safety**

- All facilities across both the funded and non-funded network are operated in a safe environment for all workers, contractors, visitors and users at all times.
- A health and safety management system is implemented that has effective processes to manage health and safety and maintain a high safety standard in the workplace.

##### **(b) Asset management**

- An effective Asset Management Plan (AMP) is in place to ensure that assets are managed and maintained to a high level.
- The AMP identifies effective process to ensure all repairs, maintenance and renewals are well planned and resourced appropriately and budgets are approved and adhered to.
- All Asset information is entered accurately and maintained in the Accela Asset Management System.
- All new major capital projects are completed on time and within budget.

##### **(c) Programmes and services**

- An appropriate and diverse range of activities, programmes, events and experiences is provided throughout the funded and non-funded network to respond to community needs.
- Programmes and activities are innovative, reflect local community needs, and respond to national and international trends in sport, recreation/leisure and aquatic industries.
- Programmes and activities cater for our diverse Tauranga communities including different life-stages and demographics to encourage participation.

##### **(d) Planning for recreation and leisure facilities to cater for a growing City**

- Council will provide opportunities for BVL to actively contribute their expertise and knowledge of the sport, recreation, leisure and aquatics industries in planning for population and urban growth led by TCC.

## **5. Relationship with Council**

### **5.1. No surprises approach**

BVL must be mindful that Council is accountable to a wider audience and that the affairs of BVL, positive and negative, can impact on Council. It is expected that BVL will keep Council advised of any issues that may generate public interest - this is referred to as the 'no surprises' approach.



A failure to keep Council informed on significant issues at appropriate times will be viewed as a governance failure.

Council expects BVL to:

- Present a unified front on issues that affect both Council and BVL. Where BVL and Council have divergent opinions on an issue, the expectation is that both parties will work together to find common ground before the issue enters the public arena.
- Be aware that the Council has interests that are wider than those of BVL.
- Be cognisant of wider Council policy issues as part of their decision-making.
- Be aware of the potential implications of BVL-specific issues on the Council and/or its balance sheet.
- Be cognisant of demand for accountability and transparency placed on councillors from residents and ratepayers of Tauranga.
- Ensure that Council is informed in a timely manner of any issue that may generate significant public interest, as it unfolds. Likewise, Council commits to ensuring issues relating to BVL are communicated with BVL staff and governance (as appropriate) in a timely manner and before issues enter the public arena.

## 5.2. Specific principles of good governance

The following principles are required for a strong governance relationship between Council and BVL:

- i. **Leadership** – Council is responsible for clearly and proactively setting strategic direction for the City and communicating how BVL is expected to give effect and contribute to these strategic aspirations via the Letter of Expectation and other mechanisms. While BVL should show leadership in their area of expertise, this must be consistent with Council expectations and obligations.
- ii. **Community focus** – BVL directors must ensure they behave in a manner that is consistent with having a community focus and require the same from their executives. This requires them to be cognisant that the facilities are ultimately owned by Council and to ensure opportunities are provided for facility users to engage with BVL.
- iii. **Empowerment** – BVL directors must be empowered to fulfil their statutory, constitutional, LOE and SOI responsibilities. If they are unnecessarily constrained, they cannot fulfil their obligations and are unable to ‘add value’.
- iv. **Compliance** – BVL directors must be aware of their duty to comply with legislative obligations, including but not limited to the Companies Act (1993), the Local Government Act (2002), the Health & Safety at Work Act (2015) and the Resource Management Act (1991) and all relevant amendments.
- v. **Accountability** – BVL directors are accountable for meeting the objectives of its shareholders (Council) as specified in the SOI, being a good employer, and exhibiting a sense of social and environmental responsibility. Their decision making must recognise and reflect that Council is held to account by the public for its use of ratepayer funding and for their stewardship of Council owned assets.
- vi. **Transparency** – Transparency requires a high level of visibility to ensure that funding has been used for intended public-good outcomes. This is particularly important for CCOs undertaking a mix of commercial and publicly funded activities.
- vii. **Trust** - Productive relationships also require a culture of cooperation and trust. The ‘no surprises’ approach is a critical part of this, and ensures that BVL and the Council keep each other informed before matters are in the public arena.



### 5.3. Reporting and communication obligations

Engagement with Council means more than regular reporting – it means two-way dialogue and a commitment to considering Council's strategic priorities and objectives and responding promptly and appropriately on issues raised by Council.

Council's expectations around regular reporting include:

- Quarterly governance meetings between the BVL Board and Council to assess progress against financial and non-financial targets.
- Regular meetings with operational management/staff at least quarterly.
- Other meetings as required to meet financial and non-financial reporting obligations under the Local Government Act, Securities Act and any other relevant legislation or regulation.
- Other meetings as required to ensure the 'no surprises' approach is effective.

## 6. Roles and responsibilities

### 6.1. Role of the Council

The role of the Council as shareholder is to set expectations and monitor the performance of its CCOs under the relevant legislation. Performance is monitored against the SOI and Long Term Plan (LTP) measures and targets.

However, the Council has further obligations to ensure the prudent and transparent use of public money and the protection of public assets managed and/or owned by BVL. These obligations can require a level of scrutiny beyond a relatively high-level SOI and retrospective performance monitoring.

In practice, Council's responsibilities include:

- Appointing and removing BVL directors (including chair and deputy chair).
- Approving the medium to long-term strategic direction for BVL.
- Developing the short-term annual priorities through the LOE.
- Commenting on the content of draft SOIs to ensure Council's expectations are reflected
- Approving the SOI.
- Receiving half-yearly and annual reports.
- Monitoring Board performance and taking remedial steps when necessary.
- Developing and communicating the Council's strategies and plans.
- Consulting with the BVL Board as issues arise.
- Making decisions as shareholder.
- Ensuring collaborative and transparent working relationships with BVL.
- Ensuring the prudent use of public money.
- Protecting public assets managed and owned by BVL.
- Setting policy relating to BVL governance.
- Ensuring BVL does not make decisions that could have significant adverse implications for future Council funding.

### 6.2 Role of the BVL Board

Under the LGA 2002, the role of a director of a CCO is to assist the organisation to meet its objectives and any other requirements in its SOI. The principal objectives of a CCO are also specified in the Act. These are to achieve the objectives of its shareholders as specified in the SOI, to be a good employer, and to exhibit a sense of social and environmental responsibility.



In practice, the Board's responsibilities include:

- Ensuring the SOI reflects Council's expectations and obligations.
- Providing Council with a draft SOI by 1 March and the final SOI by 30 June each year.
- Providing a half-yearly report to Council within two months of first half of the financial year.
- Providing an audited Annual Report to Council within three months of the end of the financial year.
- Ensuring the Annual Report is made available to the public on the BVL website, with a hard copy available to any member of the public upon request.
- Acting in accordance with the BVL constitution.
- Complying with the Companies Act obligations, including acting with honesty, good faith and in the best interests of the company, and exercising care, diligence and skill.
- Managing risk and keeping Council informed of significant risks and the approach to managing them.
- Preparing business cases for the acquisition of, change to, or de-acquisition of, an asset.
- Preparing business cases for any new initiative or project, or for changes to levels of service.
- Providing robust business cases to Council including, where appropriate, rigorous independent analysis and expert advice.
- Ensuring Council is provided with all necessary information in a timely manner to ensure Council planning processes can be completed.
- Oversight of BVL's operations.
- Appointment, evaluation and if necessary employment or termination of its CEO.
- Ensuring BVL acts as a good employer.
- Ensuring BVL exhibits a sense of social and environmental responsibility.
- Ensuring compliance with all Health and Safety legislative requirements, including the Companies Act (1993), the Local Government Act (2002), the Health & Safety at Work Act (2015) and the Resource Management Act (1991) and all relevant amendments.
- Preparation and 3 yearly updating of Asset Management Plans and ensuring that this process includes peer review by Council staff.
- Ensuring directors' expenditure reflects the prudent and transparent management of public funds.

## 7. Decision making guidelines

Clear allocation of responsibility for decision-making was one of the motivations for creating the original Enduring Statement of Expectations and continues to be important.

Table 2 provides some high level guidance. Decisions in the top part of the table are clearly Council decisions, although BVL input or advice may be appropriate. Decisions in the bottom part of the table are clearly business decisions made by BVL, although the 'no surprises' approach applies as these can affect Council policy, or have political implications for Council.

Good communication and a culture of trust should minimise issues arising with these types of decisions. As Council adopts various plans and strategies, it should consider the implications of these for BVL.

Responsibility for decisions in the middle shaded area can be more contentious. The funding section of this guide deals with the first two of these, i.e. who makes decisions about undertaking new projects and under what circumstances should BVL be able to reprioritise their use of funding.

One type of decision with the potential to cause debate is non-commercial pricing decisions. For example, entry prices for many community facilities are publicly subsidised. The level of funding provided to BVL reflects the Council's expectation about prices.



Pricing changes for services involving public subsidy must be negotiated with Council as part of the annual funding negotiations and Council shall retain the right to approve the final decision.

Table 2: Decision making guidelines

Type of Decision	Council or BVL Board
Sale of community assets of significant value	<b>Council</b> decisions - Board provides advice and input
Determining BVL's contribution to Council's strategic outcomes	
Major transactions/decisions by BVL requiring shareholder approval (triggered by Council's Significance & Engagement Policy – see point 8 for more details)	
Level of funding provided to BVL	
Business decisions not consistent with Council policy	
More than minor reductions in Levels of Service	
New projects by BVL	<b>Board</b> initiates but requires <b>Council</b> approval after consideration of investment proposal if over funding reallocation thresholds (see funding section)
Re-allocation of funding	<b>Board</b> decision within funding reallocation thresholds (see funding section) <b>Council</b> decision outside of funding reallocation thresholds
Minor <sup>1</sup> reductions to Levels of Service and increases to Levels of Service	<b>Board</b> decision within funding thresholds (see funding section) however <b>Board</b> must give <b>Council</b> at least one month notice of LOS change prior to public awareness of the LOS change. <b>Council</b> decision outside of funding thresholds
Pricing decisions related to the funded network.	<b>Board</b> decision if proposed fee increase is less than or equal to CPI <b>Council</b> decision if proposed fee increase is greater than CPI
Organisational strategy (giving effect to Council strategy)	<b>Board</b> decision subject to funding provided by Council
Approving Asset Management Plans	AMPs must fulfil Council requirements and may be subject to independent review
Development and implementation of Risk Management strategy	<b>Board/management</b> decision but level of risk regarding ratepayer funding is set by Council
Operational and business decisions consistent with Council policy including detailed business plans for capital projects and implementation of funded programmes.	<b>Board/management</b> decision but keep Council informed under 'no surprises' approach.
Pricing decisions related to the non-funded network.	<b>Board/management</b> decision

<sup>1</sup> In this context 'minor' means short term and affecting a small number of the public.



Finally, the BVL SOI should contain a set of criteria to guide the Board as to the types of decisions that may require shareholder approval. These criteria are to be based on the Council's Significance & Engagement Policy and the guidance contained in this document.

The intent of this alignment is to ensure that decisions considered 'significant' by Council, potentially requiring public consultation, cannot be made by a CCO with a lesser degree of rigour. However, these criteria more properly define decisions requiring shareholder engagement, not necessarily shareholder approval. Council's *Significance & Engagement Policy* is attached as Appendix A.

## **8. Funding and financing expectations**

CCOs are accountable to the Council for the financial governance of their operation in accordance with legislative requirements, SOIs, the broader governance and monitoring requirements outlined in this document, and the specific principles detailed below.

### **8.1. General funding principles**

Council's Revenue and Financing Policy sets out the key funding principles, including accessibility, affordability and benefit to the user. The rationale being that user fees and charges are set at an appropriate level to promote the sustainable use of facilities, as well as provide access to a diverse range of events and recreational experiences for residents and economic benefits from visitors.

There are four high level funding principles:

1. As a general principle, BVL should look to provide limitations on user charging within the funded facility network, where appropriate, within the guidelines of the Revenue and Financing Policy.
2. The role of Council is to specify the overall mix and level of services to the community, ideally consistent with Council strategy, and to hold BVL accountable for the use of funding from all sources.
3. The BVL Board must be empowered with sufficient flexibility to determine the best use and allocation of funding to meet required levels of service to the community and visitors.
4. BVL is expected to meet the approved annual budget.

### **8.2. Approach to Funding**

BVL receives the following funding from Council:

- i. Operating Grant
- ii. Renewals funding
- iii. New capital funding
- iv. Loan interest funding

#### **i. Operating Grant**

Council provides an operating grant to BVL for the purpose of maintaining accessibility and levels of service throughout the funded facility network identified in Table 1, which includes community aquatics network, community indoor sports network, community halls network and community centres network.



The operating grant is set through the LTP process and is applied to the Funded Facility Network only. It is not able to be applied to the Non-Funded Network.

Within the Funded Facility Network, the distribution of operating grant is based on each network's share of the total cost of operating the funded Facility Network. The distribution is calculated as a rolling three year average and updated annually when BVL creates its budgets for the coming year.

Outside of the annual budget setting process there is no ability or requirement for BVL to alter the distribution of the operating grant within the Funded Facility network.

## **ii. Renewals Grant**

Council provides a renewals grant to BVL for the purpose of replacing assets as required. Renewals are funded out of the Council-held depreciation fund into which BVL contributes.

The renewals grant is set through the LTP process and is based on BVL's Asset Management Plan, which is approved by Council. Renewals funding is provided on a per facility basis.

BVL has the following discretion to transfer renewals funding within and between facilities without Council approval, subject to remaining within the total renewal budget for the organisation:

- Within a facility – Up to \$200,000
- Between facilities – Up to \$100,000

## **iii. New Capital Funding**

### ***Projects over \$200,000***

Council funding for new projects over \$200,000 is to be assessed on a case by case basis. Funding of new projects over \$200,000, not included in an approved Asset Management Plan, the Long Term Plan (LTP) or the Annual Plan (AP), must be approved by Council following the submission of a detailed business case, which will be subject to prior peer review by Council staff. This requirement applies regardless of the source of funding for the project.

For clarity, the general expectation for new capital projects is that they will need to generate sufficient additional revenue to cover interest costs and depreciation, as well as all other project costs. Council may elect to provide debt funding for community projects if it is in the ratepayer interest to do so.

### ***Projects under \$200,000***

Funding of new capital projects under \$200,000 will not require Council approval subject to:

- i) BVL ensuring that an appropriate debt to equity ratio is maintained; and
- ii) BVL adhering to their internal policies and delegations for approval of capital expenditure.

There is no requirement for BVL to transfer capital funding between facilities. Any new capital requests need to be made and approved on an individual basis.

BVL have the ability to deviate from their LTP approved capex and renewals budget, as long as it is under the agreed threshold, the agreed debt to equity ratio is maintained and BVL has adhered to internal policies and delegations for capex approval. Although a report to Council is not required in this instance, the changes would need to be updated with TCC's Finance team during the AP/LTP process within the planning timeframes to enable them to go to Council as part of the overall changes in capital expenditure. Once the AP/LTP is set, further changes to the budgets cannot be made until the next planning round.



**iv. Loan Interest Funding**

Funding of interest will be based on the level of debt agreed with Council in November 2014. This funding level is only to be changed based on:

- i. Changes in interest rates on the initial debt
- ii. Any new projects where Council agrees a ratepayer funded debt contribution is appropriate.

**8.3. Optimal capital structure**

Council has identified the capital structure for BVL, to ensure that the agreed debt revenue ratio is maintained. It is the responsibility of BVL to maintain prudent levels of debt, consistent with the wider Council debt management policy. The capital structure should be reviewed regularly, but definitely as part of the Long Term Plan process.

**8.4. Depreciation**

Any funds collected for the purposes of replacement of BVL assets will be retained by Council. Asset replacements (renewals) will be funded by direct grants to BVL from the funds collected for this purpose and will be based on an agreed renewal profile contained within an approved Asset Management Plan.

**8.5. Treatment of surpluses**

All net surpluses (after depreciation and debt servicing costs) of over \$250,000 must be returned to Council unless otherwise agreed or prevented due to legal requirements. Decisions on the return of surpluses under \$250,000 will be made by Council in discussion with the BVL Board.

Council may decide to apply the surplus to reduce BVL's loan with Council, or may reinvest part or all of the surplus into BVL if BVL establishes a compelling investment proposal.

**8.6. Borrowing**

Council undertakes borrowing on behalf of BVL so as to deliver the lowest cost of borrowing to the Council. All treasury activities including cash flow management, borrowing and lending are centralised so as to reduce costs and minimise operational and market related risk across Council. BVL will obtain Council approval before making any external borrowing arrangements.

**8.7 Partnering solutions / Joint ventures**

BVL should only seek partnering solutions that allow it to retain substantive control over its assets and which have the principal purpose of furthering the objectives of both BVL and Council. In general, Council will not support partnering solutions or joint ventures that result in Council or BVL owned assets and capabilities being transferred or diluted.

This concern about dilution of control also extends to financial and budgetary controls and taxation issues that might arise as a result of a joint venture. Council expects that any joint ventures entered into by BVL would be subject to at least the same level of financial budgeting and monitoring control as that which applies to BVL and would require Council approval.

Joint Ventures and Partnering Solutions that do not involve either the dilution of assets or the commitment of Council do not require Council approval, although it is expected that BVL inform Council under the 'no surprises' policy.



## **9. External relationship expectations**

### **9.1. Branding expectations**

Council expects BVL to actively seek opportunities to utilise the Tauranga City Council brand in relation to the funded network and use the brand in accordance with the current brand guidelines.

### **9.2. Submissions to external agencies**

Council is frequently called upon to make written submissions in response to discussion papers, proposals for legislative change or policy reviews released by external agencies. Council staff are expected to include BVL staff in submission development where that submission deals with a matter of relevance to BVL. This will ensure that where it is appropriate BVL will have a role in developing Council submissions.

BVL must discuss with Council any submission they intend to make. Council can then determine whether the submission relates to an issue that it has an interest in, and if necessary, a joint submission can then be developed. Such discussions should be with the relevant Council staff.

BVL should inform the Council of particular activities they will be undertaking that will require engagement with central Government.

## **10. Board governance**

### **10.1 Provision of official information**

BVL is subject to parts 1 to 6 of the Local Government Official Information and Meetings Act 1987. In handling requests made under this Act, BVL is expected to respect the underlying principles, and comply fully with the Act in terms of making information available to the public within the stated deadlines unless there is good reason for withholding information.

### **10.2 Board professional development training**

BVL will provide its directors with appropriate level of professional development training. The training should incorporate governance for new directors without this experience and refresher courses for more experienced directors.

### **10.3 Board induction process**

BVL will provide a Board Induction Process for new directors which will incorporate a Council-led component.

### **10.4 Generic policy**

BVL is required to give effect to other generic policy such as Council's Significance & Engagement Policy and the Appointment of Directors to Council Organisations Policy.

### **10.5 Board performance review**

Board performance reviews will be undertaken every two years, alternating between a Board-led review and a Council-led review.

Board-led reviews are to be undertaken by an independent consultant, with results reported to the Council and must include at a minimum:

- Individual director performance
- Performance of the chair and deputy chair
- Review of Board policies and procedures



- Board effectiveness and dynamics.

Council-led reviews to include:

- An assessment of Board composition and skills
- Board effectiveness and responsiveness to shareholder expectations
- Any specific issues that have been identified by the Board or the Council as needed
- Individual director performance if decided necessary to inform appointments.

This approach does not constrain either the Council or Boards from undertaking additional reviews outside of the proposed scope or timing. The Council may decide to include individual director performance in the shareholder-led review if it considers this necessary for the purposes of director re/appointments.

#### **10.6 Board membership**

The following matters are outlined in the Tauranga City Council Policy entitled *Appointment of Directors to Council Organisations* adopted 22 May 2018, attached as Appendix B.

- The Role of a Council Controlled Organisation Board members
- Skills, knowledge and experience required of Board members
- Eligible candidates
- Disclosure of interests
- Appointment process
- Remuneration
- Code of conduct

### **11 Appendices**

- A. [Council Policy - Significance & Engagement](#)
- B. [Council Policy – Revenue and Financing Policy](#)
- C. [Council Policy - Appointment of Directors to Council Organisations](#)



## **Schedule 2 – Annual Letter of Expectations FY22**



14 December 2020



Michael Smith  
Chairperson  
Bay Venues Limited  
PO Box 10250  
Mount Maunganui 3152

*Via email: michael.smith@hobec.co.nz*

Dear Michael

**Letter of Expectation from Tauranga City Council to Bay Venues Limited for 2021-2022**

This letter of expectation is intended to provide strategic direction and key areas of focus to inform the development of Bay Venues Limited's (BVL) Statement of Intent (SOI) for 2021-2024. This letter has been informed by discussions with councillors and staff, setting out general expectations and key strategic expectations for BVL.

Council's partnerships with its CCOs help us successfully deliver our community outcomes, which have been recently updated during development of Tauranga City Council's Long-Term Plan 2021 – 2031. Our new community outcomes are:

- **We value and protect our environment** – Tauranga is a city that values our natural environment and outdoor lifestyle, and actively works to protect and enhance it
- **We have a well-planned city** – Tauranga is a city that is well planned with a variety of successful and thriving compact centres and resilient infrastructure
- **We can move around our city easily** – Tauranga is a well-connected city, easy to move around in and with a range of sustainable transport choices
- **We support business and education** – Tauranga is a city that attracts and supports a range of business and education opportunities, creating jobs and a skilled workforce
- **We are inclusive, and value our culture and diversity** – Tauranga is a city that recognises and values culture and diversity, and where people of all ages and backgrounds are included, feel safe, connected and healthy.

**Principles and City Future Project**

We are committed to making a difference to people in our community through what we do as a council, and how we do it. Council has developed five principles that are about how we do things as a council, and we would like to see the CCOs operating consistently with these principles.

- We deliver value for our communities through prudent financial management, ensuring we plan and provide affordable fit-for-purpose services.
- Sustainability and resilience underpin our decision making and service delivery, protecting the future of our city.



- We work in partnership with Tangata Whenua, our communities, sub-regional stakeholders and central government.
- We manage the balance between social, economic, cultural and environmental wellbeing of our communities.
- We listen to our communities and make transparent, evidence-based decisions.

Council is also facilitating the City Future Project (previously referred to as the Strategic Framework Project or the City Vision Project). This is a multi-agency project which will develop a strategic framework for Tauranga City that clearly outlines:

- the issues/challenges and opportunities that the city faces (current and future);
- a vision of where we want to be, including a set of community outcomes;
- key actions to achieve the vision with lead agencies identified; and
- measures for success.

BVL has already been involved in City Future Project workshops and we hope you will continue to contribute to this project and be part of its implementation.

### **Specific areas of focus**

We look forward to working with you over the next few months to put in place a fit-for-purpose governance structure, as a result of the recommendations coming out of the McGredy Winder strategic review of BVL.

Further to the recommendations of the recent Pedersen review of Council's CCOs, we also look forward to working with you on incorporating the concept of the 'Tauranga City Council Group' and its common desired community outcomes as an overarching principle of accountability documents, and interactions between the respective organisations. This includes a requirement to use the TCC logo alongside the BVL brand when promoting any activity, service or facility receiving council funding.

We look forward to working together on the development of a CCO template to use when drafting the SOI, as well as a set of common key performance measures.

As per the Pedersen review, we ask that the council and CCOs have common values and expectations of staff and management behaviour that collectively sets the tone for the broader culture of all council organisations and that these be incorporated into the accountability documents. It is also expected that the council and BVL executive teams meet periodically to set the scene for collaboration between the respective organisations.

### **Statement of Intent**

Council expects that the strategic priorities contained in this Letter of Expectation will be reflected in BVL's Statement of Intent (SOI) and supported by key performance indicators (KPIs) where appropriate. Council looks forward to receiving your draft SOI by 1 March 2021.

We would like to take this opportunity to re-iterate the purpose of the SOI:

- a) state publicly the activities and intention of a CCO for the year and the objective to which those activities will contribute;
- b) provide an opportunity for shareholders to influence the direction of the organisation; and
- c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.



**Long Term Plan 2021 – 2031**

The next Long-term Plan (LTP) will take effect from 1 July 2021 and as one of the main strategic documents for Council, the planning process has already begun. We appreciate BVL's participation in the process to date and expect this collaborative approach will continue.

Thank you again for your contribution to this process. We look forward to working together in 2021 and beyond.

