



AGENDA

Strategy, Finance and Risk Committee Meeting Monday, 14 February 2022

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

Date: Monday, 14 February 2022

Time: 10.30am

**Location: Bay of Plenty Regional Council Chambers
Regional House
1 Elizabeth 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

3.1 Ms Holly Shaw - Mobile Shop Policy

ATTACHMENTS

Nil

- 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 13 December 2021

File Number: A13220256

Author: Sarah Drummond, Committee Advisor

Authoriser: Sarah Drummond, Committee Advisor

RECOMMENDATIONS

That the Minutes of the Strategy, Finance and Risk Committee meeting held on 13 December 2021 be confirmed as a true and correct record.

ATTACHMENTS

- 1. Minutes of the Strategy, Finance and Risk Committee meeting held on 13 December 2021**



MINUTES

Strategy, Finance and Risk Committee Meeting

Monday, 13 December 2021

Order of Business

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| 4 | Acceptance of late items | 3 |
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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, 13 DECEMBER 2021 AT 10.30AM**

PRESENT: Commission Chair Anne Tolley (Chairperson), Dr Wayne Beilby (Deputy Chairperson), Commissioner Shadrach Rolleston, Commissioner Stephen Selwood, Commissioner Bill Wasley, Mr Te Pio Kawe, Ms Rohario Murray, Mr Bruce Robertson

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (General Manager: Corporate Services), Barbara Dempsey (General Manager: Regulatory & Compliance), Susan Jamieson (General Manager: People & Engagement), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy & Growth), Gareth Wallis (General Manager: Community Services), Jeremy Boase (Manager: Strategy & Corporate Planning), Vicky Grant-Ussher (Policy Analyst), Clare Abbiss (Open Space and Community Facilities Manager), Ceilidh Dunphy (Manager: Strategic Projects), Anne Payne (Strategic Advisor), Josh Logan (Team Leader: Corporate Planning), Andy Mead (Manager: City & Infrastructure Planning), Carl Lucca (Programme Director: Urban Communities), Alistair Talbot (Team Leader: Transport Strategy and Planning), Claudia Hellberg (Team Leader: City Waters Planning), Carlo Ellis (Manager: Strategic Maori Engagement), Anne Blakeway (Manager: Community Partnerships), Tony Aitken (Manager: Human Resources), Chris Quest (Team Leader: Risk), Coral Hair (Manager: Democracy Services), Robyn Garrett (Team Leader: Committee Support), Sarah Drummond (Committee Advisor)

1 OPENING KARAKIA

Commissioner Shadrach Rolleston opened the meeting with a karakia.

2 APOLOGIES

Nil

3 PUBLIC FORUM

Nil

4 ACCEPTANCE OF LATE ITEMS

None

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

None

6 CHANGE TO ORDER OF BUSINESS

None

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 1 November 2021

COMMITTEE RESOLUTION SFR7/21/1

Moved: Dr Wayne Beilby

Seconded: Commissioner Bill Wasley

That the minutes of the Strategy, Finance and Risk Committee meeting held on 1 November 2021 be confirmed as a true and correct record.

.CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Ms Rohario Murray advised that as she was an employee with the Ministry for the Environment she may have a conflict of interest regarding Resource Management Act matters.

Mr Te Pio Kawe advised that he was an employee of Boffa Miskell and would declare any conflict that may arise.

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

9.1 Presentation – Tauriko Business Estate (TBE) - Private Plan Change - Bryce Donne, Element IMF and Grant Downing, Sean Grace, Craig Batchelar

Refer to the power point presentation on the TBE Private Plan Change.

