



AGENDA

Strategy, Finance and Risk Committee Meeting Monday, 20 September 2021

I hereby give notice that a Strategy, Finance and Risk Committee Meeting will be held on:

Date: Monday, 20 September 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.

Marty Grenfell
Chief Executive

Terms of reference – Strategy, Finance & Risk Committee

Membership

Chairperson	Commission Chair Anne Tolley
Deputy chairperson	Dr Wayne Beilby – Tangata Whenua representative
Members	Commissioner Shadrach Rolleston Commissioner Stephen Selwood Commissioner Bill Wasley Matire Duncan, Te Rangapū Mana Whenua o Tauranga Moana Chairperson Te Pio Kawe – Tangata Whenua representative Rohario Murray – Tangata Whenua representative Bruce Robertson – External appointee with finance and risk experience
Quorum	Five (5) members must be physically present, and at least three (3) commissioners and two (2) externally appointed members must be present.
Meeting frequency	Six weekly

Role

The role of the Strategy, Finance and Risk Committee (the Committee) is:

- (a) to assist and advise the Council in discharging its responsibility and ownership of health and safety, risk management, internal control, financial management practices, frameworks and processes to ensure these are robust and appropriate to safeguard the Council's staff and its financial and non-financial assets;
- (b) to consider strategic issues facing the city and develop a pathway for the future;
- (c) to monitor progress on achievement of desired strategic outcomes;
- (d) to review and determine the policy and bylaw framework that will assist in achieving the strategic priorities and outcomes for the Tauranga City Council.

Membership

The Committee will consist of:

- four commissioners with the Commission Chair appointed as the Chairperson of the Committee
- the Chairperson of Te Rangapū Mana Whenua o Tauranga Moana
- three tangata whenua representatives (recommended by Te Rangapū Mana Whenua o Tauranga Moana and appointed by Council)
- an independent external person with finance and risk experience appointed by the Council.

Voting Rights

The tangata whenua representatives and the independent external person have voting rights as do the Commissioners.

The Chairperson of Te Rāngapu Mana Whenua o Tauranga Moana is an advisory position, without voting rights, designed to ensure mana whenua discussions are connected to the committee.

Committee's Scope and Responsibilities

A. STRATEGIC ISSUES

The Committee will consider strategic issues, options, community impact and explore opportunities for achieving outcomes through a partnership approach.

A1 – Strategic Issues

The Committee's responsibilities with regard to Strategic Issues are:

- Adopt an annual work programme of significant strategic issues and projects to be addressed. The work programme will be reviewed on a six-monthly basis.
- In respect of each issue/project on the work programme, and any additional matters as determined by the Committee:
 - Consider existing and future strategic context
 - Consider opportunities and possible options
 - Determine preferred direction and pathway forward and recommend to Council for inclusion into strategies, statutory documents (including City Plan) and plans.
- Consider and approve changes to service delivery arrangements arising from the service delivery reviews required under Local Government Act 2002 that are referred to the Committee by the Chief Executive.
- To take appropriate account of the principles of the Treaty of Waitangi.

A2 – Policy and Bylaws

The Committee's responsibilities with regard to Policy and Bylaws are:

- Develop, review and approve bylaws to be publicly consulted on, hear and deliberate on any submissions and recommend to Council the adoption of the final bylaw. (The Committee will recommend the adoption of a bylaw to the Council as the Council cannot delegate to a Committee the adoption of a bylaw.)
- Develop, review and approve policies including the ability to publicly consult, hear and deliberate on and adopt policies.

A3 – Monitoring of Strategic Outcomes and Long Term Plan and Annual Plan

The Committee's responsibilities with regard to monitoring of strategic outcomes and Long Term Plan and Annual Plan are:

- Reviewing and reporting on outcomes and action progress against the approved strategic direction. Determine any required review/refresh of strategic direction or action pathway.
- Reviewing and assessing progress in each of the six (6) key investment proposal areas within the 2021-2031 Long Term Plan.
- Reviewing the achievement of financial and non-financial performance measures against the approved Long Term Plan and Annual Plans.

B. FINANCE AND RISK

The Committee will review the effectiveness of the following to ensure these are robust and appropriate to safeguard the Council's financial and non-financial assets:

- Health and safety.
- Risk management.
- Significant projects and programmes of work focussing on the appropriate management of risk.
- Internal and external audit and assurance.
- Fraud, integrity and investigations.
- Monitoring of compliance with laws and regulations.
- Oversight of preparation of the Annual Report and other external financial reports required by statute.
- Oversee the relationship with the Council's Investment Advisors and Fund Managers.
- Oversee the relationship between the Council and its external auditor.
- Review the quarterly financial and non-financial reports to the Council.

B1 - Health and Safety

The Committee's responsibilities through regard to health and safety are:

- Reviewing the effectiveness of the health and safety policies and processes to ensure a healthy and safe workspace for representatives, staff, contractors, visitors and the public.
- Assisting the Commissioners to discharge their statutory roles as "Officers" in terms of the Health and Safety at Work Act 2015.

B2 - Risk Management

The Committee's responsibilities with regard to risk management are:

- Review, approve and monitor the implementation of the Risk Management Policy, Framework and Strategy including the Corporate Risk Register.
- Review and approve the Council's "risk appetite" statement.
- Review the effectiveness of risk management and internal control systems including all material financial, operational, compliance and other material controls. This includes legislative compliance, significant projects and programmes of work, and significant procurement.
- Review risk management reports identifying new and/or emerging risks and any subsequent changes to the "Tier One" register.

B3 - Internal Audit

The Committee's responsibilities with regard to the Internal Audit are:

- Review and approve the Internal Audit Charter to confirm the authority, independence and scope of the Internal Audit function. The Internal Audit Charter may be reviewed at other times and as required.
- Review and approve annually and monitor the implementation of the Internal Audit Plan.
- Review the co-ordination between the risk and internal audit functions, including the integration of the Council's risk profile with the Internal Audit programme. This includes assurance over all material financial, operational, compliance and other material controls.

This includes legislative compliance (including Health and Safety), significant projects and programmes of work and significant procurement.

- Review the reports of the Internal Audit functions dealing with findings, conclusions and recommendations.
- Review and monitor management's responsiveness to the findings and recommendations and enquire into the reasons that any recommendation is not acted upon.

B4 - External Audit

The Committee's responsibilities with regard to the External Audit are:

- Review with the external auditor, before the audit commences, the areas of audit focus and audit plan.
- Review with the external auditors, representations required by commissioners and senior management, including representations as to the fraud and integrity control environment.
- Recommend adoption of external accountability documents (LTP and annual report) to the Council.
- Review the external auditors, management letter and management responses and inquire into reasons for any recommendations not acted upon.
- Where required, the Chair may ask a senior representative of the Office of the Auditor General (OAG) to attend the Committee meetings to discuss the OAG's plans, findings and other matters of mutual interest.
- Recommend to the Office of the Auditor General the decision either to publicly tender the external audit or to continue with the existing provider for a further three-year term.

B5 - Fraud and Integrity

The Committee's responsibilities with regard to Fraud and Integrity are:

- Review and provide advice on the Fraud Prevention and Management Policy.
- Review, adopt and monitor the Protected Disclosures Policy.
- Review and monitor policy and process to manage conflicts of interest amongst commissioners, tangata whenua representatives, external representatives appointed to council committees or advisory boards, management, staff, consultants and contractors.
- Review reports from Internal Audit, external audit and management related to protected disclosures, ethics, bribery and fraud related incidents.
- Review and monitor policy and processes to manage responsibilities under the Local Government Official Information and Meetings Act 1987 and the Privacy Act 2020 and any actions from the Office of the Ombudsman's report.

B6 - Statutory Reporting

The Committee's responsibilities with regard to Statutory Reporting relate to reviewing and monitoring the integrity of the Annual Report and recommending to the Council for adoption the statutory financial statements and any other formal announcements relating to the Council's financial performance, focusing particularly on:

- Compliance with, and the appropriate application of, relevant accounting policies, practices and accounting standards.
- Compliance with applicable legal requirements relevant to statutory reporting.
- The consistency of application of accounting policies, across reporting periods.
- Changes to accounting policies and practices that may affect the way that accounts are presented.

- Any decisions involving significant judgement, estimation or uncertainty.
- The extent to which financial statements are affected by any unusual transactions and the manner in which they are disclosed.
- The disclosure of contingent liabilities and contingent assets.
- The basis for the adoption of the going concern assumption.
- Significant adjustments resulting from the audit.

Power to Act

- To make all decisions necessary to fulfil the role, scope and responsibilities of the Committee subject to the limitations imposed.
- To establish sub-committees, working parties and forums as required.
- This Committee has **not** been delegated any responsibilities, duties or powers that the Local Government Act 2002, or any other Act, expressly provides the Council may not delegate. For the avoidance of doubt, this Committee has **not** been delegated the power to:
 - o make a rate;
 - o make a bylaw;
 - o borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan (LTP);
 - o adopt the LTP or Annual Plan;
 - o adopt the Annual Report;
 - o adopt any policies required to be adopted and consulted on in association with the LTP or developed for the purpose of the local governance statement;
 - o adopt a remuneration and employment policy;
 - o appoint a chief executive.

Power to Recommend

To Council and/or any standing committee as it deems appropriate.

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- 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 ORDER OF BUSINESS**

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 16 August 2021

File Number: A12906071

Author: Jenny Teeuwen, Committee Advisor

Authoriser: Robyn Garrett, Team Leader: Committee Support

RECOMMENDATIONS

That the Minutes of the Strategy, Finance and Risk Committee meeting held on 16 August 2021 be confirmed as a true and correct record.

ATTACHMENTS

- 1. Minutes of the Strategy, Finance and Risk Committee meeting held on 16 August 2021**



MINUTES

Strategy, Finance and Risk Committee Meeting

Monday, 16 August 2021

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Unconfirmed

**MINUTES OF TAURANGA CITY COUNCIL
STRATEGY, FINANCE AND RISK COMMITTEE MEETING
HELD AT THE TAURANGA CITY COUNCIL, COUNCIL CHAMBERS, 91 WILLOW STREET,
TAURANGA
ON MONDAY, 16 AUGUST 2021 AT 10.30AM**

PRESENT: Commission Chair Anne Tolley, Commissioner Shadrach Rolleston, Commissioner Stephen Selwood, Commissioner Bill Wasley, Dr Wayne Beilby, Mr Te Pio Kawe, Ms Rohario Murray, Mr Bruce Robertson and Ms Matire Duncan

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (General Manager: Corporate Services), Barbara Dempsey (General Manager: Regulatory & Compliance), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy & Growth), Gareth Wallis (General Manager: Community Services), Kathryn Sharplin (Manager: Finance), Steve Burton (Director of City Waters), Brendan Bisley (Director of Transport), Alistair Talbot (Team Leader: Transport Strategy & Planning), Peter Siemensma (Senior Transport Planner), Andy Mead (Manager: City & Infrastructure Planning), Janine Speedy (Team Leader: City Planning), Campbell Larking (Team Leader: Planning Projects), Simon Banks (Project Leader: Urban Planning), Angelique Fraser (Health & Safety Change Manager), Chris Quest (Team Leader: Risk), Warren Aitken (Team Leader: Parks & Environment), Pete Mouldey (Sports Parks Advisor), Emma Joyce (Policy Analyst), Coral Hair (Manager: Democracy Services), Kath Norris (Team Leader: Democracy Services), Robyn Garrett (Team Leader: Committee Support), Raj Naidu (Committee Advisor) and Jenny Teeuwen (Committee Advisor)

1 OPENING KARAKIA

Te Pio Kawe opened the meeting with a karakia.