Yours sincerely



Tina Salisbury  
**Acting Mayor of Tauranga**

*Cc: Justine Brennan, Interim Chief Executive – Bay Venues Limited -*  
[Justine.Brennan@bayvenues.co.nz](mailto:Justine.Brennan@bayvenues.co.nz)



### Schedule 3 – Schedule of Outcomes and Outputs

	<b>Outcome: What we want to achieve</b>	<b>Outputs: What actions or activities need to be completed.</b>	<b>Evidence to be provided to TCC.</b>
<b>Community Access</b>	<p>A wide range of diverse activities, programmes, events and experiences are available to our community, and visitors to the city, to be able to participate in and / or be entertained by.</p> <p>Utilisation across the funded network increases annually by a minimum of 5%.</p> <p>There is an appropriate balance between community group activities, commercial bookings and events.</p>	<ul style="list-style-type: none"> <li>Continue to work alongside existing user groups and key organisations to support growth and sustainability in their activities.</li> <li>Proactively work with new user groups to identify and deliver programmes and activities that are innovative, reflect local community needs, and respond to national and international sport, recreation and aquatic industry trends.</li> <li>Deliver programmes and activities whose content and price will cater for our diverse Tauranga communities including different life-stages and demographics to encourage participation.</li> <li>Collect user information across the network of facilities to build a profile of users at each site and use this information to drive the development of specific programmes and activities.</li> <li>Survey the wider community i.e. non users of the facilities, to identify and understand opportunities available to BVL to provide new programmes or activities to increase utilisation and respond to community needs.</li> <li>Keep abreast of industry trends and seek out new opportunities to increase utilisation of facilities within the network</li> </ul>	<ol style="list-style-type: none"> <li>A breakdown for both hours booked and visits, for the funded network and an overview of regular user groups for each facility.</li> <li>A list of programmes and activities delivered across each network type.</li> <li>A list of significant tournaments and events across each network type.</li> <li>Evidence of a new programme or activity delivered and/or extra support given to a community or group as a result of information collected.</li> <li>Summary of information collected by surveys completed.</li> </ol>



	An appropriate fee structure in place that supports community accessibility for all community activities within the network.	<ul style="list-style-type: none"> <li>• Ensure all user fees and charges are transparent and any changes communicated effectively to all users of the facility network and the wider community.</li> <li>• Work with targeted communities or groups to identify strategies to reduce barriers to encourage participation.</li> <li>• Ensure user fees are reviewed as per the ESE.</li> </ul>	6. Evidence that prices within the funded network are not increased by more than CPI without Council approval.
<b>Level of Service</b>	Customers experience a high-level of customer focused service, communication and responsiveness	<ul style="list-style-type: none"> <li>• Provide a transparent user-friendly process to collect ongoing user feedback for compliments, complaints, suggestions and programme evaluations.</li> <li>• Maintain an accurate record of all feedback received and respond to all customer and/or community concerns within 5 working days – or within 48 hours if significant.</li> <li>• Conduct an annual survey to monitor customer satisfaction in the areas of customer service, quality of programmes, facility provision and equipment across the whole network of facilities. 85% of survey participants are satisfied.</li> <li>• Facilitate and encourage ongoing open dialogue and information sharing with existing user groups and potential new user groups.</li> <li>• Minimise the impact of closures and outages due to asset maintenance or operation efficiencies with proactive facility maintenance and monitoring.</li> </ul>	<p>7. Summary of feedback received, and a record of any changes made to respond or act upon the feedback received.</p> <p>8. Results of the annual customer survey.</p> <p>9. Summary of the discussion and outcomes of User Group Forums.</p> <p>10. The total number of service disruptions, greater than 4 hours, relating to staff or asset performance that directly impacted levels of service.</p>
	All facilities are operated in a safe environment.	<ul style="list-style-type: none"> <li>• Ensure all facilities across the network operate in a safe environment for all workers, contractors,</li> </ul>	11. Information is provided on any notifiable events or any significant issues or concerns which arise due



		<p>visitors and users at all times.</p> <ul style="list-style-type: none"> <li>Implement and carry out an ongoing review of a safety management system that has effective processes to manage health and safety and maintain a high safety standard in the workplace.</li> </ul>	<p>to a fault in the facility or operations, and any remedial action taken.</p> <p>12. There is evidence of ongoing continual improvement.</p>
	<p>An effective asset management plan is in place to ensure that assets are managed and maintained to a high level.</p>	<ul style="list-style-type: none"> <li>Ensure the AMP identifies effective process to ensure all repairs, maintenance and renewals are well planned and resourced appropriately and budgets are adhered to.</li> <li>Ensure all Asset information is entered accurately and maintained in the Accela Asset Management System.</li> </ul>	<p>13. Summary of the asset management data is provided.</p>



**Schedule 4: Shareholder Feedback on the Draft Statement of Intent**  
**21-22 / 23-24**



**11.3 Strategic review of Bay Venues Limited and shareholder feedback to the draft Statement of Intent 2021-2024****File Number: A11941799****Author: Anne Blakeway, Manager: Community Partnerships  
Frazer Smith, Manager: Strategic Finance & Growth****Authoriser: Gareth Wallis, General Manager: Community Services****PURPOSE OF THE REPORT**

1. The purpose of this report is to present the findings and recommendations of the McGredy Winder Strategic Review of Bay Venues Limited, along with the Price Waterhouse Coopers' options analysis, and the Recreation, Sport & Leisure Consultancy Benchmarking report.
2. The recommendations are incorporated into Council's shareholder feedback to the draft Statement of Intent for Bay Venues Limited, a council-controlled organisation of Tauranga City Council, which is required by the Local Government Act (2002) to be provided by 1 May.

**RECOMMENDATIONS**

That the Council:

- (a) Receives the Strategic Review of Bay Venues Limited report.
- (b) Receives the McGredy Winder Strategic Review of Bay Venues Limited (Attachment 1), the Price Waterhouse Coopers' Options Analysis (Attachment 2), and the Recreation, Sport & Leisure Consultancy Benchmarking Report (Attachment 3).
- (c) Supports a modified version of Option 1 as outlined in the McGredy Winder Strategic Review – an enhanced status quo – continuing with current operational arrangements, strengthened by clearer Key Performance Indicators.
- (d) Confirms changes to the current Bay Venues Limited Board structure and directs staff to develop a process to appoint a new, leaner Board, including a senior staff member from Tauranga City Council, with a stronger community focus and reviewed director remuneration, to be in place from 1 July 2021, as detailed in the Next Steps section of this report (paragraphs 60-65).
- (e) Notes that the required additional rates funding will be confirmed by staff, following a review of Council funding, to ensure ongoing sustainability and will include the amount of community subsidy not currently being funded to Bay Venues Limited in the Long-term Plan 2021-31.
- (f) Receives the Bay Venues Limited Draft Statement of Intent 2021/22 to 2023/24.
- (g) Confirms shareholder feedback to the Draft Statement of Intent with some additional specific areas of early focus for the new Bay Venues Limited Board (as outlined in paragraph 38 of this report), including but not limited to; restructuring the organisation's finance structure and funding model to be more transparent, simple and easy to understand; investigating the viability of moving community halls and community centres back under the direct control of Council; and looking for opportunities to deliver operational efficiencies through shared service delivery models with Council.



## Ordinary Council Meeting Agenda

27 April 2021

**EXECUTIVE SUMMARY**

3. Following a request by the Finance, Audit and Risk Committee at a meeting on 12 May 2020, and confirmation of the brief at the Finance, Audit and Risk Committee meeting on 26 May 2020, the Chief Executive engaged McGredy Winder to undertake a review that prioritised the strategy and alignment of Tauranga City Council and Bay Venues Limited.
4. This request was as a result of a number of issues and recommendations coming out of three previous pieces of work, undertaken to review the performance and strategic alignment of Bay Venues Limited (BVL) and its Board.
5. Attachment 1 provides the findings and recommendations of the McGredy Winder Strategic Review of BVL, which was presented to elected members, the Board and interim CEO of BVL at an executive briefing on 14 October 2020.
6. At an additional executive briefing with elected members on 10 November 2020, Price Waterhouse Coopers (PWC) presented further analysis of the financial and non-financial impact of the three options outlined in the McGredy Winder Strategic Review (Attachment 2), to provide elected members with detailed information to inform their decision-making as part of the 2021-31 Long-term Plan process.
7. At this briefing, elected members requested that staff attempt to provide a benchmark for comparison of sport and recreation facility operations across different councils in New Zealand. Subsequently, Recreation, Sport & Leisure Consultancy (RSLC) were contracted to undertake this piece of work (Attachment 3).
8. This report and its recommendations are the result of the McGredy Winder Strategic Review and further analysis and benchmarking by PWC and RSLC.
9. BVL is required to prepare a draft Statement of Intent and provide a copy to its shareholder, Tauranga City Council (TCC), by 1 March each year.
10. The draft Statement of Intent for BVL (Attachment 4) has been assessed against Council's Letter of Expectation to BVL for 2021/22 (Attachment 5).
11. The recommendations of Council's recent strategic review of BVL have been incorporated into Council's shareholder feedback to the draft Statement of Intent for BVL, which must be provided to the Board by 1 May 2021, in accordance with the Local Government Act (2002).

**BACKGROUND****Strategic Review of BVL**

12. Since the establishment of BVL in 2013, three independent reviews have been completed; the Symes Review of BVL (December 2017), the Pedersen Council-Controlled Organisation Review (February 2020), and the Mueller BVL Board Performance Review (February 2020).
13. While all three reviews have identified a variety of successes and opportunities, a common theme was evident:  
*"an ongoing strategic tension that results from trying to balance efficient community service delivery with the current need to maximise commercial returns for the shareholder, in the absence of clear strategic direction"* (Attachment 1, page 4).
14. At the Finance, Audit and Risk Committee meeting on 12 May 2020, a resolution was passed requesting:  
*"the Chief Executive to engage with the Board of BVL regarding the implementation of a review that prioritises the strategy and alignment of TCC and BVL, to understand the role of BVL, including the governance, management, organisation and ownership structure, taking into account the impact and implications of the operating environment created by COVID-19."*



Ordinary Council Meeting Agenda

27 April 2021

15. At the Finance, Audit and Risk Committee meeting on 26 May 2020, the Committee received and confirmed the brief of the strategic review of BVL. It was agreed that this work should be completed at the earliest opportunity, in time to inform the 2021-31 Long-term Plan.

**McGredy Winder Strategic Review**

16. The review highlighted a number of issues within the current context:
  - (a) The BVL operating and financial structure is complex, and it is unclear what is ratepayer funded.
  - (b) As BVL venues approach capacity and opportunities to build on the significant growth of 2014-18 become limited, the EBITDA profitability situation will worsen.
  - (c) Increased operating costs will continue, especially as the network ages and usage grows closer to capacity.
  - (d) While community objectives are expected to take precedence, in reality, fixed Council contributions mean commercial objectives are necessarily prioritised.
  - (e) Debt-funded investment into BVL facilities is constrained by the borrowing limits of Council.
  - (f) The emphasis on commercial skillsets of the current Board does not match the unique challenges of delivering community-focused facilities and services.
17. The report summarised that the current business model, with the current level of Council contribution, is not sustainable.
18. The review suggested three options:
  - (a) **Option 1: Enhanced status quo** – continuing with current operational and governance arrangements.
  - (b) **Option 2: Stronger commercial focus** – restructuring the current business, with a greater focus on commercial activities, including potentially transferring other commercial assets to BVL.
  - (c) **Option 3: Bring community facilities and services back in-house with Council** – this would include disestablishing BVL, tendering management contracts to enhance delivery, and looking to package up stand-alone, commercially viable business units currently operated by BVL (and potentially Council) for sale or lease.
19. While the review recommended that Option 3 was *the optimal and preferred way forward*, it is important to note that there are currently positive tax implications for TCC of BVL being a council-controlled organisation, and that any restructure that would bring at least part of BVL in house, would require an increase in rates funding.
20. Regardless of the chosen direction, the review suggested that future arrangements must include:
  - development of clearer Key Performance Indicators;
  - a review of Council funding to ensure sustainable provision of community facility-based services, and on-going commercial viability of the commercial network; and
  - rebalancing the skills matrix of the Board to align it with the nature of the services provided by BVL, and the community-focused expectations of Council.

**Price Waterhouse Coopers (PWC) financial and non-financial analysis**

21. PWC worked with BVL and TCC staff to provide a baseline to compare the relative impact of the three options presented in the McGredy Winder Strategic Review. Their report is provided as Attachment 2.



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22. PWC have commented on how community outcomes could be impacted in relation to; (1) maintaining and enhancing community access, and (2) maintaining levels of service, as per the expectations outlined in Council's Enduring Statement of Expectations with BVL and in BVL's Statement of Intent.
23. Figure 1 below (taken from Page 6 of Attachment 2) provides a high-level summary of the findings in relation to the three options:

**Figure 1: PWC's high-level summary of the three options presented in the McGredy Winder Review.**

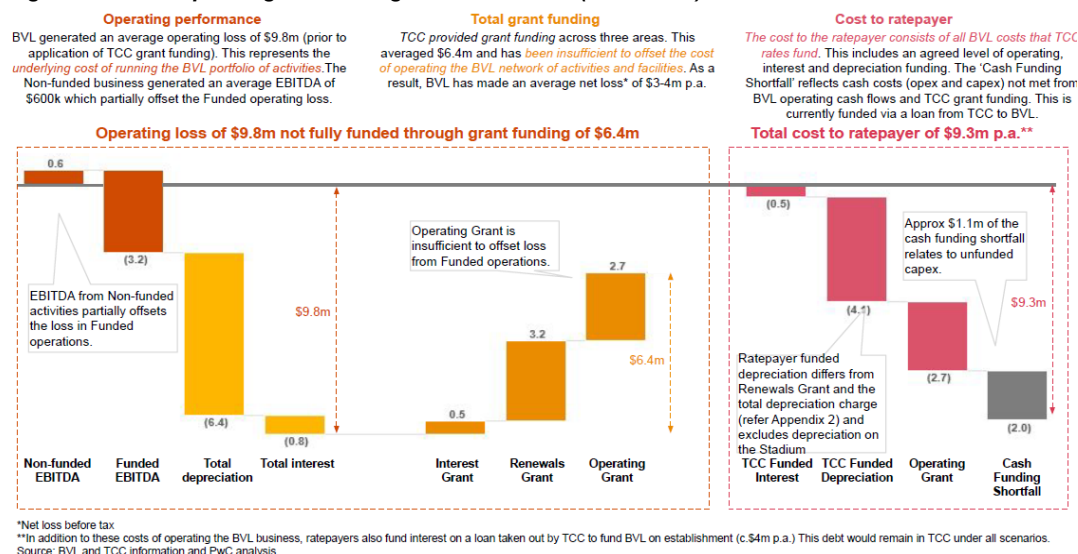
	Option 1 Enhanced Status Quo	Option 2 Stronger Commercial Focus	Option 3 In-house with commercial sales / leases
Potential transaction cost (range) <i>One-off cost</i>	\$20-120k	\$70k-\$300k	\$100k-\$390k+
		<i>Given the tax losses currently in both BVL and TCC, the transactions may not actually give rise to tax payable. Specific tax advice will need to be sought to confirm this.</i>	
Potential p.a. change of cost to ratepayer (range) <i>Net of additional cost and cost savings</i>	Nil / immaterial	Increase of \$0.1m to \$0.3m	Decrease of \$0.3m to increase of \$0.3m
	<i>Detailed review of overhead requirements will be needed to determine likely change in ongoing cost base following agreement on which activities are to remain in TCC, BVL or exited. Some of the relative cost increases above could fall away if BVL also adopts a Living Wage policy. As such cost increases vs the current cost to the ratepayer may be temporary in nature.</i>		
	<i>Point in time analysis, not necessarily reflective of forecast position under each scenario</i>		
Potential impact of community outcomes (summary)	<ul style="list-style-type: none"><li>Unlikely to be a material change from the status quo</li></ul>	<ul style="list-style-type: none"><li>Greater direct control by TCC over Community facilities.</li><li>Greater commercial flexibility by BVL could expand the range of services and commercial returns.</li><li>Potential increased financial and reputational risk associated with greater returns and outsourcing of management contracts.</li></ul>	<ul style="list-style-type: none"><li>Greater direct control by TCC over Community facilities and alignment with other council activities.</li><li>Operational cost savings from reduction in governance and management costs</li><li>Loss of future revenue and profitability currently part-subsidising Funded activities.</li><li>Potential for a reduction in range of facilities, events and services available to the community (where TCC decides to cease the activity and it is not carried on by a third party).</li></ul>
Other considerations	<ul style="list-style-type: none"><li>TCC retains control of the assets, albeit indirectly. The extent to which it chooses to exercise this control (through Board mix and governance documentation, strategic direction and KPIs) will determine the final outcomes.</li><li>The current funding model will require adjustment to ensure it remains sustainable and fit-for-purpose in the long-term.</li></ul>	<ul style="list-style-type: none"><li>Option is relatively complex to implement.</li><li>BVL may not be able to pay a dividend. Based on the current funding model, any dividend would reduce cash available for other purposes, which could result in an increased funding requirement from TCC.</li><li>There will need to be clarity around BVL's remit and any management contracts with BVL or third parties to ensure the community continues to benefit from a wide range of activities, services and events and has a high level of customer experience.</li></ul>	<ul style="list-style-type: none"><li>Provides clarity to TCC of true cost of delivering the range of activities and events BVL currently provides to the community.</li><li>Potential for loss of revenue given lower level of commercial focus.</li><li>Some inefficiency in transferring everything prior to determining longer term strategy for the activities / facilities.</li><li>Gains on sale and immediate operating savings will need to be considered in light of lost operating contribution and reduced range of activities for the community.</li></ul>

24. PWC have also provided some analysis of the complex operating and funding structure under which BVL operates.
25. Figure 2 below (taken from Page 7 of Attachment 2) seeks to explain that:
- BVL has made net losses year-on-year as the level of grant funding has been insufficient to fund operating losses. This is driven by operating grants not covering losses of the 'funded' business and due to high depreciation costs; and
  - the true 'cost to ratepayer' is not the same as the P&L loss or total grant funding. It includes various elements that TCC raises rates directly to fund.



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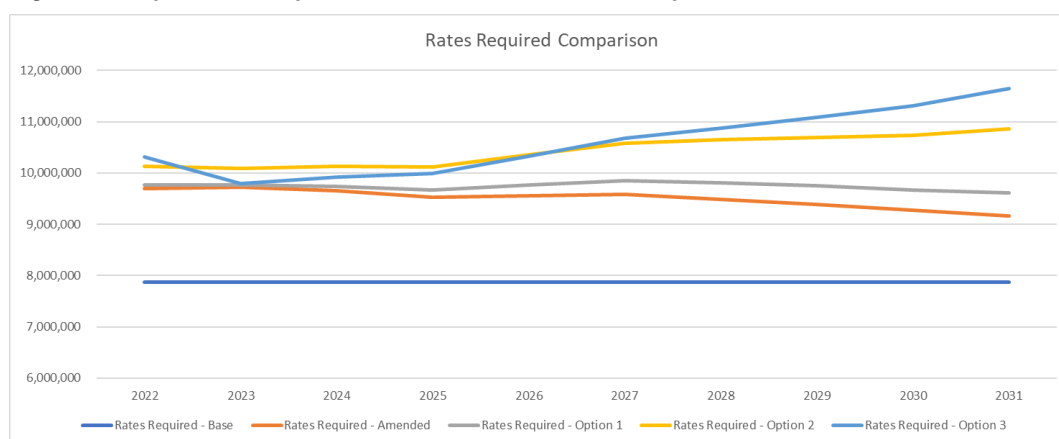
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**Figure 2: PWC – Operating and funding structure of BVL (FY18-FY20).**

26. The report also provides commentary on the steps and potential 'transaction costs' required to validate and implement each option, the indicative change in cost following implementation, and the overall change in costs to the ratepayer.
27. It should be noted that the PWC report does not provide a forecast of operating performance under each option, nor does it provide a recommended course of action.

**Impact on rates requirements and the Long-term Plan**

28. Additional high-level financial modelling undertaken by TCC staff to identify the potential impact on rates requirements of the three options reviewed (Figure 3 below), indicates that any restructure that brings even part of BVL in-house would require an increase in rates funding above the level currently sitting in the Long-term Plan 2021-31.

**Figure 3: Comparison of Required Rates for the BVL restructure options.**

29. Option 1 has the least cost of the three options as it focuses on a change in emphasis, compared to Option 2 and Option 3, which would bring the non-funded activities in-house and lead to a likely less commercial focus.



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30. Figure 3 suggests that it would require a \$1.8 million\* increase in rates to get from the base figure currently being funded by TCC to BVL, to cover EBITDA plus BVL's interest costs. The modelling also suggests that Option 3 would potentially require another \$600,000 on top of that.

*\*It should be noted that another \$1.8 million of rates funding (i.e. \$3.6 million total) would be required to fund depreciation on Baypark Stadium, should the Commission decide to overturn the previous resolution by elected members and start funding depreciation on that particular asset.*

31. Council will need to consider whether the community will value the anticipated increase in community benefit more than the likely increase in rates that it will bring.
32. The implementation of either Option 2 or Option 3 of the McGredy Winder Strategic Review of BVL would require the development of a transition plan, which would explore all opportunities for success including the full financial impact, taking into account the sub-regional work currently in development.

### Recreation, Sport and Leisure Consultancy Benchmarking Report

33. RSLC worked with BVL and staff from various local authorities to try and provide a benchmark for comparison of sport and recreation facility operations across different councils in New Zealand, specifically Auckland, Hamilton, Queenstown and Dunedin.
34. The types of facilities considered were:
- aquatic facilities;
  - indoor court/stadia facilities; and
  - community centres/halls.
35. The RSLC report is provided as Attachment 3. As indicated in the report, there is wide variation in the different facilities provided in each Council area and how revenue, expenditure and visits are accounted for, meaning it is not possible to make direct comparisons at a network level. Even direct comparisons on a facility-by-facility basis have limitations due to the variations between facilities.
36. However, the RSLC benchmarking report shows that overall, BVL-managed facilities appear to fare well against other comparable Council sport and recreation facility networks. Further, RSLC conclude that Tauranga's network appears to be demonstrating reasonable value.

### Shareholder Feedback to the Draft Statement of Intent 2021/22 to 2023/24

37. There was general agreement with the content of BVL's draft Statement of Intent (Attachment 4), noting BVL's specific reference to matters included in this year's Letter of Expectation (Attachment 5).
38. From 1 July 2021, specific areas of focus for the BVL Board, working in close collaboration with TCC staff, should include:
- Working to position the organisation, and the public perception of the organisation as an integral part of Council's business-as-usual operations;
  - Reorganising BVL's finance structure and funding model to be more transparent, simple and easy to understand;
  - Moving the organisation towards paying the living wage for all staff (currently 355 full-time, fixed-term, part-time and casual staff in 2021);
  - Developing a clearer Statement of Intent and more focused Key Performance Indicators, in particular in the delivery of identified community outcomes;
  - Investigating the viability of moving community halls and community centres back under the direct control of Council;



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- Going to the market to recruit a permanent Chief Executive for the organisation;
  - Looking for opportunities to deliver operational efficiencies through shared service delivery models with Council; and
  - Working with Council to review the new Board arrangements within 12 months of establishment.
39. It is noted (page 16 of Attachment 4) that three-year financial forecasts will be included in the final Statement of Intent being presented to Council in June 2021.
40. Compensation from local authority (page 20, section 15) is likely to change once the required additional rates funding, including the amount of community subsidy not currently being funded to BVL, has been confirmed by TCC staff in the Long-term Plan 2021-31.

### STRATEGIC / STATUTORY CONTEXT

41. Council's partnerships with its council-controlled organisations help us deliver our community outcomes. Engaging with council-controlled organisations throughout the development of the annual Statement of Intent is one of the main ways Council can have some influence, while ensuring that its council-controlled organisations are aligned with Council's strategic outcomes.
42. BVL is a key stakeholder in the Council-facilitated *City Futures Project*, a multi-agency partnership project which will develop a strategic framework for Tauranga City that clearly outlines:
- the issues/challenges and opportunities that the city faces (current and future);
  - a vision of where we want to be, including a set of community outcomes;
  - key actions to achieve the vision with lead agencies identified; and
  - measures for success.

