



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:

- 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;
- to consider strategic issues facing the city and develop a pathway for the future;
- to monitor progress on achievement of desired strategic outcomes;
- 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 Rangapu 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>	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.
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>	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.
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>	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.

	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

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** [↓](#)

Appendix A: Mainstreet Monitoring Report Summary to the Strategy, Finance and Risk Committee, 20 September 2021**For period 1 January 2021 to 30 June 2021**

Organisation	Issues for Council attention	Summary of activities	Looking forward
Mount Mainstreet	<ul style="list-style-type: none"> New accountant, migrating to Xero The books had not been audited since EOY June 2018 and had not been provided to council Currently undertaking annual accounts, to be forwarded once complete. AGM in September to include constitutional amendment, new Strategic plan, H&S plan review, Crisis management plan and HR policy review 	<ul style="list-style-type: none"> Draft FY 20/21 accounts show net operating profit of \$6,443 Strategic planning, including member engagement Restructure of Mount Business Association organisation, currently recruiting Working Chair. Rebranding Web development LTP submission <p>Events and marketing</p> <ul style="list-style-type: none"> Sunday Cinema with Night Owl, free event Tunes at noon, live music on Fridays Off the clock networking Taken over I-site pod at Te Papa o Nga Manu Porotakataka from TBOP for activations Social media, mail-chimp, print and radio 	<ul style="list-style-type: none"> AGM in September to include constitutional amendment, new strategic plan, H&S plan review, crisis management plan and HR policy review <p>Events</p> <ul style="list-style-type: none"> Regular family friendly activations and supporting major events with micro-activations in Porotakataka Mobile Ice Rink in July Outdoor cinema and Aims Games in September Alt-culture activation in October School holidays with a mobile skate pump track in Porotakataka. Planning movie and carols activation for Christmas in Porotakataka.
Tauranga Mainstreet	<ul style="list-style-type: none"> Seeking further financial support from TCC for the Activate Vacant Spaces programme Lack of foot traffic counters. Now budgeted within TTOC LTP. Lack of a cohesive partnership at strategic level within TCC to work in collaboration with Mainstreet 	<ul style="list-style-type: none"> Draft financials for period FY 20/21 show an operating surplus of \$20,168 Member communications, events Member advocacy in the LTP Process Activate Vacant Spaces Business Case and presentations to TCC for funding sources <p>Marketing</p>	<ul style="list-style-type: none"> Taste Tauranga Winter Festival We've Got What You Want Campaign Supporting the Tauranga Arts Festival Activate Vacant Spaces Programme Toi Tauranga Christmas Festival

Organisation	Issues for Council attention	Summary of activities	Looking forward
		<ul style="list-style-type: none"> • Activate Vacant Spaces - Programme • We've Got What You Want • Wharf St Festival • Buy Local Buy Tauranga, Because it Matters – • Engagement with Commissioners regarding CBD revitalisation • Smart Digital multimedia strategy 	<ul style="list-style-type: none"> • Buy Local Buy Tauranga Campaign • Fashion Week Collaborative Event with all three Mainstreets
Greerton Village Mainstreet	<ul style="list-style-type: none"> • Disagree with adopted commercial rates <p>TCC engaged in the following</p> <ul style="list-style-type: none"> • Greerton Village Traffic Safety work – engaging with Brendan Bisley • Painting of bollards complete • Seats – seeking replacement timber and varnishing • Pavement cleaning 	<ul style="list-style-type: none"> • Draft financials for period FY20/21 show an annual operating surplus of \$25,172, audited accounts due September • Mainstreet review engagement <p>Highlights include:</p> <ul style="list-style-type: none"> • Vintage, Retro & Steampunk Fayre in March • Vibrant & well attended BA5's all year • Easter Bunny in Greerton for Easter • Collaboration with Downton Tauranga for "Buy Local, Because It Matters" <p>Marketing and promotional initiatives include:</p> <ul style="list-style-type: none"> • Buy Local campaign • Greerton Village Website, Sun Media Partnership and bi-monthly feature, NZME Radio, Media Works, Social Media, branded bags • Member communications including BA5 network events, Facebook page, newsletters and meetings 	<ul style="list-style-type: none"> • Continued collaboration with Downtown Tauranga • Refresh of Greerton website <p>Events</p> <ul style="list-style-type: none"> • Yarn Bombing July/August, includes performance art • Cherry Blossom Festival 25 September • Christmas in Greerton, 3 December, includes Hamper promotion

Organisation	Issues for Council attention	Summary of activities	Looking forward
Papamoa Unlimited	<ul style="list-style-type: none">No issues.	<ul style="list-style-type: none">New accountant, currently undertaking annual accounts, to be forwarded once complete.Ongoing dialogue with TCC Commissioners and Max Pederson regarding Mainstreet reviewPapamoa Unlimited Constitution renewed at Special General meeting	<ul style="list-style-type: none">Polar plunge (August/September)Pedal Papamoa (September)Santa Parade (December).

Mainstreet Monitoring Report – Mount Business Association

Reporting Period: to 30 June 2021

This section will only need to be updated when there are changes to report on

Vision: currently under review

Core Purpose / Focus areas of Mainstreet Business Plan: currently under review

Membership overview: we have been updating our database

Summary of highlights:

Selecting 3 – 6 activities to highlight, also include anything else that should be highlighted to Council

Key Activity and Achievements (previous 6 months):

Additional tables can be added if needed

Activity Area: events		
Activity	Explanation	Results / Status / Outcome
<i>For example: busking festival, Christmas Parade, win a trip competition</i>	<i>Brief explanation of the particulars of that activity</i>	<i>The result of the activity. Could focus on number of attendees, how successful it was</i>
Sunday Cinema with Night Owl	Held free movie for the public on Sunday evenings May/June in Te Papa o Nga Manu Porotakataka	Well received and attended (~300 pax) in May, June was shifted indoors due to weather and held at a member venue (~50 pax)
Tunes at Noon	Live Music on Friday lunchtimes to showcase NZ music for Music Month in Te Papa o Nga Manu Porotakataka	Well received and attended. We were very lucky with the weather. Approximate rolling crowds of 50 resulting in ~250-300 per event.
Off the Clock	Member networking event to be held bimonthly, first event held at Mexicali Fresh	Attended by ~40 of our ~300 members. Held at 5-6pm and Tourism BOP gave a small talk about their objectives with the Mount

Activity Area: for example: initiatives, marketing		
Activity	Purpose	Results / Status / Outcome
<i>For example: website development, survey, branding campaigns, media placement</i>	<i>Brief explanation of the particulars of that activity</i>	<i>The result of the activity. Could focus on results of survey, provide a description of next steps</i>

Objective ID: A6750689

Mainstreet Monitoring Report – Mount Business Association

Reporting Period: to 30 June 2021

Web development scoping	We wish to develop a new website and member portal to increase member engagement and achieve better SEO outcomes for our members	We have met with two developers and are in sign off stage with our board. We hope to commence this work in the next few months.
Branding	Investigated new branding identity for the MBA, current confusion over MBA, Mainstreet	New branding and marketing to be implemented with pod wrapping
Taken over pod from Isite TBOP	MBA has taken over the lease for the isite POD till December to have as an office and base to activate Porotakataka with beanbags, games and in summer as an outdoor meeting room for professionals in the street	As left
Strategy session LTP, vision	Workshop placemaking with selected members and invited guests	2 hour strategic placemaking workshop to drive our vision going forward and help frame up LTP submission. Incredible outcome of having illustrated vision of transformative pedestrianisation of Main street.
LTP submission	Prepared detailed LTP submission	Presented LTP submission to commissioners and lobbied for thorough review and partnership approach.

Activity Area: for example: member communication		
Activity	Purpose	Results / Status / Outcome
<i>For example: training for members, email communications</i>	<i>Brief explanation of the particulars of that activity</i>	<i>The result of the activity. Could focus on available statistics, feedback from members</i>
Email communications	Regular comms	We have changed the way we communicate with our members and are currently assessing the different needs. Some members prefer email and some not. We will use our new member portal to communicate in their preferred manner e.g text, email etc.

Objective ID: A6750689

Mainstreet Monitoring Report – Mount Business Association

Reporting Period: to 30 June 2021

Mailchimp	New type of comms	Trialled communicating with mailchimp, reasonable open rates but low engagement for clicks
Surveyed members on event activations and LTP submission		Low engagement rates
Member strategy session	Held an open member strategy session in March with new chair	Reasonably well attended ~50 brainstormed the kind of activations and promotions they'd like to see. Very productive.

Objective ID: A6750689

Mainstreet Monitoring Report – Mount Business Association

Reporting Period: to 30 June 2021

Key issues:

Are there any particular current issues that need to be highlighted to Council? What is happening to resolve these issues, if the issues relate to Council activity what is the next step? On a rolling basis close issues that were raised in previous reports.

Issue	Explanation	Status
<i>For example: targeted business rate</i>	<i>Brief explanation of the particulars of that issue</i>	<i>Brief explanation of the work to date on the issue and any matters that need to be resolved</i>
Financials – auditing	The books had not been audited since EOY June 2018 and had not been provided to council	2019 June YE and 2020 June YE are both with the auditor currently. We identified that Reckon was not giving the board enough clarity over the financials and the treasurer has been working hard for no remuneration so we have migrated to more user-friendly XERO and are currently matching up the financials for YE June 2021. We are fully committed to getting the financials up to date and keeping them that way
Restructure	We have undertaken a restructure of our organisation	The organisational structure has changed to Working chair Events/Promotions Administration We expect this to provide a better outcome for our members and allow for a better partnership and responsive relationship with council. We are recruiting our working chair currently.

Future activities (coming 6 months):

Focus areas for next 6 months, what is focus of activity going forward, why?

For the next six months its about continuing our plan – regular family friendly activations and supporting major events with microactivations in Porotakataka. We are delivering the mobile ice-

Objective ID: A6750689

Mainstreet Monitoring Report – Mount Business Association

Reporting Period: to 30 June 2021

rink in July, the outdoor cinema with the Aims Games in September as well as our AGM and hope to deliver an Alt-culture activation in October School holidays with a mobile skate pump track in Porotakataka.

We will also work toward a movie and carols activation for Christmas in Porotakataka.

We look forward to our new date for our AGM in September (from December) and a constitutional amendment as well as new Strategic plan, H&S plan review, Crisis management plan and HR policy review.

Financials:

Provide financial update at end of each financial year. Comment on tracking to budget in interim reporting cycle. Note any matters that Council needs to be made aware of.

Please note: The financials are not complete as we are still in progress of our migration to xero from reckon. This means some of our balances may be out somewhat. We are working to tidy these all up for our GST return end of July and would be happy to send through the updated financials once they're completed.

Objective ID: A6750689

Profit and Loss

The Mount Business Association Incorporated For the year ended 30 June 2021

	2021
Trading Income	
Cleaning Contract	52,626.52
Farmers Market	11,539.16
Interest Income	1,517.08
Targeted Rate	172,090.00
Total Trading Income	237,772.76
Cost of Sales	
Cleaning Contract Expenses	534.87
Events - Christmas Festival	1,104.34
Events - Cinema	7,344.34
Events - Farmers Market	4,384.99
Events - May Music	21,714.47
Events - Member Events	3,256.87
Events - Winter Promotions	17,615.00
Total Cost of Sales	55,954.88
Gross Profit	181,817.88
Operating Expenses	
Advertising	64,741.10
Advertising - Social Media	1,605.22
Bank Fees	200.00
Computer & Office Equipment Expenses	78.36
Consulting & Accounting	6,928.13
Contractor - non GST	500.00
Events/Promotions - other	5,079.83
General Expenses	2,124.32
Insurance	1,575.91
Legal expenses	7,143.48
Office Expenses	333.81
Printing & Stationery	1,773.06
Rent	11,614.50
Repairs and Maintenance	74.96
Salaries & Wages	35,778.19
Salaries & Wages - Cleaning	27,846.75
Software & Subscriptions	2,151.73
Storage Containers	4,945.39
Telephone & Internet	879.43
Total Operating Expenses	175,374.17
Net Profit	6,443.71

Mainstreet Monitoring Report – Mainstreet Tauranga/Downtown TaurangaREPORTING PERIOD: **JANUARY – JUNE 2021****Our Vision**

A vibrant, diverse, and thriving city centre that is proudly the commercial, cultural and civic hub of the region. A city centre that boasts remarkable attractions, amenities, and offerings that enrich, inspire and meet the needs of the people who choose to live, work and visit our city centre.

Our Purpose

To attract more people into the city centre, who stay longer and spend more.

Our Mission

Externally: To initiate, facilitate, and support events, activities, activations, and offerings that make our city centre a more desirable place and demonstratively contribute to our purpose.

For our members: To support and nurture the growth of our members, to advocate and lobby on their behalf and to champion their right to do business, profitably, and with ease in our city centre.

Our day-to-day focus

Mainstreet Tauranga/Downtown Tauranga's mandate is to demonstratively contribute to the revitalisation of our city centre by way of:

- Being a strategically competent contributor around the table with stakeholders in the development of our city centre
- Effectively developing, initiating, facilitating, and supporting events, activations and placemaking initiatives that add vibrancy and diversity of offerings in the city centre
- Delivering strong support and advocacy for our membership
- Driving tangible, outcome-focussed stakeholder collaboration
- Developing and delivering an effective marketing strategy and communications plan to profile the city centre and its offerings to contribute to foot traffic and economic growth

Our structure

Under the governance of the Mainstreet Tauranga Board, Tuskany Agency is contracted to deliver the management and marketing services of Mainstreet Tauranga. Monthly Board meetings, audited accounts, and clear KPIs ensure the integrity and transparency of the contract along with the accountability of Tuskany Agency to deliver above and beyond expectation.

How we measure ourselves

Along with robust operating KPIs, our success is also measured by our ability to consistently and significantly build our audience base and to attract more people to our city centre and businesses. Additionally, we are measured by how well we support, nurture, and add value to our members through our innovative ideas and initiatives, our strong networks, and by how well we work collaboratively to build a stronger and more effective city centre community across all stakeholders.

Membership Tauranga overview:

Our membership comprises a mix of commercial, retail, hospitality, and service businesses from (the city side of) Monmouth Street to (the city side of) Second Avenue and (the city side of) Cameron Road.

Mainstreet Monitoring Report – Mainstreet Tauranga/Downtown Tauranga

REPORTING PERIOD: JANUARY – JUNE 2021

Summary of Mainstreet Tauranga's core focus – January – June 2021

HIGHLIGHTS:

- Activate Vacant Spaces - Programme
- We've Got What You Want – Marketing Campaign
- Buy Local Buy Tauranga – Because it Matters – Marketing Campaign
- Engagement with Commissioners regarding CBD revitalisation
- Advocating on behalf of our members as part of the LTP Process
- Activate Vacant Spaces Business Case and presentations to TCC for funding sources

KEY ACTIVITY AND ACHIEVEMENTS

ACTIVITY AREA: EVENTS & INITIATIVES

Activity:	ACTIVATE VACANT SPACES PROGRAMME – JANUARY - JUNE
Purpose:	To transform vacant spaces into vibrant places in the city centre. From empty stores to alleys, public spaces and building walls, the programme facilitates the installation of temporary and permanent installations, displays, events and interactive experiences that encompass the arts, culture, heritage, innovation, and test-retail offerings.
Structure:	Creative individuals and organisations, test-retail pop ups, musicians, artists and entrepreneurs contact AVS to seek a vacant space for their installation. AVS brokers the vacant space, in partnership with landlords/property owners, and contributes a peppercorn OPEX contribution to host the installation for 1-3 months or to nurture and establish a permanent tenancy. AVS markets and promotes the installations to the public.
Outcomes:	<p>Economic growth</p> <ul style="list-style-type: none"> - The Ceramics Gallery was intended to be a one-month installation. It is now a permanent tenant in the city centre. It has hosted in excess of 1,500 participants in their workshops and Gallery sales have continued to increase - We secured a vacant space for the city centre's first screen media production office https://www.sunlive.co.nz/news/269827-cbds-first-screen-media-production-office-opens.html - We secured a vacant space for the region's first native plant extracts retail store and product development site in the CBD. The Boho Store will be a permanent tenant in the CBD <p>Adding vibrancy and diverse offerings in the city centre:</p> <ul style="list-style-type: none"> - Over the reporting period we secured spaces for the following installations: <ul style="list-style-type: none"> o The Man She Weeps – Feature Film Production Office o The Screen Media Production Office o Laval Collaborative Pop-Up Photography & Art Studio – Phase 2 o The Picture Project o The Pop-Up Art Gallery o Edited Art Gallery o Jump Turkey Toast Punk Theatre Odyssey o The Boho Store <p>Marketing exposure and audience engagement:</p> <ul style="list-style-type: none"> - We achieved significant and consistent media coverage with news articles and coverage monthly across the programme

Mainstreet Monitoring Report – Mainstreet Tauranga/Downtown Tauranga

REPORTING PERIOD: JANUARY – JUNE 2021

	<ul style="list-style-type: none"> - Stakeholder support exposure across Tourism BOP, Priority One, The Incubator, Creative Bay of Plenty, The Kollektive, and others has increased our audience significantly - Our Downtown Tauranga Facebook and Website statistics show strong growth in audience reach and engagement through the AVS digital campaigns
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Activity:	WHARF STREET FESTIVAL - MARCH
Purpose:	To create a weekend festival to showcase the new streetscape and profile the businesses within the street with an array of music, entertainment, and food offerings.
Structure:	<p>The festival featured:</p> <ul style="list-style-type: none"> ▪ Friday Night Live on Wharf Street – live music and entertainment ▪ Saturday morning circus on Wharf Street – Circus in a Flash Workshop, live music, and entertainment ▪ Saturday evening Night Owl Cinemas Open Air Movie Night
Outcomes:	<p>Attendance:</p> <ul style="list-style-type: none"> - The festival achieved strong attendance and participation by the public <p>Economic return:</p> <ul style="list-style-type: none"> - Hospitality businesses on the street enjoyed strong turnover <p>Adding vibrancy:</p> <ul style="list-style-type: none"> - The Friday Night Live component was so successful it was continued for the following 6 Fridays (up to winter) <p>Public awareness and PR:</p> <ul style="list-style-type: none"> - We achieved solid PR exposure for the city centre and Wharf Street <p>https://www.sunlive.co.nz/news/263044-festival-to-celebrate-redeveloped-wharf-st.html</p> <p>https://www.sunlive.co.nz/news/264148-wharf-streets-new-lease-on-life.html</p>

ACTIVITY AREA: MARKETING & PROMOTIONS

Activity:	WE'VE GOT WHAT YOU WANT CAMPAIGN – MARCH - JUNE
Purpose:	To profile the unique brands and specific product offerings in the city centre. To change perceptions that there is 'no reason to come shopping in the city centre'. To attract people into the city centre. To drive foot traffic directly into our member businesses.
Structure:	<p>We developed and delivered a strategic marketing and communications plan that saw the roll out of a multi-media campaign that has included:</p> <ul style="list-style-type: none"> ▪ Press Advertising ▪ Bus Back Signage ▪ Billboard Advertising ▪ Email Newsletters ▪ Website profiling ▪ Social Media Campaigns ▪ Digital online banner advertising ▪ PR
Outcomes:	<p>Economic growth:</p> <ul style="list-style-type: none"> - Retailers reported direct sales off the specific profiles of their products <p>Audience Reach:</p>

Mainstreet Monitoring Report – Mainstreet Tauranga/Downtown Tauranga

REPORTING PERIOD: JANUARY – JUNE 2021

	<ul style="list-style-type: none"> - The mini videos that we have created, as part of the campaign achieved excellent reach and engagement on our digital channels. In May alone we reached an audience of 75,000 with our Facebook ad campaigns. - The Facebook adverts achieved a reach of 41,278, engagement of 67,386 and had 40,661 play throughs
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Activity:	BUY LOCAL BUY TAURANGA – BECAUSE IT MATTERS – STARTED JUNE
Purpose:	To develop the next evolution of the Buy Local collaborative campaign to continue to support our members across the three Mainstreets (Tauranga, Greerton & The Mount) by engaging, interacting, and influencing residents to 'buy local'.
Structure:	Mount Mainstreet opted not to participate in this third stage. Mainstreet Tauranga and Greerton Village joined forces and launched the campaign. Feature advertising profiling a business owner with a customer and a quote from the customer is the positioning of the campaign. Key visual mediums of newspaper advertising, digital online banner advertising, website profiling and social media advertising are utilised in the campaign.
Outcomes:	<p>Relationship Building:</p> <ul style="list-style-type: none"> - Relationship building is a fundamental aspect of any brand's growth. This campaign allows our Mainstreet member businesses, to increase their profile and build stronger relationships with the public by openly displaying their personality and warmth and by being endorsed by their customers. <p>Resilience Building:</p> <ul style="list-style-type: none"> - The campaign continues to drive loyalty from the buying local platform to build resilience in our member businesses.