2 APOLOGIES

Nil

3 PUBLIC FORUM

Nil

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Refer to section 12 for items transferred in to the open following the Public Excluded session of this meeting.

6 CHANGE TO ORDER OF BUSINESS

Nil

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 28 June 2021

COMMITTEE RESOLUTION SFR4/21/1

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

That the minutes of the Strategy, Finance and Risk Committee meeting held on 28 June 2021 be confirmed as a true and correct record.

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Commissioner Stephen Selwood requested that it be noted that in relation to item 9.7, he had made an individual submission to the Resource Management (RM) system reform proposal as he had an interest in this area; however, he did not believe there was a conflict of interest.

The following conflicts of interest were declared:

- Mr Te Pio Kawe in relation to item 9.2 as the tangata whenua engagement facilitator for Tauranga City Council (TCC), and item 9.8 as the Pou Ārahi advisor for the Tū Pakari team for SmartGrowth.
- Commissioner Shadrach Rolleston in relation to item 9.7 as he provided advice and support to the Ministry for the Environment.
- Ms Rohario Murray in relation to item 9.7 as an employee of the Ministry for the Environment.

9 BUSINESS

9.1 Amendments to the Use of Toxic Agrichemicals for Vegetation Management Policy

Staff Warren Aitken, Team Leader: Parks & Environment
Emma Joyce, Policy Analyst
Pete Mouldey, Sports Parks Advisor

External Bill Myhill (Chairperson), Ian McLean and Peter Mora - Toxic Agrichemicals Advisory Forum (TAAF)

Mr McLean presented to the Commission on behalf of TAAF. A copy of the TAAF presentation for this item can be viewed on Tauranga City Council's website in the Minutes Attachments document for this committee meeting.

Key Points

- TAAF's primary objective was to protect public health by the reduction in the use of toxic agrichemicals.
- TAAF agreed that a full review of the policy was not needed as the current policy was fit for purpose and worked reasonably well.

- TAAF comments on proposed policy amendments included:
 - Allowing products to be added to Schedule 1 - where there was disagreement the final decision to rest with the Chief Executive (CE). TAAF believed the final decision should rest with Council and not the CE.
 - Trials – TAAF believed trials could provide a loophole enabling the use of products not on Schedule 1, potentially for long periods. TAAF were developing a proposed draft methodology for trials. TAAF would discuss the draft with staff which would then come to Council for consideration.
 - Notification of spray events – TAAF preferred that the status quo remain.
 - Removal of the word “toxic” – the word was an important flag and TAAF did not want the word removed.

In response to questions

- Consideration of the human health effects was carried out by the Environmental Protection Agency. Tauranga City Council (TCC) did not use any product that had not already been approved for use. Trials were carried out mainly to ensure effective vegetation management.
- Objectives, parameters and timeframes of any trial would be discussed with TAAF and their input considered.
- Defining a trial and how it would be conducted would be difficult as every trial was different. TAAF was considering a concept methodology and would present this to staff when completed.
- The trial for oxadiazon on Links Ave reserve to establish a sports turf had been completed so recommendation (viii) in the report was no longer required.
- Warning signs were currently out for 48 hours as a minimum, with a maximum of five days. Signs out for up to five days gave the illusion that more spraying was being undertaken than what actually was. Regional rules allowed signage to be removed after 24 hours.

The recommendations were taken in parts.

COMMITTEE RESOLUTION SFR4/21/2

Moved: Commissioner Bill Wasley

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee:

- (a) Receives the Amendments to the Use of Toxic Agrichemicals for Vegetation Management Policy report.

CARRIED

COMMITTEE RESOLUTION SFR4/21/3

Moved: Commissioner Shadrach Rolleston

Seconded: Ms Rohario Murray

- (b) Agrees to amend the Use of Agrichemicals for Vegetation Management Policy by:
 - (i) Replacing the current provision requiring Council to approve amendments to ‘Schedule 1 – List of Approved Products’, with a provision that amendments to Schedule 1 can be made where staff and TAAF agree.

CARRIED

COMMITTEE RESOLUTION SFR4/21/4

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

- (ii) Adding a provision that approval of the Council is required for amendments to ‘Schedule 1 – List of Approved Products’ where staff and TAAF disagree.

CARRIED

COMMITTEE RESOLUTION SFR4/21/5

Moved: Dr Wayne Beilby

Seconded: Commissioner Stephen Selwood

- (iii) Adding a provision to allow for trials of new agrichemicals to determine efficiency and effectiveness of a product in controlling unwanted vegetation.
- (iv) Requiring TAAF to provide input into the objectives, parameters and timeframes for any trial of a new agrichemical.

CARRIED

COMMITTEE RESOLUTION SFR4/21/6

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

- (v) Retaining the current signage provisions.

CARRIED

COMMITTEE RESOLUTION SFR4/21/7

Moved: Commission Chair Anne Tolley

Seconded: Ms Rohario Murray

- (vi) Retaining references to "toxic" in the policy.

CARRIED

COMMITTEE RESOLUTION SFR4/21/8

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

- (vii) Revising the layout of Schedule 1 to the policy to better illustrate that a common product name is provided as a reference only and Council may use a different product name with the same active ingredient.

CARRIED

Attachment

- 1 Presentation - Toxic Agrichemicals Advisory Forum (TAAF)

9.2 Resource Management Issues and Options for the Tauranga City Plan

Staff Andy Mead, Manager: City & Infrastructure Planning
Janine Speedy, Team Leader: City Planning

Key Points

- There was significant uncertainty around whether the City Plan review would be completed due to the current resource management reforms.
- Options to address the key issues would form part of topic-based discussion documents which would be made available for stakeholder, tangata whenua and community feedback in late September 2021. Once feedback had been received, direction would be sought from the Committee on next steps.

In response to questions

- There was an extensive list of key stakeholders that included, but was not limited to, central government partners, council partners, tangata whenua, Greater Tauranga, environmental groups, developers, builders and architects. The overall stakeholder list was not exclusive and included anyone who had communicated with Council in this space.

- It was suggested that the supporting documentation for housing affordability included reference to the SmartGrowth housing spectrum as well as more discussion around social and affordable housing.
- There would be more description and information in the discussion document for commercial hierarchy/centres and examples would be used where available.
- National Planning Standards (NPS) provided a toolbox for zones that could be used. For industrial land there was a suite of four zones that could be used and applied across the city. The NPS also provided for the use of precincts and these could be quite site specific and bespoke.
- Visitor accommodation would include Airbnb and Bookabach.
- For a number of the options e.g. Urban Design, there could be a combination of responses and options of how Council wanted to proceed.
- In regard to the relationship between industrial and residential zones, it was important to ensure that spatial application and appropriate buffers were created between sensitive land use and industrial.
- TCC met with Western Bay of Plenty District Council (WBOPDC) and BOPRC on a six weekly basis to ensure alignment to work programmes in terms of how the various reviews were progressing.
- Under Significant Māori Areas (Cultural Values), “Other sites of significance” referred to sites where there was no specifically defined site with boundaries, but the area as a whole was of significance.
- The Port would be considered under the suite of industrial zones.
- It was acknowledged that the review of the City Plan was very complex in nature. Consultation and engagement with the community would be at a technical level but delivered in everyday language and include pictures and examples to ensure it was more easily read and understood.
- Financial implications of the reviews needed to be considered early in the process.
- Cycleways and public transport would be included as part of the review of road hierarchy to align with regional and central government strategies.
- Papakāinga on Māori Land (Cultural Values) offered a simplistic summary of the challenges that tangata whenua were facing for the development of their land. The City Plan played a relatively small role in this. One on one sessions were planned with iwi and hapu regarding the challenges they faced to start progressing what they could on their land.

COMMITTEE RESOLUTION SFR4/21/9

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

- (a) Receives the Resource Management Issues and Options for the Tauranga City Plan report.
- (b) Endorses the options to be considered for key resource management issues for the City Plan set out in Attachment 1.
- (c) Notes that options to address each key issue will be included in a discussion document seeking community, tangata whenua and stakeholder feedback and may be altered or amended in respect of feedback received.

CARRIED

9.3 Three Waters Reform Programme Update

Staff Nic Johansson, General Manager: Infrastructure Services
Steve Burton, Director of City Waters
Kathryn Sharplin, Manager: Finance

In response to questions

- The general feedback from iwi and hapu in area B was mixed. Local authorities needed to stay close to their communities and hapu partners and keep them informed. The central government initiative had not landed as well in some areas as it had in others.
- The regional numbers in the dashboard seemed of a reasonable scale.

Discussion points raised

- A Three Waters Reform Facts information document would be placed on TCC's website. A list of the issues that the Commission had already identified and wanted to raise with the government would be included. Two pop up meetings were planned, one in Papamoa and one in Greerton, and the Commissioners would be available to answer questions at those meetings. More active public discussion sessions would be planned if required.

COMMITTEE RESOLUTION SFR4/21/10

Moved: Commissioner Bill Wasley

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Three Waters Reform Programme Update; and
- (b) Recommends to Council that it continue to support Tauranga City Council's involvement in collaborative workstreams with other local authorities in the Water Entity B area, as proposed by the Department of Internal Affairs.
- (c) Communicates with our community on the government three waters reforms and seeks comments on the issues that they wish Tauranga City Council to raise with the central government.

CARRIED

9.4 Revocation of policies

Staff Christine Jones, General Manager: Strategy and Growth

In response to questions

- Tauranga Marina Policy 2000 - TCC no longer had representation on the Tauranga Marina Society board and, without a policy, it was unclear how Council could ensure the Society provided affordable facilities. The Commission requested that more background information regarding the Tauranga Marina Society be provided before a decision could be made to rescind the policy.
- Māori Roadways Policy 1993 – the rescinding of this policy had not been discussed with iwi and hapu. The policy would be referred to Te Rangapū Mana Whenua o Tauranga Moana for comment before the policy would be rescinded.