### OPTIONS ANALYSIS

#### Option 1: Enhanced status quo with some additional recommendations – RECOMMENDED

43. Enhanced status quo, continuing with current operational arrangements, strengthened by clearer Key Performance Indicators and a review of Council funding to ensure ongoing sustainability, and to include the amount of community subsidy not currently being funded to BVL in the Long-term Plan 2021-31.
44. In addition, the existing BVL Board structure will be discontinued with TCC staff directed to develop a process to appoint a new, leaner BVL Board (minimum four directors, maximum five) with a stronger community focus, to be in place from 1 July 2021. Specific areas of early focus for the new Board are detailed in paragraph 38 of the shareholder feedback to the draft Statement of Intent and also includes the need to review ongoing levels of remuneration for the new BVL Board.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Has the lowest restructure costs with minimal change and disruption.</li> <li>• Expected to have the lowest impact on rates of the three options, as it focuses on a change in emphasis.</li> <li>• Communities know and understand the model and form of delivery.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued issues in rationalising conflicting community/commercial objectives and operational pressures.</li> <li>• Potential inability to invest in renewals and network development to the extent necessary to mitigate commercial sustainability risks.</li> </ul>



<ul style="list-style-type: none"> <li>TCC continues to benefit from the positive tax implications of running community facilities via a council-controlled organisation model (noting that a recent legislation change may negate this benefit in the near future).</li> <li>While balancing a commercial focus with community outcomes has always been difficult, providing BVL with greater strategic direction and clearer Key Performance Indicators ensures that community accessibility is maintained.</li> <li>Review of Council funding will ensure ongoing sustainability of BVL, and greater transparency and clarity in terms of ratepayer funding.</li> <li>Some institutional knowledge, capacity and experience is maintained, but with a better balance of community/commercial skills on the Board.</li> <li>A leaner Board and a reduction in director fees will lead to reduced governance costs.</li> <li>Rebalancing the Board skills matrix will ensure a greater community focus.</li> <li>Retention of brand equity and current marketing/online presence.</li> <li>Avoids restructuring costs, both financial and in terms of lost focus and productivity.</li> <li>Avoids the public, political and media challenges associated with driving major change.</li> </ul>	<ul style="list-style-type: none"> <li>Questions about crowding out of private sector activity and investment likely to remain.</li> </ul>
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#### Option 2: Stronger commercial focus

45. Restructure current business with greater focus on commercial activities, potentially transferring other commercial assets to BVL. Strengthened by clearer Key Performance Indicators, a review of Council funding to ensure on-going sustainability, and a review of the skills matrix of the Board.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Community services delivered with more direct accountability to the community.</li> <li>A rebalancing of the use between commercial and community activities.</li> <li>Ability to prioritise community facilities' expenditure alongside and on the same basis as other Council priorities.</li> </ul>	<ul style="list-style-type: none"> <li>Restructure costs, including financial costs (\$70k-\$300k), uncertainty and organisational distraction (both Council and BVL).</li> <li>Potential per annum change in cost to ratepayer.</li> <li>Potential loss of institutional knowledge, capacity and experience.</li> </ul>



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<ul style="list-style-type: none"> <li>• The actual cost to Council of managing a sustainable network of community facilities will become both obvious and transparent.</li> <li>• Ability for BVL to focus exclusively and unambiguously on commercial operations and outcomes.</li> <li>• Brand equity and marketing/online presence maintained and potentially, over time, enhanced.</li> <li>• Enables the Council to address the contribution to community wellbeing across the non-commercial facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Commercial sustainability questions will remain in relation to mature revenue streams and increasing costs.</li> <li>• Need to invest in upgrading facilities to strengthen commercial potential remains a challenge.</li> <li>• Issues associated with conflicting use of facilities will remain and, in fact, could be heightened.</li> <li>• Community confusion and uncertainty about what is delivered, by who and on what basis.</li> <li>• Potential exposure to public, political and media challenges associated with driving major change.</li> <li>• Likelihood that a revised BVL will generate a taxable revenue, with tax losses likely to preclude tax payments for some time.</li> </ul>
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**Option 3: Bring community facilities and services back in-house with Council**

46. Disestablish BVL and bring all facilities and services in-house with a view to, as appropriate, tendering management contracts to enhance delivery. In addition, commercial business units currently operated by BVL are packaged up for either sale or lease.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Commercial relationships managed consistently and in-line with Council expectations, including expectations relating to probity and risk.</li> <li>• Provides scope to rebalance activity between commercial and community uses across the whole network of Council facilities.</li> <li>• Ability to realise efficiencies in the management and operation of the entire network of community facilities.</li> <li>• Reduced governance costs and complexity.</li> <li>• Opportunity to structurally address usage conflict issues.</li> <li>• Reduced potential for crowding out of private sector activity and potentially a catalyst for an increase in private investment.</li> <li>• Potentially generate gains on sale to invest in facilities upgrades.</li> </ul>	<ul style="list-style-type: none"> <li>• Restructure costs, including financial costs (\$100k-\$390k+), uncertainty and organisational distraction (both Council and BVL).</li> <li>• Potential greater per annum change in cost to ratepayer.</li> <li>• Potential loss of institutional knowledge, capacity and experience.</li> <li>• Potential for community confusion and resistance.</li> <li>• Perceived failure of the BVL model and questions about the organisation's performance.</li> <li>• Loss of brand equity and online presence.</li> <li>• Weakening of existing commercial relationships.</li> <li>• Reduced focus on commercial outcomes within facilities.</li> <li>• Potential exposure to public, political and media challenges associated with driving major change.</li> </ul>



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<ul style="list-style-type: none"> <li>• Enable a comprehensive consideration of the levels of service needed to support the wellbeing of the Tauranga community.</li> <li>• Enable a comprehensive, across-the-board review of Council facilities, in a manner consistent with Council's overall strategic imperatives, priorities and levels of service.</li> <li>• Community services and facilities delivered closer and with greater accountability to communities.</li> <li>• Ability to prioritise expenditure on the development and operation of community facilities alongside, and on the same basis, as other Council priorities.</li> <li>• The actual cost to Council of managing a sustainable network of community facilities will become both obvious and transparent.</li> </ul>	<ul style="list-style-type: none"> <li>• Likely loss or reduction in commercial revenue due to greater emphasis being placed on community activities.</li> </ul>
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### FINANCIAL CONSIDERATIONS

47. The high-level financial considerations of each option are outlined in the options analysis above.
48. Option 1 has the least cost of the three options as it focuses on a change in emphasis, compared to Option 2 and Option 3, which would bring the non-funded activities in-house and lead to a likely less commercial focus.
49. The financial modelling has been completed by staff using the best information currently available, but there is a considerable level of variability in predicting future outcomes.
50. Additional rates funding will be required in the Long-term Plan 2021-31, to reflect the amount of community subsidy not currently being funded to BVL. It is acknowledged that this funding has not been included in the draft Long-term Plan 2021-31, until such time as the full impact has been determined by staff.

### LEGAL IMPLICATIONS / RISKS

51. Initial external advice received suggested that the legal implications/risks of Options 2 and 3 were greater than for Option 1. Further advice would be sought once Council has agreed on the preferred option
52. With regard to the dissolution of the current Board, Council's [Appointment of Directors to Council Organisations Policy](#) (section 4.6) states that "*directors appointed to council-controlled organisations by Council are in the role at the pleasure of Council.*"  
  
Section 4.6 enables a director to be "*terminated at any time by Council (or by the director/trustee) by way of written notice. There will be no compensation payable to directors for early termination.*"



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53. In addition, section 6.1 of BVL's [Enduring Statement of Expectations](#) with Council, which all directors receive a copy of in their initial information pack prior to being appointed, outlines that one of the roles of Council includes *"appointing and removing BVL directors (including chair and deputy chair)."*
54. Further, clause 9.2 of [BVL's Constitution](#) makes it clear that directors can be removed from office at any time by notice in writing from Council.
55. Additional legal advice received regarding the appointment to the BVL Board of a senior staff member from T CC, to be appointed at the sole discretion of the Commission (paragraph 64 below), is as follows:
- *"In most cases a Council employee acting as director will be able to act in the best interests of both BVL and Council" and "there will be a high degree of alignment between BVL and TCC in any event."*
  - *"To the extent that the interests do diverge...it is clear that [BVL's] Constitution permits directors of BVL (including any Council employee) to act in the best interests of Council rather than BVL."*

**SIGNIFICANCE**

56. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against [Council's Significance and Engagement Policy](#). Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
57. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
  - (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter; and
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
58. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance if the recommended modified Option 1 is approved by Council – or if Option 2 is approved. The level of significance will likely change to medium if Council decides to support Option 3 instead.

**ENGAGEMENT**

59. Taking into consideration the above assessment, that the matter is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision. Again, this requirement is likely to change if Option 3 is approved instead of the recommended Option 1.

**NEXT STEPS**

60. A copy of this report and the shareholder feedback to the draft Statement of Intent will be provided to the BVL Board. Any feedback provided in this report should be given consideration by BVL when producing their final Statement of Intent, which is to be delivered to Council by 30 June 2021.
61. The non-retiring BVL Board members will receive written notice from Council of the cessation of their appointments as of 30 June 2021.



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62. TCC staff will commence an appointment process, as per Council's [Appointments to Council Organisations Policy](#), to appoint a new BVL Board, for a three-year term, commencing 1 July 2021.
63. TCC staff will undertake a review of BVL Board remuneration, in line with the methodology used for the recent remuneration review for the boards of the Tauranga Art Gallery Trust and Tourism Bay of Plenty, approved by Council on 10 December 2020.
64. The number of directors would be reduced to a minimum of four and a maximum of five. The skills and experience sought, and the appointment panel will be confirmed by the Chief Executive, as per the Appointments Policy but would include a particular focus on community service delivery and health and safety, along with commercial acumen. Current directors would be welcome to submit an expression of interest as some continuity of institutional knowledge would be an advantage.
65. The new Board would include one senior staff member from Tauranga City Council, to be appointed at the sole discretion of the Commission and receiving no additional remuneration.

**ATTACHMENTS**

1. **McGredy Winder - Strategic Review of Bay Venues Limited, September 2020 - A12159242**
2. **PriceWaterhouseCoopers (PWC) - Options Analysis of Bay Venues Limited Strategic Review, November 2020 - A12159246**
3. **Recreation, Sport & Leisure Consultancy (RSLC) - Bay Venues Limited Benchmarking Report, December 2020 - A12159247**
4. **Bay Venues Limited Draft Statement of Intent 2021-2024 - A12393350**
5. **Letter of Expectation to Bay Venues Ltd 2021-22 - A12393659**



**Glenda Dufaur**

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**From:** Gareth Wallis <Gareth.Wallis@tauranga.govt.nz>  
**Sent:** Tuesday, 27 April 2021 3:39 PM  
**To:** Justine Brennan; Michael Smith (Michael.Smith@hobec.co.nz)  
**Cc:** Marty Grenfell; Anne Blakeway; Josephine Meuli  
**Subject:** Council meeting today

**CAUTION:** External Email.

Kia ora Michael and Justine,

FYI These aren't the official minutes of today's meeting but they are the finalised recommendations:

- (a) Receives the Strategic Review of Bay Venues Limited report.
- (b) Receives the McGredy Winder Strategic Review of Bay Venues Limited (Attachment 1), the Price Waterhouse Coopers' Options Analysis (Attachment 2), and the Recreation, Sport & Leisure Consultancy Benchmarking Report (Attachment 3).
- (c) Supports a modified version of Option 1 as outlined in the McGredy Winder Strategic Review – an enhanced status quo – continuing with current operational arrangements, strengthened by clearer Key Performance Indicators.
- (d) Confirms changes to the current Bay Venues Limited Board structure and directs staff to develop a process to appoint a new, leaner Board, including a member of the Executive from Tauranga City Council, with a stronger community focus and reviewed director remuneration, to be in place from 1 July 2021, as detailed in the Next Steps section of this report (paragraphs 60-65).
- (e) Notes that the required additional rates funding will be confirmed by staff, following a review of Council funding, to ensure ongoing sustainability and will include the amount of community subsidy not currently being funded to Bay Venues Limited in the Long-term Plan 2021-31, and reorganising BVL's finance structure and funding model to be more transparent, simple and easy to understand.
- (f) Receives the Bay Venues Limited Draft Statement of Intent 2021/22 to 2023/24.
- (g) Confirms shareholder feedback to the Draft Statement of Intent with some additional specific areas of early focus for the new Bay Venues Limited Board (as outlined in paragraph 38 of this report), including but not limited to; restructuring the organisation's finance structure and funding model to be more transparent, simple and easy to understand; investigating the viability of moving community halls and community centres back under the direct control of Council; and looking for opportunities to deliver operational efficiencies through shared service delivery models with Council.
- (h) Write a letter of acknowledgement and thanks to the retiring Board Members for their good service to Bay Venues Limited and the community.
- (i) Provide a report by September 2021 (latest) regarding:
  - a. investigation and options for co-branding of Tauranga City Council/Bay Venues Limited facilities;
  - b. clarity on the roles of the shareholder providing strategic direction and Bay Venues Limited's implementation role; and
  - c. investigation and options regarding avoidance of competition within the private sector by Bay Venues Limited.
- (j) Notes the feedback on the Statement of Intent (Page 13, Objective 8) to reflect the TCC role in providing strategic direction and BVL's role in implementation, and notes the feedback on the enduring Statement of Expectations (page 23, Section 3.3) to reflect objective 12 of the Statement of Intent

Anne and the team will be in touch next week to start working through the practicalities of implementation of the above.

Any questions in the meantime, please don't hesitate to come back to me.  
Ngā mihi,  
G.





29 April 2021

Michael Smith, Chair  
Bay Venues Limited

Via email: [michael.smith@hobec.com](mailto:michael.smith@hobec.com)

Dear Michael

**Bay Venues Limited – Draft Statement of Intent 2021/22 to 2023/24**

At a meeting of the Tauranga City Council (TCC) on 27 April 2021, Council received the Draft Statement of Intent for Bay Venues Limited.

We would like to thank you for completing this document and providing it to Council in accordance with the statutory timeframes.

It was acknowledged by Council that there was general agreement with the draft Statement of Intent content, which provides alignment with TCC's community outcomes and strategic objectives, and specific reference to matters included in this year's Letter of Expectations.

At the same meeting on 27 April, Council received the Strategic Review of Bay Venues Limited and, as a result of the recommendations coming out of the review, Council requests that the following amendments are incorporated into Bay Venues Limited's final Statement of Intent:

- It was noted that the required additional rates funding will be confirmed by TCC staff, following a review of Council funding, to ensure ongoing sustainability and will include the amount of community subsidy not currently being funded to Bay Venues Limited in the Long-term Plan 2021-31, and reorganising BVL's finance structure and funding model to be more transparent, simple and easy to understand.
- Objective 8 on Page 13 of the Statement of Intent – *Strengthen and leverage our key strategic relationships to deliver shared outcomes for the community* – should reflect TCC's role in providing strategic direction and BVL's role in implementation.

Further, Bay Venues Limited staff were asked to work with TCC staff to investigate by 30 September 2021:

- Options for co-branding of Tauranga City Council / Bay Venues Limited facilities;
- The viability of moving community halls and community centres back under the direct control of Council; and
- Options regarding avoidance of competition within the private sector by Bay Venues Limited.



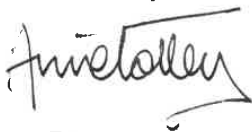
From 1 July 2021, specific areas of focus for the Bay Venues Limited Board, working in close collaboration with TCC staff, should include:

- Working to position the organisation, and the public perception of the organisation as an integral part of Council's business-as-usual operations;
- Restructuring the organisation's finance structure and funding model to be more transparent, simple and easy to understand;
- Moving the organisation towards paying the living wage for all staff (currently 355 full time, fixed term, part time and casual staff in 2021);
- Developing a clearer Statement of Intent and more focused Key Performance Indicators, in particular in the delivery of identified community outcomes;
- Going to the market to recruit a permanent Chief Executive for the organisation;
- Looking for opportunities to deliver operational efficiencies through shared service delivery models with Council; and
- Working with Council to review the new Board arrangements within 12 months of establishment.

Please note that the statutory timeframe for the Bay Venues Limited Board to deliver the final Statement of Intent 2021/22 to 2023/24 to Council is before the commencement of the financial year to which it relates, i.e. by 30 June 2021.

If you have any questions or require assistance, please contact Josie Meuli on 027 204 9214 or [josephine.meuli@tauranga.govt.nz](mailto:josephine.meuli@tauranga.govt.nz).

Yours sincerely



Anne Tolley  
**Commission Chair**

Cc: Justine Brennan, Interim Chief Executive - [Justine.Brennan@bayvenues.co.nz](mailto:Justine.Brennan@bayvenues.co.nz)









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### Abbreviations used:

Tauranga Art Gallery	"Gallery" or "TAG"
Tauranga Art Gallery Trust	"Trust" or "TAGT"
Tauranga City Council	"TCC" or "Council"
Council Controlled Organisation	"CCO"
Enduring Statement of Expectations	"ESE"
Letter of Expectations	"LOE"
Statement of Intent	"SOI"
Long Term Plan	"LTP"
Learning Experiences Outside the Classroom	"LEOTC"



# tauranga art gallery

toi tauranga

## 1. Letter of Introduction

The Tauranga Art Gallery Trust Board has the pleasure of presenting the Statement of Intent (SOI) for the periods 2021-22, 2022-23, and 2023-24.

The SOI is informed by the expectations of the Tauranga City Council as outlined in the Enduring Statement of Intent and the Letter of Expectation, dated 14 December 2020.

The purpose of the SOI is to:

1. State publicly the activities and intentions of a CCO for the year and the objectives to which those activities will contribute;
2. Provide an opportunity for shareholders to influence the direction of the organisation; and
3. Provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

We also acknowledge amendments to the 2020 SOI in response to the COVID-19 crisis. As COVID-19 continues to have an extraordinary impact in New Zealand and globally, our SOI presents the most accurate picture we can create in these uncertain times, and on the large part works on the assumption that no future lockdown period occurs. Nonetheless, it remains the priority of the TAGT to continue to ensure good governance, business continuity plans and agile risk response strategies are employed during these times.

In December 2020, Tauranga Art Gallery Trust completed a 10-year vision and 5-year strategy for the Gallery. The vision was developed through a co-design process with various stakeholder groups and an extensive public engagement survey.

Tauranga Art Gallery's ten-year vision is titled Toi Tū Tauranga, the overarching narrative based on three concepts:

- Tauranga, the name of our City, meaning an 'anchorage'
- Toi Tauranga, the Māori name for the Tauranga Art Gallery – 'toi' meaning 'art'
- Toi Tū Tauranga – 'Toitū' brings these phrases together, inferring our enduring strength as an organisation

Vision 2030 represents the community's expectations and the Board's dedication to ensuring the Gallery is a strong anchorage for excellence in the arts.

Our Toi Tū Tauranga – Vision, then, reflects our aspiration to foster enduring lifelong relationships between art and the community. This vision is carried into this Statement of Intent, identifying synergies between our Vision and TCC's values, and ensuring community objectives established through our visioning work guides in our activities.

Tauranga Art Gallery is identified by Museums Aotearoa as one of nine key mid-sized public art galleries across Aotearoa<sup>1</sup>. We are recognised for leading programmes of art, which regularly feature mana whenua artists and reflect the stories and voices of our community. We take pride in the industry-leading quality of our art experiences, and that our exhibitions are supported by active education and public programmes, ensuring access to art for all.

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<sup>1</sup> See *Picture No Galleries*, published by Chartwell Trust, 2020, page 40



# tauranga art gallery

toī tauranga

The activities and operations laid out in this SOI are guided by our guiding objectives in the Tauranga Art Gallery Trust Deed (4.1), to:

- a) Provide the establishment and management of a sub-regional Public Art Gallery and ensure that its assets and collections are managed to a high standard.
- b) Provide Public Art Gallery facilities and art experiences which are relevant and accessible to the Western Bay of Plenty, sub-regional communities, and visitors to the area.
- c) Lead and promote activities to raise funds for the Gallery.

As a new Chair of our refreshed Board, we are unified and optimistic in our approach. We look forward to updating you on our progress during the year.

Ngā mihi, nā

Rosemary Protheroe  
Chair  
Tauranga Art Gallery Trust







## 2. Strategic Priorities

This section outlines the strategic priorities of TAG as influenced by the Trust Deed, Enduring Statement of Expectation and Letter of Expectation 2021-22.

### 2.1 Tauranga Art Gallery Vision 2021-2031

<b>Vision Statement</b> Toi Tū Tauranga <i>Enduring relationships with art</i> Creating life-long connections with art				<b>Mission Statement</b> He Tauranga Toi <i>To be an anchorage for art</i> To create exceptional art experiences that engage, inspire, and challenge		
<b>Objectives</b>	He Tauranga Auaha <i>To be an anchorage of innovation and creativity</i>	He Tauranga Matarau <i>To be an anchorage for diversity</i>	He Tauranga Whaihua <i>To be anchored in economic sustainability</i>	He Tauranga Haukaha <i>To be an anchorage of great shelter</i>	He Tauranga Taiao <i>To be anchored in environmental sustainability</i>	He Tauranga Haumarū <i>To be anchored in safe development</i>
<b>Functions</b>	Exhibitions and Programmes	Stakeholder Engagement	Financial governance and management	Infrastructure and facilities	Infrastructure and facilities	People and Organisational Culture





## 2.2 Strategic Alignment

The diagram below outlines the strategic alignment between TAG's objectives, aspirations and principles and the TCC's Long-Term Plan 2021 – 2031

<b>TAG Strategic objectives</b>	<b>He Tauranga Auaha</b> <i>To be an anchorage of innovation and creativity</i>	<b>He Tauranga Matarau</b> <i>To be an anchorage for diversity</i>	<b>He Tauranga Whaihua</b> <i>To be anchored in economic sustainability</i>	<b>He Tauranga He Tauranga Haukaha</b> <i>To be an anchorage of great shelter</i>	<b>He Tauranga Taiao</b> <i>To be anchored in environmental sustainability</i>	<b>He Tauranga Haumaru</b> <i>To be anchored in safe development</i>
<b>TAG Business function</b>	Exhibitions and programmes	Stakeholder engagement	Marketing and Communications	Financial governance and management	Infrastructure and facilities	People and organisational culture
<b>What does TAG's success look like in 2030?</b>	We are an acclaimed gallery and leaders of innovation.	We reflect the unique character and needs of the Tauranga community, visitors, and Tāngata Whenua.	We are financially autonomous and meet the resourcing needs to support our Vision and Mission.	Our Gallery and facilities are a flourishing environment, that inspire our community and visitors.	We are the first gallery in Aotearoa to receive a sustainability accreditation and we are seen as leaders in the art community.	We are 'good employers' and have a reputation in the art community for developing 'the best'.
<b>TCC Community Outcomes</b>	<b>We have a well-planned city</b> – Tauranga is a city that is well planned with a variety of successful and thriving compact centres and resilient infrastructure.  <b>We are inclusive</b>  <b>We support business and education</b>	<b>We are inclusive</b> – Tauranga is a city that recognises and promotes partnership with tangata whenua, and values culture and diversity, and where people of all ages and backgrounds are included, feel safe, connected and healthy.	<b>We support business and education</b> – Tauranga is a city that attracts and supports a range of business and education opportunities, creating jobs and a skilled workforce.	<b>We can move around our city easily</b> – Tauranga is a well-connected city, easy to move around in and with a range of sustainable transport choices.  <b>We have a well-planned city</b>	<b>We value and protect our environment</b> – Tauranga is a city that values our natural environment and outdoor lifestyle, and actively works to protect and enhance it.	<b>We are inclusive, and value our culture and diversity</b>  <b>We support business and education</b>



## Strategic Alignment

- **He Tauranga Auaha – To be an anchorage of innovation and creativity**

Tauranga Art Gallery is a key landmark in Tauranga central. TAG is integral to the cultural fabric of Tauranga and a key conduit for TCC's aspirations for a well-planned city which cultivates an inclusive and diverse culture. For over 15 years TAG has proven to be resilient in delivering innovative, industry-leading art experiences which engage, inspire, challenge and educate.

- **He Tauranga Matarau – To be an anchorage for diversity**

We reflect the unique character and needs of the Tauranga community, visitors, and Tāngata Whenua.

We strive to cater for an increasingly diverse population of artists and visitors, creating opportunities for all to access, learn and experience art. We value Tangata Whenua engagement, and we strive for enduring exchanges with iwi.

He Mana toi  
He Mana whenua  
*The prestigious artforms imprinted  
Through the people of the land*

- **He Tauranga Whaihua – To be anchored in economic sustainability**

TAG is a key venue in the newly renovated Wharf Street precinct, which is primed to attract thousands of local, domestic and international visitors to Tauranga CBD annually. In addition, through the Gallery's activities we create jobs, support local businesses and create opportunities for professional development in the public art sector.

TAGT manages the Gallery in a sustainable manner, protecting its assets and actively communicating its value, both to our principal supporter TCC and our growing community of additional stakeholders.

- **He Tauranga He Tauranga Haukaha – To be an anchorage of great shelter**

TAG is located centrally in near proximity to key public transport services. We actively encourage staff and patrons to explore environmentally friendly methods of transport to and from the Gallery, and provide an ArtBus, enabling thousands of primary, secondary and tertiary students to attend our programmes annually.

- **He Tauranga Taiao – To be anchored in environmental sustainability**

TAG is working to reduce our carbon footprint through a number of initiatives over the coming years. Our art programming regularly features artists engaged in pressing ecological issues.