ACTIVITY AREA: MEMBER COMMUNICATION & ADVOCACY

Activity:	MEMBER COMMUNICATION
Purpose:	To keep members informed of all activity in the city centre across all sectors and ranging from TCC infrastructure developments to events and activities happening.
Structure:	<p>Email updates to members</p> <ul style="list-style-type: none"> - Generally, at least 1-2 times per week with news, event and initiative updates and information for members, including the foot traffic data available. Our key stakeholders also use this communication channel, within our newsletters, to update members on their initiatives and events. <p>Members only section of the Downtown Tauranga website</p> <ul style="list-style-type: none"> - Providing information and resources to new and existing members including 'Marketing Opportunities in Your Business', 'Social Media the Facts' and 'Tips on Running an Effective and Successful Facebook Business Page'. <p>Introductory meetings with new members</p> <ul style="list-style-type: none"> - To inform members of the services, profiling, and networking opportunities available to them through Downtown Tauranga, to deliver the 'Welcome Pack' and to ensure their business is added to the member communications platforms and database. <p>Events and initiatives</p> <ul style="list-style-type: none"> - To engage our members and where possible seek collaborative ways to integrate our members into initiatives and events to build the city centre offerings, attract more people and achieve stronger outcomes. <p>Regular interaction</p> <ul style="list-style-type: none"> - Via meetings, workshops, functions, planning sessions and brainstorms allowing Mainstreet Tauranga/Downtown Tauranga to continue to develop and grow a strong, collaborative network across our membership. Through daily visits, event

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Mainstreet Monitoring Report – Mainstreet Tauranga/Downtown Tauranga

REPORTING PERIOD: JANUARY – JUNE 2021

	management and facilitation we work with members to develop new ideas, promotions and events to drive foot traffic and promote their business offerings through the myriad of communication channels that Downtown Tauranga either drives or collaborates with others on.
Outcomes:	Engagement growth: <ul style="list-style-type: none"> - We enjoy strong engagement with our members - Open rates on our email newsletters are high - Members enjoy immediate and responsive communication channels with us Member Representation: <ul style="list-style-type: none"> - Members see us as their voice and facilitator of solutions

Activity:	MEMBER ADVOCACY
Purpose:	This is a pivotal role for Mainstreet Tauranga. Our focus is to understand our member's needs and views on city centre developments, initiatives, and happenings and to advocate on their behalf to TCC and other stakeholders.
Structure:	We maintain strong relationships and open communication with our members through regular meetings, phone and email communications and surveys.
Outcomes:	<ul style="list-style-type: none"> - Successfully requested the Free parking Trial - LTP Submissions that reflect our member's views requests - Facilitating meetings, mediation and resolution of issues as required

Activity:	SMART DIGITAL STRATEGY
Purpose:	Our Smart Digital Strategy has a key objective to reach, engage and influence a significant audience base across the region and beyond. It allows us to profile the city centre, events and initiatives, our member sectors (hospitality, retail, commercial, service) and drill down to individual member profiling of their brands and products/services/offerings. This helps influence consumer buying behaviours and social behaviours. It also assists in showcasing our creative and culture identity in the city centre and in showcasing our unique offerings and experiences.
Structure:	Our smart digital strategy utilises our website, social media platforms, email and multi-media formats. We also enjoy strong and proactive collaborative digital sharing communication channels with key stakeholders including Creative Bay of Plenty, Priority One, Chamber of Commerce, Tauranga Art Gallery, The Incubator, the Kollektive, Tauranga City Council and Tourism BOP.
Outcomes:	Increasing audience reach, engagement and loyalty: <ul style="list-style-type: none"> - We have over 9,500 Facebook Followers - We average 10,000 visits per month on our website - We have over 2,000 Instagram followers - We have over 7,000 people on our public customer emailer database - We have achieved a total Facebook reach in excess of 550,000

Mainstreet Monitoring Report – **Mainstreet Tauranga/Downtown Tauranga**REPORTING PERIOD: **JANUARY – JUNE 2021****KEY ISSUES****Lack of Foot Traffic Counters**

We have requested TCC investigation and installation of foot traffic counters across the CBD with urgency to allow us to benchmark and measure foot traffic trends against activity. This is a request that has been repeated several times over the last few years.

Lack of funding for Activate Vacant Spaces

Without TCC funding support for the Activate Vacant Spaces Programme we are unable to continue our work converting vacant spaces into vibrant places and enriching our art and culture offerings in the city centre.

Lack of a cohesive partnership at strategic level within TCC to work in collaboration with Mainstreet

Whilst we enjoy good collaboration with the events team and other departments within TCC, there is not the current environment in place for a designated strategic team leader at TCC to work alongside Mainstreet management to facilitate more productive and effective outcomes and to achieve commonality of purpose.

FUTURE ACTIVITIES (coming 6 months)

- Taste Tauranga Winter Festival
- We've Got What You Want Campaign
- Supporting the Tauranga Arts Festival
- Activate Vacant Spaces Programme
- Toi Tauranga Christmas Festival
- Buy Local Buy Tauranga Campaign
- Fashion Week Collaborative Event with all three Mainstreets

Financials

On the **following page** you will see our financial update.

For more information

To discuss any aspect of this report or the work of Mainstreet Tauranga please contact the following:

Mainstreet Tauranga/Downtown Tauranga Management & Marketing:

Sally Cooke – Tuskany Agency

T: 021 528 081 | E: sally@tuskany.co.nz

Mainstreet Tauranga/Downtown Tauranga Board:

Brian Berry - Chairperson

T: 928 1305 | E: brian@propertymgr.co.nz

Profit and Loss

Mainstreet Tauranga Incorporated For the year ended 30 June 2021

	JAN-JUN 2021	JUL-DEC 2020	2021	BUDGET FULL YR
Income				
Council Levies	173,908	167,622	341,530	335,244
Dividends Received	-	354	354	500
Interest Received	20	22	42	40
Member Subscription	-	2,055	2,055	-
Total Income	173,928	170,053	343,981	335,784
Operating Expenses				
Operational Costs				
Unallocated	-	-	-	2,800
Promotions and Management Contract	134,428	134,428	268,856	268,856
Sponsorship	5,000	-	5,000	10,000
Total Operational Costs	139,428	134,428	273,856	281,656
Administration Costs				
Accountancy Fees	-	3,162	3,162	3,156
Annual General Meeting	-	1,393	1,393	1,400
Annual Report	-	2,064	2,064	2,120
Audit Fees	-	5,250	5,250	5,700
Bank Fees & Charges	3	52	55	80
Consultancy Fees	1,107	1,107	2,214	2,220
Depreciation	579	651	1,230	970
Events Costs	-	1,092	1,092	-
General Expenses	336	372	708	350
Insurance	-	3,885	3,885	1,400
Rent	2,333	2,333	4,667	4,670
Storage Fees	3,730	4,930	8,661	9,900
Xero Fees	360	360	720	720
Total Administration Costs	8,448	26,653	35,101	32,686
Events				
Activate Vacant Spaces	-	76,975	76,975	76,975
Activate Vacant Spaces Exp	(19,584)	(64,141)	(83,725)	(86,975)
Advent Calendar Sponsorship	2,030	17,666	19,696	-
Advent Calendar	(910)	(18,786)	(19,696)	-
Christmas Parade Sponsorship	-	-	-	25,000
Christmas Parade Expenses	-	-	-	(30,000)
Christmas Installation	-	35,000	35,000	-
Christmas Installation Expense	-	(39,200)	(39,200)	-
Taste Tauranga	-	957	957	-
Taste Tauranga Expense	-	(904)	(904)	-
Wharf St Sponsorship	12,300	-	12,300	-

Profit and Loss

	JAN-JUN 2021	JUL-DEC 2020	2021	BUDGET FULL YR
Wharf St	(16,026)	-	(16,026)	(4,000)
WS Friday Night Live Income	5,100	-	5,100	-
WS Friday Night Live Expense	(4,900)	-	(4,900)	-
Tourist Map Income	-	(335)	(335)	10,935
Tourist Map Expense	-	-	-	(10,935)
Vouchers Issued	100	200	300	-
Vouchers Expense	(80)	(170)	(250)	(2,360)
Total Events	(21,970)	7,261	(14,708)	(21,360)
Cruise Ship Season				
Cruise Ship Income	(233)	333	101	-
Cruise Ship Expenses	-	(248)	(248)	-
Total Cruise Ship Season	(233)	86	(147)	-
Total Operating Expenses	170,079	153,734	323,813	335,702
Net Profit	3,849	16,319	20,168	82

Mainstreet Monitoring Report – Greerton Mainstreet

Reporting Period: 1 January 2021 – 30 June 2021

Vision: No changes

Core Purpose / Focus areas of Mainstreet Business Plan: No changes


Membership overview: 120 approx.

Summary of highlights:

- Vintage, Retro & Steampunk Fayre in March
- Vibrant & well attended BA5's all year
- Easter Bunny in Greerton for Easter
- Collaboration with Downton Tauranga for "Buy Local Because it Matters"

Key Activity and Achievements (previous 6 months):


Additional tables can be added if needed

Activity Area: Events		
Activity	Explanation	Results / Status / Outcome
Vintage, Retro & Steampunk Fayre March 13 	Annual event now in 5 th year (did not run in 2020 due to lockdown) Comprises car displays and stalls selling all things Vintage and Retro. Best dressed to theme comp.	The outcome was very good. As we had to cancel previous years event, the appetite was there in spades. We had 32 stall holders selling their wares – up 2 from 2019 – as well as a contingent of Mini's on display. Good numbers for Best Dressed ladies – not so good men. For the Greerton businesses it's a mixed response with many seeing increase in foot

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Mainstreet Monitoring Report – Greerton Mainstreet


Reporting Period: 1 January 2021 – 30 June 2021


		<p>traffic and sales, some not so much. Our view is always that the benefit may not always be “on the day” as people have a short time here to experience the Faye and often return back to shop. The Bucking Bull was very popular!</p>
<p>Easter Bunny in Greerton</p> 	<p>One of our smaller quick fire events as a bit of fun for Easter. The Easter bunny riding around Greerton on a Unicycle giving away small chocolate eggs</p>	<p>The results and outcomes of this activity, like many others, cannot be judged by numbers however the outcome is always one of pure joy from both kids and adults alike and we always receive fantastic feed back. Many of the Greerton businesses are supportive of these smaller events as it came from a brain storming meeting with them some time ago</p>
<p>Monthly BA5's</p>	<p>To encourage networking between Greerton businesses and generally have a social catch up monthly</p>	<p>We do not claim to have huge numbers however attendance this year has averaged one sixth of our businesses which is actually quite high compared to other centres and</p>

Objective ID: A6750689

Mainstreet Monitoring Report – Greerton Mainstreet

Reporting Period: 1 January 2021 – 30 June 2021


	<p>it is an excellent way of giving business owners and staff a chance to meet up with fellow retailers etc that they do not have chance to do during the daytime. Another outcome is that we have had excellent uptake to host these events</p>
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Activity Area: Initiatives and Marketing		
Activity	Purpose	Results / Status / Outcome
<p>The 3rd iteration of the Buy Local Buy Tauranga” campaign</p> 	<p>Started last year in conjunction with Downtown Tauranga and Mount Mainstreet to stimulate shoppers returning to shopping after lockdown. This year included the by line Buy Local because it matters. Featuring individual businesses and their loyal customers</p>	<p>With one less participating Mainstreet this time around, less money in the pot therefore pulled back campaign to suit. June was only the 1st month of 2.5 month campaign and feed back from participating retailers has been very positive with many telling us, new customers and returning customers were prompted by the marketing collateral of digital, print and bus backs</p>
<p>Greerton Village Website</p>	<p>To inform and direct to our events and businesses</p>	<p>We do receive a number of enquiries via this site however it is outdated we feel and currently we are looking at our site being re built this year to become more user friendly and also – more admin friendly</p>

Objective ID: A6750689

Mainstreet Monitoring Report – Greerton Mainstreet

Reporting Period: 1 January 2021 – 30 June 2021

Social Media Platforms: Greerton Village Face Book page, Greerton Yarn Bombers page and our closed group for GV businesses only	To promote events, promotions, any Greerton news and activities	Greerton page show increase to 3.6 page likes, up from 3.4 in last report. Yarn Bombing page continues to grow slowly as its really a niche market now upto 1.1 likes. The uptake from business owners to the closed page continues to increase as new business owners register however we would still like to see more on board
NZME radio across 4 stations	Used to publicise our major events and promotions	N this reporting period, used to promote our Vintage, Retro & Steam punk Fayre earlier in the year. Continue to receive some “free” promotional mentions as a NFP
Greerton Village Branded Bags 	Opportunity to promote Greerton and #greertonhasheart hashtag	We have recently put in an order for another 350 bags. 100 bags for GVCA and the balance sold to retailers to use as giveaways. Not sure of outcome other than to say we see a lot about and we use as freebies at major events

Activity Area: Member Communication		
Activity	Purpose	Results / Status / Outcome
Our Mailchimp newsletters would be the most used form of communication, other than personal contact between Main Street Manager and Business owners	To communicate all relevant info to our members: Events, promotions, TCC liaison regarding roading, cleaning, street works etc, new business news	Average open stats show between 30 – 50% opened which according to Mailchimp is above average for similar organisation. Would of course like more however they do generate response and discussion
Closed Group Face Book group	To communicate between us and businesses as well as B2B without fear of public comment	Continues to grow and sensitive subjects will always create robust discussion.
BA5's	To encourage networking opportunities with the	The BA'5s this period have been some of the most well

Objective ID: A6750689

Mainstreet Monitoring Report – Greerton Mainstreet**Reporting Period: 1 January 2021 – 30 June 2021**

	business community and also to simply catch up with fellow business owners. Enables us to speak in person about upcoming events	attended with 2 of the six (monthly meetings) new businesses and 3 of the remaining 4 all new hosts
Main Street Manager walkabout	To engage with businesses on a one on one basis, seeks hosts for BA5s and buy in for events and promotions. Identify any issues that need relating to TCC	This period has been carried out more by part time assistant gathering information to continually update our website and inhouse database. That said Main Street manager in regular contact and available to meet with business owners to discuss ideas

Objective ID: A6750689

Mainstreet Monitoring Report – Greerton Mainstreet

Reporting Period: 1 January 2021 – 30 June 2021

Key issues:

Are there any particular current issues that need to be highlighted to Council? What is happening to resolve these issues, if the issues relate to Council activity what is the next step? On a rolling basis close issues that were raised in previous reports.

Issue	Explanation	Status
Targeted Business Rate – carried over	We submitted to TCC that to support our business owners we were not in agreement with a hefty increase on the back of lockdown	Issue closed now as LTP will adopt on 26 July
Greerton Village Traffic Safety work – carried over from previous reports from May 2019	Work to be carried out around possible solutions to Greerton traffic issues.	Understand from Brendan Bisley on 21 July 2021 that GVCA and members will be consulted with re the Cameron Road Stage 2 plans
Painting or removal of old bollards and maintenance of old seats – carried over from last report	Old bollards removed (bit ugly at ground level!!) some seats cleaned or replaced	Work now complete although understand from Commissioners that some new seats on the horizon
Cleaning and/or painting of street lamps	In a terrible condition little or no maintenance for years if ever	16 July – Yay TCC have approved cleaning and if deemed to still have reasonable residual life, will look at upgrading to LED panels
Pavement Cleaning – carried over from January 2021	No deep clean carried out this year and we are doubtful of much cleaning at all apart from litter blowing into the kerb channel. I have chased and chased this up and only after many calls and emails – suddenly action	Meeting with contractor on site 22 July. Why do we have to constantly chase up all these issues
Mainstreet Review process – so far	We have a one-page separate document around this subject that we are sending directly to the commissioners today as maybe deemed sensitive	Chair and Manager have had a telephone conversation with Max Pederson and a meeting is booked for Wednesday 28 July 2021
The reporting template that we are supplied through TCC	It's the reason our reporting varies between Mainstreets as some compile their own	Its attached to this report.

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Mainstreet Monitoring Report – Greerton Mainstreet

Reporting Period: 1 January 2021 – 30 June 2021

Future activities (coming 6 months):

- 4 July 2021 Our annual Yarn Bombed installation with over 35 trees adorned, runs until late August and attracts many visitors to Greerton to admire the trees as well as much publicity
- 31 July 2021 concert with local school choirs and dancers to celebrate our Yarn Bombing theme “Colour my World”. Includes professional street entertainer
- Continuation of our collaboration with Downtown Tauranga campaign – Buy Local Tauranga, Because it Matters. Running through until mid-August to generate interest and shoppers to shop with their local retailers
- Our flagship event – Cherry Blossom Festival on Saturday 25 September, featuring a car show, School Gala, street entertainment, live music etc. On a fine day crowd of around 5,000 expected through the day
- 3rd December our Christmas in Greerton Event – this year planned with local entertainers, bands etc. Alternate years we engage a national or integration act
- Christmas Hamper Promotion to run through December. Businesses donate a gift from their store and we divide into 3 prizes and run as a “Shop & Win” promotion
- Revamp of our Greerton Village website to refresh

Financials:

P & L for year end 30 June 2021 attached. Accounts are currently with accountant to prep for Audit to be completed late September

Objective ID: A6750689

Profit and Loss
Greerton Village Community Asso
For the 12 months ended 30 June

	Actual	Budget	Var NZD	Var %
Income				
Grants Recieved	\$0.00	\$3,000.00	-\$3,000.00	-100.0%
Income For Promotions	\$2,232.49	\$0.00	\$2,232.49	
Levy Income	\$128,346.06	\$128,258.00	\$88.06	0.0687%
Total Income	\$130,578.55	\$131,258.00	-\$679.45	-0.5%
Gross Profit	\$130,578.55	\$131,258.00	-\$679.45	-0.5176%
Plus Other Income				
GV Branded Bags	\$115.50	\$0.00	\$115.50	
Interest Received	\$35.94	\$0.00	\$35.94	
Total Other Income	\$151.44	\$0.00	\$151.44	
Less Operating Expenses				
Accident Compensation Levy	\$157.47	\$220.00	-\$62.53	-28.4227%
Accountancy Fees	\$2,400.00	\$2,760.00	-\$360.00	-13.0435%
Advertising	\$5,350.00	\$2,770.00	\$2,580.00	93.1408%
AGM Expenses	\$350.57	\$300.00	\$50.57	16.8567%
Audit Fees	-\$891.63	\$2,040.00	-\$2,931.63	-143.7074%
Bank Charges	\$20.00	\$30.00	-\$10.00	-33.3333%
Business After 5	\$0.00	\$120.00	-\$120.00	-100.0%
Computer Expenses	\$1,263.55	\$1,200.00	\$63.55	5.2958%
Conference Expenses	\$0.00	\$300.00	-\$300.00	-100.0%
Consultancy	\$0.00	\$300.00	-\$300.00	-100.0%
Depreciation	\$0.00	\$240.00	-\$240.00	-100.0%
Distribution - Shopping Guide	\$0.00	\$1,200.00	-\$1,200.00	-100.0%
Donations Paid	\$1,000.00	\$0.00	\$1,000.00	
Extraordinary items	\$0.00	\$240.00	-\$240.00	-100.0%
General Expenses	\$444.68	\$180.00	\$264.68	147.0444%
General Prizes	\$0.00	\$200.00	-\$200.00	-100.0%
Insurance	\$0.00	\$800.00	-\$800.00	-100.0%
Legal Expenses	\$0.00	\$300.00	-\$300.00	-100.0%
Meeting Expenses	\$193.18	\$180.00	\$13.18	7.3222%
Minor Assets	\$0.00	\$200.00	-\$200.00	-100.0%
Office Expense	\$186.05	\$150.00	\$36.05	24.0333%
Plant & Equipment Hire	\$0.00	\$200.00	-\$200.00	-100.0%
Postage	\$0.00	\$50.00	-\$50.00	-100.0%
Printing, Stamps & Stationery	\$599.12	\$0.00	\$599.12	
Promotion - Valentines Day	\$0.00	\$450.00	-\$450.00	-100.0%
Promotional Expenses	\$32,371.71	\$34,500.00	-\$2,128.29	-6.169%
Rent	\$2,932.66	\$3,390.00	-\$457.34	-13.4909%
Repairs & Maintenance	\$0.00	\$300.00	-\$300.00	-100.0%
Rubbish Removal	\$0.00	\$20.00	-\$20.00	-100.0%
Staff Expenses	\$64.34	\$150.00	-\$85.66	-57.1067%
Staff Training	\$69.57	\$100.00	-\$30.43	-30.43%
Storage	\$1,817.42	\$2,280.00	-\$462.58	-20.2886%
Subscriptions	\$844.72	\$1,080.00	-\$235.28	-21.7852%
Telephone, Tolls & Internet	\$1,387.25	\$1,680.00	-\$292.75	-17.4256%
Tools & Equipment	\$0.00	\$60.00	-\$60.00	-100.0%
Travel Local	\$126.28	\$480.00	-\$353.72	-73.6917%