COMMITTEE RESOLUTION SFR4/21/11

Moved: Mr Te Pio Kawe

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Requests that the rescinding of the Māori Roadways Policy 1993 be referred to Te Rangapū Mana Whenua o Tauranga Moana for comment.
- (b) Rescinds the Car Parking Building Policy 1996
- (c) Rescinds the Guarantees Loan Funding Policy 1999

- (d) Rescinds the Interpretive Signage Policy 2005
- (e) Requests that more information on the background and history of the Tauranga Marina Society be provided to the Strategy, Finance and Risk Committee before a decision to rescind the policy is made.
- (f) Rescinds the Petitions Policy 2001
- (g) Rescinds the Project Management Structure Policy 2005
- (h) Rescinds the Petitions in Council Public Places Policy 1991

CARRIED

9.5 Draft Parking Strategy

Staff Christine Jones, General Manager: Strategy and Growth
Peter Siemensma, Senior Transport Planner
Alistair Talbot, Team Leader: Transport Strategy & Planning

Key Points

- The Commission requested that, when key stakeholders were referred to in a document, the key stakeholders were listed.
- The challenges for delivering the Parking Strategy successfully related to how well integration between a number of processes occurred. Success would be influenced by how well urban development (controlled by the City Plan), street design (controlled by the Infrastructure Development Code), parking management (informed by the Parking Strategy), and community buy-in and acceptance to alternative ways to travel, was achieved.

Amendments requested:

- At the beginning of the Strategy, include additional discussion of the key wider issues that had led to the need for developing a Parking Strategy and the challenges associated with delivering it successfully.
- Parking management:
 - Emphasise in 'Outcome 3' that this would also include good access and good amenity on local streets.
 - Note that event venues also included marae and that large events at marae could lead to parking demand and overspill into surrounding areas.
 - Note that as Central Government had removed the requirement for minimum on-site parking provision as part of residential development, more on-street parking demand in residential areas was likely.

COMMITTEE RESOLUTION SFR4/21/12

Moved: Commissioner Bill Wasley
Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the Draft Parking Strategy Report.
- (b) Approves the draft Parking Strategy as amended for public consultation.

CARRIED

At 12.42pm, the meeting adjourned.

At 1.32pm, the meeting resumed.

9.6 Submission on changes to Māori and constituency processes

Staff Coral Hair, Manager: Democracy Services
Robyn Garrett, Team Leader: Committee Support

COMMITTEE RESOLUTION SFR4/21/13

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Submission on changes to Māori ward and constituency processes"; and
- (b) Approves the draft submission in Attachment 1 to be sent to the Department of Internal Affairs on the discussion document "Changes to Māori ward and constituency processes."

CARRIED

9.7 Submissions to the Proposed Government Policy Statement on Housing and Urban Development, the Select Committee Inquiry on the Natural and Built Environments Bill: Parliamentary Paper, and Proposed Change 5 (Kaituna River) to the Bay of Plenty Regional Policy Statement.

Staff Andy Mead, Manager: City & Infrastructure Planning
Campbell Larking, Team Leader: Planning Projects
Simon Banks, Project Leader: Urban Planning

Key Points

- The three submissions would be adopted retrospectively:
 - Government Policy Statement on Housing and Urban Development – submission was lodged with the Ministry of Housing and Urban Development on 29 July 2021
 - Natural and Built Environments Bill: Parliamentary Paper – submission was lodged with the Environment Select Committee on 4 August 2021
 - Proposed Change 5 (Kaituna River) to the Bay of Plenty Regional Policy Statement – submission was lodged with BOPRC on 10 August 2021
- Final versions were expected in October 2021.

COMMITTEE RESOLUTION SFR4/21/14

Moved: Dr Wayne Beilby

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

- (a) Receives the submission (Attachment 1) on the Proposed Government Policy Statement on Housing and Urban Development lodged with Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development on 29 July 2021;
- (b) Receives the submission (Attachment 2) to the Inquiry on the Natural and Built Environments Bill: Parliamentary Paper lodged with the Environment Select Committee on 4 August 2021; and
- (c) Receives the submission (Attachment 3) on the Proposed Change 5 (Kaituna River) to the Bay of Plenty Regional Policy Statement lodged with Bay of Plenty Regional Council on 10 August 2021.

CARRIED

9.8 Infrastructure Acceleration Fund

Staff Christine Jones, General Manager: Strategy and Growth
Andy Mead, Manager: City & Infrastructure Planning

Key Points

- Applications were required to be submitted by 18 August 2021.
- Four projects had been identified for TCC's application - Tauriko West, Wairakei Town Centre, Te Papa/Cameron Road intensification, and Parau Farms.

In response to questions

- Kāinga Ora would evaluate proposals against their evaluation criteria. The funding requested for the projects submitted by TCC was in the hundreds of millions of dollars. The fund had approximately \$1 billion to allocate. It was unlikely that all the projects put forward by TCC would be funded.

COMMITTEE RESOLUTION SFR4/21/15

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

- (a) Notes that Tauranga City Council and Western Bay of Plenty District Council will submit a collective response that contains the individual proposals supported by the SmartGrowth partner Councils.
- (b) Notes that these Infrastructure Assistance Fund applications from the SmartGrowth Council Partners are consistent with the agreed Priority Development Areas and Housing Action Plan.
- (c) Delegates to the Chief Executive and the General Manager: Strategy & Growth authority to work with the Tauranga City Council Chairperson, Western Bay of Plenty District Council Mayor, Bay of Plenty Regional Council Chairperson (or their nominees) and a tangata whenua representative to:
 - (i) Agree and submit the infrastructure Acceleration Fund Programme Path applications of Tauranga City Council and Western Bay of Plenty District Council and their relative priorities; and
 - (ii) Determine whether approaches from developers and/or Māori with respect to applications to the Infrastructure Acceleration Fund Project Path will be supported.

CARRIED

9.9 2021 Q2 Health & Safety Report

Staff Angelique Fraser, Health & Safety Change Manager

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

In response to questions

- Training on how to respond to all types of abuse, and how to de-escalate situations and conversations, was available to staff on a continual basis.
- TCC had provided an update on the Port COVID scare internally to staff but not externally.
- The five actions to be completed by the end of 2022 noted in the Health and Safety Management System Audit were considered low priority risks.

COMMITTEE RESOLUTION SFR4/21/16

Moved: Commissioner Stephen Selwood
Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee receives the 2021 Q2 Health and Safety Report and notes the tabled update on the COVID response.

CARRIED

Attachment

- 1 Tabled document - Health and Safety Report - TCC COVID 19 Response Update

9.10 Q4 2020/21 Final Quarter LGOIMA and Privacy Requests

Staff Coral Hair, Manager: Democracy Services
Kath Norris, Team Leader: Democracy Services

Key Points

- This update included the extra detail requested by the Committee at the previous Strategy, Finance and Risk Committee meeting, with the exception of comparative data against other councils. This data was not available as it was not collected anywhere.

COMMITTEE RESOLUTION SFR4/21/17

Moved: Commissioner Bill Wasley
Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee receives the report: Q4 2020/21 Final Quarter LGOIMA and Privacy Requests.

CARRIED

9.12 Tabled document

Commission Chair, Anne Tolley, tabled a copy of her submission to the Māori Electoral Option Ministry of Justice consultation. A copy of this item can be viewed on Tauranga City Council's website in the Minutes Attachments document for this committee meeting.

Attachment

- 1 Māori Electoral Option Ministry of Justice consultation - Submission by Anne Tolley, Commission Chair - 6 August 2021

9.11 Deep Dive - Capital Project Delivery

Staff Marty Grenfell, Chief Executive
Nic Johansson, General Manager: Infrastructure Services
Chris Quest, Team Leader: Risk
Steve Burton, Director of City Waters
Brendan Bisley, Director of Transport

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

In response to questions

- It was important to have independence in the governance structure, not just in-house, as well as experience capability e.g. for the kerbside project, assistance and advice provided by Hamilton and Auckland Councils had been very informative and helpful.
- Feedback had been sought from industry senior managers of the bigger companies on what they wanted to see when bidding for TCC project contracts and how TCC could work better with them. The feedback had been incorporated into the Procurement Strategy.
- There would also be opportunity for the local sector to take part in bidding for projects. It was important that TCC provided sustainability in the local market.
- In terms of project management maturity, it was expected that TCC could reach level three in 18 months to two years, but this would be a stretch.

COMMITTEE RESOLUTION SFR4/21/18

Moved: Commissioner Bill Wasley

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee receives the Deep Dive - Capital Project Delivery report.

CARRIED**Attachments**

- 1 Capital Works Programme - 2022 Financial Year - Story Slide
- 2 Capital Works Programme - 2022 Financial Year - Top 25 Projects/Programmes

10 DISCUSSION OF LATE ITEMS

Nil

11 PUBLIC EXCLUDED SESSION**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION SFR4/21/19**

Moved: Commissioner Shadrach Rolleston

Seconded: Ms Rohario Murray

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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
11.1 - Public Excluded Minutes of the Strategy, Finance and Risk Committee Meeting held on 28 June 2021	s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.	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.

	<p>s7(2)(e) - The withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public.</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p>	
11.2 - Corporate Risk Register - Quarterly Update	<p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>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.</p>
11.3 - Internal Audit Report - Quarterly Update	<p>s6(b) - The making available of the information would be likely to endanger the safety of any person.</p> <p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.</p> <p>s7(2)(d) - The withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public.</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p>	<p>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.</p>
11.4 - Litigation Report	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage,</p>	<p>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.</p>

	negotiations (including commercial and industrial negotiations).	
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CARRIED

At 3.08, the meeting resumed in the open session.

12 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Following the Public Excluded session of this meeting, the following items were transferred to the open:

12.1 Corporate Risk Register - Quarterly Update

COMMITTEE RESOLUTION SFR4/21/20

Moved: Commissioner Stephen Selwood
 Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the Corporate Risk Register - Quarterly Update report.
- (b) Transfers this report and attachment to open at the conclusion of this meeting.

CARRIED

A copy of the report and attachment for this item can be viewed on Tauranga City Council's website in the Minutes Attachments document for this committee meeting.

Attachment

- 1 Public Excluded item 11.2 transferred to the open - Corporate Risk Register - Quarterly Update

12.2 Internal Audit Report - Quarterly Update

COMMITTEE RESOLUTION SFR4/21/21

Moved: Commissioner Bill Wasley
 Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- a) Receives the Internal Audit quarterly update report.
- b) Transfers this report to open at the conclusion of this meeting.