- **He Tauranga Haumarū – To be anchored in safe development**

TAG maintains best practice for maintaining a healthy workplace culture and identifying professional development opportunities for TAG staff. We value Tauranga's distinctive culture and diverse population throughout all our activities, and actively seek out new opportunities to collaborate with local entities that, like us, aspire to make Tauranga a vibrant and interesting place.

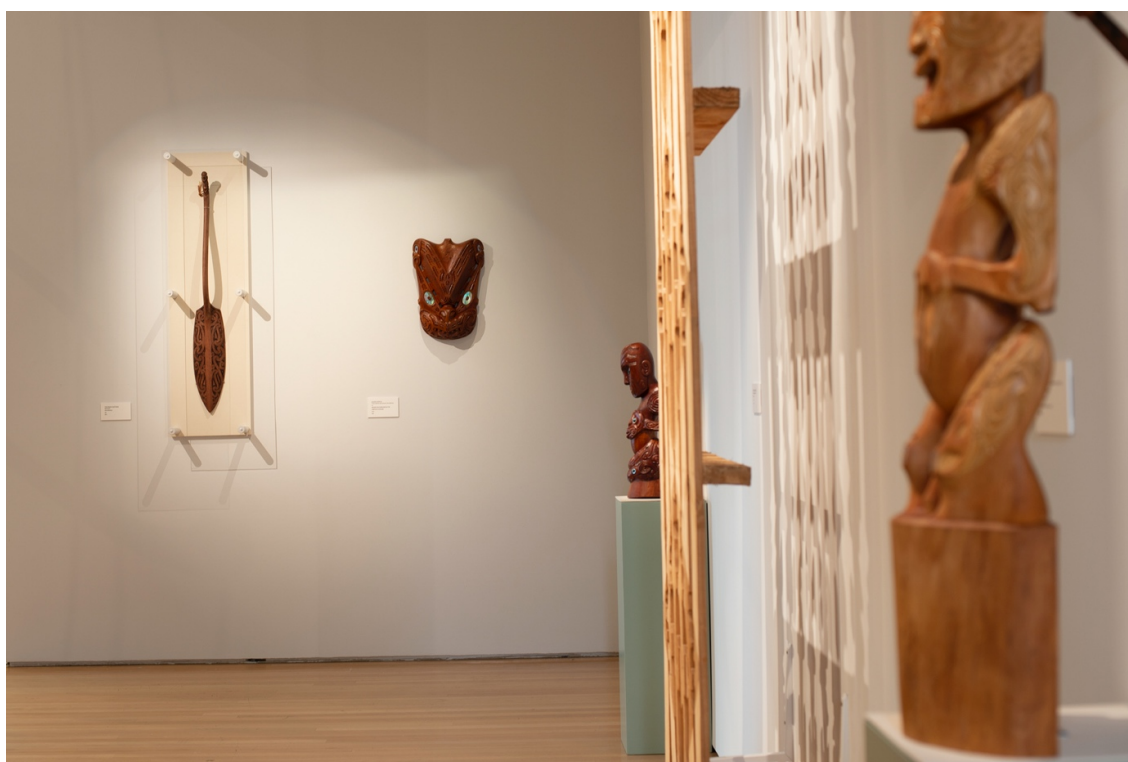


### 3. The Future: 2021-2023 and beyond

The Tauranga Art Gallery Trust Vision 2021-2031 reaffirms TAGT's commitment to delivering outcomes in accordance with the Gallery's specific objectives described above. The ongoing impacts of COVID-19 continue to impact TAG's visitation and income, and it is anticipated to take several months, if not years, to rebuild previous levels of visitation, patronage and revenues. However, we have observed that with the refurbishment of Wharf Street completed and most COVID-19-restrictions lifted nationally, visitation to Tauranga CBD is steadily increasing and productive synergies with nearby hospitality venues in this precinct are contributing to rebuild pre-COVID-19 levels of visitation.

The next TCC Long Term Plan will take effect from 1 July 2021 and is a strategic document for Council. The planning process has already begun. TAG has participated in the process to date and it is expected that this collaborative approach will continue.

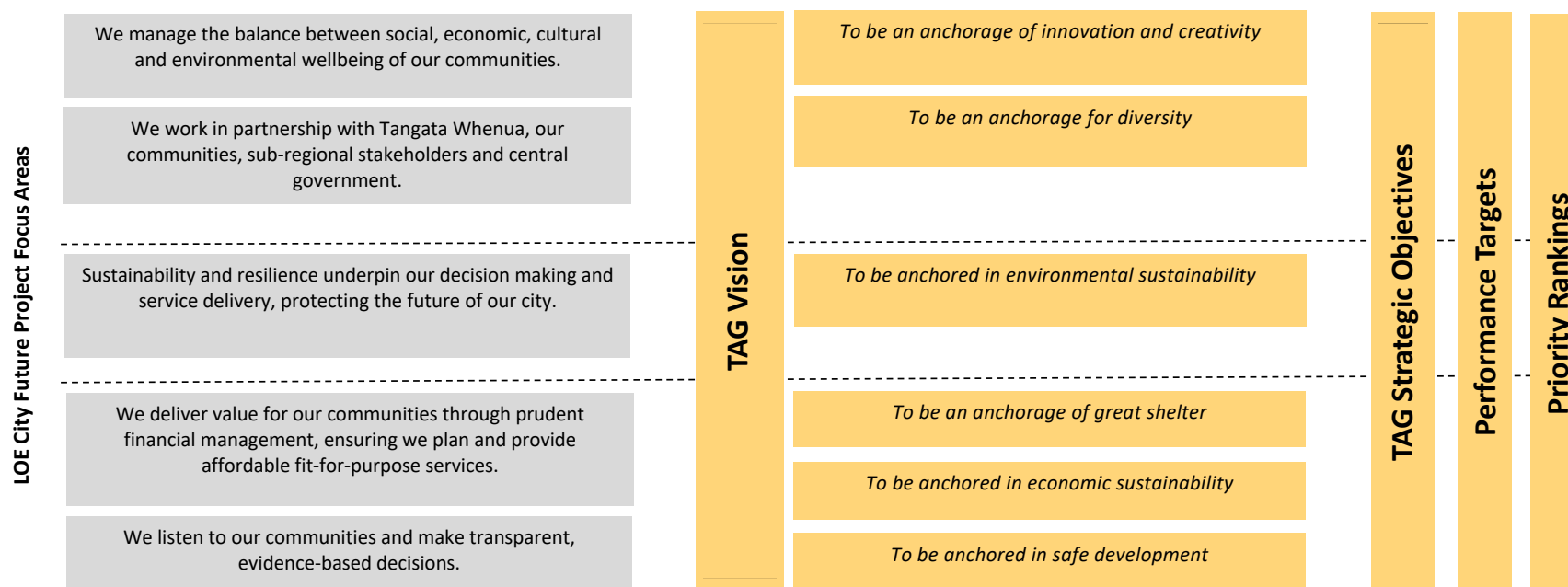
Tauranga Art Gallery's Vision 2021-2031 builds upon and refocuses our founding principles as defined in the Trust Deed, creating a refreshed and renewed vision to meet the challenges of the future.





#### 4. Nature of Scope & Activities

The diagram below demonstrates the alignment between the LOE City Future Project’s focus areas and TAG’s objectives. Our objectives are further detailed in the Performance Framework.







## Performance Framework Non-financial

### Priority Rankings

Priority rankings are based on impact and urgency within the reporting period

Exhibitions and Education			
He Tauranga Auaha	TAG Strategic Objective	Performance Target	Priority Rankings
<p><b><i>To be an anchorage of innovation and creativity</i></b></p> <p>TAG is a destination for both city visitors and residents, providing the opportunity for all to learn about and experience art.</p>	<i>*As a result of COVID-19 the number of visitors taking part in TAG art programmes were less than previous years. With the borders remaining closed until 2021/2022, visitation targets are accordingly conservative.</i>	Total gallery visitation is not less than 40,000 in the financial year 2021/2022, with a slow build up over the following two years anticipated to restore pre-COVID-19 visitation of 60,000+.	Medium
		Develop an SROI (Social Return on Investment) assessment and strategy, to better calculate our economic impact and strategically raise our ROI.	Medium
	Achieve a high level of customer satisfaction.	At least an 80% 'highly satisfied'/positive visitor response rating.	Medium
	Diverse audiences attend exhibitions.	Ethnicity of visitors is captured in our visitor survey forms. Increased efforts made to reach a broad demographic in our communication channels.	High
	Stage an annual signature exhibition/event, attracting visitors to the Gallery and the city centre.	Present at least one signature exhibition/event annually, with that event attracting not less than 8,500 visitors (including online engagement).	High
	Extend TAG's national reputation as an art destination.	Investigate options for a regular national event attracting visitors to the city.	Medium



Cont.

Exhibitions and Education			
	TAG Strategic Objective	Performance Target	Priority Rankings
	Maintain good working relationships with TCC staff and elected members, observing the 'no surprises' principle.	Regular meetings with TCC & elected members as mutually agreed.	Medium
		Work collaboratively with TCC and other CCOs on the development of a new CCO draft Statement of Intent template.	Medium
	Work collaboratively with TCC Events team and TCC city-wide events strategy.	Participate in TCC's strategic process for a city-wide events strategy.	Medium
	TAG offers a wide range of exhibitions and art experiences that are inclusive and to engage with diverse audiences.	Deliver not less than 12 exhibitions and other art experiences (including online projects) that cover contemporary and historical content, and feature a range of cultural perspectives.	Medium
	TAG delivers an active education programme to school groups	Not less than 7,500 students attend our education programme annually.	High
	TAG education programme reaches diverse communities, especially through the provision of an ArtBus for school groups.	Not less than 30 schools and/or not less than 160 school classes participate in our programmes.	Low
		Funding is raised to support the ArtBus.	Medium
		Continue to identify and expand reach of programmes to schools that for a variety of reasons struggle to attend our exhibitions, including initiating offsite outreach programmes.	Low
		Deliver 12 offsite education outreach visits in the first year (2021-2022).	Low
		Ethnicity of students is recorded on teacher evaluation forms.	Low





Stakeholder Engagement			
	TAG Strategic Objective	Performance Target	Priority Rankings
<b>He Tauranga Matarau</b>  <i>To be an anchorage for diversity</i>  TAG is inclusive and promotes partnerships with tangata whenua, values culture and diversity and where people of all ages and backgrounds are included, feel safe, connected and healthy.	Investigate new ways to provide art experiences within the city through partnerships with key stakeholders.	Deliver not less than one off-site exhibition in collaboration with another community group.	Medium
	Collaborate with other organisations to create and promote art opportunities in Tauranga.	Partner with not less than one other organisation per calendar year to develop and promote an event or education programme.	Medium
	Through the use of technology and digital platforms, provide alternative art experiences in order to grow audiences and enable greater access to the visual arts.	Develop an annual marketing plan and social media strategy which includes artist-generated content.	Medium
		Deliver at least one exhibition per calendar year which is focused towards online experiences and new media.	Medium
		Visitation to the TAG website and social media engagement increases annually. Report trends in digital engagement to TCC in our reporting.	Medium
	Increase use of te reo Māori through our Māori Engagement Strategy.	Increase presence of te reo through TAG website, social media posts, printed material, and exhibition texts.	High
		Partner with TCC to offer increased opportunities for staff to learn te reo.	High





Financial Governance & Management			
	TAG Strategic Objective	Performance Target	Priority Rankings
<b>He Tauranga Whaihua</b>  <i>To be anchored in economic sustainability</i>  TAGT will pursue opportunities to secure funding and manage all funds with prudence and care with a commitment towards being financially sustainable.	Gross revenue target achieved and forecasted expenditure is contained within the approved budget.	Budget is met.	High
	Financial management is supported by appropriate systems and controls.	External accountant performs monthly checks on financial processes.	Low
		Compliance with TAGT Audit Committee Policy, Audit NZ requirements and approved general accounting practices.	High
	Prudent management and accountability exercised by TAGT to determine the appropriate fiscal actions and cost-effective options to meet needs.	Invest in Business Development role in order to identify and grow new diverse revenue streams for TAG over the next three years.	High
	TAG continues to generate income from sources other than Council and explores new funding mechanisms.	Revise and implement new TAGT funding strategies annually.	High
		Build relationships with all TAG Entities, including the TAG Friends and TAG Foundation.	Medium
		Not less than 20% of TAGT operating expenditure will be provided from sources other than Council funds.	Medium
	Investigate opportunities to future proof both the physical and fiscal planning for the benefit of current and future generations.	The Director will provide information to the Board and work with TAGT to develop strategies for the cost-effectively management of the Gallery and future proofing our facilities.	Medium
<b>He Tauranga Haukaha</b>  <i>To be an anchorage of great shelter</i>	Maintenance & CapEx programme.	TAGT to develop its Building Maintenance & CapEx strategy.	High



Infrastructure and Facilities			
	TAG Strategic Objective	Performance Target	Priority Rankings
<b>He Tauranga Taiao</b>  <i>To be anchored in environmental sustainability</i>	TAGT to continue to work towards gaining a sustainability accreditation.	TAGT to investigate the viability of installing solar power on the roof of the Gallery and annually reviews power consumption.	Medium
		TAGT investigates ways of reducing its waste by recycling and/or reusing materials as appropriate.	Medium
		TAGT encourages staff to explore alternative sustainable travel options.	Low
	TAGT will take all practical steps to ensure health and safety policies and procedures are adopted as per statutory requirements.	Health and Safety Policy and operational procedures meet statutory requirements and best practice standards of reporting.	Medium
		Monthly H&S staff meetings held to identify risks or concerns, with required actions promptly conveyed to all staff.	Low
		H&S performance provided as part of the Director's Report at Board meetings.	Low
	Work collaboratively with TCC management team re the development of a Civic Hub.	Participate in TCC's strategic process/strategy group relating to the Civic Hub discussions?	Medium



Cont.

Infrastructure and Facilities			
	TAG Strategic Objective	Performance Target	Priority Rankings
<b>He Tauranga Haumaru</b>  <i>To be anchored in safe development</i>  TAGT will take all practical steps to ensure our people are valued, supported feel safe, connected and healthy.	Create a culture of support and staff wellbeing.	Development and implementation of a workplace equity plan that includes sustainable steps to support pay parity, living wage and diversity matters.	High
		Implement a staff survey with the view of continually improving and developing HR best practice.	Medium
	Excellence and innovation: Ensure staff are adapting skills to meet changing demands.	Professional development is offered to staff in line with their position descriptions.	Medium
		The Māori Engagement Strategy development will include considerations for staff training and support in; tikanga, te reo Māori, and their appropriate application within the TAG environment.	High
	TAG values culture and diversity and where people of all ages and backgrounds are included, feel safe, connected and healthy.	As part of the Māori Engagement Strategy development, TAG/TAGT will engage in meaningful discussions and partnerships with tangata whenua.	High
		Develop a healthy workplace culture, where staff feel safe and connected.	Medium



**5. Planning**

TAGT will prepare and annually update a three-year Strategic Plan and Annual Business Plan with:

- Indicative rolling three year forecasts of financial performance and position, separately identifying any significant intended expenditure.
- Any likely requests for increased levels of funding from Council.
- Key actions or initiatives to deliver on the objectives of the Trust.
- Upcoming challenges, risks and opportunities for the Trust.

TAGT will work collaboratively with TCC to review and as necessary update the ESE and the annual LOE.

**6. Reporting**

TAGT will:

- Keep TCC informed of matters of substance affecting the Trust as outlined in ESE.
- Produce an annual report to TCC on both financial and non-financial performance.
- Appraise the performance of the Trust Board / Trustees at least every 2 years.

**Annual Report**

Within two months after the end of each financial year, TAGT shall deliver to the TCC a Draft Annual Report, and within three months after the end of each financial year, audited financial statements in respect of that financial year containing the following information:

- A trustees' report, including a summary of the financial results, a report of the operations, and comparison of performance in relation to its objectives and recommendations for further funding requirements or opportunities;
- Audited financial statements for that financial year; and
- The Auditor's report on:
  - Those financial statements; and
  - The performance targets and other measures by which performance has been judged in relation to the objectives;

The audited financial statements shall consist of

- Statement of Financial Position;
- Statement of Financial Performance;
- Statement of Cash Flows;
- Statement of Performance against Financial and Non-Financial Performance Targets;
- Such other statements as may be necessary to fairly reflect the financial position of the Trust, the resources available to the Trust and the financial results of the operations of the Trust; and
- A statement of accounting policies and notes to the accounts.



**7. Financial Performance Targets**

TAGT aims to operate in a financially sustainable manner. As a CCO delivering part of TCC's cultural responsibilities, long-term financial performance and position is sustainable where planned long-term service standards are met without unplanned increases in TCC funding or cuts in deliverables.

**Indicative Financial Performance Targets:**

- Gross revenue is consistent with the agreed budget.
- Expenditure is managed within the agreed budget.
- Working capital ratio of no less than 1 (excluding current portion of term debt).
- Interest cost as a percentage of total revenue should not exceed 10%.
- Consolidated funds (total equity) are not less than 90% of total assets (all current and non-current assets).
- No debt is to be raised to finance operating expenses.
- TAGT achieves partial financial self-sufficiency (generates at least 20% of its annual operating budget).
- No distribution of income or capital to TCC.

**Non-Financial Performance Targets**

Indicative Non-Financial Performance Targets of planning and reporting requirements are met as per performance framework above.

**8. Accounting Policies**

Financial statements will be prepared and applied consistently in accordance with NZ GAAP. They will comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

**9. Asset Management**

TAGT will prepare and implement Asset Management Plans for the building and other assets.

**Commercial Values of Assets**

TAGT operates a public service and not a commercial activity. It is not practical to provide a commercial value to assets. Fair value of land, building and artworks are determined by an independent valuer every three years and changes reflected in the financial statements. Fair value is reviewed annually. The next valuation is to be undertaken in the year ended 30 June 2021.

**10. Transactions between related parties**

Transactions between TCC and TAGT will be conducted on a wholly commercial basis.

**11. Significant Decisions**

TAGT will not undertake any activity of a significant nature or scope not provided for in the ESE or the SOI without prior approval of TCC. In particular, the prior approval would be required for TAGT to:

- Form any subsidiary entity.
- Purchase shares in any other entity.
- Dispose of any significant assets, e.g. land or buildings.
- Dispose of or de-accession any works within the TCC Civic Art Collection.
- Purchase any significant assets e.g. land or buildings.



**12. Investment from TCC**

TCC will purchase services from the Trust as follows

**2021/22**

Management and operation of Tauranga Art Gallery \$1,008,912 **plus** Trustee fees of \$45,000 (as approved by TCC in December 2020).

**2022/23**

Management and operation of Tauranga Art Gallery \$1,003,252 **plus** Trustee fees of \$45,000.

**2023/24**

Management and operation of Tauranga Art Gallery \$1,020,307 (based on \$1,003,252 (2022/23)) and applying an inflation adjustment of 1.7% **plus** Trustee fees of \$45,000.

Any increases of the Management & Operational funding and Trustee fees would be subject to TCC approval as part of the internal submission via the Annual Plan process.

**13. Payment arrangements**

- Payment for the management of the TCC Civic Art Collection from 1 July.
- Payment of the Tauranga Art Gallery management and operation will be made monthly in advance as per the schedule above.

Compensation for any other services provided to or by the Council will be based on a service delivery agreement entered into by both parties.

Signed by

Date

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Rosemary Protheroe  
Chair  
Tauranga Art Gallery Trust

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Stephen Cleland  
Director  
Tauranga Art Gallery



# tauranga art gallery

toī tauranga

## 14. Three Year Forecast

TAURANGA ART GALLERY	Forecast	Forecast	Forecast	
Indicative Three Year Operational Forecast	2021-2022	2022-2023	2023-24	
<b>Income</b>				
Donations, fundraising and similar revenue	\$220,000	\$244,000	\$309,000	1
Revenue from providing goods or services	\$206,000	\$262,000	\$275,000	1
Interest, dividends & other investment revenue	\$13,000	\$14,000	\$14,000	2
TCC Operational (incl Collections)	\$1,053,912	\$1,048,252	\$1,065,307	3
WBOPDC	\$34,000	\$34,000	\$34,000	4
<b>Total Income</b>	<b>\$1,526,912</b>	<b>\$1,602,252</b>	<b>\$1,697,307</b>	
<b>Gross Profit</b>	<b>\$1,526,912</b>	<b>\$1,602,252</b>	<b>\$1,697,307</b>	
<b>Less Operating Expenses</b>				
Building	\$205,592	\$220,242	\$230,780	5
Expenses related to public fundraising	\$249,400	\$281,850	\$330,150	6
Volunteer & Employee related costs	\$808,050	\$829,750	\$858,450	7
Costs related to providing goods or services	\$87,750	\$93,000	\$94,450	8
Other expenses	\$29,200	\$30,550	\$32,000	9
<b>Total Operating Expenses</b>	<b>\$1,379,992</b>	<b>\$1,455,392</b>	<b>\$1,545,830</b>	
<b>Operating Profit</b>	<b>\$146,920</b>	<b>\$146,860</b>	<b>\$151,477</b>	
<b>Non-operating Expenses</b>				
Depreciation	\$144,000	\$144,000	\$144,000	10
<b>Total Non-operating Expenses</b>	<b>\$144,000</b>	<b>\$144,000</b>	<b>\$144,000</b>	
<b>Net Profit</b>	<b>\$2,920</b>	<b>\$2,860</b>	<b>\$7,477</b>	



**Assumptions**

- 1 Revenue generation increased modestly in 21/22 year, with larger increases forecasted in subsequent years as Business Developer gets established in role. Other funding revenue streams identified and grown.
- 2 Do not expect interest on investments to increase.
- 3 Inflation adjustment of 1.7% per annum, (includes Trustee Fees and excludes TCC collection fees, as the Civic Art Collection is now maintained by TCC offsite).
- 4 Additional funding proposals investigated with WBOPDC when the current 3-year contract expires in 2022. These increases have not been included in projections.
- 5 Steady increase in building maintenance indicated, as per Building Maintenance Strategy.
- 6 Volume and quality of exhibitions increased. Offsite education programmes initiated.
- 7 Increased HR costs include new Business Development role. Renewed HR strategy implemented.
- 8 Trustee fees, Director travel, meetings & professional services.
- 9 Includes audit fees (75%), accounting, bank & EFTPOS service fees.
- 10 Depreciation projections is based on previous years calculations.

*\* TAGT applied to the Long-term Plan 2021-31 for an increase of \$150,000/ year to our annual TCC funding, to support a business development role and outreach programmes. This figure is not incorporated into the above financial forecasts.*











28 April 2021

Rosemary Protheroe, Chair  
C/- Tauranga Art Gallery Trust  
PO Box 13255  
TAURANGA 3141

Via email: [rosemary.protheroe@gmail.com](mailto:rosemary.protheroe@gmail.com)

Dear Rosemary

**Tauranga Art Gallery Trust – Draft Statement of Intent 2021/22 to 2023/24**

At a meeting of the Tauranga City Council (TCC) on 12 April 2021, Council received the Draft Statement of Intent for Tauranga Art Gallery Trust.

I would like to thank you for completing this document and providing it to Council in accordance with the statutory timeframes.

Council acknowledges that the Board and staff have worked hard with their stakeholders on developing a new strategic direction and framework for the Art Gallery. This is clearly demonstrated in this year's draft SOI, which provides good alignment with TCC's community outcomes and strategic objectives, and specific reference to matters included in this year's Letter of Expectations.

It is particularly pleasing to see Tauranga Art Gallery Trust's commitment to moving towards increased financial sustainability and the inclusion of non-financial performance targets relating to culture and diversity, as well as environmental sustainability and culture/staff wellbeing in this year's Statement of Intent.

While there was general agreement with the draft Statement of Intent content, Council was keen to see reference to partnering with tangata whenua as a strategic priority, along with stronger inclusion of te reo Māori throughout the Statement of Intent. This would align the Statement of Intent to Council's recently updated community outcomes, in particular:

- ***We are inclusive*** – *Tauranga is a city that recognises and promotes partnership with tangata whenua, and values culture and diversity, and where people of all ages and backgrounds are included, feel safe, connected and healthy.*

Other additional amendments recommended for incorporation into Tauranga Art Gallery Trust's final Statement of Intent are set out below:

1. Council asks that Tauranga Art Gallery Trust provides more detail in their reporting, breaking down the visitor numbers result to differentiate between actual visits to the Gallery, online visits and educational outreach. It is also recommended that a Key Performance Indicator for ratepayer 'return on investment' is included in the final Statement of Intent (i.e. TCC's total operational grant divided by the number of visitors), with a goal to reduce the cost per visitor over time.