Wages & Salaries	\$54,004.30	\$67,068.00	-\$13,063.70	-19.4783%
Website Expenses	\$590.00	\$660.00	-\$70.00	-10.6061%
XERO Subscription	\$276.00	\$264.00	\$12.00	4.5455%
Total Operating Expenses	\$105,557.24	\$126,462.00	-\$20,904.76	-16.5%
Net Profit	\$25,172.75	\$4,796.00	\$20,376.75	424.8697%

ciation

2021

YTD Actual	YTD Budget	Var NZD	Var %
\$0.00	\$3,000.00	-\$3,000.00	-100.0%
\$2,232.49	\$0.00	\$2,232.49	
\$128,346.06	\$128,258.00	\$88.06	0.0687%
\$130,578.55	\$131,258.00	-\$679.45	-0.5%
\$130,578.55	\$131,258.00	-\$679.45	-0.5176%
\$115.50	\$0.00	\$115.50	
\$35.94	\$0.00	\$35.94	
\$151.44	\$0.00	\$151.44	
\$157.47	\$220.00	-\$62.53	-28.4227%
\$2,400.00	\$2,760.00	-\$360.00	-13.0435%
\$5,350.00	\$2,770.00	\$2,580.00	93.1408%
\$350.57	\$300.00	\$50.57	16.8567%
-\$891.63	\$2,040.00	-\$2,931.63	-143.7074%
\$20.00	\$30.00	-\$10.00	-33.3333%
\$0.00	\$120.00	-\$120.00	-100.0%
\$1,263.55	\$1,200.00	\$63.55	5.2958%
\$0.00	\$300.00	-\$300.00	-100.0%
\$0.00	\$300.00	-\$300.00	-100.0%
\$0.00	\$240.00	-\$240.00	-100.0%
\$0.00	\$1,200.00	-\$1,200.00	-100.0%
\$1,000.00	\$0.00	\$1,000.00	
\$0.00	\$240.00	-\$240.00	-100.0%
\$444.68	\$180.00	\$264.68	147.0444%
\$0.00	\$200.00	-\$200.00	-100.0%
\$0.00	\$800.00	-\$800.00	-100.0%
\$0.00	\$300.00	-\$300.00	-100.0%
\$193.18	\$180.00	\$13.18	7.3222%
\$0.00	\$200.00	-\$200.00	-100.0%
\$186.05	\$150.00	\$36.05	24.0333%
\$0.00	\$200.00	-\$200.00	-100.0%
\$0.00	\$50.00	-\$50.00	-100.0%
\$599.12	\$0.00	\$599.12	
\$0.00	\$450.00	-\$450.00	-100.0%
\$32,371.71	\$34,500.00	-\$2,128.29	-6.169%
\$2,932.66	\$3,390.00	-\$457.34	-13.4909%
\$0.00	\$300.00	-\$300.00	-100.0%
\$0.00	\$20.00	-\$20.00	-100.0%
\$64.34	\$150.00	-\$85.66	-57.1067%
\$69.57	\$100.00	-\$30.43	-30.43%
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\$844.72	\$1,080.00	-\$235.28	-21.7852%
\$1,387.25	\$1,680.00	-\$292.75	-17.4256%
\$0.00	\$60.00	-\$60.00	-100.0%
\$126.28	\$480.00	-\$353.72	-73.6917%

\$54,004.30	\$67,068.00	-\$13,063.70	-19.4783%
\$590.00	\$660.00	-\$70.00	-10.6061%
\$276.00	\$264.00	\$12.00	4.5455%
\$105,557.24	\$126,462.00	-\$20,904.76	-16.5%
<hr/>			
\$25,172.75	\$4,796.00	\$20,376.75	424.8697%

Mainstreet Monitoring Report – Papamoa Unlimited

Reporting Period: 1 January 2021 – 30 June 2021

This section will only need to be updated when there are changes to report on

Vision:

Core Purpose / Focus areas of Mainstreet Business Plan:

Membership overview:

Summary of highlights:

Selecting 3 – 6 activities to highlight, also include anything else that should be highlighted to Council

Key Activity and Achievements (previous 6 months):

Additional tables can be added if needed

Activity Area: <i>for example: events</i>		
Activity	Explanation	Results / Status / Outcome
Polar Plunge	Bring the community together	Twice postponed due to shocking weather events-scheduled to return September 2021

Activity Area: <i>for example: initiatives, marketing</i>		
Activity	Purpose	Results / Status / Outcome
Reviewed and revised constitution of Papamoa Unlimited	For the constitution and rules to reflect actual practice	Unanimous agreement at Special General meeting to tweaking of the rules of operation.

Activity Area: <i>for example: member communication</i>		
Activity	Purpose	Results / Status / Outcome
Dialogue with TCC Commissioners and Max Pederson regarding Mainstreet review	Terms of reference for 3Q review	Ongoing

Objective ID: A6750689

Mainstreet Monitoring Report – Papamoa Unlimited

Reporting Period: 1 January 2021 – 30 June 2021

Key issues:

Are there any particular current issues that need to be highlighted to Council? What is happening to resolve these issues, if the issues relate to Council activity what is the next step? On a rolling basis close issues that were raised in previous reports.

Issue	Explanation	Status
Targeted business rate	No change required.	Events to be “self-funding” while Co-ordinator funded from TBR

Future activities (coming 6 months):

Running the marquee events – Polar plunge (August/September), Pedal Papamoa (September) and Santa Parade (December).

Financials:

Following our change of accountant to Bennetts Proactive, our annual accounts will be forwarded to TCC once Audit complete.

Objective ID: A6750689

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** [↓](#)

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Report to the Commissioners on the audit of

**Tauranga City Council's
Long-term plan**

For the period 1 July 2021 to 30 June 2031

Contents

Key messages	3
1 Our audit report	4
2 Matters raised in the Audit Plan	6
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Key messages

We have completed the audit of Tauranga City Council's Long Term Plan (LTP) for the period 1 July 2021 to 30 June 2031. This report sets out our findings from the audit and draws attention to areas where the Council is doing well and where we have made recommendations for improvement.

Audit opinion

We issued a non-standard audit report on 26 July 2021. Without modifying our audit opinion, we included three emphasis of matter paragraphs in our audit report drawing attention to the uncertainties associated with the delivery of the capital programme (capital delivery), the three waters reforms, and the breach of statutory deadline.

Matters identified during the audit

We issued an unqualified audit report on 4 May 2021, which described the basis for our audit opinion on the consultation document and, where appropriate, areas where the Council could improve.

A number of these recommendations had no significant impact on the Consultation Document, but we note the Council has made most of the changes prior to the adoption of the LTP.

Going forward, we recommend:

- 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 (refer to section 1.3).

Thank you

We would like to thank the Commissioners, management, and staff for their assistance during the audit.



Clarence Susan
Appointed Auditor
17 August 2021

1 Our audit report

1.1 We issued a non-standard audit report



We issued a non-standard audit report on the LTP on 26 July 2021, which means the plan provides a reasonable basis for:

- long-term, integrated decision-making and co-ordination of the Council's resources;
- accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the LTP are reasonable; and
- the disclosures on pages 310 to 317 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the LTP.

Without modifying our audit opinion, we included the following emphasis of matter paragraphs in our audit report drawing attention to the uncertainties associated with the:

- delivery of the capital programme;
- three waters reforms; and
- breach of statutory deadline.

1.2 Uncorrected misstatements

The LTP is free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. The misstatements that have not been corrected are listed below along with management's reasons for not adjusting these misstatements. We are satisfied that these misstatements are individually and collectively immaterial.

Current year uncorrected misstatements	Reference	Assets	Liabilities	Equity	Financial performance
		Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)
Rates revenue	1				(747,000)
Grants and subsidies	1				747,000
Total		-	-	-	-

1. Difference between Waka Kotahi indicative funding (for maintenance expenditure) and funding per financial model. Not material for adjustment.

1.3 Quality and timeliness of information provided for audit



The development of the LTP is a significant and complex project.

The Council had a project plan which included key milestones, deadlines, and the work stream responsible. This contributed to producing the underlying information documents and enabling all key deadlines to be met.

The Commissioners are receptive to audit recommendations and are focused on continuous improvement. In addition, Council staff were available throughout the audit and provided requested information promptly. Although with combined effort we met our deliverables, it required a huge effort in getting the documents to a quality ready for adoption.

It is expected that the information required to conduct the audit is complete and provided in accordance with the agreed timelines.

Due to time constraints, we noted that the Council did not complete robust peer reviews of its asset management plan, activity management plans, infrastructure strategy, financial strategy, or Long Term Plan document.

When the audit team arrived to start work, there were some significant gaps identified in the information provided and incomplete documents (at both CD and LTP stages) on the asset management plan, activity management plans, infrastructure strategy, financial strategy, and consultation document; to be concise and largely consistent, a peer review would provide an insight to the approach and methodology applied and identify areas for internal improvement.

2 Matters raised in the Audit Plan



In our audit engagement letter, we identified the following matters as the main audit risks and issues:

2.1 Growth (key risk area)

Growth in Tauranga is the main assumption underlying this LTP. Tauranga's population continues to grow, and this brings with it demand for infrastructure to support the supply of housing and the development of businesses. This, together with historical under-investment by the local authority, provides the rationale for the large-scale infrastructure investment proposed over the 10-year period including, for example, Futureproofing Cameron Road, Te Papa Peninsula Intensification, Transport System Plan (TSP).

The local authority's growth assumption is based on the National Institute of Demographic and Economic Analysis (NIDEA) population and household forecasts, rebased for up-to-date Statistics NZ data. This is consistent with the approach applied to previous LTPs.

We therefore concluded that the growth assumption applied by the local authority is reasonable, consistently applied throughout the underlying information and that the assumption is based on externally developed data.

2.2 Financial prudence and debt (key risk area)

A key challenge for the local authority will be balancing the desire to grow the City against the ability to fund that growth.

The funding of investment is the main focus of this LTP and we found this to be adequately documented within the local authority's financial strategy. The local authority has ensured there is adequate headroom in case anticipated growth (and associated direct and indirect revenues and other benefits) does not occur.

The local authority also proposes rating for debt retirement to ensure that it can operate within its own and the Local Government Funding Agency's debt to revenue limits.

2.3 Financial Strategy

The strategy aims to respond to challenges that the local authority is facing. The key challenges are aging infrastructure requiring a large renewals programme, increasing operating costs for Council activities, significant step change in growth and levels of service capital projects, and increasing regulatory requirements.

We concluded that overall, the financial strategy is reasonable, financially prudent, based on reasonable financial forecasts, and complies with the relevant legislation.

In arriving at our conclusion, we have:

- obtained an understanding of the local authority's financial strategy and noted this has been changed significantly since the previous LTP, these changes being:
 - high rates increases proposed for the duration of this LTP;
 - three new targeted rates and adaptation of a fourth;
 - increased debt limits; and
 - increased commercial differential from 1:1.2 to 1: 1.6;
- confirmed and are satisfied with the balanced budget presented by Council for each year of the LTP;
- confirmed and are satisfied that the 10-year forecasts informing the financial strategy are financially prudent;
- ensured disclosures are reasonable and are aligned with the long-term plan and underlying information; and
- ensured the financial strategy complies with relevant legislation.

2.4 Waka Kotahi funding assumption

In preparing the consultation document, the Council's assumption was that it would receive its full funding bid from Waka Kotahi.

At a national level, the total indicative allocated funding was significantly less than the total bid budget. Council has subsequently revised its budget for years 2021 to 2024 and will maintain levels of service in years 1 and 2. There is a possibility that levels of service might be reduced for lower risk transport roads to meet the reduced funding. The maintenance of these roads will be reduced only to manage the reduced funding. Council does not foresee any significant issues due to less commuting on these roads.

We have also concluded that the reduced Waka Kotahi funding will not have a material financial impact or a significant impact on levels of service. The level of uncertainty and response should funding not be received is adequately disclosed in the planning assumptions as part of the underlying information adopted.

The assumptions that the Council has made around Waka Kotahi funding are appropriate and these have been adequately disclosed in the LTP.

2.5.1 Climate change

Like other Councils in New Zealand, the local authority is vulnerable to the impacts of climate change. These impacts include erosion, rising sea levels, and more frequent extreme weather events such as floods, tsunamis, etc.

The climate change assumptions have been based on the Ministry for the Environment's climate change projections for the Bay of Plenty region, in conjunction with modelling prepared by the National Institute of Water and Atmospheric Research (NIWA), and internally generated database.

There were no significant changes from the CD to the LTP regarding climate change related information. The climate change assumption therefore continues to be reasonable.

2.5.2 Covid-19

The assumption applied by the local authority is that the most significant impacts of Covid-19 on the economy and infrastructure have already been seen and there will be no future lockdowns caused by Covid-19 because the borders are beginning to open in a staged manner to certain other countries by 2023.

Should there be any further lockdowns, then the implications may include reduced revenue from the local authority's venues, parking meters, delay of capital projects, etc.

There were no changes from the consultation stage to the LTP regarding Covid-19 related information. The Covid-19 assumption therefore remains reasonable.

2.5.3 Capital expenditure "delivery"

As a result of the deliberation phase, Council reassessed its capital programme, this resulted in a net increase in capital expenditure of \$78 million. This increase is largely attributable to incomplete capital projects carried forward from 2021 which are included in Council's 2022 and 2023 capital programme., with the timing of other capital projects moving out into later years. These changes do not impact the capital do-ability of the projects.

Council has assumed that its capital expenditure programme will be achieved and has included a capital expenditure do-ability assumption with a high level of uncertainty.

As this assumption has a high level of uncertainty, we have included an emphasis of matter paragraph in our audit report referring readers to this disclosure.

2.5.4 Three-waters reform

In line with sector guidance, the local authority has assumed that there is currently insufficient detail regarding the possible changes to services which will result from the three-waters reform programme and, therefore, it is prudent to plan on a business-as-usual approach to service delivery.

The local authority's assumption for the reform is that it "will continue to own and directly operate the three waters networks (water supply, sewerage and storm water) for the duration of this LTP".

We accept that the local authority's assumptions are reasonable and have been consistently applied to its underlying information.

Prior to the adoption of the long-term plan, the Minister of Local Government announced an overview of what the three waters reform will include. The Council has revised the disclosure made on the three waters reform in its long-term plan.

We have included an emphasis of matter paragraph in our audit report referring readers to this disclosure.

2.5.5 Breach of statutory deadline

The Council's long-term plan was adopted on 26 July 2021, and the Council breached statutory deadline (section 93(3) of the Local Government Act).

The breach of section 93(3) of the Local Government Act has been adequately disclosed in the LTP.

We have included an emphasis of matter paragraph in our audit report referring readers to this disclosure.

3 Other matters



In this section, we have detailed our key findings from the audit. We have also detailed our findings in relation to other areas of focus:

3.1 Publication of the LTP on the Council's website

As the Council intends to publish the long-term plan electronically, please allow time for us to examine the final electronic version of the audit report before its inclusion on your website.

We need to ensure consistency with the paper-based documents that have been subject to audit. Changes may also be needed to sections of the audit opinion, for example, page number references and the inclusion of additional information to readers of the electronic report.

3.2 Financial model and forecasts

As noted during the CD stage, in assessing the financial forecasts, we focused on the integrity of the financial model, the reliability of the source data, and whether the outputs of the model have appropriately flowed through to the underlying information (including the financial strategy, infrastructure strategy, and financial forecasts). We concluded that, overall, the financial model was reasonable, reduces the risk of misstatement, and accurately informed the consultation document, infrastructure strategy, and financial strategy.

We adopted a substantive approach, undertaking a variety of data logic, metric, integrity, analytical review, spreadsheet, and data flow testing and noted no areas of concern.

We concluded that, overall, the financial model is reasonable, reduces the risk of misstatement, and accurately informed the long-term plan, infrastructure strategy, and financial strategy.

3.3 IPSAS 41 Financial Instruments

The Council performed an assessment of the impact of PBE IPSAS 41: *Financial Instruments*, and the financial forecasts were updated appropriately based on the guidance provided by the service provider.

PBE IPSAS 41, *Financial Instruments* becomes effective for the year ending 30 June 2023, or the second year of the LTP. The LTP is required to be prepared in accordance with the accounting policies expected to be used in the future which means that the LTP will need to reflect this new accounting standard.

3.4 National Policy Statement – Urban Development (NPS-UD)

The local authority is a Tier 1 urban local authority under the NPS-UD with an anticipated population growth of nearly 18% over the 10 years of the LTP.

The NPS-UD requires local authorities to plan well for growth and ensure a well-functioning urban environment for all people, communities, and future generations.

The Council can meet growth based on its own projection over the 10 years of the long-term plan. In years 1 to 3 there is a shortfall of 986 estimated dwellings which nets off to zero due to the surplus in years 4 -10 of 986 estimated dwellings.

We understand that there is no financial impact on revenue as the Council bases the rates on expenditure and not the number of rateable units. The Council has also determined the capital infrastructure programme based on the needs of the City over the short, medium, and long term.

The impact of the non-compliance with the NPS-UD will be that prospective residents will have to reside in other local authority districts and commute to Tauranga City on a regular basis until the estimated shortfall in dwellings can be rectified.

Additional investment has been set aside in the LTP to unlock additional land to ensure adherence with the NPS-UD in the long-term, however, the local authority does not meet the competitive margins over the short, medium, and long term, over and above its expected demand, to support choice in the housing and business land markets.

The local authority has not sought legal advice in relation to the implications of non-compliance with the NPS-UD, however, we note that the local authority has adequately disclosed its non-compliance with the NPS-UD in its CD and underlying information.