CARRIED

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

Attachment

- 1 Public Excluded item 11.3 transferred to the open - Internal Audit Report - Quarterly Update

13 CLOSING KARAKIA

Commissioner Shadrach Rolleston closed the meeting with a karakia.

The meeting closed at 3.09.

The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee meeting held on 20 September 2021.

.....
CHAIRPERSON

Unconfirmed

8 DECLARATION OF CONFLICTS OF INTEREST

9 BUSINESS

9.1 Mainstreets Monitoring Report for the period to 30 June 2021

File Number: A12728859

Author: Michael Vujnovich, Manager: Project Tauranga

Anne Blakeway, Manager: Community Partnerships

Authoriser: Gareth Wallis, General Manager: Community Services

PURPOSE OF THE REPORT

1. For mainstreet organisations to report to Council on their activities for the period January to June 2021, to highlight issues, to provide a financial update, and to outline plans for future activities.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the Mainstreets' Monitoring Report for the period to 30 June 2021.
- (b) Receives the Mount Mainstreet Report to 30 June 2021.
- (c) Receives the Mainstreet Tauranga Report to 30 June 2021.
- (d) Receives the Greerton Village Mainstreet Report to 30 June 2021.
- (e) Receives the Papamoa Unlimited Report to 30 June 2021.

EXECUTIVE SUMMARY

2. Mainstreet organisations receive a targeted rate through Council.
3. As part of Council's agreement with the four mainstreet organisations, they are required to report every six months on activities achieved, activities planned, and any issues they want to bring to the attention of Council. They are expected to provide a financial update for each reporting period and audited financials after the end of the financial year.
4. This report reflects the period 1 January 2021 to 30 June 2021.
5. A summary of performance – both financial and non-financial – is provided for Downtown Tauranga, Greerton, Mount and Papamoa mainstreets. All mainstreet organisations are in good financial health.
6. Mainstreet organisations appear to be having a positive effect on the activation and economic vibrancy of their areas, largely through events and promotions.
7. A review of mainstreets is currently underway to examine their contribution to thriving town centres, alignment with existing TCC policies, current TCC organisational arrangements, and to recommend changes, if any, to existing arrangements.

BACKGROUND

8. There are agreements in place between Tauranga City Council (TCC) and the four mainstreet organisations for the delivery of services. The intent of the agreements is to the effect that:
 - The mainstreet organisations will contribute to the achievement of a strong and vibrant city and town centres, by promoting the appeal of their respective areas to residents and visitors through events, promotions and other means.

- That TCC will provide funding for these mainstreet services by way of a targeted rate on commercial property within each of the respective mainstreet business areas.
- The mainstreet organisations are incorporated societies and all business operators within their respective targeted rates areas are regarded by the mainstreet organisations as being their members.

DISCUSSION

9. Audited financial accounts are due from all mainstreet organisations by 30 September 2021.
10. Financial statements provided by Mount Mainstreet, Downtown Mainstreet and Greerton Village Mainstreet indicate that they are in good financial health, showing annual operating surpluses and positive equity. It is expected that Papamoa Unlimited financials will be delivered by 30 September 2021.
11. Activities undertaken by all Mainstreet organisations appear to be having a positive effect on the activation and economic vibrancy of their areas, largely through events and promotions.
12. Please see Attachment 1 for a summary of the Mainstreet reports, including issues to present to Council.
 - (a) **Mount Mainstreet:**
 - (i) The current agreement for the delivery of mainstreet services has been in place since 1 July 2009. Funding of \$188,550 from targeted rates was provided by TCC under the agreement for the year ended 30 June 2021.
 - (ii) The Mount Business Association (Mount Mainstreet) until recently has employed a manager that reports to the Board and who is responsible for the day-to-day delivery of the mainstreet programme in Mount Maunganui.
 - (iii) Mount Business Association has been relatively inactive over the last year or so compared to other organisations. The report that was presented to TCC for the six months to 31 December 2020, indicated that there had not been any events (other than the farmers' market) or other significant activities during that period.
 - (iv) However, under the leadership of a motivated new chair, significant effort is being made to rebuild Mount Mainstreet into the organisation that is described in the vision and core purpose statement. The focus of the rebuilding is initially on events, space activations and business networking.
 - (v) Mount Business Association is undertaking a significant self-review, including developing a new constitution and strategic plan.
 - (b) **Mainstreet Tauranga:**
 - (i) The current agreement for the delivery of mainstreet services has been in place since 1 July 2009. Funding of \$341,530 from targeted rates was provided by TCC under the agreement for the year ended 30 June 2021.
 - (ii) Mainstreet Tauranga contracts Tuskany Agency for the day-to-day management and delivery of the mainstreet programme in Downtown Tauranga. The Tuskany Agency Manager reports to the Board of Mainstreet Tauranga.
 - (iii) The Mainstreet Tauranga programme is on a greater scale than the other mainstreet organisations, and involves a range of events and promotions designed to attract people to the Downtown business area.
 - (iv) Other functions undertaken by Mainstreet Tauranga include activating vacant spaces within the CBD, which has until recently been financially supported by TCC, providing support for the local business community through networking, training, advocacy, marketing the CBD, and acting as a conduit between CBD businesses and TCC.

- (v) Support requested for continuing the Activate Vacant Spaces programme was declined by Council in the Long-term Plan 2021-2031.
 - (vi) Historically, Mainstreet Tauranga has also operated a shuttle service for cruise passengers, although that is currently on hold during the COVID pandemic.
 - (vii) Foot traffic counters have been budgeted in the Long-term Plan by Tauranga Traffic Operations Centre. Planning for their implementation is underway.
- (c) **Greerton Village Mainstreet:**
- (i) The current agreement for the delivery of mainstreet services has been in place since 1 July 2011. Funding of \$128,346 from targeted rates was provided by TCC under the agreement for the year ended 30 June 2021.
 - (ii) The Greerton Village Community Association employs a manager who is responsible to the organisation's board for the day-to-day delivery of the mainstreet programme in Greerton, including a range of events and promotions designed to attract people to the Greerton business area.
 - (iii) Other functions undertaken by the Greerton Village Community Association include providing support for the local business community through networking opportunities, advocacy and bulk advertising on behalf of the business community.
 - (iv) The TCC Transportation team continue to work with Greerton Village Mainstreet on traffic safety issues and ongoing 'tidy-up' maintenance work, including lamp posts.
- (d) **Papamoa Unlimited:**
- (i) The current agreement for the delivery of mainstreet services has been in place since 1 July 2014. Funding of \$50,000 from targeted rates was provided by TCC under the agreement for the year ended 30 June 2021.
 - (ii) Papamoa Unlimited is managed by a volunteer chair who engages a contractor to assist with the running of events. The sole focus of Papamoa Unlimited is to hold three or four community events each year. An element of each event occurs within the Papamoa business area and as such attracts people to that location and, in doing so, promotes the business area as well as the vibrancy of Papamoa generally.
 - (iii) Due to engaging a new accountant, the financial reporting for Papamoa will be delayed. The agreement with TCC requires that audited financial accounts are provided by 30 September.

STRATEGIC / STATUTORY CONTEXT

13. The City Centre Strategy (2012) is relevant to Mainstreet Tauranga to the extent that its vision is to create a thriving commercial centre. This strategy is currently under review and expected to be completed at the end of the year. Specific actions may be assigned to Mainstreet Tauranga to implement, as a key stakeholder in the strategy.
14. In terms of TCC's community outcomes that were in the Long-term Plan 2021-2031, well-run mainstreet programmes make a worthwhile contribution to city centre vibrancy and to "*a city that is well planned with a variety of successful and thriving compact centres and resilient infrastructure.*"
15. Well-run mainstreet programmes also have a key role in making a significant contribution "*to the social, economic, cultural and environmental well-being of the region.*"

FINANCIAL CONSIDERATIONS

16. Mainstreet organisations receive a targeted rate through Council, as detailed above, totalling \$708,426 per annum across the four organisations.
17. It is difficult to measure the outcomes achieved by the mainstreet programmes in economic terms, meaning that generally only anecdotal and informal measures of success are available. However, informal measures, such as estimated number of people attending events, surveys of retailers to determine if customer foot traffic or turnover was improved by events and promotions etc., would be useful, provided they are objective.

LEGAL IMPLICATIONS / RISKS

18. Each of the mainstreet organisations has met their funding agreement requirements by providing Council with their half yearly reports for 1 January 2021 to 30 June 2021, apart from Papamoa Unlimited, which is still to provide financials for the period to 30 June 2021.

CONSULTATION / ENGAGEMENT

19. It is not required or expected to consult on half yearly reports under the Local Government Act 2002.

SIGNIFICANCE

20. 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.
21. 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; and
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
22. In accordance with the considerations above, criteria and thresholds in the Significance and Engagement Policy, it is considered that the decision is of low significance as the receipt of the half yearly reports and the activities of the mainstreet 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

23. Council's decision to receive this report, or otherwise, will be communicated to the mainstreet organisations at the meeting on 20 September 2021, when representatives from each of the mainstreets will talk to their reports.
24. Audited financial accounts are due from Papamoa Unlimited by 30 September 2021.
25. TCC is undertaking a review of mainstreets via an external consultant. The review of mainstreets will examine their contribution to thriving town centres, alignment with existing TCC policies, current TCC organisational arrangements, and to recommend changes, if any, to existing arrangements.

ATTACHMENTS

1. **Appendix A - Mainstreet Monitoring Report Summary for Jan to Jul 2021 - A12721898** [↓](#)
2. **Mount Mainstreet - Monitoring Report to 30 June 2021 - A12721902** [↓](#)
3. **Mount Mainstreet - Financial Statements to 30 June 2021 - A12721901** [↓](#)
4. **Mainstreet Tauranga - Monitoring Report to 30 June 2021 - A12721900** [↓](#)
5. **Greerton Village Mainstreet - Monitoring Report to 30 June 2021 - A12721904** [↓](#)
6. **Greerton Village Mainstreet - Financial Statements to 30 June 2021 - A12721908** [↓](#)
7. **Papamoa Unlimited - Monitoring Report to 30 June 2021 - A12721924** [↓](#)

9.2 Audit New Zealand - report to the Commissioners on the audit of the 2021-31 Long-term Plan

File Number: A12795880

Author: Kathryn Sharplin, Manager: Finance
Josh Logan, Team Leader: Corporate Planning

Authoriser: Paul Davidson, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. This report presents as an attachment the Audit New Zealand report to the Commissioners on the audit of Tauranga City Council's 2021-31 Long-term Plan (LTP).