2. Although Tauranga Art Gallery Trust has set a strategic objective *to maintain good working relationships with TCC staff and elected members, observing the 'no surprises' principle* (page 10), more reference is required in the Statement of Intent of embracing the concept of a Tauranga City Council Group. This would include working collaboratively on the development of a council-controlled organisation draft Statement of Intent template and common key performance indicators for the Statement of Intent, as required in the Letter of Expectation. Council is cognisant that as a council-controlled organisation of TCC, the Art Gallery is different in that it owns its own assets and that TCC is not a shareholder.
3. With the Civic Art Collection now being stored at TCC's Newton Street facilities, the amount included for the management and care of the Civic Art Collection (\$3,590 in 2021/22, \$3,591 in 2022/23 and \$3,652 in 2023/24) should be removed from the three-year forecast in Tauranga Art Gallery Trust's final Statement of Intent, until such times as a new Service Level Agreement between TCC and TAGT has been drafted and approved.

In addition, it was noted that an increase of \$150,000 of operational funding has been included in the draft Long-term Plan 2021-31 for the Tauranga Art Gallery, to be confirmed following the community consultation process.

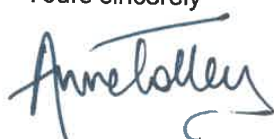
Similarly, following confirmation in the Long-term Plan 2021-31, the three-year forecast for Tauranga Art Gallery Trust should include the increase in trustee remuneration, which was approved by Council in December 2020, increasing trustee fees to \$5,000 per year and the chair fees to \$10,000 per year. With seven trustees and one chair, this should total \$45,000 per year, not \$22,500 per year.

Please note that the statutory timeframe for the Tauranga Art Gallery Trust Board to deliver the final Statement of Intent 2021/22 to 2023/24 to Council is before the commencement of the financial year to which it relates, i.e. by 30 June 2021.

At the same meeting on 12 April, Council considered the Tauranga Art Gallery Trust's recent board appointment process and, while approving the candidates recommended, they were disappointed to note that there were no successful candidates to fill the mana whenua vacancy. The Commissioners requested that staff work with the Board to prioritise filling this vacancy.

If you have any questions or require assistance, please contact Josie Meuli on 027 204 9214 or [josephine.meuli@tauranga.govt.nz](mailto:josephine.meuli@tauranga.govt.nz).

Yours sincerely



Anne Tolley  
**Commission Chair**

Cc: Stephen Cleland, Art Gallery Director - [director@artgallery.org.nz](mailto:director@artgallery.org.nz)





# STATEMENT OF INTENT

2021-2022 TO 2023-2024

**TĀPOI TE MOANANUI Ā TOI | TOURISM BAY OF PLENTY**  
(WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST)







## 1. OUR REGIONAL BRAND STORY

**KO MĀTOU WAAHI HE NGĀKAU PAI, HE  
TAKUTAI HAUMAKO RAWA, HE WAAHI PITO  
MATA.**

**HE WAAHI AWHINA O NGĀ AHUREA  
TUAKIRI KĀTOA. KO TE WAIRUA  
MĀHORAHORA O TE TANGATA HE ORITE KI  
TE PARITANGA HUANGĀ PAI O TE WHENUA.**

**HE WAAHI HURANGA – KO TĀ MĀTOU  
PŪMANAWATANGA, TE MOTUHAKETANGA  
ME TE WHAKAARO MURAMURA E  
HONOHONO ANA MĀTOU KI TE AO.**

**HE TAURANGA MAI. HE TAURANGA ATU.**

**TE MOANANUI Ā TOI – HE WAAHI MŌU.**

**OURS IS A PLACE OF POSITIVE ENERGY; A  
RICH COASTAL PARADISE BLESSED WITH  
RAW POTENTIAL.**

**WHERE CULTURES EMBRACE  
AND THE NATURAL GENEROSITY  
OF OUR PEOPLE IS AS ABUNDANT AS OUR  
FERTILE LAND AND OPEN SEAS.**

**A PLACE OF DISCOVERY –  
OUR INGENUITY, DETERMINATION  
AND BOLD THINKING CONNECT  
US TO THE WORLD.  
A LANDING PLACE. A LAUNCH PAD.**

**THE COASTAL BAY OF PLENTY –  
A PLACE FOR YOU.**





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## 2. PURPOSE OF STATEMENT OF INTENT

In accordance with section 64 of the Local Government Act 2002 and the Local Government Amendment Act 2019, this annual Statement of Intent (SOI) publicly states the activities and intentions of the Western Bay of Plenty Tourism and Visitors Trust (TBOP) for the next three years. This SOI sets out TBOP's strategic framework, activities, and performance measures, as the basis of organisational accountability.

TBOP acknowledges the Enduring Statement of Expectations (ESE) and Letter of Expectation (LOE) from Tauranga City Council and Western Bay of Plenty District Council. These articulate the focus areas for TBOP that will contribute to advancing the Western Bay of Plenty's economic prosperity.

## 3. ABOUT TOURISM BAY OF PLENTY

TBOP is incorporated under the Charitable Trusts Act (1957) and is a not-for-profit entity established to promote and manage the Western Bay of Plenty sub-region (WBOP) as a visitor and tourist destination. TBOP is a Council Controlled Organisation (CCO) and accountable to Tauranga City Council (TCC), Western Bay of Plenty District Council (WBOPDC) and by a separate Letter of Intent with Whakatāne District Council (WDC).

This collective region is known as Te Moananui ā Toi | the Coastal Bay of Plenty.

### 3.1 Purpose of Tourism Bay of Plenty

TBOP's purpose, as described in its Trust Deed, is to promote the economic welfare and development of the Western Bay of Plenty Region and its citizens through destination marketing, management and any other activity which impacts on that region as a visitor destination. TBOP is also responsible for providing visitor information services in the region.

TBOP's growing role as a Destination Management Organisation (DMO) is to lead, advocate, and coordinate a cohesive, collaborative, and balanced approach to managing a destination. This is a partnership approach and requires engagement with the community and the support of the Councils to enhance the visitor experience.

Councils have encouraged TBOP to consider how we contribute to the 'Council Group' and common community outcomes for Tauranga and the wider coastal region. These community outcomes were updated during the development of Tauranga City Council's Long-Term Plan 2021-2031. The new community outcomes are:

- We value and protect our environment - Tauranga is a city that values our natural environment and outdoor lifestyle, and actively works to protect and enhance it.
- We have a well-planned city - Tauranga is a city that is well planned with a variety of successful and thriving compact centres and resilient infrastructure.





- We can move around our city easily-Tauranga is a well-connected city, easy to move around in and with a range of sustainable transport choices.
- We support business and education -Tauranga is a city that attracts and supports a range of business and education opportunities, creating jobs and a skilled workforce.
- We are inclusive, and value our culture and diversity-Tauranga is a city that recognises and values culture and diversity, and where people of all ages and backgrounds are included, feel safe, connected, and healthy.

TBOP will work with councils on the development of a council-controlled organisations' draft Statement of Intent template and common key performance indicators for the Statement of Intent.





### 3.2 Principal Objectives

TBOP takes the leading role in sustainable growth of Te Moananui ā Toi | the Coastal Bay of Plenty visitor economy and management of the destination. TBOP's vision is to "share our love of Te Moananui ā Toi | the Coastal Bay of Plenty with the world" and our mission is "growing a sustainable visitor economy for the benefit of our community." Our principal objectives are to:

1. Provide leadership for the recovery and restart of the visitor economy to mitigate the impacts of the COVID-19 pandemic on the local economy.
2. Help to manage and promote the city and region's reputation nationally and internationally, to increase attractiveness and ensure share of voice.
3. Provide leadership for the visitor economy, including the destination management strategy, and support Councils to explore alternative funding mechanisms.
4. Target the right visitors at the right time with the right messages, which will involve working with stakeholders.
5. Connect with residents to maintain a community social licence, and measure this via likelihood to recommend the area to others to visit and perceptions of the impact of tourism on the community.
6. Enhance the visitor experience by providing fit-for-purpose visitor information services, including the use of digital services.
7. Grow capability of operators and identify supply gaps and potential investment opportunities including identifying and assisting in the product development of indigenous cultural experiences.
8. Identify opportunities to assist with the development of walking and cycling infrastructure planning and promote walking and cycling experiences in the Western Bay of Plenty District.
9. Support TCC's City Events team and other key stakeholders to develop a city-wide events strategy which clearly articulates our event investment priorities, incorporates our Place DNA® and strengthens Tauranga's reputation as a premier events destination.
10. Demonstrate a commitment towards measuring, developing, and improving organisational culture and staff well-being in line with 'Council Group' expectations.





### 3.3 Operating Principles

TBOP will adhere to the 'Council Group' operating principles:

- We deliver value for our communities through prudent financial management, ensuring we plan and provide affordable fit-for-purpose services.
- Sustainability and resilience underpin our decision making and service delivery, protecting the future of our city.
- We work in partnership with Tangata Whenua, our communities, sub-regional stakeholders and central government.
- We manage the balance between social, economic, cultural and environmental wellbeing of our communities.
- We listen to our communities and make transparent, evidence-based decisions.





### 3.4 Role of Tourism Bay of Plenty

TBOP has identified four strategic priorities which will collectively grow demand for the destination whilst enhancing the visitor experience and increasing investment and supply. These priorities are based on a platform of stakeholder engagement and partnership, and sound governance principles. These strategic priorities will be executed under Te Moananui ā Toi | the Coastal Bay of Plenty Regional Brand Story which defines the unique and compelling attributes of our region. The four strategic priorities are:

1. Connect with residents.
2. Grow capability and increase supply.
3. Enhance the visitor experience.
4. Target the right visitors at the right time with the right messages.

The diagram below reflects our growing role as Destination Managers – to *lead*, *advocate* and *coordinate* the visitor economy, while considering environmental, social, and cultural interests. We also need to ensure we preserve the region's unique identity and that our visitor-related development is coordinated with residents' interests.







### 3.5 Destination Management Plan







Destination management is an ongoing process that requires destinations to plan for the future and considers the social, economic, cultural, and environmental risks and opportunities. It brings together different stakeholders in a collaborative manner to achieve the common goal to which they are all committed, developing a well-managed, sustainable visitor destination. This requires inclusive and coordinated leadership. Destination management needs to engage residents, tourism enterprises, businesses, Māori/Iwi/Hapū, Regional Tourism Organisations, Economic Development Organisations, Tourism New Zealand, and local/regional and central government as appropriate. In order to be successful, we require the support of our local Councils.

The region and our plan, Te Hā Tāpoi | The Love of Tourism, has been hailed as an innovative exemplar in destination management with the foresight to create a regenerative tourism economy for our people and place. Our destination management plan continues to be globally recognised as a prescient roadmap for this regenerative tourism future.

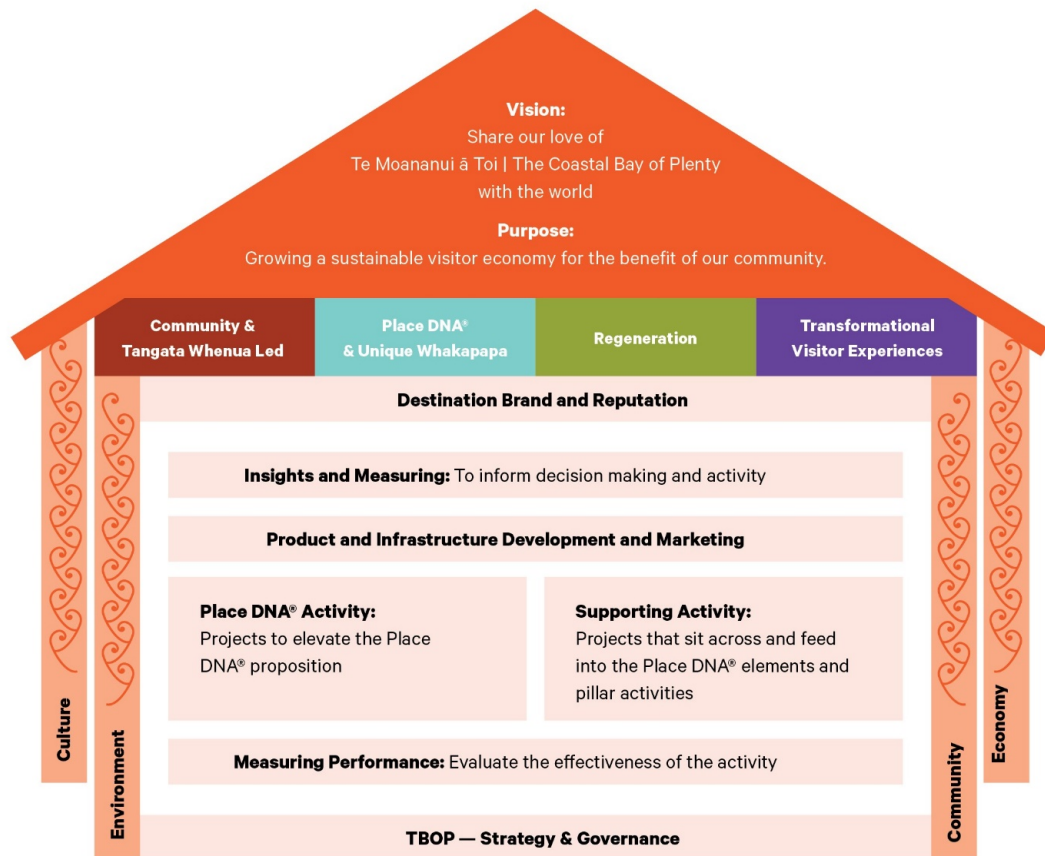
In recognition of TBOP's leadership of the sector, the Councils will provide opportunities for TBOP to actively contribute their expertise and knowledge of the tourism industry and economic development in planning for population and urban growth led by the Councils.

As a result of the COVID-19 pandemic, the tourism sector is currently in survival mode. TBOP will work to support the region's tourism industry to survive and revive during 2021 – 2022. Principal objectives one and two in section 3.2 outline the additional activities TBOP will undertake during this time. These activities are to help the industry survive the impacts of COVID-19, whilst still building towards the ultimate goal to create a thriving visitor economy in Te Moananui ā Toi | the Coastal Bay of Plenty.





### 3.6 Tourism Bay of Plenty's Strategic Framework







## 4. GOVERNANCE

TBOP is a CCO of the Tauranga City and Western Bay of Plenty District Councils. The TBOP Board and management are committed to ensuring the organisation meets recommended best practice governance principles and maintains the highest ethical standards, as outlined in the ESE.

The TBOP Board of Trustees is appointed by the Councils to govern and direct TBOP's activities. The Board is accountable to the Councils for the financial and non-financial performance of TBOP. The Board works collaboratively with the Councils to ensure a bilateral "no surprises" relationship.

### 4.1 The Role of the Tourism Bay of Plenty Board of Trustees

The Board of Trustees is responsible for the direction of TBOP. In accordance with the ESE, this responsibility includes:

- Acting in accordance with the Trust Deed.
- Developing and overseeing the implementation of TBOP's Visitor Economy Strategy 2018-2028 (VES).
- Advocating and stakeholder management.
- Approving Annual Plans, budgets and the SOI.
- Maintaining Enterprise Risk and Health and Safety systems, policies and controls.
- Monitoring financial performance and achievement of the strategic initiatives and SOI objectives.
- Appointing and monitoring the performance and remuneration of the CE.
- Ensuring the integrity of management information systems and policies.
- Assessing business opportunities and business risks.
- Managing staff engagement, organisational culture and ensuring that TBOP acts as a good employer.
- Complying with relevant law.
- Ensuring TBOP exhibits a sense of social and environmental responsibility.
- Reporting to the Councils.
- Following the decision-making guidelines in the ESE and the TCC Appointment of Directors to Council Organisations Policy and the Significance and Engagement Policies.

The Trustees operate under the TBOP Code of Conduct and the Tauranga City Council Code of Conduct for Directors Appointed by Council to Council Organisations.

The Trustees delegate the day-to-day operation of TBOP to the Chief Executive (CE) of TBOP who reports regularly to the Board. Kristin Dunne, who occupied this position since 2015, has resigned. This position (being recruited in July 2021) will be changed to General Manager (GM).





## 4.2 Tourism Bay of Plenty Trustees

As of 30 June 2021, the TBOP Board comprises the following trustees:

- Laurissa Cooney (Chairperson)
- Russ Browne (Deputy Chairperson)
- Gwendoline Keel
- Jason Hill
- Clare Swallow

Oscar Nathan has stepped down from the Board to take up the position as acting Chief Executive as of 27 April 2021, while Kristin Dunne transitions out of the organisation on a part-time basis.

## 4.3 Reporting to Councils

### 4.3.1 Communication Protocol

The Chairperson, Board members and officers of TBOP will adhere to the following communication protocols with the Councils, in addition to the formal reporting requirements:

- Two-way dialogue and a commitment to considering the Councils' strategic priorities and objectives.
- A bilateral 'no-surprises' approach.
- Consultation with the Councils prior to external release of significant changes and/or developments.
- Early notification and collaboration on the management of risks and issues.
- Appraise the performance of the TBOP Board of Trustees at a minimum of every two years, alternating between a Board led review and a Council led review.
- Inform Councils of engagement with central government and submissions to external agencies.
- Acknowledge our relationship with Councils and use their logos alongside the TBOP brand as appropriate.





#### **4.3.2 Statement of Intent**

The draft SOI for the ensuing financial year will be provided by TBOP to the Councils by 1 March each year. Feedback from the Councils will be considered by 1 May and the final SOI will be provided by 30 June each year.

The draft SOI provides a three-year view which is consistent with the ESE and identifies:

- Indicative rolling three-year forecast of performance and position, separately identifying any significant intended expenditure.
- Any likely requests for increased levels of funding from Council.
- Key actions or initiatives to deliver on the objectives of TBOP.
- Upcoming challenges, risks, and opportunities for TBOP.

#### **4.3.3 Reporting**

TBOP has adopted 30 June as its balance date.

##### **4.3.3.1 Six Month Report**

By 28 February, the Trustees shall deliver to the Councils an unaudited report containing the following information in respect of the six months under review:

- Statement of Financial Performance disclosing revenue and expenditure and comparative prior period and budget figures.
- Statement of Financial Position.
- Progress towards Non-Financial Performance Targets.
- A commentary on the financial and non-financial results for the first six months and a forecast for these results for the full year.

##### **4.3.3.2 Annual Report**

By 31 August, the Trustees shall deliver to the Councils a draft Annual Report, and by 30 September a final version of the Annual Report, including audited financial statements (dependent on Audit New Zealand timeframes), in respect of that financial year, containing the following information:

- Chairperson's and GM's reports.
- Audited financial statements for that financial year including Statement of Financial Performance and Statement of Financial Position and Changes in Equity.
- Notes to the financial statements including accounting policies.
- Service Delivery Report summarising TBOP's performance against the SOI strategic priorities.
- Independent Auditor's report on the financial statements and non-financial performance measures.



## 5. TBOP'S STRATEGIC PRIORITIES AND SUCCESS MEASURES

Note: TBOP has received expert advice that given the current VUCA (Volatile, Uncertain, Complex, and Ambiguous) environment, no long-term forecasting of the visitor economy should be undertaken at this time. This will be reconsidered in the next financial year, dependent on market conditions.

### 5.1 External Focus Areas

Focus Area	Performance Area	Performance Measure	Breakdown	Baseline	2021-2022 Goal (June 2022)	2022-2023 Goal (June 2023)	2023-2024 Goal (June 2024)	Source
Economic	Visitor spend	Measure trends in visitor spend in Te Moananui ā Toi   the Coastal Bay of Plenty.  Tourism data expert Shane Vuleitch from FreshInfo deems it imprudent to forecast or set targets for future years at the moment (February 2021), due to the current levels of market uncertainty.	Total visitor spend.	In the YE May 2021 total visitor spend in the region was up 18% compared to YE May 2020.	Monitor and report on changes in visitor spend and use the information to set new goals for future years.	Meet visitor spend goal set in June 2021, dependent on market conditions.	Meet visitor spend goal set in June 2021, dependent on market conditions.	Marketview Tourism Dashboard.
			Domestic visitor spend.	In the YE May 2021 domestic visitor spend in the region was up 27% compared to YE May 2020.	Monitor and report on changes in visitor spend and use the information to set new goals for future years.	Meet visitor spend goal set in June 2021, dependent on market conditions.	Meet visitor spend goal set in June 2021, dependent on market conditions.	Marketview Tourism Dashboard.
			International visitor spend.	In the YE May 2021 international visitor spend in the region was down 51% compared to YE May 2020.	Monitor and report on changes in visitor spend and use the information to set new goals for future years, dependent on market conditions.	Meet visitor spend goal set in June 2021, dependent on market conditions.	Meet visitor spend goal set in June 2021, dependent on market conditions.	Marketview Tourism Dashboard.
			Cruise visitor spend.	No baseline result as there was no 2020-21 cruise season due to travel restrictions associated with COVID-19.	If the cruise market returns in 2021-2022, monitor and report on changes in visitor spend and use the information to set new goals for future years.	Meet visitor spend goal set in June 2021, dependent on market conditions.	Meet visitor spend goal set in June 2021, dependent on market conditions.	MBIE Tourism Satellite Account.
	Visitor numbers	Monitor trends in the number of visitors to Te Moananui ā Toi   the Coastal Bay of Plenty.	Te Moananui ā Toi   the Coastal Bay of Plenty	Monitoring average number of visitors each day per month and reporting to stakeholders.	Monitor and report on visitor numbers across the year.	Monitor and report on visitor numbers across the year.	Monitor and report on visitor numbers across the year.	Data Ventures Tourism NZ Tool.
	Employment	Measure the number of jobs provided by the tourism industry. (Includes accommodation, food and beverage services; activity, travel and tour services; and transport services.)	Total number of filled jobs in select tourism industries.	Tourism provides 7,450 jobs in Coastal BOP (April 2021).	Monitor and report on the number of jobs the tourism industry provides and use the information to set new goals for future years.	Meet goal set in June 2021 for number of jobs in the tourism sector job, dependent on market conditions.	Meet goal set in June 2021 for number of jobs in the tourism sector job, dependent on market conditions.	Infometrics.
Environmental	Environmental impact	Measuring the impact (both positive and negative) of tourism on the environment.	Te Moananui ā Toi   the Coastal Bay of Plenty	Started to assess the impact of tourism across the region via ECO-destination certification (50% complete) and in conjunction with stakeholders.	Determine a framework for measuring the impact of tourism and regenerative tourism on the environment and begin monitoring.	Implement framework and revise as needed.	Continue to implement framework and revise as needed.	Report to be developed based on framework.
Cultural	Reach of engagement with iwi and hapū	Monitor the number of iwi and hapū with whom TBOP engages.	Te Moananui ā Toi   the Coastal Bay of Plenty	Relationships with 10 iwi and 11 hapū.	Two new relationships developed with iwi and hapū per year.	Two new relationships developed with iwi and hapū per year.	Two new relationships developed with iwi and hapū per year.	Simpleview CRM system.