Appendix 1: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the Long-term plan and reporting that opinion to you. This responsibility arises from section 93C(4) of the Local Government Act 2002.</p> <p>The audit of the Long-term plan does not relieve management or the Council of their responsibilities.</p> <p>Our audit engagement letter dated 6 October 2020 contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect all instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your Long-term plan. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): <i>Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to this audit and our audit of the Council's annual report, we have carried out engagements in the areas of debenture trust deed assurance engagement, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the Council.</p>
Fees	<p>The audit fee, covering both the CD and the LTP for the period is \$116,400 (excluding GST and disbursements), as detailed in our audit engagement letter dated 6 October 2020.</p> <p>Other fees will be charged in the period for the annual report audit and debenture trust deed assurance engagement.</p>
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Council that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the Council during or since the end of the financial year.</p>



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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** [↓](#)

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Tauranga City Council – Internal Audit
Procurement Health Check



INTERNAL AUDIT REPORT

Procurement Health Check 2021/22

Date Issued: 20 August 2021

Version history:

Version	Issued to	Date	Objective
Draft for comment (management)	Team Leader: Procurement Manager: Capital Programme Assurance	23/08/2021	A12798084
Draft for Approval (sponsor)	GM: Infrastructure GM: Corporate Services	27/08/2021	A12798843
Final Draft, for Approval	Executive Team	06/09/2021	A12833851
Final	Strategy, Finance, and Risk Committee		

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Tauranga City Council – Internal Audit
Procurement Health Check

EXECUTIVE SUMMARY

Introduction

This health check is to ensure that the recommendations from the reports from the McHale Group on the Probity Procurement review of procurement processes for the Harington Street Transport Hub Project, a further review into a range of recent projects, and the letter received from the OAG dated 26 May 2021 are being progressed appropriately. The health check was undertaken during the first quarter of FY 2021/22. The findings have been completed, shared and discussed with the relevant staff or managers.

Health Check Objective

The objective for this health check is to provide an evaluation of progress towards implementation of the recommendations made in the McHale reports, and the subsequent letter from the OAG.

Scope of work

The health check activity focussed on the recommendations made in the McHale reports, and the OAG letter.

FINDINGS AND ACTION PLAN

McHale Reports and OAG letter recommendations and management actions are shown in the table below.

Status Report (including responsibility for those actions and target dates) have been agreed with relevant staff. Where comments have been received, these are shown against the relevant action.

McHale Harington Street Transport Hub Report Recommendations	Status Report
R1: We suggest that Council recognise and note that there are ongoing residual probity risks relating to some aspects of the Harington Street Transport Hub procurement process completed in 2016/2017	<p>Status: In progress On an annual basis, the council will engage an independent review in order to check that residual probity risks are being identified and managed appropriately. Officer responsible: Internal Audit Date to be implemented by: End of March 2022</p>
R2: Council should update its Procurement Policy and the Standard Procurement Procedures document (including procurement process related templates). Ensure that the Procurement Policy and Standard Procurement Procedures documents are aligned to other relevant policies and procedures within the Council, for example, the Delegated Financial Authority Policy, etc	<p>Status: Completed The Procurement policy has been updated and adopted May 2021. It was peer reviewed by the McHale Group and Ministry of Business, Innovation and Employment (MBIE).</p> <p>Status: In progress Standard Procurement Procedures document – An online manual is in the process of being created, which is accessible and easy for staff to use, this is a two-phase project: Phase one produced with current/updated processes Officer responsible: Team Leader: Procurement</p>

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McHale Harington Street Transport Hub Report Recommendations	Status Report
	<p>Date to be implemented by: A draft of the manual is complete and was scheduled to be reviewed by McHale Group at the time of this health check.</p> <p>Phase two to include the addition of processes around Broader Outcomes, Panels and Contract Management.</p> <p>Management Comment: Production of the Online manual is dependent on Digital resource and no date is finalised</p> <p>The manual and templates are being developed to align with procurement processes and with Capital Projects Assurance Division (CPAD) project delivery frameworks and processes.</p> <p>Officer responsible: Team Leader: Procurement</p> <p>Date to be implemented by: End of September 2021</p>
R3: Council should independently review recent and current procurement processes to verify if the finding from this review are systemic	<p>Status: In progress</p> <p>Current procurement processes have been discussed with staff across the Council and this has found that they are largely followed in the same method. The procurement processes have changed recently with the implementation of dedicated procurement staff and introduction of the CPAD team. The people leaders have emphasised the use of CPAD and the procurement team so that the process is more consistent.</p> <p>A further sample check of recent and current procurement by an independent external auditor will be carried out when the CPAD team and Procurement process changes have been completed to ensure an accurate reflection of the changes implemented and risk exposure is being satisfactorily managed.</p> <p>Officer responsible: Internal Audit</p> <p>Date to be implemented by: End of March 2022</p>

McHale Probity Procurement report Recommendations	Status Report
R1: Initiate a review and update of Council procurement policies, procedures, guidelines,	Refer to McHale Harington Street Transport Hub report R2 above

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Procurement Health Check

McHale Probity Procurement report Recommendations	Status Report
<p>tools, and templates to ensure consistency and alignment with current good practice in particular, the current Government Procurement Rules (4th edition) and the recently updated NZTA SM021 Contract Procedures Manual (Parts A and B) and related proforma (template) documents. Ensure the review and update is undertaken by a suitably experienced and qualified procurement professional with a substantial track record of public sector procurement experience. Additionally, seek independent assurance from a probity audit expert in terms of peer review of updated products.</p>	
<p>R2: Develop and implement ongoing, meaningful, training and development for relevant TCC staff in relation to the updated suite of Council procurement policies, procedures, guidelines, tools, and templates.</p>	<p>Status: Completed A link to online Ministry of Business, Innovation and Employment (MBIE) training for all staff who carry out procurement is to be made available on the Procurement Insider page.</p> <p>Status: Completed Two in person half day workshops with MBIE for all staff who carry out procurements on a semi or regular basis were completed for 40 staff in April 2021 and further dates for 2022 to be confirmed.</p> <p>Status: On hold Online Litmos course to be developed for TCC procurement policy training and Contract Management in conjunction with the SAP team.</p> <p>Management Comment: Digital prioritisation and change management will form a large component of this piece of work. Currently there is no budget allocated. There is potential to integrate aspects of procurement training with the release of CPAD initiatives particularly where they are closely aligned.</p> <p>Status: In progress A rolling programme of in person/Teams sessions to educate staff on a regular basis to be developed.</p> <p>Officer responsible: Team Leader: Procurement</p>

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Procurement Health Check

McHale Probity Procurement report Recommendations	Status Report
	Date to be implemented by: Initial programme of events to be compiled for end 2021 to run in 2022
R3: Incorporate the improvement opportunities to procurement and probity risks and issues identified in this report within the work to implement in the training	Refer to McHale Harington Street Transport Hub report R2 above
R4: Consider implementation of a regular (e.g. annual) independent probity auditor review of a sample of Council procurement processes to provide assurance that the Council's policies and procedures and probity expectations are being complied with and probity-procurement risk exposure is being satisfactorily managed.	Status: In progress An independent probity audit is to be engaged once the CPAD team and procurement changes have been made to ensure an accurate reflection of the changes implemented and risk exposure is being satisfactorily managed. To be carried out in conjunction with Internal Audit Officer responsible: Internal Audit Date to be implemented by: End of March 2022.

OAG Letter Recommendations	Status Report
R1: Use robust, evidence-based processes to guide decision-making, especially where there are differences of opinion.	Status: In progress Project Charter – a baseline document has been developed to capture all project information at the project initiation. The Charter shall require the Project Sponsor and Project Business Owner to review and approve before proceeding into the planning stage. The purpose of the Charter is for the Council to formally recognise the existence of the project and to a formal handover to the Project Manager giving them the authority to commence project planning. Project Sizing Assessment - projects to be assessed on risk, complexity and budget with a weighted score determining a project size (S, M, L or XL). A projects size will guide decision making on levels of governance, project management procurement, comms and engagement and overall project lifecycle planning. Feedback has been received from 'proof of concept' (PoC) user groups and GM Infrastructure with revisions made accordingly. Final roll-out will follow a formal change management process with embedded health checks.

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OAG Letter Recommendations	Status Report
	<p>Monthly Project Reporting – Effective project and programme governance and decision making requires access to quality data and performance reporting. An initiative is in progress to digitise the current manual monthly project reporting so data can be more easily extracted to generate reliable and insightful project and programme performance reports and dashboards.</p> <p>Officer responsible: Manager: Capital Programme Assurance Date to be implemented by: Project Charter and Project Sizing Assessment by end of December 2021 Monthly Project Reporting – by end of March 2022</p>
R2: Include requirements before a project starts to set out accountability and governance measures, identify key stakeholders, establish record-keeping processes.	<p>Status: In progress Project Governance Guideline provide the rules, roles and responsibilities, terms of reference and definitions for the levels of project, programme and portfolio governance based on a projects size assessment. Peer review from Democracy Team is to be carried out to ensure guideline complies with Local Government Acts, Regulations and principles. Community Relations Team to update onto CPAD 'Insider' page. Officer responsible: Manager: Capital Programme Assurance Date to be implemented: Currently being drafted - complete by the end of Oct 2021 Training to Staff - complete by the end of Nov 2021 Roll-out to all Council - by the end of Dec 2021</p>
R3: Review its use of supplier panels	<p>Status: In progress The creation of a supplier panel setup, and management procurement process to be developed in conjunction with internal stakeholder consultation. Officer responsible: Team Leader: Procurement Date to be implemented end October 2021</p> <p>Status: In progress The creation of a supplier panel setup, and management procurement process is to be developed in conjunction with internal stakeholder consultation</p>

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Procurement Health Check

OAG Letter Recommendations	Status Report
	<p>Management Comment: Digital prioritisation and change management will form a large component of this piece of work. Currently there is no budget allocated.</p> <p>Officer responsible: Team Leader: Procurement</p> <p>Date to be implemented: End of February 2022.</p> <p>Status: In progress</p> <p>As part of the independent probity and procurement audit a sample check of projects to ensure supplier panels have been used appropriately to be included.</p> <p>Officer responsible: Internal Audit</p> <p>Date to be implemented by: End March 2022.</p>

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Tauranga City Council – Internal Audit
Procurement Health Check

APPENDIX 2 – HEALTH CHECK PROCEDURE

Methodology

Interviews were conducted with the Spaces and Places, Infrastructure, Waters and Digital teams to gain knowledge of the system and associated processes.

Other interviewees were chosen due to their knowledge of the control or process under review.

Staff Interviewed

The following staff contributed to the outcome of the audit:

- Dave Moore - Manager: Capital Programme Assurance
- Angela Murray - Team Leader: Procurement
- Paul Davidson – General Manager: Corporate Services
- Nic Johansson - General Manager: Infrastructure
- Nick Swallow – Manager: Legal & Commercial
- Stephen Burton - Director of City Waters
- Doug Spittle - Manager: Planning and Design
- Solomon Brett - Manager: Community Amenity Project Outcomes
- Guy Protheroe - Urban Designer
- Des Meiring - Procurement Advisor
- James Jacobs - Urban Spaces Project Lead
- James Woodward - Finance Lead Projects Assurance
- Cathy Davidson - Manager: Directorate Services
- Richard Conning - Senior Project Manager
- Mark Burgess - Manager: Transport Infrastructure Outcomes
- Ana Hancock - Senior Project Manager
- Julie Fellowes - Programme Manager: Transport
- Sara Toomer - Head of Department (Practice & Operations)
- Wayne Troughton - Senior Project Manager
- Graeme Frith - Team Leader: Legal
- Emma Joyce – Policy Analyst
- Brendan Bisley - Director of Transport
- Michelle Parnell - Project Administrator

The auditor is grateful for the co-operation and assistance provided from all the management and staff who were involved in the health check. I would like to take this opportunity to thank them for their participation.

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APPENDIX 4 – FINAL REPORT DISTRIBUTION LIST

The following staff received an electronic copy of the Final Report:

- Marty Grenfell, Chief Executive
- Susan Jamieson, General Manager: People & Engagement
- Paul Davidson, General Manager: Corporate Services
- Nic Johansson, General Manager: Infrastructure
- Gareth Wallis, General Manager: Community Services
- Christine Jones, General Manager: Strategy & Growth
- Barbara Dempsey, General Manager: Regulatory & Compliance

Disclaimer

Any matters arising as a result of the audit are only those which have been identified during the course of the work undertaken and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that could be made.

It is emphasised that the responsibility for the maintenance of a sound system of management control rests with management and that the work performed by Internal Audit on the internal control system should not be relied upon to identify all system weaknesses that may exist. However, audit procedures are designed so that any material weaknesses in management control have a reasonable chance of discovery. Effective implementation of management actions is important for the maintenance of a reliable management control system.

CONTACT PERSONS

Jon Hobbs, Internal Auditor
Chris Quest, Team Leader: Risk

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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:

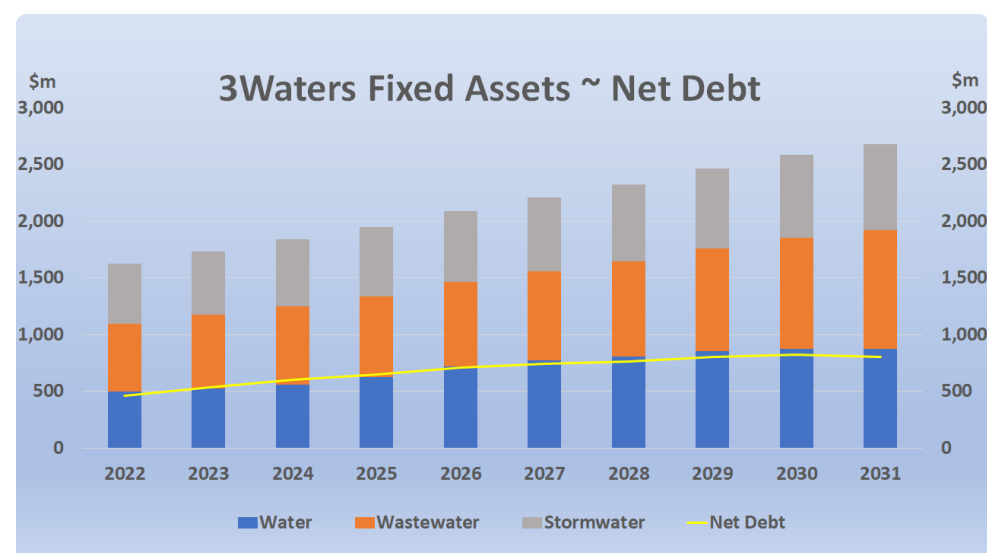
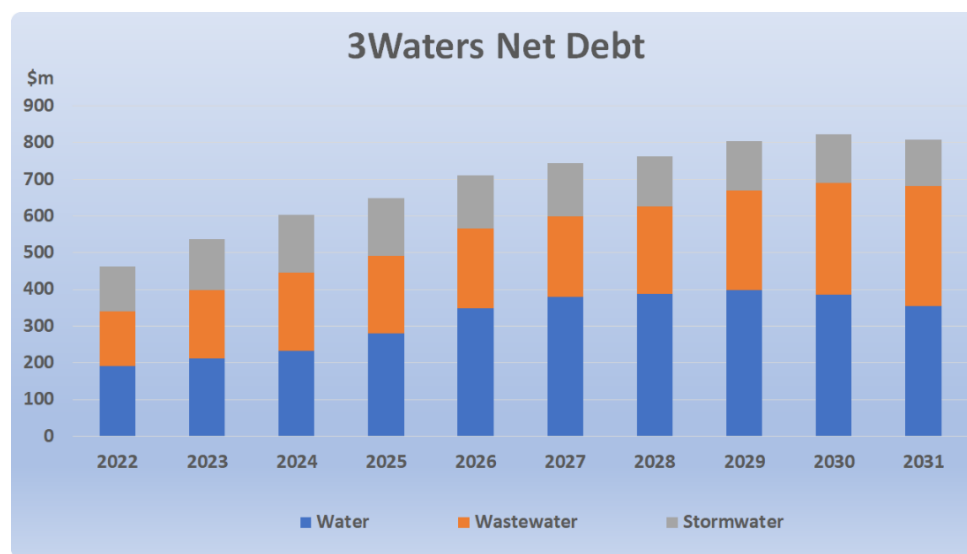
[https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/three-waters-guidance-for-councils-august-and-september-2021.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/three-waters-guidance-for-councils-august-and-september-2021.pdf)

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** [↓](#)

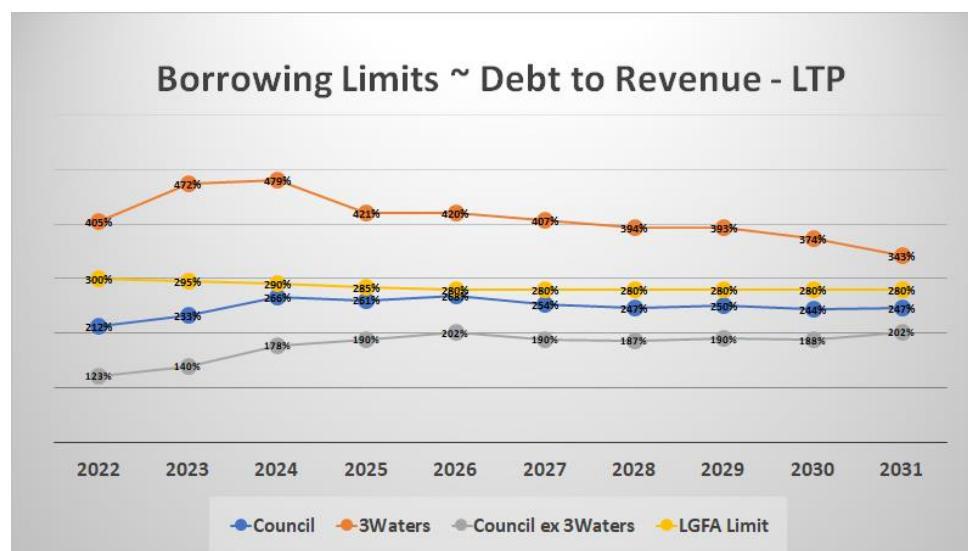
Attachment A:**Assets in three waters and Debt over the LTP period 2022-2031**

The following graphs show the 3 waters debt and three waters net debt as projected in the 2021-31 Long-term Plan. The rising level of assets and net debt reflect the large capital programme associated with three waters. The third graph shows the level of this investment. Most of the new investment in waters is identified in the graph below as predominantly to cater for our growing population, although as discussed in the LTP a share of this also addresses level of service for the current population.

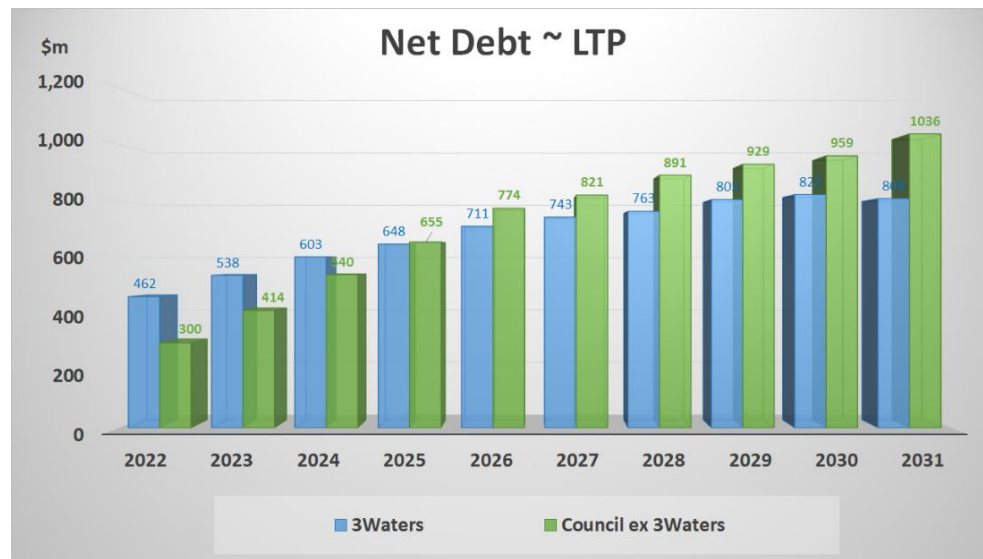


Attachment A:

The following graphs show the impact for TCC on Debt to revenue ratios for the current LTP (blue line) and after removing all three waters revenue and debt (grey line). The grey line assumes that council would continue to rate for debt retirement once three waters is removed. As can be seen from the debt headroom available after three waters is removed (difference between the grey line and the yellow line) the high levels of other debt retirement would no longer be required to stay within debt to revenue ratio limits over the ten years.