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report from Audit New Zealand on the audit of the 2021-31 Long-term Plan.

EXECUTIVE SUMMARY

2. The attached report to commissioners from Audit New Zealand on the LTP sets out audit findings and makes a recommendation for improvement and for incorporation into the next LTP document.
3. Overall audit issued a non-standard audit report on 26 July 2021. Without modifying their audit opinion, they included three emphasis of matter paragraphs in their audit report drawing attention to the uncertainties associated with the delivery of the capital programme, the three waters reforms, and the breach of statutory deadline. The attached report outlines the audit opinion which was included with the final LTP document.
4. The one recommendation made by audit for the next LTP was:
That the asset management plan, activity management plans, infrastructure strategy, financial strategy, and consultation document could be enhanced through robust peer review to improve the quality of these document.

BACKGROUND

5. The LTP is prepared under the Local Government Act 2002. Under section 94 of the Act Audit New Zealand is required to audit whether the plan gives effect to the purpose of the LTP and on the quality of the information and assumptions underlying the forecast information provided.
6. Audit New Zealand raised a number of matters as the main audit risks and issues. These were:
 - (a) Growth assumption
 - (b) Financial prudence and debt
 - (c) Financial strategy
 - (d) Waka Kotahi funding assumption
 - (e) Climate change
 - (f) Covid-19
 - (g) Capital expenditure "delivery"

- (h) Three-waters reform
 - (i) Breach of statutory deadline
7. Overall Audit New Zealand was satisfied that these matters were appropriately dealt with and that the asset management plans, infrastructure strategy and financial strategy were compliant, concise and largely consistent.
 8. As mentioned above Audit New Zealand recommended that council implements an independent review of the LTP and underlying information in their next LTP in 2024.
 9. Staff will look to incorporate this advice into the project plan for the 2024 LTP.
 10. As mentioned above Audit New Zealand included three emphasis of matter on three areas of risk:
 - (a) delivery of the capital programme;
 - (b) three waters reforms; and
 - (c) breach of statutory deadline.
 11. Two other areas of focus were raised regarding matters to be taken into account in the final LTP document. These were:
 - (a) Disclosure of the risk of non-compliance with the National Policy Statement – Urban Development. This matter was disclosed in the final LTP.
 - (b) The impact of accounting standard¹ requirements relating to financial instruments in the financial forecasts. The financial disclosures in the final LTP made appropriate reference to this accounting standard.

STRATEGIC / STATUTORY CONTEXT

12. Audit review of the LTP is part of the LTP process required under section 94 of the Local Government Act 2002.

OPTIONS ANALYSIS

13. There are no options presented with this report as the Audit New Zealand findings will be followed up as part of the planning process of the 2024 LTP.

FINANCIAL CONSIDERATIONS

14. There are no direct financial impacts of the audit report.

SIGNIFICANCE

15. 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.
16. 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 matter.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

¹ Public Benefit Entity International Public Sector Accounting Standard 41 Financial Instruments, issued by the New Zealand Accounting Standards Board

17. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

18. 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 to receive this report.

ATTACHMENTS

1. **Report to the Commissioners - 2021-31 LTP audit - A12795892** [↓](#)

9.3 Tauranga City Council Draft Annual Report 2020/21

File Number: A12863523

Author: Kathryn Sharplin, Manager: Finance
Tracey Hughes, Financial Insights & Reporting Manager
Josh Logan, Team Leader: Corporate Planning

Authoriser: Paul Davidson, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. The purpose of this report is to provide the committee with an update of the year-end financial and non-financial results for Tauranga and the proposed presentation of the front sections of the annual report that discuss the year in review and key outcomes and issues. This discussion provides the committee with an opportunity to feedback comments on the presentation of the draft annual report.
2. At this stage the unaudited draft is incomplete and still subject to internal review with changes to the financials still likely to occur. It does not include consolidated group accounts.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the Report - Tauranga City Council Draft unaudited Annual Report 2020/21
 - (i) Agrees the proposed presentation of the annual report including the year in review.
 - (ii) Agrees that the final surplus due to interest should be transferred to an interest rate reserve to assist to manage variability in interest rates over the next few years.

EXECUTIVE SUMMARY

3. This report and attachments identify key areas of highlights for the year, along with challenges and opportunities that bridge into the future years of the LTP.
4. Overall, the key financial results for TCC (unconsolidated) are as follows.

\$258m total operating revenue (TCC)	\$275m total operating expenditure (TCC)
\$32m capital and operating subsidies	\$33m development contribution revenue
\$182m capital expenditure	\$586m net debt
\$690k surplus due to interest below budget	209% debt to revenue ratio (TCC)

5. Note that the final report will also include consolidated financial statements including all CCOs, the largest of which is Bay Venues Limited.
6. The overall result of the non-financial performance measures for the full financial year show a total of 81 measures achieved (55%), 53 not achieved (36%), and 14 not able to be measured (9%).
7. At this stage the draft is unaudited and subject to ongoing internal review which is likely to lead to some amendments to the financial and non-financial information summarised above. The draft will be presented to Audit New Zealand this week to commence their final audit. A final version of the results will be presented to council for adoption in November along with the audit opinion.

BACKGROUND

Purpose and Presentation of the Annual Report

8. The Tauranga City Council (Group) annual report is prepared consistent with requirements of the Local Government Act 2002 (LGA)
9. The purpose of the annual report is to report back to the community on the performance of the council against its levels of service budgets and capital programme agreed in year three of the Long-term Plan (LTP) and the relevant annual plan. It also promotes accountability to the community for the decisions made during the year.
10. The front sections of the document provide a review of the year and aim to tell the story of the council's operations and other key events in a way that is readable by the community. It is an opportunity to discuss the highlights, opportunities and challenges of the year and provide a bridge to the future including the issues and investments included in the LTP.
11. The detailed financial accounts and notes to the accounts are presented at the back of the document.
12. Key highlights for 2020/21 are summarised under the following themes:
 - (a) **Urban form** (eg Te Papa peninsula - future proofing Cameron Road, Elizabeth Street Upgrade, Wharf Street,
 - (b) **Community amenity** (eg Hartford Ave reserve, trail rider and the new mobile library)
 - (c) **Planning for growth** (including transport planning, plan changes and new Waiari water supply construction)
 - (d) **Sustainability** (including sustainability stocktake, the LTP commitment to multi-modal, and the new kerbside collection)
 - (e) **Partnerships** (Working together with our community, regional partners, tangata whenua and out Council Controlled Organisations)
 - (f) **Future Delivery Models** (three waters reform, RMA reform)
13. Challenges and opportunities for the year and into the future include:
 - (a) **Leadership** (Governance changes with establishment of commissioners to focus on LTP delivery and lay strong foundations for future governance and new ways of engagement to achieve community trust and confidence)
 - (b) **Community amenity** (Community Facilities Investment Plan and investment through the LTP)
 - (c) **Growth** (Growth and transportation pressures and water restrictions)
 - (d) **Sustainability** (Climate change identifying impacts and risks to infrastructure and the city and community and identify investment through the LTP)
 - (e) **Project delivery** (Harrington Street Carpark, establishment of Capital Projects Assurance Division).

Key Financials

14. Overall, the financial results for Tauranga City Council (TCC) are more favourable than budget, particularly across the building, community facilities and airport activities. This reflects a stronger economy than anticipated when budgets were set.

Impact of COVID-19 on 2020-21 financials

Revenue

15. The 2020/21 Annual Plan was revised downward as a result of post COVID-19 lockdown impacts and uncertainty about future economic conditions and level and timing of recovery. As well as the lower level of rates increase, annual plan revenue budgets were adjusted

downwards across key user fee earning areas of business including parking, regulatory services, airport and property.

16. Reflecting the better than expected economic bounce-back, the actual user fees revenue for the year was nearly \$10m (20%) higher than budgeted. Building services lead the favourable result (\$4m above budget) with strong building activity which included new housing builds, commercial development and building renovations. This was part of a nationwide trend where expenditure on housing and goods replaced lower expenditure on services such as overseas travel.
17. The airport and Beachside Holiday Park were favourable performers, reflecting higher domestic holiday demand and rapidly recovering domestic air travel. The airport recorded a profit of \$1.3m, while Beachside Holiday Park revenue was just under \$2.2m, the first time it has exceeded \$2m in revenue.
18. Half (\$1.8m) of the Government COVID-19 response wage subsidy received in May 2020 has been recognised as income in 2021 as the payment was to cover through to August 2020.

Government Stimulus Funding through CIP (capital)

19. Post lockdown, government made available through its stimulus funding package \$45m for the upgrade of Cameron Road through to 11th Avenue to enable better multi-modal transportation options and for various approved three waters projects, which included \$7.5m for stage one. A small portion of this funding was been received prior to July 2021 with the remainder to be reimbursed once expenditure has occurred primarily in the 2021/22 financial year.

Operational Results For TCC

20. The underlying operating result (operating revenue less operating costs) is favourable to budget showing a deficit of \$17.2m, compared to a budgeted deficit of \$28.9m. The main contributor to the favourable variance was less impact of the post COVID-19 environment on user fees and charges offset by higher depreciation costs. This has been reflected in operating results favourable to budget across our non-rates funded activities.
21. In most cases council aims to balance its operational budget so that operational costs are funded through rates or another form of operational revenue such as user fees or subsidy. However, in recent years it has budgeted for an overall operational deficit for a number of reasons. The operational deficit is due to specific circumstances where council does not budget revenue to cover operational costs. These are:
 - (a) Non-funding depreciation (\$7.5m) in transportation to reflect the amount of renewal cost funded by Waka Kotahi New Zealand Transport Agency (NZTA) (51%) plus stormwater \$1m.
 - (b) Loan funded expenditure on long-term structural planning for our growing city to reflect intensification, transport planning and new growth areas. While this expenditure is recognised as operational, council has chosen to loan fund it as it is providing long term benefit to the community and so is more fairly contributed to by future ratepayers as well as current ratepayers.
 - (c) Loan funding of project expenditure that could not be capitalised so recognised in the accounts as operating expenditure
 - (d) Funding of expenditure from a reserve such as the stormwater reserve or the risk reserve
 - (e) Deficit in operations of user fee funded activities, including parking activity where there has been a reduction in parking fee revenue as a result of city centre on street parking charges on hold post COVID-19.
22. Prior to audit there is a favourable interest rate variance of \$695,000 and otherwise rates collected cover the rates requirement for the year.

Interest Rate variance -Proposed transfer to interest rate reserve.