Key points

- Andy Mead, Manager: City & Infrastructure Planning, introduced an item, promulgating a private plan change for development of TBE; relevant to reports on transport and growth updates previously received by the Committee.
- Staff outlined why expansion was required and the rationale for the TBE and an expansion area.
- The private plan change request was to rezone land at Tauriko from rural to industrial to match existing zoning for areas 1-3. This would result in a continuation of existing planning provisions into the stage 4 area, with an updated structure plan.
- Explanation was provided of the current Stage 4 structure and development plans.
- A plan change request lodged with Council contained three options. Council could adopt this as its own plan change, accept the plan change or reject the plan change. The preferred option would be to adopt the streamlined planning process to allow for scaling.
- Approval from the Minister for the Environment would be required to use the streamlined process. Streamlined planning process had been used by both Tauranga City Council and Bay of Plenty Regional Council previously.
- Parties and staff were seeking comment and/or direction from the Commissioners.

In response to questions

- Tauranga needed to do better as a city in terms of integrating residential/commercial/industrial areas, particularly in terms of transport infrastructure as employment in the TBE was from widely dispersed city areas, not just from The Lakes residential area.
- There had been work completed to try and enable walking/cycling links from The Lakes to the TBE and some provision for public transport made with provision made on main through roads

for bus lanes.

- Discussion with Tangata Whenua had resulted in the establishment of cultural protocols and Memorandums of Understanding (MoUs). It was envisaged that communication with Tangata Whenua would be on a consent by consent basis. There seemed to be general support of Stage 4. Tangata Whenua would be provided with the full plan proposal for their comment.
- The streamlined planning process required formal consultation with iwi authorities and to date engagement has been mainly at a hapū level.

10 BUSINESS

10.1 Issues and Options Report on the Use of Council Land

Staff Jeremy Boase, Manager: Strategy & Corporate Planning
Clare Abbiss, Open Space and Community Facilities Manager
Vicky Grant-Ussher, Policy Analyst

A PowerPoint Presentation was provided by staff.

Key points

- Work had started in 2021 with the aim to simplify the policies and principles around use of council land.
- Work was currently in progress and staff would take direction from this meeting, hold further discussions with stakeholders and then bring back a further draft which would then go out for community consultation prior to adoption.
- 13 separate issues and approximately 18 decision points; these would be worked through issue by issue.
- Key objectives would be incorporated into policy purpose and principles.
- Issue 2 – Blake Park excluded from this prioritisation process. The process largely used prioritised reserve by reserve currently this could manage high use reserves more efficiently if considered together.
- Issue 3 – prioritise community sport for active reserves. Adding in consideration of iwi activities.
- Issue 4 – temporary commercial activities.
- Issue 5 – fees to use council land e.g. bootcamps/fitness classes; commercial tour operators recommended to be licenced and charged.
- Issue 6 – tendered licences – used for coffee carts etc.
- Issue 7 – community gardens – the policy could be expanded to encourage or promote gardens.
- Issue 8 – memorials – can be problematic e.g. demand for installation of memorial seats often in certain areas such as Pilot Bay. Encourage use of memorial trees rather than seats, and in designated areas.
- Issue 9 – sponsorship signage – can be problematic as often subjective in terms of numbers and visual clutter. Recommended to treat on a case by case basis with discretion to council staff.
- Issue 10 – maximum term for leases and licences to occupy; shorter than current 30-35 year terms; particularly given increasing user pressure on reserves. Also do not want to limit future opportunities on a site.
- Issue 11 – stormwater reserves – include purpose of stormwater reserves in the policy. Clarify primary purpose of the reserve.
- Issues 12 and 13 – procedural/administrative.