Focus Area	Performance Area	Performance Measure	Breakdown	Baseline	2021-2022 Goal (June 2022)	2022-2023 Goal (June 2023)	2023-2024 Goal (June 2024)	Source
	Quality of engagement with iwi and hapū	Monitor the strength of TBOP's relationships with iwi and hapū.	TBOP	Internal assessment of quality of relationships: 48% are classified as 'strong'. 24% are classified as 'moderate'. 29% are classified as 'weak'.	Develop 360° review and implement to establish a new baseline.	Maintain or improve strength of relationships.	Maintain or improve strength of relationships.	360° review
Social	Social licence	Measure resident's sentiment towards tourism. Measured by the percentage of residents who agree that tourism has a positive impact on the community. Residents provide a rating of 1 to 10, where 1 is strongly disagree and 10 is strongly agree.	Tauranga City residents.	The score for the year to date (2020-21) is 66% agree (scores of 7 to 10).	Maintain or improve perceptions of tourism's impact on the community.	Maintain or improve perceptions of tourism's impact on the community.	Maintain or improve perceptions of tourism's impact on the community.	Tauranga City Council residents' satisfaction survey results.
			Western Bay of Plenty District residents.	The score for the year ending June 2021 is 72% agree (scores of 6 to 10).	Maintain or improve perceptions of tourism's impact on the community.	Maintain or improve perceptions of tourism's impact on the community.	Maintain or improve perceptions of tourism's impact on the community.	Western Bay of Plenty residents' satisfaction survey results.
			Whakatāne District residents.	The score for the year ending June 2020 is 79% agree (scores of 6 to 10).	Maintain or improve perceptions of tourism's impact on the community.	Maintain or improve perceptions of tourism's impact on the community.	Maintain or improve perceptions of tourism's impact on the community.	Whakatāne District Council residents' satisfaction survey results.
	Operator social licence	Measure industry operators' satisfaction with Tourism Bay of Plenty's activities.	Operators	No current baseline data, first survey to be undertaken in 2021-2022.	Maintain or improve operators' satisfaction with TBOP's activities.	Maintain or improve operators' satisfaction with TBOP's activities.	Maintain or improve operators' satisfaction with TBOP's activities.	TBOP operator satisfaction survey.
	Stakeholder engagement	Monitor stakeholder engagement volume.	Stakeholders	Averaged 120 engagements with key stakeholders per two-month period from July-December 2020.	Achieve an average of 70 engagements with key stakeholders per two-month period.	Achieve an average of 70 engagements with key stakeholders per two-month period.	Achieve an average of 70 engagements with key stakeholders per two-month period.	Simpleview CRM system.
	Leadership Advisory Group	Hold Leadership Advisory Group meetings.		One meeting in the 2020-21 FY.	Hold three Leadership Advisory Group meetings.	Hold three Leadership Advisory Group meetings.	Hold three Leadership Advisory Group meetings.	Simpleview CRM system.
Visitor experience	Visitor satisfaction	Measure visitor satisfaction with their visit to Te Moananui ā Toi   the Coastal Bay of Plenty.	Total visitor satisfaction.	86% of visitors are satisfied with their last visit to the region (May to April 2021). Sample: n=214 Error margin: +/-7%	Maintain or improve visitors' satisfaction with their visit.	Maintain or improve visitors' satisfaction with their visit.	Maintain or improve visitors' satisfaction with their visit.	Visitor satisfaction survey.
	Potential visitor perceptions	Measure perceptions of Te Moananui ā Toi   the Coastal Bay of Plenty among the New Zealand and Australia markets.	New Zealand market.	23% of adult New Zealand travellers are somewhat informed about the region, consider the region to be highly appealing, and will probably or definitely visit in the next 12 months (YE March 2021).	Maintain or improve propensity to visit score.	Maintain or improve propensity to visit score.	Maintain or improve propensity to visit score.	Market Perception: research report by Angus & Associates.
			Australia market.	16% of adult Australian travellers are somewhat informed about the region, consider the region to be highly appealing, and will probably or definitely visit in the next 12 months (YE March 2021).	Maintain or improve propensity to visit score.	Maintain or improve propensity to visit score.	Maintain or improve propensity to visit score.	Market Perception: research report by Angus & Associates.





Focus Area	Performance Area	Performance Measure	Breakdown	Baseline	2021-2022 Goal (June 2022)	2022-2023 Goal (June 2023)	2023-2024 Goal (June 2024)	Source
	<i>i</i> -SITE user experience	Measure <i>i</i> -SITE users' perceptions of their experience.	Tauranga <i>i</i> -SITE	Six responses to <i>i</i> -SITE users' perceptions survey.	Monitor Net Promoter Score™ and set benchmarks for future years.	Maintain or improve Net Promoter Score™.	Maintain or improve Net Promoter Score™.	Customer Radar feedback dashboard.

## 5.2 Internal Focus Area

Focus Area	Performance Area	Performance Measure	Baseline	2021-2022 Goal (June 2022)	2022-2023 Goal (June 2023)	2023-2024 Goal (June 2024)	Source
TBOP team	Employee engagement	Measure organisational culture and staff well-being.	Employee Engagement score: 76% (April 2021).	Maintain or improve Employee Engagement Score.	Maintain or improve Employee Engagement Score.	Maintain or improve Employee Engagement Score.	TBOP Employee Engagement Survey.
	Living wage	Payment of the living wage (as a minimum) to all permanent employees.	All employees are being paid a minimum of the living wage.	Payment of the living wage (as a minimum) to all permanent employees.	Continuing to assess the payment of the living wage (as a minimum) to all permanent employees.	Continuing to assess the payment of the living wage (as a minimum) to all permanent employees.	Financial records.
Regulations	Health and Safety	Measure health and safety capability of Tourism Bay of Plenty.	Safe365 Index of 79% across the ten modules.	Safe365 Index of 80% across the ten modules.	Safe365 Index of 80% across the ten modules.	Safe365 Index of 80% across the ten modules.	Safe365 assessment.
	<i>i</i> -SITE Qualmark status	Monitor the Qualmark status of Tauranga <i>i</i> -SITE.	Achieved Qualmark Sustainable Tourism Business Award with score of 85.	Maintain or improve the Qualmark Sustainable Tourism Business Award score.	Maintain or improve the Qualmark Sustainable Tourism Business Award score.	Maintain or improve the Qualmark Sustainable Tourism Business Award score.	Qualmark.
Sustainability	Carbon footprint	Measure TBOP's carbon output.	Measured carbon footprint and identified opportunities for reduction.	Reduce carbon footprint across the organisation by 10%, and offset or inset the rest.	Reduce carbon footprint across the organisation by 10% (since June 2021), and offset or inset the rest.	Reduce carbon footprint across the organisation by 10% (since June 2021), and offset or inset the rest.	Carbon footprint calculator.
	Waste management	Monitor TBOP's waste management.	TBOP has a worm farm and recycling bins.	Reduce waste to landfill by 10%.	Reduce waste to landfill by a further 5%.	Reduce waste to landfill by a further 5%.	Resource Wise Business through Tauranga City Council.





Focus Area	Performance Area	Performance Measure	Baseline	2021-2022 Goal (June 2022)	2022-2023 Goal (June 2023)	2023-2024 Goal (June 2024)	Source
Governance and finance	Governance	Statutory reporting requirements.	Met statutory reporting requirements for the 2020-2021 financial year.	Meet statutory reporting requirements.	Meet statutory reporting requirements.	Meet statutory reporting requirements.	Audit.
	Finance	Manage P&L budget and aim for best effort cost recovery through revenue growth opportunities and cost management strategies.	Achieved.	Variance of profit to budget for year within 5% of total revenue.	Variance of profit to budget for year within 5% of total revenue.	Variance of profit to budget for year within 5% of total revenue.	TBOP Six Month and Annual Reports.
		Code of Conduct compliance.	Achieved.	Code of Conduct compliance.	Code of Conduct compliance.	Code of Conduct compliance.	TBOP Six Month and Annual Reports.
		Compliance and regulatory obligations met.	Achieved.	Compliance and regulatory obligations met.	Compliance and regulatory obligations met.	Compliance and regulatory obligations met.	Council's feedback.
		Enterprise Risk Management Policy adherence.	Achieved.	Enterprise Risk Management Policy adherence.	Enterprise Risk Management Policy adherence.	Enterprise Risk Management Policy adherence.	Board confirmation.
		Maintain good working relationships with Council staff and elected members, observing the 'no surprises' principle.	Achieved.	No surprises principle maintained.	No surprises principle maintained.	No surprises principle maintained.	Council's feedback.
		Support Councils to explore alternative funding mechanisms.*	Achieved (within TBOP's control).	Support investigation of additional alternative funding mechanisms, dependent on TCC budget and timings.	Support investigation of additional alternative funding mechanisms, dependent on TCC budget and timings.	Support investigation of additional alternative funding mechanisms, dependent on TCC budget and timings.	TBOP Six Month and Annual Reports.
		Manage Strategic Tourism Assets Protection Programme (STAPP) and Tourism Support Recovery and Re-Set (TSRR) funding.	Achieved.	Manage STAPP and TSRR funding to MBIE and TBOP Board expectations.	Manage STAPP and TSRR funding to MBIE and TBOP Board expectations, if applicable.	Manage STAPP and TSRR funding to MBIE and TBOP Board expectations, if applicable.	TBOP Six Month and Annual Reports.
		Manage Regional Events Fund funding.	Achieved.	Manage Regional Events Fund funding to MBIE and TBOP Board expectations.	Manage Regional Events Fund funding to MBIE and TBOP Board expectations.	Manage Regional Events Fund funding to MBIE and TBOP Board expectations.	TBOP Six Month and Annual Reports.

\*While TBOP can support Council with the investigation of additional funding mechanisms, the actual securing of funding is outside of TBOP's control, Thus, this performance measure relates to an outcome TBOP can directly affect.





## 6. FINANCIAL PERFORMANCE TARGETS AND MEASURES

- Gross revenue is consistent with the agreed budget.
- Expenditure is managed within the agreed budget.
- Working capital ratio of no less than 1 (excluding current portion of term debt).
- Equity to assets ratio is reported on (equity divided by total assets).
- No debt is to be raised to finance operating expenses.

## 7. ACCOUNTING POLICIES

Financial statements will be prepared in accordance with Tier 2 Public Benefit Entity Accounting Standards. The accounting policies that have been adopted are detailed in the company's Annual Report.

### 7.1 Asset Management

TBOP will prepare and implement Asset Management Plans for all assets where relevant.

### 7.2 Ratio of Consolidated Funds

If the Trust is wound up everything reverts to the Councils (to be held in trust for similar purposes). TBOP intends to keep the equity ratio equal to or above 0.5:1.0. The ratio is calculated as: equity divided by total assets.

### 7.3 Estimate of Commercial Value

The TBOP Board estimate that the commercial value of the shareholders' investment in TBOP is represented by the net assets of TBOP. This value is calculated from total assets less liabilities.

### 7.4 Transactions Between Related Parties

Transactions between the Councils and TBOP will be conducted on a wholly commercial basis.

### 7.5 Distribution to Shareholders

TBOP is not expected to make profits; any surplus funds remaining from the annual operations of TBOP shall be carried forward to the ensuing year to continue to meet the primary objectives of TBOP.





## 8. FUNDING PRINCIPLES

There are six high-level funding principles:

- As a general principle, TCC and WBOPDC will provide ongoing funding to TBOP as a contribution towards operational expenses.
- The role of the Councils is to hold TBOP accountable for the use of funds provided by TCC/WBOPDC, ideally consistent with the Councils' strategies.
- TBOP is encouraged to seek funding opportunities from the private sector and central government in order to maximise the best outcomes for the organisation and the region.
- The TBOP Board must be empowered with sufficient flexibility to determine the best use and allocation of funding to meet required levels of service to the community and visitors.
- TBOP is expected to meet the approved annual budget.
- Any net surpluses are to be disclosed through Six Month and Annual Reports.

### 8.1 Approach to Funding

TBOP receives an operating grant from both Councils for the purpose of marketing and managing the destination. The operating grant is set through the Long-Term Plan (LTP) process, with the contribution from each Council updated annually in line with the consumer price index (CPI) when TBOP creates its budgets for the coming year.

Council funding for additional operating grant and ad hoc new capital projects is to be assessed on a case by case basis through the LTP or the Annual Plan process.





## 9. SIGNIFICANT DECISIONS

In accordance with the TCC Significance and Engagement Policy, TBOP will not undertake any activity of a nature or scope not provided for in this SOI without prior approval of the Councils. Specifically, prior approval would be required for TBOP to:

- Form any subsidiary entity.
- Purchase shares in any other entity.
- Dispose of any significant assets e.g. land or buildings.
- Purchase any significant assets e.g. land or buildings.
- Seek partnering solutions that involve the dilution of assets or the commitment of Councils.





## 10. COMPENSATION FROM LOCAL AUTHORITY

TCC and WBOPDC intends to purchase services from TBOP over the long term and agrees to the level of funding on a rolling three-year basis aligned to the three-year Business Plan of TBOP.

The services for the next three years are currently forecast, as per the table below.

Funder	2021-2022	2022-2023	2023-2024
TCC*	\$2,342,721	\$2,410,660	\$2,482,498
WBOPDC	\$232,000	\$235,480	\$239,012
<b>Total</b>	<b>\$2,574,721</b>	<b>\$2,646,140</b>	<b>\$2,721,510</b>

\*TCC's figures include funding for Visitor Information Centres.

The payments will be made quarterly in advance on receipt of a GST invoice, with payments one and two each being 30% of the annual sum, and payments three and four each being 20% of the annual sum.

### Western Bay of Plenty Tourism & Visitors Trust

BUDGET	2021/22	2022/23	2023/24
	\$	\$	\$
<b>Revenue</b>			
Funding - Tauranga City Council	2,342,721	2,410,660	2,482,498
Funding - Western BOP District Council	232,000	235,480	239,012
Funding - Whakatane District Council	84,000	84,000	84,000
Retail Sales	8,000	8,000	8,000
Other Revenue (includes industry contributions)	1,760,137	66,000	66,000
<b>Total Revenue</b>	<b>4,426,858</b>	<b>2,804,140</b>	<b>2,879,510</b>
<b>Less Expenditure</b>			
Cost of Sales	5,000	5,000	5,000
Operating & Marketing	3,547,973	1,925,505	2,000,875
Administration & Overheads	796,885	796,635	796,635
Depreciation & Amortisation	77,000	77,000	77,000
<b>Total Expenditure</b>	<b>4,426,858</b>	<b>2,804,140</b>	<b>2,879,510</b>
<b>Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>





## 11. TERMINATION

If any party wishes to terminate this three-year rolling arrangement due to non-performance or other substantive reason within the control of either of the parties:

- The party may give written notice to the other party specifying the issue and if possible requiring remedy within twenty-eight (28) days, and/or
- Mediation is set to investigate any remedy of the issue, and/or
- If the issue is unable to be remedied to the party's satisfaction, the party must give written notice of intention to terminate this arrangement from a date being not less than one year commencing the forthcoming 1 July. (That is, the party must have at least one full financial year notice commencing on 1 July and ending on 30 June).





## 12. SIGNED BY

A blue ink signature of Laurissa Cooney, written over a horizontal line.

Chairperson  
Laurissa Cooney  
Tourism Bay of Plenty

A blue ink signature of Oscar Nathan, written over a horizontal line.

Acting Chief Executive  
Oscar Nathan  
Tourism Bay of Plenty

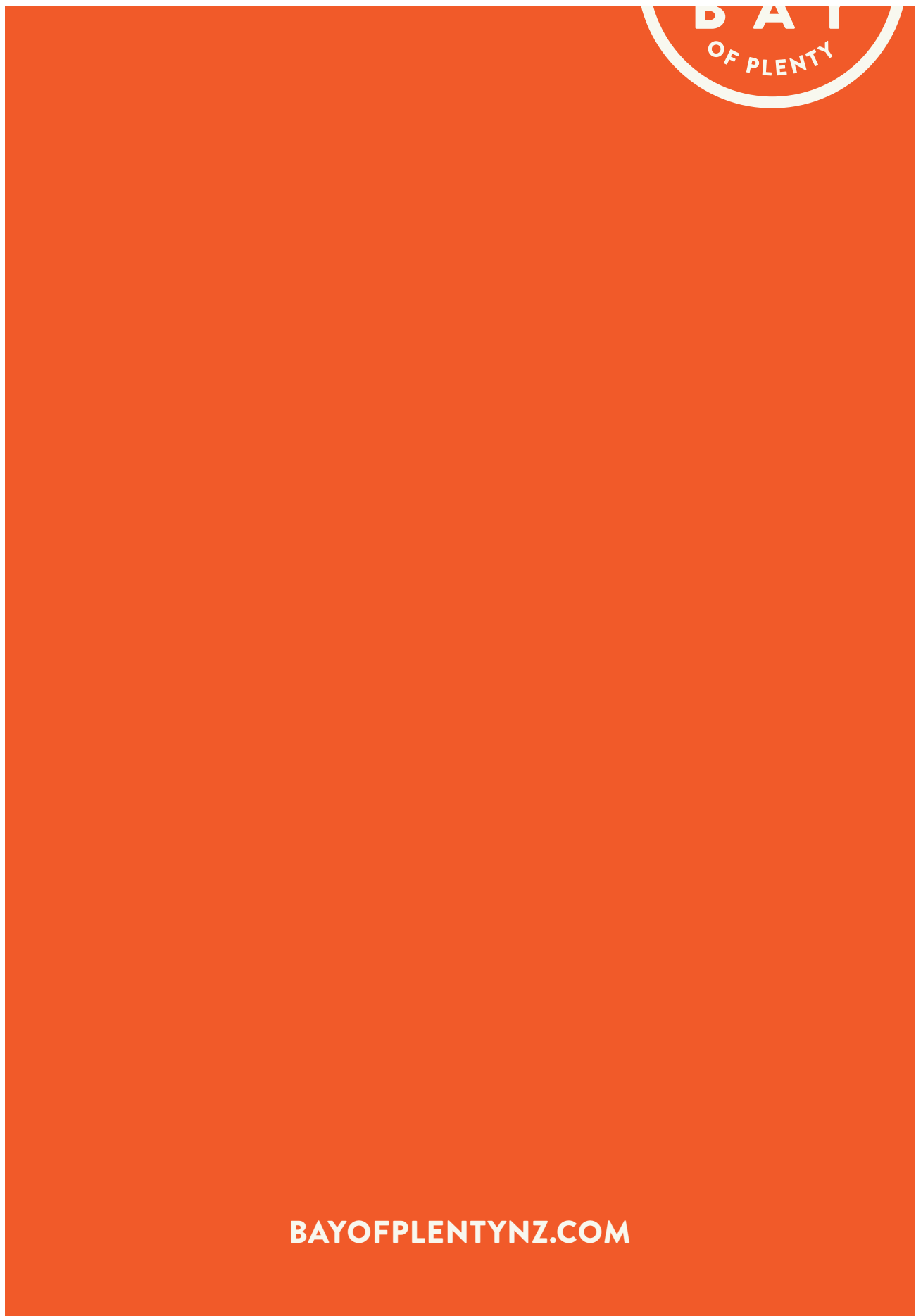




### 13. GLOSSARY OF TERMS

CCO	Council Controlled Organisation
CE	Chief Executive
COVID-19	Coronavirus disease
CPI	Consumer Price Index
ESE	Enduring Statement of Expectations
GDP	Gross Domestic Product
GM	General Manager
GST	Goods and Services Tax
LOE	Letter of Expectations
MBIE	Ministry of Business, Innovation and Employment
MOU	Memorandum of Understanding
NPS	Net Promoter Score™
P&L	Profit and loss
SOI	Statement of Intent
TBOP	Tourism Bay of Plenty
TCC	Tauranga City Council
TIA	Tourism Industry Aotearoa
VES	Tourism Bay of Plenty's Visitor Economy Strategy 2018-2028
VIC	Visitor Information Centre
WBOP	Western Bay of Plenty sub-region
WBOPDC	Western Bay of Plenty District Council
WDC	Whakatāne District Council
YE	Year end









28 April 2021

Laurissa Cooney, Chair  
C/- Tourism Bay of Plenty  
8 Wharf Street  
TAURANGA 3110

Via email: [laurissa@laurissacooney.com](mailto:laurissa@laurissacooney.com)

Dear Laurissa

**Tourism Bay of Plenty – Draft Statement of Intent 2021/22 to 2023/24**

At a meeting of the Tauranga City Council (TCC) on 12 April 2021 and of the Western Bay of Plenty District Council (WBOPDC) on 27 April 2021, the councils received the Draft Statement of Intent for Tourism Bay of Plenty.

We would like to thank you for completing this document and providing it to the councils in accordance with the statutory timeframes.

It was noted by the councils that there was general agreement with the draft Statement of Intent content, noting Tourism Bay of Plenty's specific reference to matters included in this year's Letter of Expectations.

Council acknowledged the success of Tourism Bay of Plenty's plan, *Te Hā Tāpoi | The Love of Tourism*, both nationally and internationally as the blueprint to "create a regenerative tourism economy for our people and place." Also noted is reference to the COVID-19 pandemic and Tourism Bay of Plenty's role, which is "to support the region's tourism industry to revive and thrive during 2020-2022."

It was noted that FreshInfo deemed it imprudent to forecast or set targets for visitor spend at this time, due to the current levels of market uncertainty and that Tourism Bay of Plenty's Strategic Priorities for 2021/22 would be updated in the final Statement of Intent.

It was also acknowledged that Tourism Bay of Plenty has included a performance measure to support councils to explore alternative funding mechanisms, noting that the actual securing of funding is outside of Tourism Bay of Plenty's control, although it is encouraged to seek funding opportunities from private sector and central government to maximise outcomes for the region.

A few minor amendments were noted, as set out below, which Tourism Bay of Plenty will be asked to include in preparation of their final Statement of Intent:

1. Although Tourism Bay of Plenty acknowledges a "two way dialogue and a commitment to considering the councils' strategic priorities and objectives", there is a desire to see greater reference in the Statement of Intent of working collaboratively on the development of a council-controlled organisation draft Statement of Intent template and common key performance indicators for the Statement of Intent, as required in the Letter of Expectation.

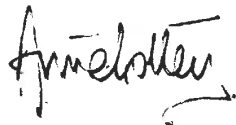


2. Tourism Bay of Plenty does not explicitly reference WBOPDC's Letter of Expectation request for a cycling and walking focus. It is recommended that Tourism Bay of Plenty include an objective to collaborate with WBOPDC regarding its specific requirements to fulfil this request. The request can be aligned within Tourism Bay of Plenty's Strategic Framework.
3. Compensation from local authority funding from TCC should be amended in the final Statement of Intent to \$2,342,724 for 2021/22, to reflect what is currently sitting in the draft Long-term Plan 2021-2031. This figure will increase with CPI for the following two years.

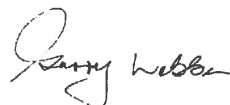
Please note that the statutory timeframe for the Tourism Bay of Plenty Board to deliver the final Statement of Intent 2021/22 to 2023/24 to Council is before the commencement of the financial year to which it relates, i.e. by 30 June 2021.

If you have any questions or require assistance, please contact Josie Meuli on 027 204 9214 or [josephine.meuli@tauranga.govt.nz](mailto:josephine.meuli@tauranga.govt.nz).

Yours sincerely



Anne Tolley  
**Commission Chair**  
**Tauranga City Council**



Garry Webber  
**Mayor**  
**Tauranga City Council**

Cc: Kristin Dunne, Chief Executive: Tourism Bay of Plenty – [kristin@bayofplentynz.com](mailto:kristin@bayofplentynz.com)  
David Pearce, Western Bay of Plenty District Council – [david.pearce@westernbay.govt.nz](mailto:david.pearce@westernbay.govt.nz)





# STATEMENT OF INTENT FOR 2021-2024



June 2021

**“COUNCILS PARTNERING FOR VALUE AND SERVICE”**



## 1. Introduction

This Statement of Intent (SOI), developed under Schedule 8 of the Local Government Act 2002:

- Declares a public statement of the activities and intentions of BOPLASS Ltd and the objectives to which those activities will contribute.
- Provides an opportunity for the shareholders to influence the direction of BOPLASS Ltd, and
- Provides a basis for the accountability of the Directors to the Shareholders for the performance of BOPLASS Ltd.
- Covers BOPLASS Ltd and any subsidiary company established in pursuance of the objectives herein.

## 2. Background

The councils that operate within the Bay of Plenty and Gisborne Regions have formed a Council Controlled Organisation (CCO) to investigate, develop and deliver Joint Procurement and Shared Services projects where delivery is more effective for any combination of some or all of the councils.

Benefits that can be achieved through collaboration are:

- improved levels and quality of service;
- a co-ordinated and consistent approach to the provision of services;
- reductions in the cost of support and administrative services;
- opportunities to develop new initiatives;
- economies of scale resulting from a single entity representing many councils in procurement.

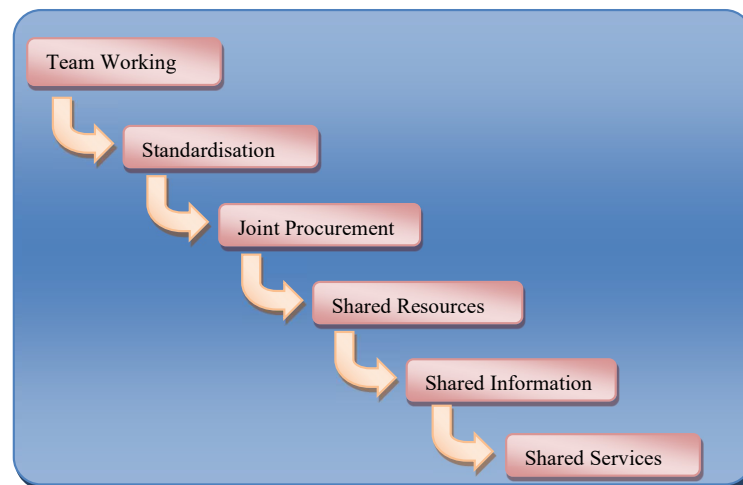
These benefits and opportunities can apply to all councils irrespective of location or size.

Business processes, information architectures and functional tools differ in each council to varying degrees. The BOPLASS strategies facilitate a journey of progressive development using the approach identified in the BOPLASS Strategy and Action Plan to:

- enhance the capability to collaborate;
- encourage the elimination of barriers to collaborative action; and
- identify services that deliver viable business cases.



A generic sequence or stages of collaboration between multiple councils is followed to develop Shared Services, as shown in Figure 1.



Many of the BOPLASS Joint Procurement projects have supported the development of standard products, services or solutions across the councils. These standards assist in creating a foundation for the delivery of collaboration within the councils.