23. There is a favourable net external interest variance of \$695,000, which has been largely due to achieving favourable interest margins on both external debt and short-term investments. This is equivalent to 3.5% of annual net interest. It is recommended that rather than transfer this surplus to offset debt, Council approves this favourable interest variance to be placed in an Interest Reserve to manage future interest rate exposures. This will allow some flexibility to manage net interest budgets (and setting of rates) in the event market interest rates increase faster than forecast. This change is proposed recognising the relative uncertainty of interest rate movements over the next few years and its impact on the high debt levels of TCC.

Surplus before Tax

24. The surplus before tax reflects total revenue against total expenditure. This includes asset revenue and other gains and other expenditure. The surplus was \$55m, which was \$8.8m greater than budgeted.
25. Other expenses were \$46.2m higher than budgeted reflecting a number of unbudgeted items including:
- a) recognition of various asset write-offs of \$36.1m. Primarily adjustments resulting from the three waters and land and buildings revaluations (\$28.2m) and the write-off of Bella Vista remediation costs of \$3.5m.
 - b) Weathertight and provisions expense of \$5.5m which was \$4.3m above budget.
26. Asset revenue and other gains was greater than budgeted by \$44m due to gains on revaluation of interest rate swaps and investment property. Lower vested assets (assets provided to council by developers during the year) and capital subsidies and contributions received were substantially offset by higher development contributions received.

Council assets and debt

27. TCC (group) assets total \$5.5 billion. This year the three waters assets and land and buildings were revalued. Three waters assets were revalued upward by \$403m and land and buildings were revalued upwards by \$222m.
28. Overall net debt has increased to \$586m from \$525m the previous year. This is less than the budgeted figure for the year of \$686m, reflecting slower capital delivery, which means less has been borrowed.
29. The net debt-to-revenue ratio at year-end is 209%. This ratio excludes Bay Venues Limited (BVL) revenue.

Key Non-Financials

30. Within a Long-term plan, the level of service that the council will deliver is agreed upon by the council in consultation with the public. The Local Government Act stipulates that local authorities are required to report on how well they are performing in delivering these levels of service to their communities as measured by the non-financial performance measures. In the 2018-28 Long-term Plan there were 148 non-financial performance measures that were agreed upon, of which 23 are mandatory from section 261B of the Local Government Act 2002.
31. This draft annual report presents the position of how the council achieved the non-financial performance measures and ultimately the levels of service during the financial year. Of the 148 non-financial performance measures, 134 of them have been measured during the financial year.
32. The result for the full financial year is that a total of 81 non-financial performance measures have been achieved (55%) and 53 were not achieved (36%), with 14 not able to be measured (9%).
33. The following high-level observations can be made for the activity areas:

We performed strongly in a lot of areas:

- We continue to perform highly in water supply, wastewater and stormwater activities with only one of the 20 measures missed.
- We also achieved 100% of our performance measures in Cemeteries activity and achieved 100% of the results that were able to be measured in City Centre activity.

We were close on a number of measures and we believe we provided a good level of service:

- Of the 53 targets we missed, 16 were within 1-10% of our target.
- At Baycourt despite not meeting target, there was a 19% increase from 2019/20, demonstrating customer and industry confidence levels are starting to return to pre-COVID levels.

34. Also, of the 53 measures not met, the two key themes that emerged, were that services were still impacted due to the ongoing effects of the COVID-19 pandemic and there continue to be ongoing staff shortages in the regulatory and compliance sector.
35. Seven measures in the LTP were changed after resolutions by the Audit, Finance, Risk and Monitoring Committee on 19 February 2019 and 27 November 2019. They relate to arts and heritage, emergency management, and resource recovery and waste. These measures are tabled separately in the activities section of the report, under 'Additional measures monitored' and have been excluded from our overall performance summary.

STRATEGIC / STATUTORY CONTEXT

36. The annual report is prepared consistent with requirements of the local Government Act 2002 (LGA)

OPTIONS ANALYSIS

37. There are no options presented in this report. The committee is able to provide feedback on the presentation of the annual report, in particular the matters to be highlighted in the front sections of the report.

FINANCIAL CONSIDERATIONS

38. The financial statements and information presented is for the financial year ended 30 June 2021. The presentation of the financials section is guided by the requirements of the LGA, accounting standards (International Public Sector Accounting Standards (IPSAS)) and generally agreed accounting policies. It is audited by Audit New Zealand. The accounts are prepared on a going concern basis and any incidence or allegations of fraud, non-compliance or misstatement should be disclosed.

LEGAL IMPLICATIONS / RISKS

39. Due to post-covid19 pressures on councils across the country and Audit NZ the timing of adoption of the audited annual report will not meet normal statutory deadlines but Government has approved an extension of time.

CONSULTATION / ENGAGEMENT

40. The annual report will be made publicly available after adoption. The 2018-28 LTP and the 2020/21 Annual Plan which the year results are measured against were consulted on before being adopted. There is no consultation on the annual report itself.

SIGNIFICANCE

41. 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.

42. 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 matter
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
43. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of medium significance.

ENGAGEMENT

44. Taking into consideration the above assessment, that the matter is of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

45. Audit New Zealand is currently undertaking its audit of the annual report working with staff to ensure all requirements are met.
46. The final annual report will be presented to Council for adoption on 15 November 2021.

ATTACHMENTS

1. **DRAFT Annual Report - 2020/21 - A12907130 (Separate Attachments 1)**

9.4 Internal Audit - Procurement Health Check

File Number: A12885236

Author: Jon Hobbs, Internal Auditor

Authoriser: Paul Davidson, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. This report provides the Strategy, Finance and Risk Committee with the results of a health-check undertaken by Internal Audit into the actions to improve our procurement practices, and assurance that these are being progressed appropriately.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the Procurement Health Check report.

DISCUSSION

2. The Council meeting of 31 May 2021 received a report which contained:
 - (a) Advice received from the Office of the Auditor-General (OAG) on the Harington Street Transport Hub (HSTH) dated 26 May 2021;
 - (b) Two earlier procurement probity audits from the McHale Group commissioned by Council as a result of the failed HSTH project; and
 - (c) An outline of the steps Council is taking to improve the safeguards and processes around project delivery and procurement.
3. The meeting of 31 May agreed that the Internal Audit function should carry out a “health check” on the progress to implement the various recommendations noted in this report, with findings to be reported in September 2021
4. The Procurement Health-Check has been completed by Internal Audit, the report has been agreed with the relevant staff and sponsors and is attached.
5. In summary, it was found that the recommendations made by the McHale Group and the OAG are being addressed. Where actions have not yet been completed, these are in progress within in a program of change lead by the Procurement and Capital Projects Assurance Division (CPAD) teams. The responsibility for actions yet to be completed (and appropriate target dates) has been agreed with relevant staff.

STRATEGIC / STATUTORY CONTEXT

6. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the operations of Tauranga City Council. It helps Tauranga City Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The audit process will provide assurance that risks are being effectively managed.
7. Regular internal audits provide oversight of Council processes and contribute to an informed understanding of the risks to achieving our strategic objectives.
8. The importance of good procurement practices of the capital programme delivery will be key to delivering the outcomes to the community.

SIGNIFICANCE

9. 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.
10. 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 matter.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
11. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of medium significance, however, as the report is procedural and an update on actions is to be received no further consideration is needed.

NEXT STEPS

12. The status of the actions agreed will continue to be tracked, and reported to the Executive and the Strategy, Finance and Risk Committee as part of the regular Internal Audit quarterly report.

ATTACHMENTS

1. **Procurement Health Check SFaRC - A12833851** [↓](#)

9.5 Three Waters Reform Progress Update

File Number: A12896515

Author: Steve Burton, Director of City Waters

Kathryn Sharplin, Manager: Finance

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

1. To inform the Strategy, Finance and Risk Committee (SFRC) of the direction, issues, opportunities, and matters relating to the national Three Waters Reform Programme, which is being led by the Department of Internal Affairs (DIA); and
2. To share information about regional and local collaborative initiatives involving Tauranga City Council (TCC) which are linked to readiness for water reforms.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Three Waters Reform Programme Update; and
- (b) Recommends to Council that it continue to support Tauranga City Council's involvement in collaborative workstreams with other local authorities in the Water Entity B area, as proposed by the Department of Internal Affairs.
- (c) Notes a full report will be presented to Council on information related to three waters reform along with initial Rangapū and community feedback on 4 October.
- (d) Notes a project team is being established internally to undertake ongoing work related to the three waters reform.

DISCUSSION

Background

3. The Three Waters Reform Program remains a key focus for local authorities across New Zealand, following significant announcements by DIA in June and July 2021.
4. This paper summarises the three water reforms activity that has occurred internally and externally since the previous update was tabled to the SFRC on 16th August 2021.

Central Government / DIA update

5. DIA continue to work together with LGNZ to provide supplementary information on the funding and structural reform proposals to all councils across NZ. Regular weekly contact has been established with Mayors and Chief Executives through webinars and virtual meetings, allowing anyone the opportunity to question the terms and conditions, or to seek clarity on any aspects of the government-lead proposals.
6. The July announcements by DIA also provided for an 8-week period (August and September) whereby councils have the opportunity to understand how the reform proposals affect their council and community, to identify issues of local concern, and to suggest possible ways of addressing these. The joint Three Waters Steering Committee of DIA and LGNZ has made it clear that local authorities are not expected to make any formal decisions regarding the reform through this period, and that this period does not trigger the need for formal consultation.

7. The DIA is also continuing engagement directly with iwi across the country, with hui happening each week. This includes engagement with groupings of iwi and direct one on one engagement, where invited.
8. The Government is gathering feedback throughout the 8-weeks and following this period, will make decisions on next steps in the reform process, including mechanisms for community consultation. DIA and LGNZ, together with Taituarā, have collaborated to produce a guidance document in this regard - *refer to Three Waters Reform Useful Links below*.
9. During August, the DIA made a further announcement that they are allowing councils to access existing tranche 1 stimulus funding, so that they can carry out work to better assess the impacts on the council if reforms were to proceed, as well as assist in engaging with key stakeholders, community and iwi on the reform process. TCC staff will review the terms of this funding option and prepare a submission in September in discussion with DIA.
10. Commissioners have provided a response to DIA on their current views on three waters reform in relation to the proposed Entity B. This survey resulted from a proposal from the mayoral forum for Entity B that each council complete a survey as part of the feedback process. It is in addition to the feedback proposed to be given after the 4 October council meeting.