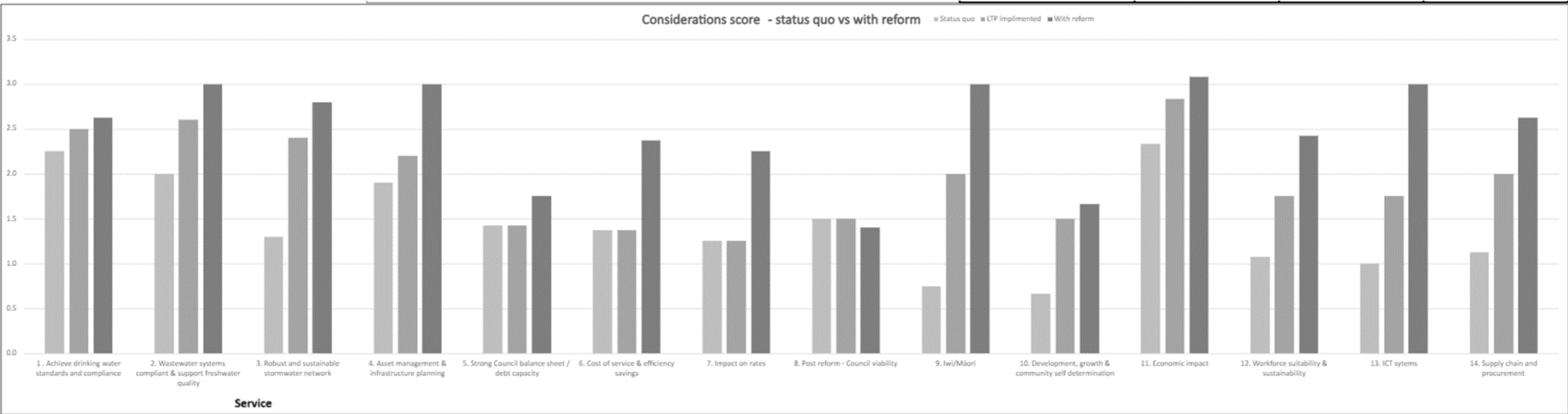
Attachment A:



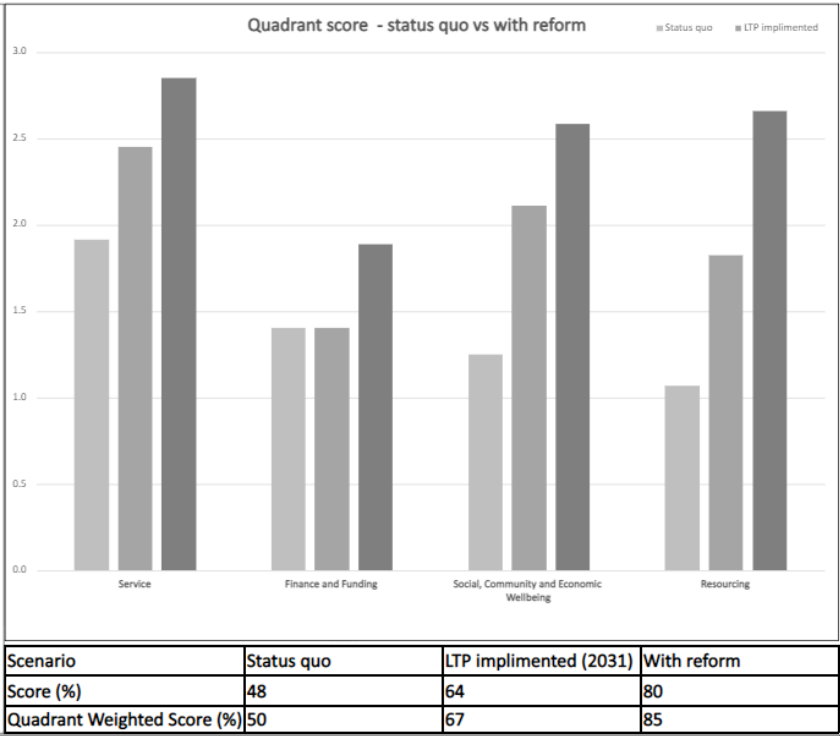
Attachment B

Summary of the Balanced Scorecard Analysis

The four quadrants of the balanced scorecard (three waters services, finance, resourcing including workforce, and community) were assessed according to a range of criteria as to whether the reforms provided threat or opportunity. The initial assessment from staff according to those criteria are summarised below. Because of uncertainty around details of the reform proposal the assessments have elements of subjectivity and assumption.



WITHOUT REFORM - STATUS QUO		WITHOUT REFORM - IN 10 YRS		WITH REFORM	
Service 2.0	Finance 1.5	Service 2.0	Finance 1.5	Service 3.0	Finance 2.0
Resourcing 1.0	Community 1.5	Resourcing 2.0	Community 2.0	Resourcing 3.0	Community 3.0
Service	1.92	Service	2.45	Service	2.85
Finance	1.41	Finance	1.41	Finance	1.89
Community	1.25	Community	2.11	Community	2.58
Resourcing	1.07	Resourcing	1.83	Resourcing	2.66
SUMMARY SCORING KEY					
Score Range	Colour	Quality	Risk		
2.5-3	Dark green	Significant opportunity	Significant opportunity		
1.76-2.5	Light green	Opportunity	Opportunity		
1.26-1.75	Yellow	Neutral	Neutral		
0.76-1.25	Orange	Threat	Threat		
0-0.75	Red	Significant threat	Significant threat		



3 Waters Entity B Survey (as at 10/9/21)

Introduction

The purpose of this survey is to elicit the position on a range of Water Reform issues from of each Council in the proposed Entity B area.

During the current 8-week period LGNZ has said that “Local authorities are encouraged to consider the impacts of the proposed reform holistically, in terms of service outcomes, economic development and growth, finance and funding, workforce capability and social, community and economic well-being.”

This survey is intended to assist the collective group of Councils in Entity B with their collective response

- The survey relates specifically to water reform
- Responses will be collated by Morrison Low and reported anonymously with trends shown by Council type.
- Any opinions expressed or information provided will be presented in an aggregated manner without reference to individual Councils.
- Responses and opinions will not be represented as official Council positions, nor the official position of the collective Council
- Each council should only complete one survey

This survey is in two parts:

- 1) Feedback on the current proposal
- 2) Feedback on matters arising should the reforms proceed as proposed

Part 1 - Feedback on proposed reform components

There are two parts to each questions in this section

- (a) Rate each of the following from **strongly agree**, **agree**, **neutral**, **disagree**, **strongly disagree**
- (b) Open text opportunity to provide context with the question “why did you choose that response”.

Statements on the proposed model

1. The status quo for three waters service delivery is not a viable option for the future

Strongly agree - In a nationwide context (not reflecting on our Council), it is clear that the future costs that will be incurred to continue delivering a fit for purpose three waters service are unaffordable for ratepayers, based on the current model of operating and funding.

2. The Case for Change is sufficiently proven that change can be considered to be definitely required
 - a. At a National or Entity level -

Strongly Agree - Response is referenced at a national level – the case has been proven many times regarding affordability for some communities. Local Government doesn't currently have access to the funding required to undertake the necessary investment into 3 Waters. At an Entity level we are neutral to whether the case has been sufficiently proven.

b. At a Council level -

Agree - Whilst our Council is in a good shape to deliver waters, the cost implications and therefore rating burden for our community is growing to appropriately fund the programme. This is putting pressure on our debt levels, which in turn affects our ability to deliver other services. Efficiency gains around 2% per annum seem realistic based on better focus on revenue eg pace and extent of meter replacement, smart metering investment, review of arrangements around charge write-offs – faster identification and advice on leaks (could be through smart meters) expertise and skills and knowledge of water utility business. Proactive network and asset maintenance and consolidated regional contracts through smart procurement along with Optimised pricing methodologies.

3. Government's proposed timeline for the transition is achievable and fit for purpose [in this context fit for purpose means "resourced appropriately and can be met without introducing undue risk and compromising your duties as a council"]

Disagree - There are risks with the timeline. There is too much confusion, particularly in the community who think this is a Local Government led initiative.

Once the decision has been made and legislation in place, we will be able to assess the timeframes proposed to ensure they are realistic to achieve appropriate outcomes.

4. Creation of Taumata Arowai as a national regulator is prudent and would address the Government's stated concerns around water quality [in this context prudent will improve the safety of drinking water and environmental outcomes relating to wastewater and stormwater]

Strongly Agree

5. The role of an Economic regulation is sufficiently well understood [in this context "sufficiently well understood" means that respondents are aware of what the regulator will be responsible for and what they will do]

Disagree - We understand the concept but there is not sufficient detail available to truly understand the role.

6. Governance

a. Proposed governance arrangements are appropriate for an entity of this size and scale

Disagree - Theoretically, the number of board members (that meet a competency matrix) appears adequate for an organisation of the size and complexity envisaged, and provided the accountabilities already signalled are carried into the new legislation (through individual and collective responsibilities as board members), this governance proposal looks sound. However, the proposal appears extremely complex, with a lack of local input. The complexity of the arrangement further complicates the proposal, and it is hard to envisage how this will work to ensure appropriate representation for ratepayers and iwi across the country.

- b. Proposed governance arrangements will properly represent Council's interests as owners

Strongly Disagree - High level of uncertainty. There is risk and uncertainty regarding whether we will have the influence to appoint appropriate people to the selection panel and thereby lose the control of our local interests. However, it is noted that the proposed Statement of Intent attempts to accurately reflect all the interests of Council, and that there are consequences for the Entity if it does not deliver.

- c. Proposed governance arrangements will properly represent the shared interests of Councils and mana whenua

Neutral - It is unclear how it is going to work. Strongly support having mana whenua at the table. But unclear how representation will be determined. There is concern regarding whether we will have the influence to appoint appropriate people to the selection panel and thereby potentially lose the control of our local interests. To ensure shared interests are represented, parties will need to work together to identify what these shared interests are before the Entity is stood up, and ensure that these are built into the Statement of Intent. This will need to include ensuring that discrete consenting arrangements that recognise the role of tangata whenua in decision-making are recognised and provided for by the new Entity.

- d. Proposed governance arrangements will allow the entity to effectively deliver its objectives

Neutral - There is not enough detail available to know how effective the arrangement will be. If there is too much local governance, then some of the current issues will be retained including lack of investment in future upgrades, price holding etc. If the top board are making decisions, how do we know the top board will meet local requirements?

7. How could the governance arrangements be improved

Establish a fully-fledged utility operation that purchases assets at book value and isn't influenced/dictated to by local politics.

Ensure there are diversity targets, alongside competency standards.

8. Entity B boundaries are fit for purpose [in this context fit for purpose means regionally and culturally appropriate and workable]

Neutral - At an operational level they appear to be fit for purpose, however at a Council level they are questionable and don't appear to be aligned with other current changes in the sector related to the RMA Reform (and new planning requirements) and the LGA Reform.

Significant synergies exist between Waikato and Bay of Plenty in terms of managing economic / growth challenges; relationships with Manawatu/Wanganui/South Taranaki are more of an unknown.

9. a) Transfer of responsibility for stormwater to the Entity is appropriate –

Neutral - There is again a lack of detail regarding exactly what is proposed. Stormwater assets include a mixture of hard and soft assets. Many stormwater assets add to greater community amenity and impact biodiversity, urban form, sustainability, recreational space.

Managing the three waters within a single entity will get better environmental accountability and outcomes. However, the stormwater activity has a much wider impact across multiple Council functions and management must be integrated.

b) Do you understand what is meant by stormwater in the context of the reform?

No/Disagree - The impacts are not clearly understood and we still require more detail in terms of where responsibilities start and end in certain circumstances; the work being done by the Stormwater technical working group looks promising. Understanding complexities around land ownership (councils / entities) will be challenging.

c) Do you understand the impact of this on your organisation?

No/Disagree - Financial implications for the future are very significant; also the complexity of responsibilities between the future Entity and the TLA need to be worked through.

10. Engagement with Mana Whenua has been fit for purpose [in this context fit for purpose means engagement has been undertaken properly to date and arrangements are in place to ensure this continues]

Disagree - As local authority we are not always aware when DIA initiated engagement directly with iwi, so cannot answer definitively. Our Council has had to undertake a role of informing Mana Whenua when this should be a Central Government responsibility. We are engaging through our own forums (Te Rangapū Mana Whenua o Tauranga Moana) where we are sharing as much as we know at the table so we can hopefully jointly advocate on reform matters going forwards.

11. WICS Analysis is fit for purpose [in this context fit for purpose means sufficiently reliable, robust and reflects the position of Council]

Agree - Analysis has been done at a regional level and this seems fit for purpose. TCC has done "in-house" analysis and satisfied that the WICS results are fit for purpose.

12. The community understand the proposed three waters reform (in free text say what information has been provided to the community to date)

Strongly Disagree - The Central Government reform has been lacking in detail and the implications for Local Government are severely lacking. TCC has shared government collateral via its website and invited our community to provide feedback on the government proposals, however it is evident from that feedback that there are still many issues which the community has a poor (or no) understanding of. Specifically, the benefits, the safeguards against privatisation, how ownership and transfer of assets occurs, and the role of iwi, are all areas needing better messaging. Although there is good collateral covering these issues off, this needs better communication with the wider populace, who also need time to take this complex change proposal on board. Parts of the community have the position that it is a community decision, not a Government or Council decision.

13. 'No worse off' arrangements are fit for purpose [in this context fit for purpose means recognises the potential impacts on Council and will get the necessary levels of funding]

Neutral - This is difficult to score as it is unclear how this will work at this stage of the process i.e. effectively stranded costs; or as stated by DIA "to ensure that no local authority

is in a materially worse position financially to continue to provide services to its community as a direct result of the reform”) there is a risk of not getting fair share of the funding package.

14. Council will remain financially viable if the proposed reform is implemented

Strongly Agree

15. ‘Better off’ arrangements are fit for purpose [in this context fit for purpose means sufficient to ensure that the community is financially better off as a result of the reform]

Disagree – The ‘Better off’ funding is apportioned in proportion to population, deprivation index and land area and provides a financial incentive in the short-term. However cross-subsidisation is likely after reforms are in place and will mean there will be unequal gains for communities especially due, for example, to inconsistencies in current levels of service and funding mechanisms (i.e. TCC residents all have meters).

Overall the Community will be financially worse off because of the huge cost increases that will come to be able to deliver appropriate services into the future and this will off-set any ‘efficiencies’ that may be realised. However, the funding won’t be coming from Council rates so there will be a direct improvement for ratepayers when considering their rates, in isolation.

16. The proposal will support councils in delivering on growth needs and aspirations

Disagree - There is greater level of uncertainty about how the proposal will enable quick decision-making to enable growth and therefore a fear that growth might be slowed. There would need to be strong alignment between council and Entity B in terms of prioritisation and timing of investment to fit growth needs. Removing debt associated with 3 Waters from Councils’ balance sheets would enable Councils to invest more in the other infrastructure required to enable growth. However, that requires a level of assurance or obligation to ensure 3 Waters infrastructure is delivered to provide for growth, which will be out of Councils’ control.

17. The introduction of a Water Ombudsman would improve the model

Strongly Disagree - Already too many layers and an Ombudsman would only look at process not decisions.

18. What else would improve the proposed model

- a. Governance

See earlier responses.

- b. Service delivery

There is good capability within the country, however this is maybe not consistent across all Councils, some do appear to be struggling to ensure appropriate levels of capability.

- c. finance and funding (free text) guarantee around hedging arrangements

Tauranga City Council (“Council”) operates an internal Corporate Treasury System and all external borrowing and associated interest rate hedging activities are managed centrally within the Corporate Treasury activity this provides benefit of treasury management equally across all activities of council.

Each Council activity operates with its own profit & Loss and balance sheet, and this system has been operating for over 20 years so it is easy to identify the amount of debt specifically related to three waters. The following proposal would provide for a fair transfer of debt and hedging arrangements

Proposal

- Based on 30 June 2024 individual balance sheets for 3Waters (Water, Wastewater and Stormwater), establish 6 six loans (3 General and 3 Growth) from Council to Entity B matching the individual balance sheets.
- Agree between Council and Entity B a series of loan repayments for each of these 6 loans.
- Agree interest rates for these loans aligned with Council's average external interest rates. Loans can be on a mixture of Fixed and Floating Rate basis.
- Agree with Local Government Funding Agency ("LGFA") to treat these loans from Council to Entity B to be as part of net debt for Council. As Entity B is expected to have Crown support for their borrowing so this should be acceptable to LGFA for net debt classification (similar to how Borrower Notes are currently treated as part of net debt).
- This methodology does not require any buy back debt from LGFA (or other parties) or unwinding of any existing interest rate hedging arrangements. This avoids the needs to realise gains/losses associated with unwinding existing arrangements and avoids additional costs to ratepayers from the transfer of debt.

d. workforce capability

TCC has good capability. A clear roadmap is necessary showing how workforce retention and development/training plans and offerings will be considered alongside this industry reform. There is work being done in this area, but it needs to be more connected.

e. social, community and economic well-being

Community and economic wellbeing will be impacted if there is misalignment of investment priorities and timing between entity B and council regarding investment e.g. in growth and transportation such as intensification and inner city redevelopment.

The impact on community wellbeing would be improved if there was better community understanding of what is proposed, including the issues that central government is trying to address and the objectives trying to be achieved.

In general, TCC water delivery is going well, except for the large costs which are coming and will be unaffordable for our community.

Nationally there appears to be issues with poor service delivery, costs and workforce constraints.

Part 2 - Assuming the reforms progress as proposed

Key issues

What are the top issues, risks or challenges your council is focussed on – e.g New entities will need to build strong relationships with the communities they serve

- ☒ Accountability to community

☒ Governance

- Co-governance
- Service levels
- Cross subsidisation
- Prioritisation of investment

☒ Impact on Council

- Representation

☒ Privatisation☒ Growth/development

- Economic development opportunities
- Rural water schemes provided by Council
- Private water supplies
- Impact on communities
- Impact on staff
- Impact on contracting market
- Delivering on LTP priorities

☒ Integration of spatial planning between Councils and Entity B

- Other [free text – can add a limited number of additional boxes to rate 1 - 5]

Transition

1. Assuming transition does occur in line with Government proposals, how prepared is your organisation for transition?

5

Provide examples of any actions you have taken to prepare the organisation for transition –

In terms of 3 Waters operations, supplying waters and providing services we are well prepared. TCC is setting up a project framework and seeking stimulus funding reallocation to allow some staff to focus on the project. Six workstreams will be mobilised, that align with LGNZ's 4 quadrants. However, the impact on the rest of the Council, in particular in consideration of the RMA and LGA Reform currently underway, is not well understood and prepared for.

2. What do you think are keys to a successful transition

- Agreement to fair transfer of debt and assets, adequate understanding of overheads.
- Understanding all the business risks and putting a project framework in place to manage these, including mitigating the risks identified below.
- Ensure a comprehensive Communication and Engagement Plan is developed and implemented so that staff, the community and partners are fully on board with the process.
- An adequately resourced programme (people and funds) that has clear Government and Council leadership. (No political interference once the “go” button has been pressed).

3. What do you think are the key risks to successful transition

- Time and speed
- Lack of Alignment - complex governance and risk of political interference
- Lack of community understanding/community perception
- Suitably skilled people (capacity and capability)
- ICT investment

4. What could the Entity B working group work towards transition on now, on a no regrets basis?

- ICT readiness, asset information, accurate assessment of debt pre and post reform.
- Clarification of stormwater asset responsibility for Entity and for TLA after reform including clarification of arrangements for stormwater reserves, and ponds, catchments etc.
- Understanding Resources Consents, TCC Consents, shadow workforce plan, upskilling key staff.

Other aspects

How did you develop your responses to this survey?

A Commission and CE workshop was undertaken to provide responses with a subsequent review by key staff.

Final question - Is there anything else you would like to add?

Central Government needs to just get on and make it happen. Once it is mandated the community will have certainty around the government’s decision and Councils can get on with delivering the proposal.