In response to questions

- Network approach – look at holistically across all council facilities to achieve the best overall outcome for the network rather than focus on individual outcomes for individual properties.
- Intending to have signage included in the Purpose and also in a specific clause that references the provisions of the Reserves Act.
- Recognise the history/heritage of reserves in the principles – include into principle L.
- Purpose – should include a reflection of the Treaty partnership in the Purpose as well as in the Principles.
- Include in policy consideration of priority of iwi/hapu cultural uses.
- Examples of temporary commercial activities provided e.g. surf schools, bike hire, an inflatable water park. Different to mobile shops e.g. coffee carts, which was set out in a separate policy. Qualmark certification was a new requirement; further information on cost and time involved for applicants requested.
- Noted need for time and cost allowance for iwi to be consulted on various activities e.g. operation of cultural tours; to avoid appropriation or misuse of cultural heritage.
- Issue 5 – fees to use council land. Consistency of booking process/charging mechanisms between uses that were generally not charged. Current booking and charging systems clarified.
- Queried how charges would be enforced for commercial operators using council land e.g. kayak operators using the beach and associated facilities.
- Issue 6 – areas that were not specified with maximum sites meant that an operator could just turn up and run their business. The tender process was designed to limit operators in busy areas, however there were no limitations outside those zones. Overlap with the mobile shop policy needs further clarification. There needed to be a balance between activating a space and managing the impact on existing businesses in the location. Competition was managed by identifying key sites and limiting operators via the tender process.
- Issue 7 – should be encouraging particularly in areas of urban intensification such as along Te Papa where residents would have limited access to own gardens.
- Issue 8 – Tangata Whenua views on memorial seats? Unknown at this stage. Mana whenua may have thoughts on location and who was considered “worthy”. A “worthiness” clause was not recommended as raises questions around who decides.
- There was support for designated areas for memorial trees, in an appropriate location culturally and in terms of city expansion.
- Issue 9 – allocate a percentage of space for signage and allow the various groups to determine signage within that allocation.
- Separate policy on naming rights for buildings.
- Issue 10 – a maximum term for a long-term lease could rule out immediate long-term capital investment as the holder of a licence needed longer term certainty to make investment decisions. Exceptions to the policy would be brought back to the Council table for a decision.
- Issue 11 – residents tended to regard stormwater reserves as their own parks and extensions to their backyards. Residents needed to be aware and educated on appropriate uses of stormwater reserves. They were reserves whose primary use was for stormwater management and also used for ecological enhancement in the area. Possible exceptions to the policy could be envisaged to allow appropriate use of the open space provided by a stormwater reserve.
- Scattering of ashes on beaches would be prevented as this was culturally offensive. This highlighted the need to be able to enforce a policy.

Discussion points raised

- A report on the Review of Mobile Shops Policy would be presented to the Committee in the New Year.
- Staff would provide an update on Community Gardens.

COMMITTEE RESOLUTION SFR7/21/2

Moved: Dr Wayne Beilby

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee provide the following direction for the purpose of the development of a draft policy:

Issue 1: Decisions on the Policy Purpose and Principles

- (a) Approve the proposed purposes and principles (para 21) for incorporation into the combined draft policy.

Issue 2: Prioritisation of Uses and Users on Council Land

- (b) Agree to prioritise and update the current booking criteria for outdoor spaces.
- (c) Agree to set policy criteria for selected high use reserves to relieve current pressures.

Issue 3: Management of Active Reserves (Sports fields)

- (d) Agree to set new prioritisation to specify that the priority of active reserves is community sport and staff will work with stakeholders to determine policy clauses that further prioritise between tournaments, regular games, training, high performance sport, national bodies and regional sporting organisations, users from outside Tauranga, and other uses where they do not displace community sports.

Issue 4: Assuring the Quality and Suitability of Temporary Commercial Activities on Reserve Land

- (e) Agree to set criteria for all temporary commercial activities on reserves.
- (f) Agree to amend the threshold criteria to require operators to meet health and safety requirements, be small scale activities, have a Qualmark certification, and obtain a minimum score in the tender weightings.
- (g) Agree to allow two-year maximum tender length for quality operators with a review after year one.
- (h) Require cultural tour operators to show evidence of engagement with appropriate iwi / hapū representatives.

Issue 5: Decisions on the Payment or Non-payment of Fees to Use Council Land

- (i) Agree to provide a policy clause to clarify weddings are not charged fees.
- (j) Agree no fee is required for fitness classes or bootcamps but they must book the site and time.
- (k) Agree to require tour operators who charge a fee for service on council land, to obtain a licence and pay a fee to council (amount to be determined by a review of fees and charges in the next Annual Plan).