Examples of Joint Procurement and collaborative projects are:

- Infrastructure Insurance
- Collective Training
- Aerial Imagery and LiDAR
- Provincial Growth Fund Co-funding for LiDAR Capture
- Standardised Community Engagement App
- Lone Worker Field Solutions
- Robotic Process Automation
- Accounts Payable Automation Software
- Print Media Licencing
- Insurance Valuations
- Contractor Online Inductions
- Health and Safety Management Software
- Radio Telephony (RT) Strategy
- Solid Waste Management
- Insurance Forums
- Health and Safety Inter-Council Audits
- Asbestos Protocols
- Sustainable Public Procurement
- Health and Safety Benchmarking
- Video Conferencing Services
- Council Library and Cloud Services
- Inter-Council Network (ICN) Review, Redesign and Renegotiation
- Debt Collections
- Collaboration Portal
- Capital Construction and Civil Works Projects
- Fortigate Firewall Services
- Wireless WAN
- Inter-LASS Collaboration
- Human Resources Information Systems



### 3. Our Vision

#### **“COUNCILS PARTNERING FOR VALUE AND SERVICE”**

### 4. Objectives of BOPLASS Ltd

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

#### **Joint Procurement**

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

#### **Shared Services**

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

### 5. Nature and Scope of Activities

The principle nature and scope of the activities of BOPLASS Ltd is to:

- Use Joint Procurement to add value to goods and services sourced for its constituent councils.
- Establish the underlying technology, framework, platform and policies to enable and support collaboration.
- Facilitate initiatives that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Actively monitor and engage with Shared Service developments across the public sector to identify opportunities for further development and establishing best practice.
- Represent the collective views of its Shareholders in matters with which it is associated.



## 6. Governance

BOPLASS Ltd will conduct itself in accordance with its Constitution, its annual Statement of Intent, and the provisions of the Companies Act 1993 and the Local Government Act 2002.

The Company is governed by its Directors. To ensure total synergy between the Company's activities and its council shareholders' activities, nine Directors are also the current Chief Executives of their respective shareholding councils. The dual roles recognise the interdependence of BOPLASS and its councils in the undertaking of its activities.

The Board also includes an independent Chair, appointed with specific skills and knowledge to add incremental value. This appointment brings experience and specialist skills that are complementary to those held by the other Directors.

Shareholder	Appointed Director
Bay of Plenty Regional Council	Fiona McTavish
Gisborne District Council	Nedine Thatcher Swann
Kawerau District Council	Russell George
Opotiki District Council	Aileen Lawrie
Rotorua Lakes Council	Geoff Williams
Taupo District Council	Gareth Green
Tauranga City Council	Marty Grenfell
Western Bay of Plenty District Council	Miriam Taris
Whakatane District Council	Stephanie O'Sullivan
<b>Independent Director and Chair</b>	Craig O'Connell

A sub-committee of council delegates has been established by the Directors as an Operations Committee to manage responsibility for regular monitoring and governance of operational aspects of BOPLASS projects, allowing the Board to primarily focus on supporting the strategic development of the organisation.

Each activity or project is managed by an Advisory Group, nominated by the shareholding councils in that particular service. The Board retains the right to approve nominations to the Advisory Groups and all of their material decisions – there is only one Board of Directors and that remains at the umbrella or holding company level.

The Board has established a principle that participation in each initiative is decided by individual councils on an 'opt in' basis.

Services delivered are subject to a formal service level agreement between BOPLASS Ltd and the participating councils, outlining the services and activities provided, where, when and how; and reflecting the capital and operational costs being met by each service shareholder.



Joint Procurement initiatives consistent with their nominated role may be undertaken by any advisory group as approved by the Operations Committee. In considering Joint Procurement initiatives, the Company will take into account the opportunities available through All of Government (AoG) purchasing arrangements and, where there is demonstrated benefit to the Company or its constituent councils, support such initiatives. In assessing the benefits of a Joint Procurement initiative, opportunities for integration shall be considered. The Board has recognised that the availability of All of Government Procurement options has the potential to impact on BOPLASS' ability to provide procurement options in some categories.

Subject to the approval of shareholders in accordance with the shareholder agreement the Directors may decide that a particular activity is best managed as a subsidiary company and proceed accordingly. Any subsidiary company whose objectives are in accordance with the objectives set out in this Statement of Intent shall not be required to have a separate Statement of Intent.

## **7. Future Developments**

The company recognises the importance of remaining adaptive in what is a complex and changing working environment. BOPLASS continues to look at new opportunities or alternative approaches to progressing projects that benefit our shareholding councils.

BOPLASS Ltd will continue to work on business cases for Joint Procurement and Shared Services that may be provided in the region.

BOPLASS Joint Procurement opportunities will be actively pursued to ensure maximum savings and benefits continue to be delivered to the participating councils through existing and new contracts.

Joint Procurement initiatives will be considered by the Board and/or its advisory groups where there is demonstrated support from two or more member councils, with councils participating on an opt-in basis.

BOPLASS also recognises the importance of social procurement and will continue to consider the broader social, cultural and environmental outcomes as part of its procurement process.

The Board will be looking for commitment from councils to participate in collaborative services and to provide a lead in the identification and management of opportunities and projects.

BOPLASS will also proactively explore opportunities to partner with other local authorities and Shared Services organisations within NZ where they are either developing or considering developing cost effective services or Joint Procurement initiatives involving products or services that are of value to the BOPLASS councils. The Board recognise the significant savings BOPLASS has provided to member councils through joint procurement and has tasked BOPLASS with leading inter-



regional joint procurement initiatives that will provide benefit to all parties through an aggregated approach.

The Collaboration Portal, established by BOPLASS for the sharing of information on Shared Services or Joint Procurement opportunities, has been made available to the wider local government community to provide better visibility of common projects and to encourage further cross-regional collaboration. BOPLASS will continue to market the benefits of inter-region collaboration and assist other councils through providing support and access to the Collaboration Portal.

BOPLASS will continue to explore opportunities for councils to develop ICT solutions using middleware and cloud technologies that allow for future sharing and the development of Shared Services without the wholesale replacement of IT systems.

The Board recognise that the drive for change and/or collaboration in some key areas of council business will often be led by other groups, e.g. three waters reform, RMA changes. Although BOPLASS may not be leading these specific projects, the organisation may be considered as one of the vehicles available to assist with managing collective regional outputs from these projects.

Where it is practicable, BOPLASS will work with other LASS' or councils in developing Shared Service ICT strategies and/or leverage off, or participate in, services established by other collective local government groups.

Although BOPLASS has continued to deliver significant benefits and savings in the placement of councils' insurance, there is recognition that cost-effective placements and coverage are becoming more challenging to achieve as a result of the hardening global insurance market. Working closely with other LASS, opportunities for sharing specialised internal resource to ensure we remain positioned at the forefront of the industry will be investigated. This will assist with ensuring that capability, risk profiling, and valuation data across all participating councils will be to the necessary standard to continue to attract a competitive range of underwriters and insurers.

## **8. Stakeholder Engagement**

BOPLASS recognises the ambitious plans our constituent councils have for their communities and endeavours to support these aspirations through:

- Regular engagement at project, management and governance level;
- Including councils' short, medium and long-term goals within BOPLASS planning;
- Using quality information from councils to guide our decision-making;
- Identifying and developing services that directly benefit councils and/or their communities;
- Monitoring councils' future plans and remaining agile to change to include these aspirations in our own planning;
- Ensuring Operation Committee members include regular communication about individual council LTP developments to assist BOPLASS with aligning with councils' strategic direction;



- Regularly communicating to ensure stakeholders are aware of what we are doing and why we are doing it;
- Involving councils in our decision-making and planning.

## 9. Performance Targets

To ensure the Company continues to operate effectively in both governance and management terms over the next three years the targets are to:

Target	How	Measure
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Manage and/or renegotiate existing contracts.	Contracts reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. (Current identified projects are listed in Appendix B.)	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.
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.
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.	Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.	Number of listed projects to increase by 5% per year. Number of active users to increase by 10% per year.
Communicate with each shareholding council at appropriate levels.	Meeting with members of Executive Leadership Team.	At least one meeting per year.
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable.



## 10. Balance Sheet Ratios

The Local Government Act 2002 Schedule 8 (9) requires the SOI to include the projected ratio of shareholders' funds to total assets within the Forecast Statement of Financial Position. As at 30 June 2020 the consolidated Shareholder funds comprised \$29,856 and the total assets were \$1,384,644. The resulting ratio is 2.16%.

As asset owning Shared Services are approved, the Board will, if appropriate, provide a mechanism for the recognition of each council's contribution.

## 11. Accounting Policies

### 11.1 Statement of Accounting Principles

The Company will adopt accounting practices that comply with NZ IFRS, the requirements of the LGA and the Financial Reporting Act 1993.

### 11.2 IPSAS Accounting Standards

As a Public Sector Public Benefit Entity (PS PBE), the Company has elected to report using International Public Sector Accounting Standards for Public Benefit Entities under Tier 3 PBE standards.

### 11.3 Measurement Basis

The Company will follow generally accepted international accounting principles for reporting of earnings and financial position.

### 11.4 Specific Accounting Principles

The following are principles which will have a significant effect on the measurement of financial position:

- Accounts Receivable are stated at their expected realisable value after writing off any known bad debts and providing for doubtful debts.
- Investments are valued at the prevailing market value.
- Fixed assets are recorded at cost, less accumulated depreciation.
- Any liability for overseas funding of equipment, systems or services is based on the prevailing exchange rate as at balance date.
- Where intangible assets are purchased, such as intellectual property, these are capitalised and written off on a straight line basis over their expected life, but no greater than four years.
- All assets are depreciated over their expected useful lives. Depreciation is provided on a diminishing value basis over the estimated useful life, at the same rate as is allowed by the Income Tax Act 1994.



- It is not envisaged that the Company will hold inventories, other than those that might relate to providing information services to a number of parties. They will be valued at net realisable value.
- Taxation will be provided as required in line with relevant legislation.
- In accordance with the Public Audit Act 2001 and the Local Government Act 2002, the office of the Auditor General will be responsible for the audit of the Company's financial statements.

## **12. Distributions to Shareholders**

The Company is not expected to make profits that would ordinarily be distributed by way of dividends. Any surplus funds (after tax) remaining from an activity or the annual operations of the Company shall be carried forward to the ensuing year and may be used to reduce service costs, invest in further developing other services, and/or as the Directors may decide.

## **13. Information to be Provided to Shareholders**

The Company will deliver the following statements to shareholders:

- On a three monthly basis the Financial Position and Cashflow.
- Within two months of the end of the first half of the financial year: Financial Performance and Financial Position.
- Within three months of the end of the financial year the following audited statements: Financial Position, Movements in Equity, Cashflows, Service Performance plus a summary of how the Company has tracked against its objectives and prospects for the next financial year, and a report on the Company's medium to long term plans.
- Six monthly summaries of project activities included in Half Yearly and Annual Reports.

## **14. Procedures for the Purchase and Acquisition of Shares**

The Board will give approval before BOPLASS Ltd subscribes for, purchases or otherwise acquires shares in any company or other organisation, which is external to the group.

## **15. Activities for Which the Board Seeks Compensation**

The ongoing activities to identify, develop, procure Shared Services will be budgeted for in advance, subject to a business case and either funded by individual councils without BOPLASS Ltd involvement, or agreed by the Board to be funded by BOPLASS Ltd with consequent recovery from participating councils.



Shareholding councils will make a contribution to the operational costs of the Company on an annually agreed basis.

The Company will also seek contributions by way of a levy or administration charges on services provided or administered. In determining an appropriate charge, the Directors may take into account the cost of running the Company, its future operational requirements, the nature and cost of the service provided, benefits achieved and councils' ability to pay.

The Company may provide services (at a cost recovery or a cost plus basis) to other non-shareholding councils within or beyond the region. Any surplus from such activity will be used to either reduce service costs and/or invest in further developing of that or other services, as agreed by the Advisory Group and by the Board.

## **16. Value of Shareholder's Investment**

The Directors estimate that, at this stage, BOPLASS Ltd has limited commercial value. As each shareholder's investment in BOPLASS Ltd is less than \$20,000, the Board believe that fairly represents the value of their investment. The Directors will reassess the value of this shareholding on or about the 1st of March each year.

## **17. Financial Forecasts**

The Forecast Financial Statements for the years 2021-2024 are included (Appendix A).

The Aerial Photography revenue/expenses reflects the flying programme determined by the participating councils which includes interim flying programmes and extensive region-wide flying programmes over the next five years.

A continued increase in Recoveries has been forecast to reflect the direct recovery of purchases made on behalf of councils through Joint Procurement projects.

It is the company's intention to always fully recover costs incurred on behalf of participating councils.



APPENDIX A

SOI Forecast 2021/24	Budget 2020/21	Forecast 2021/22	Forecast 2022/2023	Forecast 2023/2024
<b>REVENUE</b>				
<b>Revenue - Core</b>	<b>274,510</b>	<b>306,339</b>	<b>313,992</b>	<b>321,837</b>
Bank Interest Received	1,000	200	200	200
Council Contribution	273,510	306,139	313,792	321,637
<b>Revenue - Projects</b>	<b>1,533,000</b>	<b>1,199,000</b>	<b>1,511,500</b>	<b>1,211,000</b>
Aerial Photography Income	600,000	300,000	600,000	300,000
Bank Interest Received	16,500	6,000	4,000	4,000
Collaboration Portal	75,000	45,000	50,000	55,000
Lease Income - ICN	135,000	135,000	130,000	125,000
Lease Income - Video Confer.	30,500	30,500	25,000	25,000
Rebates	6,000	2,500	2,500	2,000
Recoveries	670,000	680,000	700,000	700,000
<b>Total Operating Revenue</b>	<b>1,807,510</b>	<b>1,505,339</b>	<b>1,825,492</b>	<b>1,532,837</b>
<b>EXPENSES</b>				
<b>Expenditure - Core</b>	<b>383,650</b>	<b>374,950</b>	<b>385,070</b>	<b>396,453</b>
ACC	1,000	800	850	900
Accommodation & Travel	1,500	2,000	2,100	2,200
Accounting & Audit	17,500	20,700	21,300	22,000
Administration	15,300	17,300	17,500	18,000
Amortisation	8,000	5,000	7,700	8,700
Bank Fees	400	200	200	200
Conferences	2,000	2,000	2,100	2,200
Depreciation	650	650	650	650
Directors costs	18,000	21,000	21,000	23,000
Fringe Benefit Tax	7,000	3,500	4,000	4,000
General & Catering	2,000	2,000	2,200	2,400
Health and Safety	1,000	1,000	1,000	1,000
Insurance	9,000	9,500	10,500	12,000
Interest Paid - TCC Loan	500	500	500	500
Legal	2,000	2,000	2,000	2,000
Salaries	285,000	278,000	282,170	286,403
Salaries - C'Portal Opex	-12,000	-16,500	-16,500	-17,000
Staff Support Costs	16,500	17,000	17,500	18,500
Staff Training Costs	2,000	2,000	2,000	2,500
Subscriptions	1,000	1,000	1,000	1,000
Tax Advice	5,300	5,300	5,300	5,300
<b>Expenditure - Projects</b>	<b>1,423,860</b>	<b>1,130,389</b>	<b>1,440,422</b>	<b>1,136,384</b>
Aerial Photography Expense	600,000	300,000	600,000	300,000
Collaboration Portal Opex	26,150	26,119	27,122	27,884
Lease Expense - ICN	129,100	129,600	124,800	120,000
Lease Expense - Video Confer.	28,610	28,670	23,500	23,500
Projects - Recoveries	640,000	646,000	665,000	665,000
<b>Total Operating Expenditure</b>	<b>1,807,510</b>	<b>1,505,339</b>	<b>1,825,492</b>	<b>1,532,837</b>
<b>Operational Surplus/ (Deficit) before Tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Appendix B

### Completed Joint Procurement Projects

Requiring ongoing management for performance, renewal or replacement:

- Collective Geospatial training
- Aerial Imagery
- Provincial Growth Fund co-funding for LiDAR Capture
- Antenno community engagement app
- Insurance Valuations
- Contractor online inductions
- Eastern BOP Electricity
- Health and Safety Management Software
- Solid Waste Management
- Insurance Forums
- Asbestos protocols
- Sustainable Public Procurement
- Health and Safety Benchmarking
- Council Library and cloud services
- Inter-Council Network (ICN) review, redesign and renegotiation
- Debt Collections
- Collaboration Portal
- Capital Construction and Civil Works Projects
- Inter-LASS collaboration
- Spark Fortigate Firewall Services
- Evolution Networks Wireless WAN
- Office supplies
- Banking
- Postal services
- Courier services
- Fuel
- Advertising services
- Travel and accommodation services
- Air travel
- Insurance brokerage
- Risk management
- N3/GSB
- GIS software
- Health insurance
- Security services
- Antivirus software
- Video conferencing
- Above ground asset insurance
- GPS vehicle tracking
- Archaeological services
- Telephony – voice, data, mobile
- Reprographic – printers/copiers
- Media monitoring services
- EFTPOS services
- Historical imagery digitisation
- Online services
- Internal audit services
- Health and safety training services
- Risk management workshops
- Infrastructure Insurance
- Collective H&S training
- EMA membership
- Environmental insurance
- Print Media Copyright Services
- Health and Safety software
- Tender Facilitation
- Regional LiDAR Capture
- Standards NZ
- Accounts Payable Automation Software
- FME Server
- Human Resources Information Systems



## Appendix B

### Identified Joint Procurement Projects

- Civil works contracts
- Civil works materials
- Infrastructure valuation services
- High volume print
- Electronic document management
- Archives
- Document storage
- Document scanning
- Agenda management software
- ICT security policies
- Business continuity
- IT applications
- Property valuation services
- Telephony platform
- Chemicals
- Digital signatures
- Recruitment/candidate management
- Surveys and research
- Media distribution services
- CD emergency notifications
- Fleet purchasing
- Push wireless
- Fleet management
- Community communication systems
- Lone worker field solutions
- LiDAR acquisition – PGF
- Drug & alcohol testing
- Electronic agenda and minute management
- Occupational health
- Health & Safety training

### Collaborative Projects

Managed by BOPLASS or by one or more constituent councils:

- IT hosting / IaaS
- Shared datacentre
- Internal audit services
- GIS web services
- Shared licence server
- Contractor H&S prequalification
- Radio telephony strategy
- Collaboration Portal
- After hours call management
- Archive service
- Debt management
- Health and safety auditing
- Inter-council network (ICN)
- Smart cities
- Section 17A reviews
- Video conferencing
- GIS imagery data storage
- Historic aerial imagery
- Sustainable procurement
- Diversion of putrescible waste from landfill
- Civil works projects marketing
- Robotics processing automation
- Civil Defence Emergency Management
- Insurance Valuations
- Inter-LASS collaboration
- Regional waste operator licensing and data collection
- Zoom licencing and group plan



## Appendix B

### Projects for Consideration

- Rates Collection
- Geospatial services
- Joint software support
- Asset Management
- Web services
- Payroll
- Consents Processing
- CCTV monitoring
- Information Services
- HR Information Systems
- Electronic Document and Records Management System
- Business continuity planning
- Infrastructure development codes
- Solid waste regional facilities strategy
- Building consents
- Regional Civil Defence
- Document digitisation
- Capital Expenditure projects
- Project management office
- Windscreen replacement
- Driver training
- Staff engagement survey systems
- Contractor online inductions
- Centralised insurance resource





12 April 2021

Craig O'Connell  
Chair BOPLASS Limited  
PO Box 13056  
TAURANGA 3141

Via email: craigo@rap.net.nz

Dear Craig

**BOPLASS Limited – Draft Statement of Intent 2020/21 to 2022/23**

At a meeting of the Tauranga City Council on 12 April 2021, Council received the Draft Statement of Intent (SOI) for Bay of Plenty Local Authority Shared Services Limited (BOPLASS).

I would like to thank you for completing this document and providing it to Council in accordance with the statutory timeframes.

There was general agreement with the draft SOI content, and the Commissioners noted that, as TCC is one of nine shareholding councils, a Letter of Expectations (LOE) is not provided to BOPLASS.

It was noted by Council that BOPLASS has continued to deliver significant benefits and savings in the placement of councils' insurance, there is recognition that cost-effective placements and coverage are becoming more challenging to achieve as a result of the hardening global insurance market (page 6, section 7). Additionally, council's review shows that BOPLASS performance targets remain unchanged from 2020 (Page 8). It is recommended that BOPLASS include a review for the 2021/2022 year.

Please note that the statutory timeframe for the BOPLASS Board to deliver the final SOI 2021/22 to 2023/24 to Council is before the commencement of the financial year to which it relates, i.e. by 30 June 2021.

If you have any questions or require assistance, please contact Anne Blakeway on 027 646 9995 or [anne.blakeway@tauranga.govt.nz](mailto:anne.blakeway@tauranga.govt.nz).

Yours sincerely

Anne Tolley  
**Commission Chair**

Cc: Stephen Boyle, CEO BOPLASS Limited - [Stephen.Boyle@boplass.govt.nz](mailto:Stephen.Boyle@boplass.govt.nz)





## Statement of Intent 2021/22

### 1. Introduction

This Statement of Intent (SOI) sets out the intentions and expectations of New Zealand Local Government Funding Agency Limited (LGFA).

The LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

### 2. Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities and CCOs and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

The LGFA will only lend to Councils and CCOs that enter into all the relevant arrangements with it (such Councils being “Participating Local Authorities” and such Councils and CCOs being “Participating Borrowers”) and comply with the LGFA’s lending policies.

In lending to Participating Borrowers, LGFA will:

- Operate in a manner to ensure LGFA is successful and sustainable in the long-term;
- Educate and inform Participating Local Authorities on matters within the scope of LGFA’s operations;
- Provide excellent service to Participating Borrowers;
- Ensure excellent communication exists and be professional in its dealings with all its stakeholders; and
- Ensure its products and services are delivered in a cost-effective manner.



### **3. Objectives**

#### **Principal Objectives**

In accordance with the Local Government Act 2002, in carrying on its business, the principal objectives of LGFA will be to:

- Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent;
- Be a good employer;
- Demonstrate social, economic, environmental and cultural responsibility;
- Maintain strong and sound corporate governance;
- Set and model high standards of ethical behaviour; and
- Operate in accordance with sound business practice.

#### **Primary Objectives**

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

- Providing interest cost savings relative to alternative sources of financing;
- Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;
- Delivering operational best practice and efficiency for its lending services;
- Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:

- Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;
- Analyse finances at the Council group level where appropriate and report to shareholders;
- Endeavour to meet each Participating Borrower annually, including meeting with elected officials as required, or if requested; and
- Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.



**Additional objectives**

LGFA has the following eight measurable and achievable additional objectives which complement the primary objectives. Performance against these objectives is reported annually.

LGFA will:

1. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.
2. Provide at least 80% of aggregate long-term debt funding to the Local Government sector<sup>1</sup>.
3. Achieve the financial forecasts outlined in section 4 for net interest income and operating expenses, including provision for a shareholder dividend payment in accordance with the approved dividend policy.
4. Meet or exceed the Performance Targets outlined in section 5.
5. Comply with the Health and Safety at Work Act 2015.
6. Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.
7. Assist the local government sector with significant matters such as COVID -19 response and the proposed Three Waters Reform Programme.
8. Improve sustainability outcomes within LGFA and assist the local government sector in achieving their sustainability and climate change objectives.

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<sup>1</sup> This includes Auckland Council borrowing both in its own name and through LGFA and recognising that the amount of borrowing by Auckland Council from LGFA is restricted by the Foundation Policy covenants.