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** [↓](#)

Outline work programme for the Strategy, Finance Risk Committee for 2021/22 (as at September 2021)

	July-September 2021	October-December 2021	January-March 2022	April-June 2022
priority item (projects that the Committee will consider in the next six months that have the most significant impact on the community)	Remaining meeting date: 20 September	Established meeting dates: 1 November 13 December	Meeting dates to be determined	Meeting dates to be determined
Strategic framework				
City vision		Project update		
Council's strategic framework		Project update	Project update	Project update
Strategy development (new)				
Environment Strategy development		Project background and update	Review draft strategy and action plan	
Sustainability framework development			Review draft strategy and action plan	
Spaces & Places (Community Infrastructure) Strategy development		Project initiation and scope	Project update	Review draft strategy and action plan
Social Wellbeing Strategy development		Project initiation and scope	Project update	Review draft strategy and action plan
Te Ao Māori Strategy development		Project initiation and scope	Project update	Review draft strategy and action plan (?)
Climate Change Action Plan				Project initiation and scope
Strategy reviews				
Events Strategy		Review draft strategy		
Community centres / halls investment plan			Project update and direction	Review draft plan
Marine Strategy		Update on Marine Precinct	Project update and direction	
Wairoa River Strategy		Project update		
City Centre Strategy refresh and action plan		Project update	Review draft action plan	Endorse final plan
Growth management				
Growth and land use projects progress report	Quarterly report	Quarterly report	Quarterly report	Quarterly report
Transport strategy and planning projects progress report	Quarterly report	Quarterly report	Quarterly report	Quarterly report
Otumoetai Spatial Plan	Community engagement process	Project update	Project update	Endorse final plan
Infrastructure Acceleration Fund		Progress update	To be confirmed	To be confirmed
Housing Infrastructure Fund		Progress update	To be confirmed	To be confirmed
Development contributions policy		Work programme update		
Resource management issues and options - City Plan		Issues and options for consultation with key stakeholders and tangata	Issues and options for consultation with wider community	Direction on issues and options
Policy development				

Obj ID: A12730119

Outline work programme for the Strategy, Finance Risk Committee for 2021/22 (as at September 2021)

priority item (projects that the Committee will consider in the next six months that have the most significant impact on the community)	July-September 2021 Remaining meeting date: 20 September	October-December 2021 Established meeting dates: 1 November 13 December	January-March 2022 Meeting dates to be determined	April-June 2022 Meeting dates to be determined
Local Alcohol Policy - statutory review		Introduction and initial optioneering and direction	Review draft policy (?)	Consultation, hearings, deliberations, adoption (?)
Consultation with Tangata Whenua on Resource Consents Policy - review		Issues and options	Review draft policy (?)	
Use of Council land - multiple policies under review		Issues and options Review draft policy (?)	Consultation, hearings, deliberations, adoption (?)	
Draft Risk management policy - review		Consider revised draft		
Draft Fraud Prevention and Management Policy - review		Consider revised draft		
Mobile Shops Policy - review		Introduction and initial optioneering and direction	Issues and options (?)	Review draft policy (?)
Gambling Venues Policy - statutory review		Issues and options	Review draft policy (?)	Consultation, hearings, deliberations, adoption (?)
Public Art Policy - review		Issues and options	Review draft policy (?)	
Smokefree Places Policy - review		Issues and options	Review draft policy (?)	
Criteria for City Centre Development Incentive Fund - new		Review draft policy		
Community Amenity Funding framework / prospectus - new		Review draft		
Rates remission and postponement policies - review		Issues and options	Review draft policy (?)	
Back-flow Prevention Policy - new		Issues and options	Review draft policy (?)	Consultation, hearings, deliberations, adoption (?)
Prioritising the Use of Indoor Facilities Policy, and Outdoor Spaces Booking Policy - review			Issues and options Review draft policy (?)	
Open Space Policy - partial review (focused on Te Tumu and Tauriko West)		Review draft policy		
Annual report	Draft 30 June 2021 annual report for review	Audit management letter - 30 June 2021 attest audit		Audit engagement letter - 30 June 2022 attest audit
Government reform programme		Watching brief and, as required, contribution to submissions to central government	Watching brief and, as required, contribution to submissions to central government	Watching brief and, as required, contribution to submissions to central government
Other Audit NZ related matters	Audit management letter - Long-term Plan and consultation document			
Risk deep dives		Governance & reputation	Topic to be confirmed	Topic to be determined

Obj ID: A12730119

Outline work programme for the Strategy, Finance Risk Committee for 2021/22 (as at September 2021)

priority item (projects that the Committee will consider in the next six months that have the most significant impact on the community)	July-September 2021	October-December 2021	January-March 2022	April-June 2022
	Remaining meeting date: 20 September	Established meeting dates: 1 November 13 December	Meeting dates to be determined	Meeting dates to be determined
Financial and non-financial reporting		Qtr 1, 2021/22 monitoring report	Qtr 2, 2021/22 monitoring report	Qtr 3, 2021/22 monitoring report
Other quarterly reporting				
Health & safety		Quarterly report	Quarterly report	Quarterly report
Risk		Quarterly report (confidential)	Quarterly report (confidential)	Quarterly report (confidential)
Internal audit		Quarterly report (confidential)	Quarterly report (confidential)	Quarterly report (confidential)
Legal & litigation		Quarterly report (confidential)	Quarterly report (confidential)	Quarterly report (confidential)
Cyber maturity update		Quarterly report (confidential)	Quarterly report (confidential)	Quarterly report (confidential)
LGOIMA and Privacy Act requests		Quarterly report	Quarterly report	Quarterly report
Other				
Whareroa marae project			Project update	

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, Ohauiti, 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
Ohauiti 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**
[↓](#)

Quarterly Update – Growth / Land Use Planning Projects – September 2021

PROJECT	PROGRESS UPDATE	NEXT STEPS
Te Papa Spatial Plan	<p>The Te Papa Spatial Plan and Indicative Business Case are focused on supporting the intensification of this central part of the city. Following delivery of the Long Term Plan (LTP) the project is now in the implementation phase. A range of workstreams and projects are underway as follows:</p> <ul style="list-style-type: none"> • Cameron Road Multi Modal Stage 1: Underway. • Cameron Road Multi Modal Stage 2: Business case, Cultural Values Assessment and related workstreams commencing. • Low Cost Low Risk (LCLR) Movement Delivery Framework: To support improved multimodal options and growth, a LCLR delivery framework is being prepared, with a focus on the next three years and then wider 10-year delivery. • Gate Pā and Merivale regeneration: As part of broader SmartGrowth Priority Development Areas focus, ongoing collaboration between the partners is occurring to investigate options for housing regeneration in the Gate Pā and Merivale areas following delivery of Plan Change 26. • Racecourse and Golf Course Options and Engagement Study: Commencing October 2021; refer below for further detail. • Gate Pā Stormwater Investigations: Required to support future development and regeneration, initial option investigations are underway. • Infrastructure Acceleration Fund: As part of the of the IAF application, funding has been sought to support specific stormwater and movement related projects in the Te Papa area. Feedback on the first round of the application is due September 2021. • Wayfinding study: a citywide strategy is being scoped with the Te Papa area to form a key delivery area within this. • Pukehinahina Cultural Centre: A feasibility study / investment case for the Pukehinahina community centre is commencing – to be reported on separately. 	Continue with implementation actions.

Objective ID: A12830526

PROJECT	PROGRESS UPDATE	NEXT STEPS
The Otumoetai Spatial Plan	<p>The preparation for this project is currently underway through a project establishment phase. The last quarter of 2021 will focus on analysis, engagement and draft options development, with design sprints and refinement planned early in the new year. This project is similar to the Te Papa Spatial Plan, focusing on delivering a 30-year blueprint that provides strategic direction for growth of the area, forming the basis for the coordination of decision making within and across multiple agencies in a growth context. The plan will create an integrated land use and transport network for the local area that connects with the wider city, supported by public amenities, including a future implementation programme to achieve the intended outcomes. However, unlike the Te Papa Spatial Plan, there is much clearer strategic direction in relation to the required growth pattern and no Waka Kotahi business case is required – providing opportunity to streamline the process.</p> <p>The spatial plan will take form within a wider growth context, including building on the outcomes of the draft Tauranga Urban Strategy and the Urban Form and Transport Initiative (UFTI). The Otumoetai Multi-Modal Corridor (OMMC) is a vital part of creating a multimodal transport system for the city and subregion and is identified as a priority in the overarching UFTI programme business case, the Transport System Operating Framework (TSOF) and the Accessible Streets economic case (approved as part of UFTI in Aug 2020).</p> <p>Further to this, the National Policy Statement on Urban Development (NPS-UD) requires TCC to enable higher-density residential development in proximity to employment opportunities (including city centre and neighbourhood centres). Additional suitability criteria mapping has also been undertaken to give effect to NPS-UD policies which identifies areas with low, low-medium, medium, medium-high and high suitability. This will inform the future land use of the Otumoetai area.</p> <p>Engagement The preparation of the Spatial Plan will include working in partnership with the mana whenua of the Otumoetai area including representatives of Ngāti Ranginui, Ngāi Te Rangi, Ngāti Pukenga, Ngāi Tamarāwaho, Ngāti Tapu, Ngāi Tukairangi and Ngāti Hangarau, as well</p>	<p>September 2021</p> <ul style="list-style-type: none"> Project Establishment <p>September – January 2022</p> <ul style="list-style-type: none"> Analysis, engagement and draft options development <p>January/February 2022:</p> <ul style="list-style-type: none"> Reporting to Council <p>Feb/March 2022</p> <ul style="list-style-type: none"> Design sprint workshop <p>April/May 2022</p> <ul style="list-style-type: none"> Draft plan, testing and engagement <p>June 2022</p> <ul style="list-style-type: none"> Review and refinement <p>Mid 2022</p> <ul style="list-style-type: none"> Final Spatial Plan including implementation strategy

Objective ID: A12830526

PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>as wider engagement with iwi and hapū through the Te Rangapū Mana Whenua o Tauranga Moana Partnership.</p> <p>The project will involve residents, key stakeholders (eg schools, local businesses) and the wider community. This will ensure that the spatial plan reflects the community's needs and aspirations, as well as the strategic goal to encourage developments in and around centres.</p> <p>A significant amount of engagement has recently been undertaken in this area, including Vital Update, Quality of Life Survey and LTP submissions. As part of the engagement approach for the Otumoetai Spatial Plan, it is proposed to review existing engagement feedback for relevance and recency to inform a gap analysis of community feedback required and undertake targeted engagement accordingly. There will also be opportunities for engagement and involvement from the community on a preferred option and prioritisation of projects for the implementation plan. Community engagement will include a mix of targeted community groups and broader community touch points.</p> <p>Consideration will also be given to using the special consultative procedure as defined by the Local Government Act 2002 (section 83) and the added benefit this process would provide. Further detail and assessment on this will be provided through future reporting.</p> <p>Key stakeholder engagement will also be undertaken to informing and assisting in finalising spatial plan content and implementation strategy (e.g. MHUD, SmartGrowth, BOPRC, Waka Kotahi, Kāinga Ora, APL).</p>	

Objective ID: A12830526

PROJECT	PROGRESS UPDATE	NEXT STEPS
SmartGrowth Joint Spatial Plan (JSP)	<p>The JSP builds on the UFTI transport and land use business case and will replace the existing SmartGrowth Strategy. Key aspects of the project include:</p> <ul style="list-style-type: none"> a) Converting the UFTI Final Report, Proposed FDS 2018 and the existing supporting material into a framework similar to the Hamilton-Waikato Metro Spatial Plan and address any immediate short-term gaps. b) Developed as a desktop exercise, relying on targeted engagement (not a formal SCP process under the LGA), with a target completion date and approval in September 2021. c) Identifying gaps for filling in next iteration of the JSP, noting a fuller more comprehensive Spatial Plan will be developed between 2021-2024 to meet the requirements of the NPS-UD and any relevant future resource management reform requirements. d) The JSP will include a work programme of actions. One of these will be the Iwi Spatial Plan which is being scoped up separately and being led by the SmartGrowth Combined Tangata Whenua Forum. 	<p>Engagement with the SmartGrowth Forum is occurring during September / October 2020/21</p> <p>Final JSP to be taken to SmartGrowth Senior Leadership Group (SLG) December 2021</p>
Greerton Racecourse and Golf Course Options Study and Engagement	<p>Tauranga City Council has agreed to engage with existing users, mana whenua, government partners, other key stakeholders and the community to undertake an options study to explore the most appropriate and efficient use of the Greerton Racecourse and Golf Course land in the short, medium and long term. Initial stages of the project will include:</p> <ul style="list-style-type: none"> a) Pre engagement with mana whenua b) Pre engagement with existing users, government partners and key stakeholders c) Site assessment and a high-level functional brief to inform the various options d) High level options development ('in principle' design) – refer below e) Engagement with community, existing users, mana whenua, government partners and other key stakeholders to receive input and feedback on potential options f) Technical analysis of options and recommendation for preferred option(s) to be carried forward for further investigation. <p>Options to be considered will include community and stakeholder aspirations and the broader needs of the city, and may include:</p> <ol style="list-style-type: none"> 1. Status quo i.e. retention and improvement of the racecourse and golf course on site 	<p>September 2021</p> <ul style="list-style-type: none"> • Project Establishment <p>September – December 2021</p> <ul style="list-style-type: none"> • Engagement, site assessment and high-level options development <p>January/February 2022:</p> <ul style="list-style-type: none"> • Option assessment and recommendation for preferred option(s) <p>Post February 2022</p> <ul style="list-style-type: none"> • Further refinement and engagement in relation to preferred option(s)

Objective ID: A12830526

PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>2. Redevelopment on site, with retention of the racecourse and golf course, with the addition of other activities that align with community needs, such as may include:</p> <ol style="list-style-type: none"> auxiliary uses for Council community facilities e.g. sports fields, park and ride facilities, aquatic facility etc. By way of example, this could include consideration of locating some of the proposed western corridor sports fields to this location; and/or comprehensive residential/commercial development, to varying levels of scale and intensity (mixed with broader community activities, as above) in unutilised or under-utilised parts of the site. <p>3. Relocation of the racecourse and/or golf course (including assessment of alternative sites and funding options) and redevelopment options in line with (b) above on a wider scale.</p>	
Urban Design Panel	<p>Council are currently investigating next steps required to establish an Urban Design Panel. The establishment of a Panel has been raised through Plan Change 26 processes and proposed City Plan Review projects. It is a focus for Commissioners, with a direction to move forward.</p> <p>Urban design is concerned with the design of the buildings, places, spaces and networks and the ways people use them, and can be applied to a variety of scales and planning, from spatial planning and master planning through to residential and commercial land use development and public realm design. Good urban design is also integral to gaining public approval for changes in people's local neighbourhoods and across Tauranga, such as medium density living with greater intensification within existing urban areas such as Te Papa. With this in mind, it is envisaged that the Urban Design Panel will play a role in guiding both private development (encouraged through the resource management process) and public development (required as part of Council and other projects relating to public realm).</p> <p>There is a considerable amount of national research and experience in relation to urban design panels. Options have been considered and the overall approach proposed is establishing an urban design panel supported by appropriate city plan provisions and broader information and urban design guidance (such as the non-statutory Residential Outcomes Framework associated with Plan Change 26). In relation to private development, well-</p>	<p>September / October 2021</p> <ul style="list-style-type: none"> Detailed understanding of urban design panel requirements, logistics, associated costs and draft terms of reference <p>December 2021</p> <ul style="list-style-type: none"> Report update to Council draft Urban Design Panel Terms of Reference <p>Early 2022</p> <ul style="list-style-type: none"> Finalise Urban Design Panel Terms of Reference and commence establishment.

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>designed developments supported by the Urban Design Panel will likely benefit from a clearer pathway through the resource consent process in relation to urban design matters.</p> <p>The next steps in the process are to establish a detailed understanding of urban design panel requirements, logistics, associated costs and draft terms of reference.</p>	
City Centre Strategy and Action Plan	<p>SmartGrowth, UFTI and the Te Papa Spatial Plan identify the strategic role the city centre has to play as the commercial, cultural and civic heart of the sub-region and the need for the immediate focus on ongoing city centre regeneration. To help the city centre reach its potential, Council are now looking to prepare a refreshed City Centre Strategy and Action Plan to determine the next steps in enhancing public realm, movement (access, parking management, public transport and safety), culture and identity, community infrastructure and land use (including encouraging residential development in the city centre).</p> <p>Key project objectives include:</p> <ol style="list-style-type: none"> 1. A refresh of current City Centre Strategies 2. Creating a clear Action Plan with a focus on investment prioritisation over the coming ten years+ (including funding pathways) 3. Supporting city centre rejuvenation, including residential living 4. Integration of transport, land use, public realm, cultural and social outcomes, with a place-based focus and including a movement plan 5. Supporting delivery through governance and partnership. <p>This process will assist to deliver on the existing \$180m of city centre investment identified in the Long-term Plan, as well as setting out any additional interventions and investment priorities required to make our plans a reality; it will consider both the longer term vision and have a focus on what needs to be delivered in the next 10 years. The process will include engagement with mana whenua and key stakeholders, as well as subsequent engagement as specific projects are delivered. Whilst there is an opportunity for innovation</p>	<p>September / Early October 2021</p> <ul style="list-style-type: none"> • Consultant procurement <p>January 2022</p> <ul style="list-style-type: none"> • Early document review and engagement to identify common and agreed priority investments <p>April 2022:</p> <ul style="list-style-type: none"> • Draft refreshed City Centre Strategy and Action Plan <p>June 2022</p> <ul style="list-style-type: none"> • Final refreshed City Centre Strategy and Action Plan

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	through the process, a critical aspect of the work is the 'refresh' as opposed to 'reinvent' approach, acknowledging a significant platform of work to build off.	
Plan Change 26 - Housing Choice	<p>The Plan Change is to enable substantial residential intensification opportunities across the city's residential zones in the form of duplex, terraced housing and apartment typologies. This includes giving effect to the Te Papa spatial plan urban form.</p> <p>Council adopted the plan change for public notification on 13 October 2020 and the submission period extended from 10 November until 1 February 2021. This included 10 open days and opportunity to book a one on one session with staff.</p> <p>A total of 190 submissions were received on Plan Change 26 (Housing Choice). The further submission period was from 31 May to 25 June. The most substantive submission received was from Kainga Ora. Staff are still working through these issues raised with Kainga Ora</p> <p>Council appointed four independent hearings commissioners to the hearings panel for Plan Changes 26, 27 and 30 on 30 August 2021.</p>	<p>Staff are currently preparing the hearings report.</p> <p>Hearings are scheduled to start in November.</p>
Plan Change 27 - Flooding from intense rainfall Plan Change	<p>In December 2018, Council resolved to progress Plan Change 27 in relation to flood risk from intense rainfall.</p> <p>Engagement with tangata whenua, internal teams, Bay of Plenty Regional Council and Western Bay of Plenty District Council has occurred in March, April and May through face to face workshops and online meetings. These groups and key stakeholders were provided draft provisions for feedback and amendments were made to the draft provisions where appropriate to address the feedback received.</p> <p>There is a significant link between the Housing Choice Plan Change (PC26) and the Flooding from intense rainfall plan change (PC27) which ensures that the risk of flooding to life and</p>	<p>Staff are currently preparing the hearings report.</p> <p>Hearings are scheduled to start in November.</p>

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>property from intense rainfall is avoided or mitigated appropriately as development and redevelopment occurs across Tauranga.</p> <p>Council adopted the plan change for public notification on 13 October 2020 and the submission period extended from 10 November until 1 February 2021. This included 10 open days and opportunity to book a one on one session with staff.</p> <p>A total of 975 submissions were received on Plan Change 27 (Flooding from intense rainfall). Council received the same submission from 608 different submitters. The further submission period was from 31 May to 25 June.</p> <p>Council appointed four independent hearings commissioners to the hearings panel for Plan Changes 26, 27 and 30 on 30 August 2021.</p>	
Plan Change 30 - Earthworks	<p>Plan Change 30 is being progressed to address a small number of technical issues associated with the earthworks provisions in the City Plan including erosion and sediment controls on development sites.</p> <p>Notification, submissions and community engagement occurred in line with the other plan changes. A total of 30 submissions were received on Plan Change 30 (Earthworks). The further submission period was from 31 May to 25 June.</p> <p>Council appointed four independent hearings commissioners to the hearings panel for Plan Changes 26, 27 and 30 on 30 August 2021.</p>	<p>Staff are currently preparing the hearings report.</p> <p>Hearings are scheduled to start in November.</p>
City Plan Review	<p>The review of the City Plan is a statutory requirement every 10 years under the Resource Management Act 1991. The current Tauranga City Plan became operative in September 2013. Government direction through the national planning standards also requires the next Tauranga City Plan to be prepared and notified for public submissions by April 2024.</p>	<p>Complete Phase 2 of the project - Discussion document of key issues and options for key stakeholder and tangata whenua engagement due in</p>