Issue 6: Allocation of Tendered Licences

- (l) Agree to the following changes to the allocation of tendered licences:
 - (i) reducing the number on the Mall, Mount Maunganui from 4 to 3
 - (ii) increase the number on Marine Parade, Mount Maunganui (on the beach between Mussel Rock and Oceanbeach Road) from 3 to 4
 - (iii) remove Memorial Park from the tender process
 - (iv) remove Fergusson Park from the tender process

- (v) increase the number on Kulim Park from 2 to 3
- (vi) add a maximum limit of 4 on Marine Parade between Adams Avenue and Pacific Avenue from 1 December to 31 March following year (currently no limit)
- (vii) reducing the number on Marine Parade opposite Tay Street from 2 to 1.

Issue 7: Community Gardens

- (m) Agree to keep the status quo with potential minor amendments to current policy.

Option 2 – provide support, encourage and fund**Issue 8: Memorials**

- (n) Add policy clauses to clarify that council land is not for the purpose of private memorials but limited provision is made for the donation of memorial seats and trees in designated areas. Memorial seats are in place for 10 years or the lifetime of the seat.

Issue 9: Sponsorship Signage on Reserves

- (o) Keep the current criteria but allow discretion by the asset manager for exceptional circumstances and require a final design that must be signed off by council staff.

Issue 10: Leases and Licences to Occupy

- (p) Include a policy clause setting a maximum term for a secondary long-term lease.

Issue 11: Stormwater Reserves

- (q) Agree to provide policy clauses which clarify the purpose of stormwater reserves, explain why they require a different level of service of grass and vegetation, specify no swimming, and specify no structures or moveable items that can be shifted by water flows in extreme rain events within flowpaths or near waterways.

Issue 12: Merging and Aligning Content into a Single Policy

- (r) Agree to the following content changes:
 - (i) remove the procedural elements of the Outdoor Spaces Booking Policy into a separate procedure
 - (ii) keep the minimum criteria operators must meet as set in the Temporary Commercial Activities on Reserves policy provisions, but remove tender attributes and weighting from the policy
 - (iii) simplify the Markets and Stalls policy provisions to set out that a permit is required and may be applied for by supplying the required information on the appropriate application form, and that successful applicants must comply with the conditions of that permit to be allowed to operate
 - (iv) simplify the Community Gardens policy to set out the intended purpose of community gardens, the role of council, the requirement for a licence to occupy and the requirement for a community garden management group and move other content into a template licence to occupy agreement.

Issue 13: Policy Clarifications

- (s) Agree to the following policy clarifications:
 - (i) clarify that if someone is operating a business off site, but as part of that business uses a reserve, e.g. online bicycle bookings where people collect bikes from a reserve, or online surf school bookings who then offer lessons from a reserve, do constitute a commercial activity on reserves and must obtain a commercial licence
 - (ii) clarify that council is not obliged to offer a licence to all temporary commercial activity applicants or for all sites on reserves

- (iii) clarify that reserves that have tendered licences are also able to have other temporary commercial activities that don't meet the criteria for a tendered licence
- (iv) clarify where a tendered site is left empty, it may be filled with another commercial activity provided the operator's activities are outside of the scope of the tendered licence activities
- (v) clarify that playcentres are excluded from the definition of Early Childhood Education centres (ECE) and are treated the same as other community groups
- (vi) clarify in the policy that the policy considerations apply when considering a new lease for existing ECE facilities or a variation to a lease and they will be applied to lease renewals and assignments where possible
- (vii) clarify that ashes are not to be scattered on council land and a garden is provided at the cemetery for this purpose.

CARRIED

10.2 Update on the City Vision Project

Staff Jeremy Boase, Manager: Strategy & Corporate Planning

Key points

- Noted the My Tauranga Vibe campaign was successful, almost 4000 people started the survey, about 1% dropped off during the survey. Fewer responses to the demographic questions.
- Marked success in getting to a younger demographic.
- The six personas - no real dominant persona; indicates a reasonably balanced response from the community, not captured by any particular interest group; also a reasonably balanced geographical response across the city.
- Staff would now collate with other vision work undertaken and report back a consolidated vision strategy to Council next year.