#### 4. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2024 are:

##### SOI 2022

Comprehensive income \$m	Jun-22	Jun-23	Jun-24
<b>Net Interest income</b>	<b>18.1</b>	<b>17.0</b>	<b>18.2</b>
Other operating income	1.0	1.5	1.5
<b>Total operating income</b>	<b>19.1</b>	<b>18.5</b>	<b>19.7</b>
Approved Issuer Levy	0.6	0.6	0.3
Issuance & onlending costs	2.7	2.7	2.7
Operating overhead	4.4	4.6	4.7
<b>Issuance and operating expenses</b>	<b>7.8</b>	<b>7.9</b>	<b>7.7</b>
<b>P&amp;L</b>	<b>11.3</b>	<b>10.6</b>	<b>11.9</b>

Financial position \$m	Jun-22	Jun-23	Jun-24
Liquid assets portfolio	1,961	2,124	2,324
Loans to local government	13,294	14,515	15,623
Other assets	-	-	-
<b>Total assets</b>	<b>15,255</b>	<b>16,639</b>	<b>17,947</b>
Bonds on issue (ex Treasury stock)	13,975	15,190	16,362
Bills on issue	500	500	500
Borrower notes	256	302	340
Other liabilities	-	-	-
<b>Total liabilities</b>	<b>14,731</b>	<b>15,992</b>	<b>17,202</b>
Capital	25	25	25
Retained earnings	81	92	104
<b>Shareholder equity</b>	<b>106</b>	<b>117</b>	<b>129</b>

Ratios	Jun-22	Jun-23	Jun-24
Liquid assets/funding liabilities	13.8%	13.7%	13.9%
Liquid assets / total assets	12.9%	12.8%	12.9%
Net interest margin	0.14%	0.12%	0.12%
Cost to income ratio	40.7%	42.7%	39.4%
Return on average assets	0.07%	0.06%	0.07%
Shareholder equity/total assets	0.7%	0.7%	0.7%
Shareholder equity + BN/total assets	2.4%	2.5%	2.6%
Asset growth	10.2%	9.1%	7.9%
Loan growth	11.3%	9.2%	7.6%
Return on equity	12.0%	10.0%	10.2%
Capital ratio	11.9%	12.6%	13.1%



Note that there is some forecast uncertainty around the timing of Net Interest Income, Profit and Loss, Total Assets, LG Loans, Bonds and Borrower Notes depending upon council decisions regarding the amount and timing of refinancing of their April 2022, April 2023 and April 2024 loans. LGFA will work with council borrowers to reduce this uncertainty.

The above tables assume gross issuance of LGFA bonds per year of \$2.90 billion (2021/22), \$2.875 billion (2022/23) and \$2.850 billion (2023/24), however the issuance volume will be determined by LGFA at the relevant time by reference to factors including refinancing of existing borrowing by councils and (if applicable) council-controlled organisations, new borrowing by councils and (if applicable) council-controlled organisations and LGFA's own borrowing requirements for liquidity purposes.

No decision has been made as to final issuance volume at this point and will depend upon market conditions.

There has been no allowance made in the forecasts for the impact on councils from the proposed Three Waters Reform Programme.

## **5. Performance targets**

LGFA has the following performance targets:

- LGFA's total operating income for the period to:
  - 30 June 2022 will be greater than \$19.1 million.
  - 30 June 2023 will be greater than \$18.5 million.
  - 30 June 2024 will be greater than \$19.7 million.
- LGFA's annual issuance and operating expenses (excluding AIL) for the period to:
  - 30 June 2022 will be less than \$7.2 million.
  - 30 June 2023 will be less than \$7.3 million.
  - 30 June 2024 will be less than \$7.4 million.
- Total lending to Participating Borrowers<sup>2</sup> at:
  - 30 June 2022 will be at least \$13,294 million.
  - 30 June 2023 will be at least \$14,515 million.
  - 30 June 2023 will be at least \$15,623 million.
- Conduct an annual survey of Participating Borrowers who borrow from LGFA and achieve at least an 85% satisfaction score as to the value added by LGFA to the borrowing activities
- Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational

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<sup>2</sup> Subject to the forecasting uncertainty noted previously



and covenant requirements.

- Achieve 80% market share of all council borrowing in New Zealand
- Review each Participating Borrower's financial position, its headroom under LGFA policies and arrange to meet each Participating Borrower at least annually.
- No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.
- Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.
- Maintain a credit rating equal to the New Zealand Government Sovereign rating where both entities are rated by the same credit rating agency.

## **6. Dividend policy**

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders. Consequently, it is intended to pay a limited dividend to Shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

## **7. Governance**

### **Board**

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice<sup>3</sup> with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

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<sup>3</sup> Best practice as per NZX and Institute of Directors guidelines



The Board will meet on a regular basis and no fewer than 6 times each year.

#### **Shareholders' Council**

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

#### **8. Information to be provided to Shareholders**

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

#### **Annual Report**

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

#### **Half Yearly Report**

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of



the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

#### **Quarterly Report**

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrower's (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.
- Commentary on sustainability initiatives.

#### **Statement of Intent**

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

#### **Shareholder Meetings**

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.



**9. Acquisition/divestment policy**

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

**10. Activities for which compensation is sought from Shareholders**

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such activities.

Currently there are no activities for which compensation will be sought from Shareholders.

**11. Commercial value of Shareholder's investment**

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considers that at establishment the commercial value of LGFA is equal to the face value of the Shareholders' paid up Principal Shares - \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of \$25 million. This equates to a value per share of \$1.00.

**12. Accounting policies**

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

**The following statement is taken from the Financial Statements presented as part of LGFA's Annual Report 2020 (updated where necessary), accordingly, the statement does not contemplate LGFA lending to CCOs.**



**ATTACHMENT: Statement of accounting policies****a. Reporting entity**

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating local authorities.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

The financial statements are as at and for the year ended 30 June 2020.

These financial statements were authorised for issue by the Directors on 28 August 2020.

**b. Statement of compliance**

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

**c. Basis of preparation****Measurement base**

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

**Functional and presentation currency**

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

**Foreign currency conversions**

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

**Changes in accounting policies****NZ IFRS 16 Leases.**

NZ IFRS 16 became effective from 1 July 2019 and did not have a material impact on the financial statements.



On adoption of NZ IFRS 16, LGFA recognised right-of-use assets and lease liabilities in relation to its property leases which had previously been classified as operating leases under NZ IAS 17 Leases.

In adopting NZ IFRS 16, LGFA elected to use the simplified retrospective approach which does not require restatement of comparative information. The lease liability is recognised at the present value of the remaining lease payments, discounted using LGFA's incremental borrowing rate, with the corresponding right-of-use asset recognised as an equal amount.

The following items in the balance sheet were impacted by the change of accounting on 1 July 2019: Other assets and Other liabilities both increased by \$0.157 million.

Lease payments previously included in other operating expense are now classified to financing and depreciation costs under NZ IFRS 16.

There have been no other changes to accounting policies.

#### **Early adoption standards and interpretations**

LGFA has not early adopted any standards.

#### **New standards adopted**

NZ IFRS 16 Leases became effective from 1 July 2019.

#### **Standards not yet adopted**

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

#### **d. Financial instruments**

##### **Financial assets**

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit and bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

##### **Financial liabilities**

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.



**Derivatives**

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

**Fair value hedge**

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

**e. Other assets****Property, plant and equipment (PPE)**

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

**Intangible Assets**

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

**f. Other liabilities****Employee entitlements**

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

**g. Revenue and expenses****Revenue****Interest income**

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

**Expenses**

Expenses are recognised in the period to which they relate.

**Interest expense**

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.



**Income tax**

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

**Goods and services tax**

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the 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 the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**h. Segment reporting**

LGFA operates in one segment being funding of participating local authorities in New Zealand.

**i. Judgements and estimations**

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values. Refer note 2a for fair value determination for financial instruments.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.





30 June 2021

Dear LGFA stakeholder

### **Statement of Intent 2021/22**

Please find attached the Statement of Intent (SOI) for the 2021/22 year.

LGFA remains focused on delivering strong results for our council borrowers and shareholders.

For our borrowing councils we seek to optimize funding terms and conditions by

- Achieving savings in borrowing costs
- Provide longer dated funding and
- Provide certainty of access to markets.

For our shareholders we are focused on

- Delivering a strong financial performance
- Monitoring asset quality and
- Enhancing our approach to treasury and risk management.

The following points regarding the 2021/22 SOI are worth noting

- The SOI performance targets are the same as the previous year's targets except that we have reduced the target for market share to 80% from the prior year 85% target. The 80% target is the same target as the periods before last year.
- There remains some uncertainty within the SOI forecasts relating to the amount of both council loans and LGFA bonds outstanding as this depends upon the magnitude and timing of council borrowing. We have based our forecasts on the Draft Long Term Plans ("LTPs") of our seventy-two council members and the LTPs forecast a significant increase in borrowing in each of the next three years. The actual amount of borrowing will be influenced by the ability of councils to deliver on the capex projections in their LTPs as well as the amount of Central Government assistance in funded capex delivery.
- Given the timeline proposed by DIA for the Three Waters Reform transition, the impact on LGFA is likely to fall in the years beyond the end of the three-year SOI forecast period. However councils' actions in anticipation of the transition may have an impact on their borrowing decisions and that of LGFA during the SOI forecast period.



The changes made to the Final SOI compared to the Draft SOI that you received in February 2021 for comment have been<sup>1</sup>

- We have broadened the objectives to include a focus on sustainability across the organisation and to assist the sector with sustainability.
- We have reduced the base on-lending margin by 5 bps to 15 bps (0.15%) for new borrowing effective 1 July 2021.
- Net Operating Income (NOI) has increased by \$300,000 in the 2021/22 year but reduced by \$5.7 million and \$8.0 million in the subsequent outer years due to the reduction in base on-lending margin and a revision to our forecasting model to correct the previous upward bias in NOI in outer years.
- Expenses have increased by \$100,000 in each of the three years due to increased legal and NZX fees associated with higher issuance and lending volumes.

Please feel free to contact me if you have any questions or require further clarification on anything relating to the SOI or LGFA in general.

Yours sincerely



Mark Butcher  
Chief Executive

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<sup>1</sup> We can provide you with a tracked change version of the Draft and Final SOI documents if you wish.



### 11.3 Kerbside Roll out

**File Number:** A12692349

**Author:** Sam Fellows, **Manager:** Environmental Regulation

**Authoriser:** Nic Johansson, **General Manager:** Infrastructure

#### PURPOSE OF THE REPORT

1. To provide an update on the first three weeks of the kerbside service.

#### RECOMMENDATIONS

That the Council:

- (a) Receives the report: Kerbside Roll out

#### DISCUSSION

2. In those first three weeks residents in our city recycled or composed 863.17 tonnes of material through our kerbside collection service.
3. The amount of food waste collected has increased each week to a total, so far, of 197.12 tonnes. Previously, much of this food waste would have gone to landfill where it produces methane gas or down insinkorators rather than being turned into high quality compost.
4. The tonnes for these first three weeks are set out below:

	Week 1	Week 2	Week 3	Total
Food	47.7	72.09	77.33	197.12
Glass	72.88	78.61	75.95	227.44
Recycling	105.82	140.02	112.42	358.26
Green Waste	9.8	28.6	41.95	80.35
Rubbish	151.63	238.94	243.38	633.95

These figures are correct as at the time of writing. Updated statistics, including week 4 information, will be tabled at the meeting.

5. The Material Recycling Facility has commented that the material coming to the facility has much less contamination than was expected compared to what other cities saw at a similar stage in the service roll-out.
6. Additionally, volumes at the transfer stations are much lower.
7. In the first three weeks of the service our contact centre received around 7,000 calls. The key themes of the calls comprised queries re:
  - (a) what goes in what bins
  - (b) what day is collection
  - (c) checking if tags were required
  - (d) garden waste requestsand complaints re: missed collections and not receiving bins.
8. Early themes we picked up on were people putting the bins out on the wrong day and not getting bins out by 7am. We have been advertising these messages extensively to ensure



bins get picked up, make sure those bins that were genuinely missed are collected and that this issue does not continue to happen.

9. We have had a higher than expected late sign up to the garden waste service. This has resulted in delays in delivering these and other bins to some residents. We have increased resourcing to reduce these delays.

#### **NEXT STEPS**

10. We will continue to monitor the volumes coming in, the levels of contamination and we will apply education and communication strategies where required and appropriate.
11. We will also begin the process of fielding interest for those wanting to upsize and downsize bins in the second year of service and start rolling those bins out.

#### **ATTACHMENTS**

**Nil**



## 11.4 Traffic & Parking Bylaw Amendment No.31

**File Number:** A12695015

**Author:** Will Hyde, Senior Transportation Engineer

**Authoriser:** Nic Johansson, General Manager: Infrastructure

### PURPOSE OF THE REPORT

1. To obtain approval from the Commission to introduce amendments to the appropriate Attachments within the Traffic and Parking Bylaw 2012

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### RECOMMENDATIONS

That the Council:

- (a) Receives the Traffic and Parking Bylaw 2012 Amendments Report.
- (b) Adopts the proposed amendments to the Traffic and Parking Bylaw 2012 Attachment as per Appendix B, effective from 3 August 2021.

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### EXECUTIVE SUMMARY

2. A number of minor amendments to the bylaw are proposed to reflect and support operational and safety needs on the road network.
3. This report sets out amendments to the following:
  - (a) Attachment 1: Restricted Turning
  - (b) Attachment 7.1: No Parking Behind Kerb
  - (c) Attachment 7.2: Prohibited Stopping and Standing of Vehicles
  - (d) Attachment 7.9: Parking Time Restrictions
  - (e) Attachment 7.21: Passenger Service and Other Vehicle Stands (Stopping Places for Buses)
4. The proposed amendments are summarised in Appendix A, with the detailed changes to the Bylaw text set out in Appendix B.

### BACKGROUND

5. Council adopted the Traffic and Parking Bylaw 2012 (the 'Bylaw') on 23 October 2012 and it came into effect on 1 November 2012. The purpose of the Bylaw is to facilitate traffic management and parking control measures in respect of roads, public places, parking areas and other transport assets owned or managed by Council.
6. The Traffic and Parking Bylaw 2012 includes Attachments each of which lists various traffic and parking restrictions. Council can amend the Attachments by Resolution.
7. Amendments to the Bylaw are presented to Council for approval three to four times annually so that any enforcement of parking restrictions can be carried out as required.
8. The amendments listed in the appendices have been identified through the development of minor safety projects; through communications from residents and businesses; or form part of larger projects which need to be enacted as the projects develop.

### STRATEGIC / STATUTORY CONTEXT

9. The amendments achieve the vision and strategic transport priorities to help make our network safer and easier for people to get around the city.



## FINANCIAL CONSIDERATIONS

10. Negligible – the associate costs can be accommodated within existing budgets.

## LEGAL IMPLICATIONS / RISKS

11. The bylaw amendment is needed to allow enforcement of previously resolved items.

## CONSULTATION / ENGAGEMENT

12. Where these amendments form a part of larger projects – i.e. Oropi Road Safety Improvements – consultation has been carried out with affected residents and businesses as part of the development and approval process of those projects.
13. Consultation is not required for minor stopping and parking amendments, or other minor amendments to support safety and operational improvements.





## SIGNIFICANCE

14. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
15. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
  - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
  - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
16. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

## ENGAGEMENT

17. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

## ATTACHMENTS

1. **Appendix A - T&P Bylaw Amendment 31 - A12702967**  
2. **Appendix B - T&P Bylaw Amendment 31 - A12702968**  



## APPENDIX A: Summary Table of Amendments to Traffic and Parking Bylaw 2012 (Amendment 31)

Proposed amendment Location	Details of amendments	Reason	Consultation
<b>Attachment 1 – Restricted Turning (Bylaw clause 3.1)</b>			
<b>ADDITIONS:</b>			
Girven Road  From eastbound to westbound at Gloucester Rd intersection	Prohibition of U-turns.	Safety concerns due to drivers U-turning with insufficient space (mounting kerb).	Not required. A short alternate route is available for drivers.
<b>Attachment 7.1 – No Parking Behind Kerb (Bylaw clauses 12.1 &amp; 12.3)</b>			
<b>ADDITIONS:</b>			
Fraser Street	Near Tauranga Intermediate School	Safety reasons (driving on paths to access berm parking).	Not required.
Parau Drive	Adjacent to SH2	Safety reasons (intersection sight lines, mobile retail activity too close to roadway).	Not required.
Te Okuroa Drive	East of Parton Road	Safety reasons (driveway sight lines, driving on paths to access berm parking).	Not required.
Thirteenth Avenue	Adjacent to squash club	Amenity reasons (damage to grass & tree roots).	Not required.
<b>Attachment 7.2 – Prohibited Stopping and Standing of Vehicles (Bylaw clauses 12.1 and 12.3)</b>			
Condor Drive / Quail Court intersection	On approaches and exits from roundabout.	Complaints from public about parked vehicles too close to roundabout.	Not required.
Darraghs Road	On the inside of blind curve.	To prevent parking on blind curve – safety concerns.	Requested by multiple residents.
Devonport Road	Adjacent to pedestrian crossing.	Standard markings missing from existing pedestrian crossing.	Not required.
Eighth Avenue	Adjacent to commercial vehicle access.	Parking too close to egress forces exiting drivers to cross into opposite traffic lane.	Not required.
Gloucester Road / Franks Way intersection	On approaches and exits from intersection.	Safety concerns – complaints from public about parked vehicles too close to intersection blocking sight lines.	Requested by resident.
Grace Avenue	At intersection with Maunganui Road	To prevent parking too close to intersection.	Not required.
Grange Road	On approach to blind corner	Occasional parking forces vehicles across centre line on blind curve.	Not required.
Harlech Glen	End of cul-de-sac	To maintain access for residents, and to maintain turning head for refuse trucks.	Not required.
Leinster Avenue	Short section at No.3	To create clear kerb space for refuse collection.	Requested by resident.
Manuwai Drive	Removal of markings	No longer required, removed to reduce parking pressure.	Requested by resident.
Ohauiti Road	Buxton Rd to Adler Drive	To prevent parking too close to pedestrian refuge.	Not required.
Otumoetai Road	Near Glenn Terrace intersection.	Short length to prevent parking too close to vehicle crossing.	Requested by resident.



## APPENDIX A: Summary Table of Amendments to Traffic and Parking Bylaw 2012 (Amendment 31)

Proposed amendment Location	Details of amendments	Reason	Consultation
Pitau Road	At Grove Avenue intersection	To prevent parking too close to intersection.	Not required.
Taitimu Road	On main curves.	Prohibition on inside of curves to maintain sight distances.	Not required.
Tweed Street – ulster Street intersection	New parking restrictions	To address safety concerns with vehicles parking too close to intersection, blocking sight lines.	Not required.
<b>Attachment 7.9 – Parking Time Restrictions (Bylaw clauses 12.1 and 12.2c)</b>			
Oropi Road	New P30 and P180 parallel spaces in recessed bays.	Installed as part of a safety project around the Pukemapu Road intersection	Completed as part of wider project.
<b>Attachment 7.21 – Passenger Service and Other Vehicle Stands (Stopping Places for Buses) (Bylaw clause 20.1)</b>			
Oropi Road	Both sides, south of Pukemapu Road	New bus stops for school buses.	Carried out as part of larger safety project.



## APPENDIX B: Proposed Amendments to the Traffic and Parking Bylaw 2012 (Amendment 31)

### Attachment 1: Restricted Turning

*Pursuant to Clause 3.1 of the Traffic and Parking Bylaw 2012 no vehicle may turn in the direction specified below on the following roads:*

#### Addition:

#### NO U-TURNING

Location	Details
Girven Road / Gloucester Road intersection	No U-turns permitted from Girven Road eastbound to Girven Road westbound at the Gloucester Rd intersection.



## APPENDIX B: Proposed Amendments to the Traffic and Parking Bylaw 2012 (Amendment 31)

### Attachment 7.1: No Parking Behind Kerb

*Pursuant to Clause 12.1 and Clause 12.3 of the Traffic and Parking Bylaw 2012, parking of motor vehicles is at all times prohibited between the kerb line and road boundary in the locations listed below:*

Location	Details
<b><u>ADDITIONS:</u></b>	
Fraser Street East side	From the vehicle crossing to No.216 southwards to Lloyd Street.
Parau Drive Both sides	From the carriageway of State Highway 2 southwards for 40m.
Te Okuroa Drive South side	From Parton Road to Reynolds Place.
Te Okuroa Drive North side	From Parton Road to Turiwhatu Street.
Thirteenth Avenue North side	Between Devonport Road and Briarly Street



## APPENDIX B: Proposed Amendments to the Traffic and Parking Bylaw 2012 (Amendment 31)

### Attachment 7.2: Prohibited Stopping and Standing of Vehicles

*Pursuant to Clause 12.1 and Clause 12.3 of the Traffic and Parking Bylaw 2012, the parking of motor vehicles is prohibited at all times in the following locations:*

Prohibited Stopping and Standing of Vehicles	
<b><u>ADDITIONS:</u></b>	
Condor Drive South side	From a point opposite the common boundary of Nos.89 and No.93 eastwards to a point 15m west of nose of the solid median at the Quail Court intersection (east leg).
Condor Drive North side	From a point 9m west of the common boundary of Nos.89 and No.93 eastwards to a point 15m west of nose of the solid median at the Quail Court intersection (east leg).
Darraghs Road North side	From Fern Way to the north boundary of No.143.
Devonport Road West side	From its intersection with The Strand southwards to the pedestrian crossing adjacent to No.1 Devonport Road.
Eighth Avenue South side	From the vehicle access to No.71 Ninth Avenue northwards for 11m.
Franks Way East side	From the south kerb line of Gloucester Road southwards for 21m.
Franks Way West side	From the south kerb line of Gloucester Road southwards for 24m.
Gloucester Road South side	From a point 20m west of the Franks Way splitter island nose eastwards for 44m.
Grace Avenue Both sides	From the south kerb of Maunganui Road, southwards for 10m.
Grange Road East Side	Commencing at the intersection with the northern kerb of Seaview Road, extending 50 metres north.
Harlech Glen End of cul-de-sac	From 2m north of the footpath end on the east side, to 2m north of the vehicle crossing of No.34.
Leinster Avenue North side	Between the vehicle crossings to No.3 and No.5.
Manuwai Drive West side	From No 15/17 Manuwai Drive extending generally south for a distance of 50 metres, excluding a 6m gap outside No.17.
Manuwai Drive East side	From opposite No 15/17 Manuwai Drive extending generally south for a distance of 59 metres, excluding a 6m gap outside No.18.
Ohauti Road East side	Between Buxton Place and Adler Drive.



## APPENDIX B: Proposed Amendments to the Traffic and Parking Bylaw 2012 (Amendment 31)

Prohibited Stopping and Standing of Vehicles	
<b><u>ADDITIONS:</u></b>	
Otumoetai Road East Side	Commencing at the intersection with the southern kerb of Glenn Terrace, extending 72 metres south.
Otumoetai Road East Side	Commencing at the intersection with the northern kerb of Glenn Terrace, extending 52 metres north.
Pitau Road Both sides	For a length of 28m, centred on Grove Avenue (centre of carriageway)
Quail Court Both sides	From the roundabout at Condor Drive southwards to a point 2m south of the splitter island.
Taitimu Road East side	From a point opposite the northern boundary of No.70, eastwards for 24m (between the two site driveways at No.41)
Taitimu Road West side	From the north side of the southern vehicle crossing at No.30 northwards for 25m.
Tweed Street South side	Between the vehicle crossing to No.50 and Ulster Street.
Ulster Street West side	From Tweed Street southwards to a point 14m from the southern kerb line of Tweed Street.

Prohibited Stopping and Standing of Vehicles	
<b><u>DELETIONS:</u></b>	
Manuwai Drive West Side	From No 15/17 Manuwai Drive extending generally <b>south</b> for a distance of 50 metres.
Grange Road East Side	Commencing at the intersection with the <b>northern</b> kerb of Seaview Road, extending 23.5 metres <b>north</b> .
Otumoetai Road East Side	Commencing at the intersection with the <b>southern</b> kerb of Glenn Terrace, extending 13.1 metres <b>south</b> .
Ohauti Road East side	Commencing at the <b>southern</b> kerb of Buxton Place, extending 135 metres <b>south</b>
Ohauti Road East side	Commencing at the <b>northern</b> side of the driveway to No 524 Ohauti Road, extending <b>south</b> to Adler Drive.







## Attachment 7.9: Parking Time Restrictions

*Pursuant to Clause 12.1 and Clause 12.2(c) of the Traffic and Parking Bylaw 2012 no vehicle (except for passenger service vehicles in vehicle stands) may park on the following roads for longer than the applicable time limit listed below:*

### Additions:

Parking Time Restrictions: 30 minute parking	
Ohauiti Road East side	The four parallel parks opposite No.R218.

Parking Time Restrictions: 180 minute parking	
Ohauiti Road Both sides At all times other than the signposted operational times of the bus stops.	Within the marked bus stops outside and opposite No.R218.



## **Attachment 7.21: Passenger Service and Other Vehicle Stands (Stopping Places for Buses)**

*That pursuant to Clause 20.1 of the Traffic and Parking Bylaw 2012 the following locations are declared to be vehicle stands for buses to be used solely for picking up or setting down passengers by buses:*

**Additions:**

<b>Passenger Service and Other Vehicle Stands (Stopping Places for Buses)</b>	
Oropi Road West side	Fronting property R218 Bus stop operational from 07.30 to 08.00 and from 15.00 to 16.00 on school days.
Oropi Road East side	Opposite property R218 Bus stop operational from 07.30 to 08.00 and from 15.00 to 16.00 on school days.



**12 DISCUSSION OF LATE ITEMS****13 PUBLIC EXCLUDED SESSION****RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATIONS**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>13.1 - Direct Appointment - accommodation fit-out costs</b>	s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret  s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**14 CLOSING KARAKIA**