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>At the UFTD Committee meeting on 21 July 2020, the project plan for the City Plan Review was endorsed.</p> <p>In addition, a Communications and Engagement Strategy; and Tangata Whenua and Maori Engagement Plan was prepared to inform the project plan. The Tangata Whenua and Maori Engagement Plan and project plan was presented to the Te Rangapu Mana Whenua o Tauranga Moana on 27 August 2020.</p> <p>Workshops were held with key stakeholders in March and July to understand issues and opportunities for the key resource management issues facing the city. Hui have also been held in March and July with iwi authorities, Te Rangapu Mana Whenua o Tauranga Moana and iwi/hapu RMU reps to understand issues and opportunities. Phase 2 is now nearing completion with discussion documents on issues and options to inform the City Plan review or an alternative process.</p> <p>Due to the government's resource management reform there is significant uncertainty about whether the City Plan review project will be progressed past Phases 1 and 2. It is appearing more likely that we will not move to formal notification of a proposed Plan and instead be developing a new plan at a regional level with the other councils in the Bay of Plenty under the proposed Natural and Built Environments Act. Due to this uncertainty Commissioners have directed staff to proceed with caution on this project and only undertake work on a 'no regrets' basis. We are yet to receive clear guidance on these matters from MfE. Direction on the City Plan Review will be sought from Council before the end of the year.</p>	<p>September/October and wider community engagement in early 2022.</p> <p>Report to Council late 2021 to determine next steps.</p>
Tauriko West Urban Growth Area	<p>Tauriko West is a proposed residential urban growth area of 3,000 - 4,000 dwellings. Structure planning is well advanced with remaining issues focused around a complex interplay of wetlands, streams, stormwater management and landform. However, the restrictive nature of the government's recent freshwater reforms introduced a risk to the viability of the growth area – a situation which hopefully will be rectified through MfE's current review of the NPS-FM/NESF regime.</p>	<p>Continue technical and engagement workstreams.</p> <p>Review and provide feedback on NPS-FM discussion document on wetlands.</p> <p>Review development implications of</p>

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>The recent release of the National Policy Statement for Freshwater Management (NPS-FM) and associated national environmental standards has a detrimental impact on the delivery of several critical elements of the structure plan, including road corridors and stormwater infrastructure, and lead to an inevitable loss of development yield. Delays related to resolution of these matters means that notification of a plan change to rezone this area has been delayed until 2022. MfE released discussion document on 1 September 2021, with changes proposed for the 'natural inland wetlands' provisions to enable a consenting pathway for housing development in growth areas. While this document is indicative of the changes being considered by MfE, this does not provide absolute certainty of the NPS-FM/NESF provisions being amended to resolve the current identified issues.</p> <p>As a result, the continued progress with structure plan related workstreams experiences delays and pushes out the timeframe for the ability to notify until early / mid 2022 for finalising the Structure Plan, and lodging the Streamlined Planning Process (SPP) application for the Plan Change with MfE, as well as lodgement of the comprehensive stormwater consent (CSC) with the Regional Council.</p> <p>The use of the RMA Streamlined Planning Process proposed for this growth area has the advantage of certainty for process and timeframe; and is subject to Commissioner and Ministerial approval. Preliminary work is currently underway to commence preparation of the application details.</p> <p>Other workstreams underway include:</p> <ul style="list-style-type: none"> • servicing, access and staging (including both the enabling and long-term transport business cases); • funding (including working with Crown Infrastructure Partners); • ongoing engagement with tangata whenua, landowners and the community (including recent landowner meetings with Redwood Lane residents); and • Ongoing discussions with Waka Kotahi (NZTA) and Kainga Ora regarding developable land, yield estimates and higher densities in relation to modal shift, increased public 	<p>proposed changes in draft discussion document.</p>

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>transport use, walking and cycling, and associated greenhouse gas emission reductions; as well as social infrastructure, amenity and place-making.</p> <p>Council continues to work proactively with Mana Whenua for Tauriko West through Te Kauae a Roopu; a hapu led forum that meets regularly to discuss project updates, cultural values, and progress on technical assessments.</p> <p>Development feasibility assessment for the project has been updated. This work looks at the project from a developer's perspective focusing on costs, revenues, profit and risk. This work demonstrates that at this point in time the project is commercially feasible, and this is especially supported by significant increases in section and house prices over recent years even though land development and infrastructure costs have also increased. The work also demonstrates that the project would still remain feasible with section prices significantly less than current market conditions. It is important to recognise that this work is focused on market prices and there remains a significant gap between the market prices for sections and houses and what would be considered affordable for many parts of our community. Wider workstreams (largely outside this project) are addressing the broader affordability issue.</p>	
Te Tumu Urban Growth Area	<p>Work on the Te Tumu Growth Area project has involved the completion of various technical assessments to inform the creation of a draft structure plan. The inputs for the technical reports have been based on three population scenarios to ensure that appropriate infrastructure can be delivered. These three population scenarios range from a base of 15,500 people up to 25,000 people.</p> <p>Most technical workstreams are now complete with final reporting of these now informing the identification of appropriate land use zoning and supporting spatial overlays and the development of RMA planning provisions to inform necessary plan change documentation and support the delivery of the draft structure plan. Development of planning provisions includes consideration to enabling greater residential density and improved urban form outcomes across the growth area in accordance with relevant national planning direction</p>	<p>Continue technical and engagement workstreams, including Maori land issues.</p> <p>Review and provide feedback on NPS-FM discussion document on wetlands. Review development implications of proposed changes in draft discussion document.</p>

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>(i.e. NPS-UD). Updates to some natural hazard work has also been completed to account for updated Ministry for the Environment (MfE) guidance on sea level rise – including updates to tsunami and coastal erosion modelling. The recent release of the National Policy Statement for Freshwater Management (NPS-FM) and associated national environmental standards has a detrimental impact on the delivery of several critical elements of the structure plan, including road corridors and stormwater infrastructure, and lead to an inevitable loss of development yield. Delays related to resolution of these matters means that notification of a plan change to rezone this area has been delayed until 2022. MfE released discussion document on 1 September 2021, with changes proposed for the ‘natural inland wetlands’ provisions to enable a consenting pathway for housing development in growth areas. While this document is indicative of the changes being considered by MfE, this does not provide absolute certainty of the NPS-FM/NESF provisions being amended to resolve the current identified issues.</p> <p>In addition to working with landowners on the development of planning provisions, discussions are also ongoing with these landowners on the preparation of funding agreements for the delivery of infrastructure and services within this urban growth area, along with the potential staging of the delivery of these assets. Work has also commenced on potential timing for re engagement with iwi authorities, and the wider community in relation to project updates and progression of a future plan change.</p> <p>On 9 April 2020 the Māori Appellate Court released its decision affirming the earlier decision of the Māori Land Court dismissing the application by the Trustees of the Tumu Kaituna 14 Māori land block for a change of status to part of the land block (from Māori land to general land) and a Trust order variation. The Trust subsequently lodged an appeal of this decision with the NZ Court of Appeal, which was heard in April 2021. The Trust were advised of a decision likely being released three months following this hearing, however no decision has yet been released. If successful, the Trust would most likely be directed to prepare a new application to the Māori Land Court in order to achieve their desired outcomes. To support a future application, legal advice on options for enabling infrastructure corridors through Māori land has been received and the Trust is planning to hold a number of hui with its beneficial landowners to discuss these options. At this point, dates of these hui have not</p>	

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>been set. Provision of infrastructure corridors through this land block to support delivery of development across the remainder of the growth area will likely be subject to not only the outcomes of the Court of Appeal process, but ensuring that any potential future applications to the Māori Land Court reflect a robust and detailed engagement process between the Trust and its beneficial owners. The recommencement of council-led engagement on this project, particularly with iwi authorities does rely on the Trust commencing with engagement with its beneficial owners. TCC staff were invited to a Trust Board meeting on 9 September 2021 where it was evident that the Trustees are supportive of moving forward with engagement and legal pathways to enable development. The Trust has legal, communication and digital channel advisors who are all providing professional assistance to the Trust on matters associated with infrastructure corridors and beneficial owner engagement. This is positive and provides a pathway forward, noting that there are significant issues to be worked through and actual development is still some years away.</p> <p>Assessment on development feasibility for the project has been updated. This work considers a range of variables including costs, revenues and profit that have the potential to impact on delivery of the growth area by developers. This work demonstrates that currently, given anticipated development yields and despite increases in the cost of land development and infrastructure, the project remains commercially feasible. This outcome reflects the positive benefits of higher yields and especially the significant increases in section and house sale prices over recent time. The work also demonstrates that the project would still remain feasible with section prices less than those under current market conditions. It is important to recognise that this work is focused on market prices and there remains a significant gap between the market prices for sections and houses and what would be considered affordable for many parts of our community. Wider workstreams (largely outside this project) are addressing the broader affordability issue.</p>	
Future Urban Growth Areas: Keenan Road	<p>The Keenan Road area is located south of The Lakes. It is earmarked for residential development of circa 2,000-2500 homes. The city's jurisdictional boundary was recently shifted to now include all of this area. There are a range of landowners (including developers) in Keenan Road ready to develop.</p>	<p>Continue to work with BoPRC to progress the change to the Urban Limits Line in the Regional Policy Statement.</p>

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>We intend to structure plan the area over the next few years. If the City Plan review does not progress other options will be considered including a standalone plan change. Wider water/wastewater planning is already underway as part of planning for Tauriko West, and the wider Western Corridor.</p> <p>Prior to progressing rezoning of Keenan Road, the Regional Council will need to change the Urban Limits Line within the Regional Policy Statement (i.e approx. 1/3 of the growth area is outside of the urban limits line). This work has commenced.</p> <p>Planning for Keenan Road will also require a business case to be progressed for transport access and investment.</p>	
<p>Future Urban Growth Areas:</p> <p>Lower Belk Road area (Tauriko Business Estate Extension)</p>	<p>The Lower Belk Urban Growth Area jurisdictional boundary was shifted into the TCC jurisdiction by the Local Government Commission on the 1 March 2021.</p> <p>Discussions have been held with the majority landowner of the future extension of the Business Estate, and they will seek a private plan change to rezone and structure plan this land area. The landowners propose to use the streamlined planning process, which will require TCC to adopt the plan change prior to seeking ministerial approval.</p> <p>The landowners propose to have the draft plan change ready for TCC review and adoption by late 2021. This will be subject to changes to the BOPRC Regional Policy Statement regarding urban limit line changes. TCC has appointed a staff lead to work with the landowners and coordinate TCC involvement in this process, and regular monthly meetings have been established.</p> <p>The landowners have commissioned a number of technical assessments in support of their plan change, including stormwater, transport, archaeology, etc.</p>	<p>Work with majority landowner to progress a private plan change.</p> <p>Continue to work with BoPRC to progress the change to the Urban Limits Line in the Regional Policy Statement.</p>

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	Wider water/wastewater planning is already underway as part of planning for Tauriko West, and the wider Western Corridor.	
Smiths Farm	As part of the Takitimu North Link (TNL) project NZTA will deliver the Smiths Farm access road which will provide access and reticulated services to enable development of this site. The TNL project is expected to take 5-6 years to be completed and as such the site cannot be developed immediately.	Await delivery of access road and outcomes of discussions on Parau Farm as well as investigations into alternative sports field location options
Parau Farm	<p>Parau Farms has been earmarked for sports field development for some time. However, given the housing challenges facing the city and the delays in being able to develop Smiths Farm TCC is working with the government on the possibility of developing this site for housing. It has a number of positive attributes including high amenity, relatively large size and scale, close to the Bethlehem town centre, schools and public transport. As these investigations continue there will be engagement with tangata whenua and the local community. Should housing proceed on site the Smiths Farm site may revert to sports fields.</p> <p>An Infrastructure Acceleration Fund application has made to support infrastructure investment required to enable development of the site.</p>	Detailed reporting to upcoming Council meeting (likely Oct 2021)
Government Policy & Initiatives	<p><u>RMA Reform</u></p> <p>The Government is reforming the resource management system. It intends to repeal and replace the Resource Management Act 1991 (RMA) with three new Acts – the Natural and Built Environments Act (NBA), Strategic Planning Act, and Climate Change Adaption Act.</p> <p>TCC lodged a submission on the NBA which was retrospectively received by the Strategy, Finance and Risk Committee at the 16 August 2021 meeting. Commissioners Tolley and Wasley presented the submission to the Select Committee on Monday 6 September.</p>	Continue to make submissions as appropriate and engage with the Government and its officials on matters as they relate to Tauranga.

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>In addition to the Select Committee Inquiry, several TCC staff are involved in an informal practitioner group advising Ministry for the Environment on the development of key provisions and processes under the NBA – this process is ongoing. TCC also has a representative on the Taituara Resource Management Reform Reference Group.</p> <p><u>Proposed Government Policy Statement on Housing and Urban Development (GPS-HUD)</u></p> <p>Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD) is leading the development of the GPS-HUD, which is intended to communicate the long-term vision and change needed in housing and urban development in New Zealand.</p> <p>TCC lodged a submission with HUD on 29 July 2021 which was subsequently retrospectively received at the 16 August Strategy, Finance and Risk Committee.</p> <p><u>National Policy Statements & National Environmental Standards</u></p> <p>National Policy Statement for Freshwater Management</p> <ul style="list-style-type: none"> On the 1st September TCC was advised that MfE had released a discussion document with a view to rectify the issues experienced by wetland provisions within the NPS-FM . The consultation period on the documents is open for six weeks. <p>The purpose of the proposed changes are to:</p> <ul style="list-style-type: none"> Make the definition of 'natural wetland' clearer. Make it easier to undertake maintenance and restoration activities in and around natural wetlands. Provide regulatory provision for biosecurity activities in and around natural wetlands. 	

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	<ul style="list-style-type: none"> ○ Include Resource Management Act 1991 consenting pathways for quarrying, landfills, cleanfills and managed fills, mineral mining and urban development. • Staff has commenced the review of the documentation and will then develop the preparation of both a submission and testing of the proposed changes in terms of the likely outcomes on our growth areas. We will connect in with Commissioners when we have some substantive completed work to share. <p>National Policy Statements for Highly Productive Soils and Indigenous Biodiversity</p> <ul style="list-style-type: none"> • The Government is progressing further National Direction on highly productive soils and indigenous biodiversity. MfE have recently advised that an exposure draft for indigenous biodiversity will be available for targeted consultation in the next few months. 	
Natural Hazards & Resilience Planning	<p>Natural hazard work is progressing as follows:</p> <ul style="list-style-type: none"> • Modelling of open coast inundation from Mount to Te Tumu is currently being undertaken by NIWA for BoPRC and the results will be incorporated into TCC hazard maps. Release of this information to the community is anticipated late-2021. It is likely to impact a number of properties along the coast only in the higher order likelihood events, with 100 years plus sea level rise. • City wide land stability assessment is currently being undertaken by WSP consultants. This is a technical advance on our current static hazard lines and will incorporate probability into the analysis for the first time. Release of this information to the community is now anticipated in 2022. TCC has initiated a relationship with BoPRC, Waikato Regional Council, Auckland Unitary Council and EQC in order to standardise our 	<p>Completion of studies on land stability, and open coast inundation.</p> <p>Continuation of programme planning for implementation of resilience project.</p>

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>approach and share resources. This relationship will be to our benefit in both time and cost and provides an additional level of quality assurance and validation of our final mapping. A pilot study completed in December 2019 indicated that this new probabilistic mapping is not likely to negatively impact properties as the existing 2001 mapping is generally conservative by comparison, other than in areas where mapping had not been undertaken before. Recent work has shown impacts are however likely in the Welcome Bay area, due to this being one of the first attempts at mapping slope instability at a citywide scale in this location.</p> <ul style="list-style-type: none"> Work is underway to test varying options for liquefaction and lateral spread treatment to identify potential options for compliance with the Bay of Plenty Regional Policy Statement. A review of the RPS likelihoods for liquefaction is now underway, jointly funded by TCC, BoPRC and SmartGrowth. TCC has taken the Project Management lead on this project. The first stage of the project is to review RPS likelihoods. A second stage is then to test feasible mitigations for land/foundation types. Additional work which is to be undertaken by Council includes a review of the existing groundwater surface model. 	
Housing and Business Assessment (HBA)	<p>The urban areas of Tauranga City and the Western Bay of Plenty District are classified as “Tauranga Tier 1 urban environment” under the National Policy Statement on Urban Development 2020 (NPS-UD). The NPS-UD requires that Tauranga City Council, Western Bay of Plenty District Council and Bay of Plenty Regional Council, undertake a Housing and Business Development Capacity Assessment (HBA). For the first HBA under the NPS-UD only the housing assessment is required, to be submitted by 31 July 2021. The housing assessment addresses housing demand, development capacity (supply) and sufficiency.</p> <p>The HBA was prepared by a Technical Working Group under the guidance of the SmartGrowth Senior Managers Group (SMG). Membership of the SMG includes representatives from Tangata Whenua, TCC, WBOP District Council, BOP Regional Council, Waka Kotahi, Kāinga Ora and the Ministry of Housing and Urban Development.</p>	<p>Engage with Minister on letter addressing non-compliance with development capacity requirements</p> <p>Final HBA to be reported to SmartGrowth Senior Leadership Group (SLG) 15 September 2021 for information purposes, and published online following this meeting.</p>

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PROJECT	PROGRESS UPDATE	NEXT STEPS
	<p>The final draft of the HBA was lodged with the Ministry for the Environment on the 31 July 2021, the HBA lodgement deadline. Following lodgement of the final draft HBA, further revisions were made by the SMG at its 13 August meeting before it was considered and approved by the Chief Executive Advisory Group (CEAG) on 25 August 2021. The updated Final HBA is available on the SmartGrowth website.</p> <p>An overview of the main findings will be given to the SmartGrowth Leadership Group (SLG) meeting on 17 September as part of the Strategic Advisor's bimonthly report. The final HBA report will then be made publicly available on the SmartGrowth website and partner Council websites.</p> <p>For Tauranga City a short term insufficiency was identified without the required "competitiveness margins" applied (+20% for short and medium term, +15% for long term), and a short, medium and long term insufficiency identified with the margins applied. As a housing insufficiency for Tauranga City was identified, TCC has written to the Minister of Environment to advise of this and the steps being taken to address the insufficiency. This letter was publicly reported at the Council meeting of 13 September.</p> <p>A full HBA, including the business part of the HBA, and Future Development Strategy is required in time to inform the 2024-34 Long Term Plan.</p>	

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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** [↓](#)

Attachment A: Quarterly Update - Transportation Planning Projects – September 2021