TCC Initiatives in Progress

Finance and Funding

11. As part of the 8-week period allowed for reviewing reforms proposals, TCC's Finance team will be reviewing the detailed financial modelling provided by government. Included in this review is the "*Local Government Financial Impact Tool*", developed to provide insights with respect to financial position with the transfer of three waters assets and debt through reform; This tool will help to present information in the same format as other councils and will supplement other analysis from the finance team.
12. This analysis is not currently complete and will be provided to the 4 October council meeting. Attachment A presents a high-level summary of the amount of debt in three waters and the level of fixed assets in three waters over the period of the LTP as a result of the capital investment programme. It shows a considerable favourable impact to council if the debt and capital expenditure requirements related to three waters were transferred to a separate regional entity. The graphs are based on transfer of all three waters debt including all stormwater debt. There is still clarification required on what stormwater assets and debt would transfer to the new entity. The improved debt to revenue position would significantly improve council's ability to provide for its other infrastructure and community investments without the level of debt retirement and proposed in the LTP.

Community Feedback

13. Council has invited our community to provide feedback on the three water reform proposals. Following a media release, a web portal went live on 17th August 2021 which provides members of the community the ability to complete an online form in this regard (*refer to the Three Waters Reform Useful Links below*). Commissioners will also hold two pop-in sessions in September for face-to-face discussions, if Covid restrictions permit it. This will form part of the feedback to DIA, identifying areas of concern and advocating for the best outcomes to meet the economic, social, cultural and environmental aspirations of our communities.
14. To ensure that TCC is able to successfully fulfil all additional responsibilities (over and above BAU) as a Territorial Local Authority, Employer and Water Supply Authority over the three-year period that reforms are rolled out by central government, the Executive is developing a project framework that will deliver the necessary organisational readiness required for such significant change. The purpose is to ensure the transition of 3 Waters Activities and related support functions to a new organisation (Entity B) would be able to occur in a way that ensures the obligations to the community, stakeholders, partners and employees of TCC are recognised and addressed. Any additional resourcing requirements that may be required as a result of this, shall be included in the submission.

Balanced Scorecard

15. As reported to the previous SFRC meeting in August, LGNZ has developed an Impact Matrix (or Balanced Scorecard) for councils to use, so that all the important aspects of reforms can be considered collectively. This approach goes further than a financial review. It also brings important service, community, cultural, customer, environmental, asset and other considerations into the conversation. TCC staff participated in a workshop facilitated by Taituarā appointed experts in mid-August and undertook detailed discussion and scoring of the Impact Matrix. The summary outputs are included in Attachment B as a draft that shall be presented to Commissioners and the Rangapū in late September for further consideration and input. This work is still in draft form pending this input and noting that there are elements of subjectivity in the balanced scorecard assessment.
16. Government has proposed a “better off” funding package which would be available only if government makes a decision to proceed with reforms. Tauranga would receive \$48,405,014 of financial support. This would be available between 2022 and 2024, funded partly by government and partly through debt of the new entity B to be repaid through water charges into the future.

Partnership with Tauranga Moana tangata whenua

17. The pace and depth of information as the Three Waters Reforms progress is an ongoing challenge for tangata whenua testing capacity especially. Whilst there are capable advocates and representatives within the tangata whenua network they are generally stretched in existing commitments day to day let alone coping with two major pieces of works being this reform and the Resource Management Act reforms. As the reforms progress, we will look for opportunities to support capacity for iwi and hapū to be well engaged throughout.
18. On the ground an engagement project has started to stocktake water supply systems across Māori land including marae, papakāinga and Māori land blocks. This will help Council understand which areas may be adversely affected by the reforms and to assist in resolving issues. In turn this helps ensure our water supply systems are resilient whether the reforms progress or not. We anticipate this will help us assist in areas often on the margins of current service thereby reducing impacts and inequities.

Entity B Update

19. An initial hui was held in Taupo on 5th August 2021 which was attended by Mayoral and Executive representatives of all 22 local authorities. The collective agreed to the establishment of a Working Group (WG) consisting of 6 Mayors and 6 Chief Executives that would cover metro, provincial and rural interests. Chief Executive Marty Grenfell has been appointed to the WG which is chaired by Mayor Neil Holdom of New Plymouth.
20. The Entity B Working Group held its first virtual meeting on 24th August 2021 where it developed its terms of reference, and a process whereby information would be collated from all 22 partners as part of the “8-week review”. The WG has written to the Minister to inform government of this initiative. An online survey was issued to all councils on the 6th September 2021 aimed to gather all relevant feedback ahead of an Entity B hui scheduled in Taupo on 22nd September 2021. The online survey response submitted to Entity B by Commissioners is included as Attachment C. The purpose of the hui is for the collective to agree what the common points of concern or support are with the reforms proposal, that will then be presented on behalf of the Entity B. Separate to this, each of the 22 councils will submit their own “position” on reforms individually to the Minister.
21. The WG also had an opportunity at their meeting on the 24th August to join up with a “virtual hui” with mana whenua. This hui was organised by Waikato –Tainui, hosted by Sir Tumu Te Heuheu and Sir Toby Curtis, and which included representatives of many Iwi within the proposed Entity B boundaries. It was a short hui, however there was a genuine desire by all parties to work together and Iwi were clear about their first principles in approach to this proposed reform.

22. The work carried out under the WAIBOP collective of 16 councils which preceded the formation of Entity B collective, has been concluded. The outputs, learnings and opportunities that were identified are available for Entity B to take further, should ongoing collaborative work be agreed between participating TLA's. Valuable collateral relating to future ICT opportunities, shared service procurement, and balanced scorecard are examples of some of the good outputs that are available.

NEXT STEPS

23. The key upcoming activities include:
- (a) Conclude the community engagement on DIA reforms proposals by mid-September to allow Commissioners to review all feedback that has been collected. This will be presented in a report for Council consideration and guidance, so that TCC can present feedback on its "8-week review" to the Minister of Local Government.
 - (b) The Rangapū and Commissioners will hold a hui on 29th September 2021 to discuss water reforms announcements and seek to identify and agree relevant feedback that can be jointly submitted to the Minister as part of the "8-week review".
 - (c) TCC will make a submission to DIA for the re-allocation of some of the tranche 1 stimulus funding before the end of September 2021, to offset future resourcing costs that would be incurred as part of transitioning.
 - (d) The Entity B collective is to meet on 22nd September 2021 to finalise feedback for the Minister
 - (e) A report to council on 4 October will provide consolidated information around the financial analysis, balanced scorecard, and Rangapū and community feedback to help set the basis for council feedback to the Minister on the proposed three waters reform.

Three Waters Reform Useful Links

24. Three Waters Guidance for councils over the next 8 weeks:

[https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/three-waters-guidance-for-councils-august-and-september-2021.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/three-waters-guidance-for-councils-august-and-september-2021.pdf)

ATTACHMENTS

1. **Attachment A - Assets in 3 Waters and Debt over the LTP period - A12896603** [↓](#)
2. **Attachment B - Balanced Scorecard Summary Outcomes - A12896601** [↓](#)
3. **Attachment C - 3 Water Entity B Survey - September 2021 - A12892438** [↓](#)

9.6 Updated outline work programme for the Committee

File Number: A12695325

Author: Jeremy Boase, **Manager: Strategy and Corporate Planning**

Authoriser: Christine Jones, **General Manager: Strategy & Growth**

PURPOSE OF THE REPORT

1. To present for approval an updated draft outline work programme for the Committee for the 2021/22 financial year.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Approves the outline work programme for the Committee per Attachment 1.

BACKGROUND

2. One of the responsibilities of the Committee, noted in the scope section of its terms of reference, is to 'adopt an annual work programme of significant strategic issues and projects to be addressed'. The scope also notes that this programme should be reviewed on a six-monthly basis. This report is in response to that responsibility.
3. On 28 June 2021, the Committee received and considered a draft version of the outline work programme. At that time, it resolved:

That the Strategy, Finance and Risk Committee receives the outline work programme for the Committee per Attachment 1, and requests that staff provide a revised version to the next meeting of the Committee, taking into account any feedback during or subsequent to the meeting, and including any responses provided to the LTP submissions.
4. A revised outline work programme was prepared for the Committee's meeting of 16 August 2021 but was withdrawn before the agenda was published to allow for further refinement.
5. The revised version of the outline work programme is now included as **Attachment 1** to this report.
6. Changes made to the outline work programme as a result of feedback during the last Committee meeting and as a result of matters raised during the Long-Term Plan deliberations include:
 - (a) addition of the community centres needs analysis and investment plan project
 - (b) addition of a project relating to the establishment of criteria for the newly-established \$500,000 City Centre Development Incentive Fund
 - (c) addition of a review of council's rates remissions and postponement policies
 - (d) inclusion of a separate risk analysis project (and potential recommendations to the Minister) relating to the October 2022 local government elections
 - (e) addition of a separate line-item recognising the government's reform package for local government (three waters, resource management, future of local government, etc)
 - (f) amendment to the timing of the Marine Strategy report back to recognise the expectation that the Marine Precinct elements will be reported back in the October-December quarter

- (g) inclusion of a prioritisation annotation to recognise those projects which the Committee will consider over the next two quarters that are likely to have the most significant impact on the community.
7. A new line-item that was originally requested relating to the Greerton racecourse / golf course options study has not been included as that project has been determined to be reported direct to Council rather than through the Committee.
8. Other decisions made by Council during deliberations and decision-making on the Long-Term Plan that have implications for the Committee include:
- (a) the decision to specifically address the issue of land provision and funding of playcentres in the already-established review of the 'use of council land' suite of policies
 - (b) the decision to conduct a review of the Sport and Active Living Strategy, an action that was already planned as part of the strategic framework refresh (as part of the Social Wellbeing Strategy and Spaces and Places (Community Infrastructure) Strategy workstreams)
 - (c) decisions to conduct site-specific reviews of key active reserves (Blake Park, Waipuna Park, Gordon Spratt and Alice Johnson Reserves) which will likely inform the Social Wellbeing Strategy and Spaces and Places (Community Infrastructure) Strategy development processes.
9. Other changes to the outline work programme since the 28 June meeting include:
- (a) removal of the two policy items relating to grants for development contributions on papakainga and community housing provider properties – the progression of these policies with stakeholders mean that they are now likely to be reported direct to Council in October
 - (b) inclusion of the back-flow prevention policy, work on which has been underway for some time
 - (c) removal of the parking strategy line item as, after that project was reported to the Committee on 16 August 2021, further reporting and decision-making is expected at Council
 - (d) removal of the Tauriko West business case project as that project is also now expected to be reported direct to Council
 - (e) inclusion of a line-item related to the wider work programme on the development contributions policy
 - (f) inclusion of a new policy project related to the review of booking and prioritisation processes for indoor and outdoor spaces
 - (g) inclusion of a partial review, focused on Te Tumu and Tauriko West only, of the open space level of service policy to tie in to planning processes for those areas
 - (h) inclusion of the quarterly report on Local Government Official Information and Meetings Act and Privacy Act requests
 - (i) removal of the Mainstreets review item as that project is now expected to be reported direct to Council.
10. In reading the outline work programme it should be noted that for many projects the timing of 'next steps' will be determined by feedback on, and decisions about, earlier stages in the project. This makes timing of latter stages difficult to determine. This difficulty is recognised in Attachment 1 by the annotation "(?)" as part of various elements of the work programme.
11. As projects and initiatives are reported to the Committee, each report will have a better indication of the timing of subsequent steps than can be provided by this report.
12. With respect to Strategies it is expected that the early direction-setting and progress updates would be considered by the Committee. The hearings and subsequent decisions on the final

content of the strategy would be considered by full Council. This is also likely to be the case with the rates remission and postponement policies which will be consulted on, deliberated on and adopted as part of the 2022/23 Annual Plan process.