Project Description	Current Update (key matters)	Next Steps and Identified Risks
Planning Projects		
<p>Western Bay of Plenty Transport System Plan (TSP)</p> <p>The purpose of the WBTSP is to identify the preferred strategic form of the City's key transport network to deliver appropriate levels of service for all transport modes. As part of this, there will be a specific focus on long-term options and solutions for key pinch points in the network such as the Hewletts Road area.</p>	<ul style="list-style-type: none"> The Council partners and Waka Kotahi have been progressing the priority activities (e.g. policy initiatives; business cases) which includes resource planning, procurement plan development and further analysis of the costs to support the next stage of works to deliver these activities. These priority activities include: <ul style="list-style-type: none"> Policy initiatives related to the Travel Demand Management, Tauranga Parking Strategy, and BoPRC Bus Fares. Improvement project business cases for: <ul style="list-style-type: none"> Public Transport Services & Infrastructure Cameron Rd Stage 1 and Te Papa and wider multi-party programme governance Cameron Rd Stage 2 15th Ave / Turret Rd / Welcome Bay Rd SH2/Hewletts Rd/Totara St/Hull Rd/Manganui Rd sub-area 	<ul style="list-style-type: none"> The National Land Transport Programme (NLTP) was released by Waka Kotahi on 7 September 2021. In the NLTP activities are prioritised as either: <ul style="list-style-type: none"> Committed – meaning funding is approved for the activity in a previous NLTP and carried forward to the 2021-24 NLTP. Approved – meaning funding is approved for the activity in the 2021-24 NLTP. Probable – meaning these are new activities that are expected to proceed during this NLTP period, subject to a successful business case and funding being available when the application is received. Possible – meaning high priority activities that have been include but are not expected to be funded during the 201-24 NLTP period. Key highlights of the NLTP decision are that: <ul style="list-style-type: none"> Minor improvement programme ('low cost low risk' programme of activities related to safety, public transport infrastructure & walking and cycling activities) – Approved Accessible Streets Area B (Otumoetai/Bellevue/Brookfield) – Probable (business case; design; implementation) Accessible Streets Area A (Mount/Papamoa/CBD) – Probable (business case; design) Public Transport Services & Infrastructure: Probable (business case) Cameron Rd Stage 2: Probable (business case; design)

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Attachment A: Quarterly Update - Transportation Planning Projects – September 2021

Project Description	Current Update (key matters)	Next Steps and Identified Risks
Planning Projects		
		<ul style="list-style-type: none"> 15th Ave/Turret Rd/Welcome Bay Rd: Probable Business case & design) SH2/Hewletts Rd/Totara St/Hull Rd/Manganui Rd sub-area: Probable (business case; design; Hewletts Road / State highway implementation identified from 2025/26) Further assessment of the NLTP decision-making and its impact on the WBTSP Implementation Plan and Council Long Term Plan delivery.
Inter-regional rapid rail investigation	<ul style="list-style-type: none"> In August 2020 the Government announced that it will undertake an Indicative Business Case (IBC) to investigate the potential for rapid rail between Hamilton and Auckland. The Minister has released the findings of an interim IBC (higher level scenarios and options), and Cabinet has agreed to initiate a process to develop the next stages of the project. In its decision the Government also included a mandate to initiate an investigation of a separate IBC for extending rapid rail to Tauranga, and how that would fit with the Hamilton to Auckland IBC. The Ministry of Transport (MoT) is leading this work and has signalled its keenness for relevant local and regional government like Tauranga and Hamilton City Councils and Waikato and Bay of Plenty Regional Councils to have a role in the project. 	<ul style="list-style-type: none"> MoT have advised that they now have direction from the Minister to complete IBC. This investigation is expected to commence in October and be completed by mid-2022. MoT have advised that the direction from the Minister is to consider the connection between Hamilton and Tauranga but only in the context of how it might influence the Hamilton to Auckland section at a higher level (e.g. potential passenger demand). MoT have advised that the current investigation won't be looking at options and scenarios for a Hamilton to Tauranga connection.
Tauranga Parking Strategy	<ul style="list-style-type: none"> In August 2021 Council approved the draft Tauranga Parking Strategy for public consultation. Public consultation is to run for approximately 1 month over September / early October. 	<ul style="list-style-type: none"> The feedback received from consultation may result in changes being proposed to the draft Strategy. Recommendations will be reported to Council in October/November 2021. Subject to adoption of the Parking Strategy, the development of 'area-based' Parking Implementation Plans (PMP's) for priority areas (e.g. City centre) will be delivered.

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Attachment A: Quarterly Update - Transportation Planning Projects – September 2021

Project Description	Current Update (key matters)	Next Steps and Identified Risks
Planning Projects		
Regional Public Transport Plan (RPTP) review The RPTP is a statutory document prepared by the Bay of Plenty Regional Council (BoPRC). It provides policy direction and guidance to support investment in public transport across the BOP region.	<ul style="list-style-type: none"> BoPRC are required to review the RPTP every 3-years. The RPTP was last reviewed in 2018. Since 2018 there have been significant changes to the operating environment for public transport in Tauranga City and the wider western Bay of Plenty. The RPTP review project scope was approved by the Regional Public Transport Committee (RPTC) at their March 2021 meeting. At the RPTC meeting in August 2021, BoPRC staff provided a project update which identified the research papers and initial engagement that is proposed as part of the review. Examples of the research paper topics include: Network planning principles and concepts; School services; Public transport accessibility; Zero emission public transport; Fares, Rail; Infrastructure. 	<ul style="list-style-type: none"> TCC staff are continuing to work with BoPRC staff on the development of the Research Topic Papers with a particular focus on the Infrastructure topic. Work is ongoing to clarify the role and purpose of the RPTP review relative scope of the TSP Combined Public Transport Services & Infrastructure business case. This is to ensure clarity of the role and purpose of each activity including in relation to the review of the current public transport service model.
Eastern Corridor Transport Planning (Te Tumu & Wairakei)	A number of transport focussed workstreams remain underway related to the Te Tumu structure planning process and the Papamoa Eastern Interchange (PEI), these include: <ul style="list-style-type: none"> Continued development of the detailed design for the PEI to provide access onto the Tauranga Eastern Link to provide for development of the Wairakei Town Centre area and for Te Tumu in the future. Through the LTP it was agreed to bring forward delivery of the PEI, subject to revision of the Housing Infrastructure Fund (HIF) application. The documentation and analysis (e.g. transport modelling; benefit cost appraisal) to support the revised HIF bid is developing and supported by a close working relationship with the relevant government department officials. Waka Kotahi has approved the 'point of entry' to deliver the business case for potential co-funding of 	<ul style="list-style-type: none"> Progress Te Tumu transport infrastructure business case. First steps include procurement of a supplier to support delivery of the business case. Complete structure planning workstreams and funding negotiations with developers / landowners. Complete the documentation and analysis to for the revised HIF application.

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Attachment A: Quarterly Update - Transportation Planning Projects – September 2021

Project Description	Current Update (key matters)	Next Steps and Identified Risks
Planning Projects		
	<p>transport infrastructure through the Wairakei town centre (e.g. bus facility) and Te Tumu.</p> <ul style="list-style-type: none"> Transport planning workstreams associated with Te Tumu structure planning are well advanced. The structure plan includes dedicated public transport lanes on The Boulevard through Te Tumu to the Wairakei Town Centre, high-quality walking and cycling connections, and general traffic lanes. 	
<p>Bay of Plenty region Travel Demand Management (TDM) program</p> <p>A project that will identify and deliver a range of TDM interventions across the BOP region. The work includes a section which is to focus on the WBoP sub-region and the identification of interventions to compliment the broader TSP infrastructure program.</p>	<ul style="list-style-type: none"> The scoping of this project is currently being led by BoPRC with TCC staff playing a key role in the projects technical Steering and Working groups alongside representatives from the regions other local Councils. A stocktake exercise has been undertaken to establish a baseline of material and TDM activities already available and being implemented across the BoP. In August a technical workshop, facilitated by Regional Council staff and attended by staff representing the regions local councils, was held to identify key areas of focus for the Project. This identified higher level TDM strategic responses that could be used to manage (usually reduce) demand that were considered to be of most relevance to the BoP. Examples of the strategic responses include the use of technology, creating a culture of change that encourages the use of active and public transport modes, or providing sustainable transport awareness and options ahead of change (i.e. moving house or work or opening up a new growth area). 	<ul style="list-style-type: none"> Scoping of the Projects Phase 2 (program development) is now underway. This will use the stocktake and workshop findings from phase one to identify the programs of work for assessment and prioritisation (e.g. how well they complement and deliver on the direction of local area-based planning like the TSP).

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Attachment A: Quarterly Update - Transportation Planning Projects – September 2021

Project Description	Current Update (key matters)	Next Steps and Identified Risks
Planning Projects		
Hewletts Road Sub-Area Business Case	<ul style="list-style-type: none"> The scoping of this business case (i.e. Point of Entry) is currently being led by Waka Kotahi with TCC staff also having a key role. The TSP Programme Management Group have met to discuss the focus of the point of entry from the various project partner perspectives to help ensure alignment on matters like geographic scope, how to give effect to the direction provided by UFTI & the TSP, option development and business case outputs. 	<ul style="list-style-type: none"> The business case, planning and design is included as a 'probable' activity in the NLTP 2021-24. Once drafted, the PoE will be reviewed by the various Project partners and taken through respective organisational approval processes. Gain endorsement of the PoE by appropriate Waka Kotahi management. Procurement process to appoint suppliers to deliver the business case.

Project	Current Update (key matters)	Next Steps and Identified Risks
State Highways Projects		
State Highway 2 North (Waihi To Tauranga) including the Takitimu North Link & 15th Avenue on-ramp	<ul style="list-style-type: none"> In January 2020 the Government announced the New Zealand Upgrade Programme (NZUP) (https://www.nzta.govt.nz/planning-and-investment/nz-upgrade/overview/) For the BoP, the \$993m investment package included the TNL (\$478m) and the SH2 Te Puna to Omokoroa (\$455m) projects. Relevant links: https://www.nzta.govt.nz/planning-and-investment/nz-upgrade/waikato-and-bay-of-plenty-package/tauranga-northern-link/ https://www.nzta.govt.nz/planning-and-investment/nz-upgrade/waikato-and-bay-of-plenty-package/te-puna-to-omokoroa/ Waka Kotahi's has procured services to deliver the final detailed design for the TNL and hopes to award the construction contract before the end of the year subject to final land purchase negotiations. The 	<ul style="list-style-type: none"> TCC continues to work with Waka Kotahi on a range of issues associated with design, network capacity, the continuity of managed lanes and safety. Waka Kotahi are still to confirm their process for considering matters like the potential tolling of TNL and the revocation of the existing State Highway 2 through Bethlehem and Te Puna that is bypassed by the project.

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Attachment A: Quarterly Update - Transportation Planning Projects – September 2021

Project	Current Update (key matters)	Next Steps and Identified Risks
State Highways Projects		
	Smiths Farm access road is delivered through the TNL project.	
<p>Western Corridor (SH29 Tauriko / Tauriko West)</p> <p>In 2018 the development of a Detailed Business Case (known as the 'Enabling Works' package) to identify the transport activities to open-up the initial stages of the Tauriko West and continued development of the Tauriko Business Estate started. This project was established to progress investigations as a result of the 'Long-term business case' being placed on hold by the Waka Kotahi.</p> <p>In 2020, Waka Kotahi re-started the Long-Term Detailed Business Case to identify improvements to SH29 and other improvements (local road; public transport; walking & cycling) to enable growth in the wider Western Corridor.</p> <p>Both business cases continue to be developed in an aligned manner.</p>	<p>Tauriko Enabling Works Detailed Business Case</p> <ul style="list-style-type: none"> The Enabling Works business case seeks to enable the Tauriko West urban growth area (UGA) to be opened for approximately 2,000 new households. Key elements of the Enabling Works improvement package include: <ul style="list-style-type: none"> Improvements to SH29 / Cambridge Rd / Whiore Avenue intersection. A new access to Tauriko West from SH29 near the existing service station on the western side of the highway in Tauriko Village. A southern roundabout connection at SH29 to the Tauriko Business Estate and Tauriko West The western corridor ring road Stage 1 (linking SH29 through the Tauriko Business Estate. Walking / cycle paths and bus infrastructure, including a bus only connection to Whiore Ave which links to Tauranga Crossing. New main road through Tauriko West (also known as 'spine road') A Travel Demand Management (TDM) Package to further improve mode shift. Further preliminary design development is being progressed to respond to the findings of the Road Safety Audit. Transport modelling has been undertaken to assess the impact on the wider network (beyond the 	<p>Both the Long-Term and Enabling Works business cases are taking longer to complete than anticipated. This is likely to affect the project timeframes for progressing the Tauriko West project. This issue is subject to ongoing discussion between TCC and Waka Kotahi.</p> <p>Tauriko Enabling Works Detailed Business Case</p> <ul style="list-style-type: none"> NLTP 2021-24: <ul style="list-style-type: none"> Business case – <i>Committed</i> Detailed design, consenting and implementation: <i>Probable</i> <p>Note: Waka Kotahi component for Cambridge Road intersection is <i>Possible</i>.</p> Continue to progress the cost share discussions with Waka Kotahi and Tauriko developers for transport infrastructure to support the Enabling Works package. Continue to develop the Tauriko West internal collector road cross section with landowners / developers. Continue to undertake the technical analysis i.e. transport modelling, preliminary design development, Travel Demand Management package, and cost estimates, to enable the business case to be completed and reported through governance structures at TCC (programme for end of 2021) and Waka Kotahi (programmed for early 2022). Waka Kotahi have confirmed their intent to lead the construction delivery of the Enabling Works projects once the business case has been completed and endorsed. Work is ongoing between TCC and Waka

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Project	Current Update (key matters)	Next Steps and Identified Risks
State Highways Projects		
	<p>Enabling Works project scope) from enabling 2,000 households.</p> <ul style="list-style-type: none"> To enable an Enabling Works package to progress with support from Waka Kotahi, it will be necessary for developers and councils to commit to a complimentary set of initiatives such as minimum densities (likely to be in excess of 25 dwellings / ha on average), delivery of PT infrastructure/services, a package of Travel Demand Management initiatives and the delivery of bus priority measures and cycleway improvements. <p>Tauriko Long-Term Detailed Business Case</p> <ul style="list-style-type: none"> Assessment of the three short listed options has taken place, including discussions around moving to a preferred option. This currently sits with Waka Kotahi to confirm. TCC staff are working closely with Waka Kotahi on this exercise. Community engagement referred above also covered the long-term State Highway options. 	<p>Kotahi to agree the detail for how this delivery will occur.</p> <p>Tauriko Long-Term Detailed Business Case</p> <ul style="list-style-type: none"> Business case to confirm preferred long-term option: <i>Committed</i> in NLTP. <p>Note: Business case will need to make the case for bringing forward next stage activities like corridor protection/designation, detailed design and implementation into the NLTP.</p> <ul style="list-style-type: none"> SH29A 'optimisation package': Business case is <i>Probable</i> Confirm assessment of the 'short-list' to confirm a preferred option and allow the business case to be completed and reported through governance structures at Waka Kotahi.

Project	Current Update (key matters)	Next Steps and Identified Risks
Multi Modal Projects		
<p>Bus facility – Arataki</p> <p>Project to confirm the permanent bus facility for the Arataki area</p>	<ul style="list-style-type: none"> A project update paper was presented to Council on 21 June 2021 that set out the next steps, issues and estimated timeframes for the delivery of the project. 	<ul style="list-style-type: none"> NLTP 2021-24: Business case – Committed; Pre-implementation (consenting & detailed design) & delivery – <i>Probable</i>. The procurement process to appoint a supplier to support the development of the business case and community engagement is now underway. This stage of work to identify the preferred bus facility is programmed to be completed in March 2022,

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Project	Current Update (key matters)	Next Steps and Identified Risks
Multi Modal Projects		
		subject to public engagement and the feedback received to this.
Bus Facility – City Centre An improved City centre bus facility is identified as important in UFTI, the TSP and the Te Papa Spatial Framework.	<ul style="list-style-type: none"> Work to assess the preferred location of a City Centre bus facility will form part of the movement component of the City Centre Spatial Framework Review. This will include consideration of previous assessment work to identify a location for a facility. 	<ul style="list-style-type: none"> NLTP 2021-24: Business case & Pre-implementation (consenting & detailed design) – <i>Probable</i>. Scoping and procurement of the City Centre Spatial Framework Review to be completed in October. In addition, the RPTP is to investigate the bus service operating model (e.g. hub-spoke; thru-routing; hybrid; other) and the WBTSP 'Combined Public Services and Infrastructure Business Case' with both providing information to inform the scale and timing of bus facilities across the network to support bus services. Once these projects are sufficiently progressed an initial step will be to develop a 'Point of Entry' with Waka Kotahi to confirm the scope and funding availability to deliver a business case to confirm the preferred site location and concept design.
Cameron Road – Stage 2 A multi-modal improvement project for Cameron Road, between 17 th Ave (end of Cameron Road Stage 1) and Pyes Pa road, through Barks Corner. This project supports the delivery of the urban development identified by the Te Papa Spatial Plan and at Tauriko West.	<ul style="list-style-type: none"> Point of Entry development underway. Cultural Value Assessments underway by Ngai Tamarawaho and Ngati Ruahine (both delayed due to Covid engagement restrictions), now due in October. Discussions underway with key stakeholders, i.e. BoPDHB, Kainga Ora, Accessible Properties Ltd to understand their development plans and enable those to be inform the development of the business case. Infrastructure Funding & Financing Housing Acceleration Fund application for Te Papa included 	<ul style="list-style-type: none"> NLTP 2021-24: Business case & Pre-implementation (consenting & detailed design) – <i>Probable</i>. Finalise draft PoE with partners at a technical level to support respective project partner approvals to be obtained. Submit PoE for approval to Waka Kotahi management Proceed with procurement planning Complete and review CVA's Deliver the business case (i.e. preferred corridor design concept).

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Project	Current Update (key matters)	Next Steps and Identified Risks
Multi Modal Projects		
	Cameron Road Stage 2 multi modal upgrade implementation as key project.	
15th Ave/Turret/Welcome Bay A business case for the 15 th Ave/Turret Road/Welcome Bay corridor, to identify the preferred route and associated concept design and delivery approach (e.g. staging & sequencing).	<ul style="list-style-type: none"> Point of Entry development progressing. This includes further consideration of the approach to developing the business case given its context (e.g. environmental conditions; potential high-cost solutions). Cultural Value Assessments (CVAs) to be developed with iwi/hapu groups. Consultation to agree the approach to this work is being scheduled. 	<ul style="list-style-type: none"> NLTP 2021-24: Business case & Pre-implementation (consenting & detailed design) – <i>Probable</i>. Finalise draft PoE with partners at a technical level to support respective project partner approvals to be obtained. Submit PoE for approval to Waka Kotahi management Proceed with procurement planning Set up tangata whenua liaison group to support approach to CVA development and delivery. Deliver the business case (i.e. preferred corridor design concept).

Project	Current Update (key matters)	Next Steps and Identified Risks
Projects - Funding		
Waka Kotahi (NZTA) Funding National Land Transport Programme 2021-24	<ul style="list-style-type: none"> The NLTP 2021-24 is available: https://www.nzta.govt.nz/planning-and-investment/national-land-transport-programme/2021-24-nltp/ The NLTP includes a Bay of Plenty Regional Summary: https://www.nzta.govt.nz/planning-and-investment/national-land-transport-programme/2021-24-nltp/regional-summaries/bay-of-plenty/ 	<ul style="list-style-type: none"> Council staff to continue working closely with Waka Kotahi staff to review the NLTP decision and progress the processes (e.g. points of entry; business cases) to support project delivery.

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Project	Current Update (key matters)	Next Steps and Identified Risks
Projects - Funding		
	<ul style="list-style-type: none"> Waka Kotahi NLTP documentation highlights the focus on: <ul style="list-style-type: none"> Improving safety – State Highway 2 (Waihi to Tauranga) being a key area of focus for the western Bay of Plenty. Also, TCC's low cost low risk safety (c.\$13.4m) plus road safety promotion (c.\$2.4m) programmes are approved. Better travel options – <i>'more than \$90m will be invested in a range of projects to support growth and improve access and safety as part of UFTI'</i>. Key activities referenced by Waka Kotahi relate to the Hewlett's Sub-area, Tauriko West, Cameron Road – Stage 2, Accessible Streets (<i>'more than \$57m'</i>) and SH29A. Improving freight connections – SH29 between Hamilton and Tauranga; and SH2 between Gisborne and Tauranga. New Zealand Upgrade Programme – TNL delivery. 	

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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
11.1 - Public Excluded Minutes of the Strategy, Finance and Risk Committee meeting held on 16 August 2021	<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