13. As part of the LTP deliberations Council resolved to undertake work on possible rating categories that reflect different affordability and benefit profiles within the community, including, but not limited to, the Central Business District, Port and related industries, a wider industry grouping, Airbnb, wastewater charging and location-based groups. It is proposed that this workstream would be considered by Council rather than the Committee.

STRATEGIC / STATUTORY CONTEXT

14. Many of the priority projects on the outline work programme relate to the city vision and the associated refresh of council's strategy documents. Others relate to the management of growth or the government's reform programme. Each of these matters are of high strategic importance to the city.

SIGNIFICANCE

15. 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.
16. 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 matter.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
17. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter of the Committee's work programme is of high significance. However, the decision to approve the outline work programme is of low significance as it simply collates existing work programmes into one place.

ENGAGEMENT

18. 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.
19. Note that for many of the projects listed on the outline work programme, including all of the strategy development work, specific engagement plans and approaches will be prepared that are suitable to that project.

NEXT STEPS

20. Work will continue on each of the projects listed on the outline work programme. In accordance with the Committee's terms of reference, a refreshed outline work programme will be brought to the Committee in approximately six months.

ATTACHMENTS

1. **Outline of topics to SFR Committee 2021-22 (September 2021) - A12883295** [↓](#)

9.7 Growth & Land Use Projects Progress Report - September 2021

File Number: A12830525

Author: Andy Mead, **Manager:** City & Infrastructure Planning

Authoriser: Christine Jones, **General Manager:** Strategy & Growth

PURPOSE OF THE REPORT

1. Tauranga City is continuing to experience rapid growth. Managing this growth is a significant issue for Council. The report enables the Committee to monitor progress on key projects related to managing growth in a sustainable manner.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the Growth and Land Use Projects Progress Report – September 2021.

EXECUTIVE SUMMARY

2. Managing growth is a significant issue for Council, particularly the challenge of ensuring growth is sustainable in a four well-beings context for both current and future communities.
3. The attached report outlines the progress being made in relation to a number of projects necessary to manage this continued growth. This information is also regularly reported to the SmartGrowth partners & the SmartGrowth forums.
4. Key points to note in this update include:
 - (a) Appointment of a hearings panel for the flooding, housing choice and earthworks plan changes with hearings scheduled to take place in November. Pre-hearings discussions are underway with submitters to see if issues can be resolved pre-hearing.
 - (b) Scoping work for the establishment of an urban design panel is underway and issues and options will be reported for direction later this year.
 - (c) Significant uncertainty over the City Plan Review remains given potential implications of the government's resource management reforms. Further reporting of options to Council is planned later this year. Council remains actively involved in the resource management reforms with the Commissioner Chair recently addressing the Select Committee hearings.
 - (d) Ministry for the Environment has released potential changes to the wetland provisions for the recent freshwater reforms in relation to urban development and other activities with the aim of providing a consenting pathway based on the concept of no net loss of wetlands being achieved. This is a positive step; however initial investigations suggest there are still some uncertainties and the suggested changes haven't gone as far as hoped. Staff will further develop our thinking and key points for a TCC submission. Outcomes of this process are critical for progressing the Tauriko West and Te Tumu urban growth projects.
 - (e) Funding workstreams have been active for urban growth projects over the past quarter especially lodging of Infrastructure Acceleration Fund bids, assessment of Infrastructure Funding & Financing levy opportunities and a revised Housing Infrastructure Fund application focusing on the Wairakei town centre. Further, National Land Transport Fund announcements for the next three years positively support funding and delivery of key transportation projects to manage urban growth.
 - (f) Development of an Otumoetai Spatial Plan to support intensification in Otumoetai and surrounding suburbs is at the inception stage. It will be developed over the next 12

months and we are investigating how this can be done efficiently but ensuring appropriate mana whenua, community and stakeholder input. Further reporting will occur later this year.

- (g) The Mount Maunganui Spatial Plan is on hold while further assessment of liquefaction/lateral spreads is undertaken jointly by BOPRC and TCC. This work is in the procurement phase and the first stage of the project should be completed pre Christmas.
 - (h) A project brief has been developed for the assessment of options for the Crown owned Tauranga racecourse and golf course site in Greerton as per decisions made through the 21-31 LTP process. The initial phase of the project through to the end of the year will involve high level assessment of options ranging from the status quo through to master-planned urban development and greenspace. A smaller set of options will be agreed for further development through 2022. The initial phase of the project will also involve input from mana whenua, activities located on-site, stakeholders and the community. TCC is partnering with Kāinga Ora on this project.
 - (i) Completion of the required Housing & Business Assessment under the National Policy Statement for Urban Development which reconfirms a shortage of residential development capacity in the city, particularly over the next 10 years. As required TCC has also written to the Minister for the Environment outlining these development capacity constraints and the work underway to resolve them. The development capacity issues are outlined further in the paragraphs below.
5. There is sufficient planned and identified development capacity to accommodate the city's growth over the next 30 years. The key problem is that we have been unable to release this in a timely manner – especially in Tauriko and Te Tumu.
6. Latest population and dwelling projections suggest there is demand for around 26,500 additional dwellings in the city over the next 30 years, and 31,000 once the required 15 and 20% margins are added. The table below outlines where this would be delivered.

Development Area	Additional Dwelling Yield
Infill & intensification (Te Papa, Otumoetai, Mount etc)	9,500-12,500
Existing urban growth areas (Bethlehem, Pyes Pa, Pyes Pa West, Ohauti, Welcome Bay, Papamoa, Wairakei)	7,000-8,000
Te Tumu	6,000-7,000
Tauriko West	3,000-4,000
Keenan Road	2,000-2,500
Ohauti South	500-750
Total	28,000-34,750

7. These figures do not include development aspirations in the Domain/Tara Road area (500-1,000 dwellings) or the Bell Road area (2,000 dwellings) but do include development aspirations in areas like Parau and Smiths Farm.
8. As such there does not appear to be a need from a development capacity perspective to consider additional large-scale urban development projects beyond those identified above, if they can be brought to fruition.

9. It is however noted that these projects may not resolve all of the housing challenges facing the city such as the affordability of housing. There are also risks to the delivery of these projects most notably:
 - (a) Intensification may be constrained on the coastal strip due to liquefaction constraints.
 - (b) Te Tumu is delayed (potentially significantly) by complications associated with Maori Land.
 - (c) Development in the Western Corridor – namely the second half of Tauriko West and the Keenan Rd area (as well as the Tauriko Business Estate industrial expansion) may be constrained and delayed by the need for significant investment in the strategic transport network (especially State Highways).
10. It may be prudent to consider alternative development options should effective mitigation of these risks not occur in a timely manner.

OPTIONS ANALYSIS

11. There is no options analysis; this report is for information only.

SIGNIFICANCE

12. While growth is a significant issue for Tauranga City, this report does not require any decisions and is not significant in itself.

NEXT STEPS

13. Council will continue to progress the projects and works as identified in the report attachments.

ATTACHMENTS

1. **Appendix A - Quarterly Update - Growth and Land Use - September 2021 - A12830526**
[↓](#)

9.8 Transport Strategy and Planning Progress Report - September 2021

File Number: A12830527

Author: Andy Mead, **Manager:** City & Infrastructure Planning

Authoriser: Christine Jones, **General Manager:** Strategy & Growth

PURPOSE OF THE REPORT

1. The purpose of this report is to provide the Committee with an update on the current progress, next steps and identified risks with transport projects that are in the strategy and early planning phases.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the Transport Strategy and Planning Progress Report – September 2021.

EXECUTIVE SUMMARY

2. Tauranga continues to experience rapid urban development pressure and growth which creates increased demand on the transport system. Growth is expected to remain strong in the medium to long-term and is a key driver of transport investment alongside other matters such as poor existing levels of services on some parts of the network, transport emissions and mode shift.
3. The attached report outlines the progress being made in relation to projects necessary to provide for this continued growth and respond to broader issues. This information is regularly reported to the SmartGrowth partners and SmartGrowth Forums.
4. Of specific note are:
 - (a) The Parking Strategy will be open for public consultation over September and October.
 - (b) The business case process associated with Tauriko are taking longer than anticipated which may impact project timeframes and the Tauriko West development.
 - (c) Resource is focused on progressing the early phases of business cases for key projects such as 15th Ave/Turret Road, Hewletts Road and Cameron Road stage 2.
 - (d) The NLTP 21-24 has been announced and includes the vast majority of funding requested through the Regional Land Transport Plan.
 - (e) Further funding processes for transport projects are underway including Housing Infrastructure Fund revised application for the Papamoa East Interchange, Infrastructure Funding & Financing levy opportunities, tolling investigations and applications to the Infrastructure Acceleration Fund.

STRATEGIC / STATUTORY CONTEXT

5. The transportation projects covered in this report are framed under the strategic direction of SmartGrowth and UFTI, the draft Future Development Strategy, the 30-year Infrastructure Strategies and Long-Term Plan.

OPTIONS ANALYSIS

6. There are no options; this report is for information only.

SIGNIFICANCE

7. While growth and transport system challenges are a significant issue for Tauranga City, this report does not require any decisions and is not significant in itself.

NEXT STEPS

8. Council continue to progress the projects and workstreams identified in this update.

ATTACHMENTS

1. **Appendix A - Quarterly Update - Transport Projects - September 2021 - A12830528** [↓](#)

10 DISCUSSION OF LATE ITEMS**11 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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<p>11.1 - Public Excluded Minutes of the Strategy, Finance and Risk Committee meeting held on 16 August 2021</p>	<p>s6(b) - The making available of the information would be likely to endanger the safety of any person.</p> <p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.</p> <p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.</p> <p>s7(2)(d) - The withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public.</p> <p>s7(2)(e) - The withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public.</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege.</p>	<p>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.</p>

	<p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p>	
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12 CLOSING KARAKIA