In response to questions

- The Committee congratulated the team that developed the My Tauranga Vibe survey.
- My Tauranga Vibe was only one of the inputs into the Vision Strategy and there was a need to ensure all views were considered and given weight.

COMMITTEE RESOLUTION SFR7/21/3

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the 'Update on the City Vision Project' report.

CARRIED

The meeting adjourned at 12.27pm and reconvened at 1.20pm.

10.3 Wairoa River Valley Strategy review - project update

Staff

Anne Payne, Strategic Advisor

Jeremy Boase, Manager Strategy and Corporate Planning

Key points

- Working with Western Bay of Plenty District Council (WBOPDC), Bay of Plenty Regional Council (BOPRC) and hapū representatives to scope a review of the Wairoa Valley River Strategy.
- Strategy area currently included a narrow geographic area; much of which was outside Tauranga City Council territory. It was proposed to move away from a focus just on the Wairoa River Valley to look at the entire Wairoa River.
- Requested review was agreed to by the two councils in 2018 and programmed for the 2021 year.
- Areas of hapū focus were clarified.
- Comprehensive and sustainable approach for the entire Wairoa River. Subsequent work has been based around getting the right people and parties involved in the strategy review, and meeting and engagement with the various stakeholders.
- There was an open offer from BOPRC staff to present on freshwater management to any interested parties.
- Conscious of Tauriko West planning process and the Wairoa River hapū contribution to that process.
- Question around value of progressing with the Wairoa River Valley Strategy review currently and suggested that this wait for the outcomes of the National Policy Statement for Freshwater Management (NPS-FM) process.

In response to questions

- Clarified that the Strategy remains in place until revoked or renewed.
- Document still relevant in terms of the whole catchment, as it included a number of themes for this particular corridor, particularly for management of effects of Tauriko West development. Mindful that a number of actions in the Strategy would need to be reviewed or put on hold while work through impacts of the NPS-FM.
- Waiting for the NPS-FM did not endanger resolution or progression of any particular issues and should allow various aspirations to be met rather than relying on voluntary agreements. Strategy document was a non-statutory document.

Discussion points raised

- Importance of further discussions with all parties involved.
- Working with the BOPRC team to look at the suggested freshwater management hui.
- On-going discussion on NPS-FM and its potential effects.

COMMITTEE RESOLUTION SFR7/21/4

Moved: Commissioner Shadrach Rolleston

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the Wairoa River Valley Strategy review project update report.

CARRIED

10.4 Updated outline work programme for the Committee

Staff Jeremy Boase, Manager: Strategy & Corporate Planning

In response to questions

- Leave at quarterly updates at this stage.

Discussion points raised

- City Plan review placed on hold due to the RMA reforms.
- A review of the Public Art Policy was well underway, and a report was expected in the first half of 2022.
- Urban Design Panel – final recommendations were expected at the end of current financial year .

COMMITTEE RESOLUTION SFR7/21/5

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

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

CARRIED

10.5 Long-term Plan 2021 - Actions Report

Staff

Christine Jones General Manager Strategy and Growth

Jeremy Boase Manager: Strategy & Corporate Planning

Josh Logan, Team Leader: Corporate Planning

Key points

- Bring back quarterly or six monthly, with completed actions removed.

In response to questions

- It would be useful to include an indication of timeframe of completion. This would be helpful for consultation on the Annual Plan next year.
- Direct specific questions to appropriate General Managers.

COMMITTEE RESOLUTION SFR7/21/6

Moved: Commissioner Stephen Selwood

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Receives the Long-term Plan 2021 – Actions Report.
- (b) Notes the progress to date as reported in Attachment 1.

CARRIED

10.6 Growth & Land Use Projects Progress Report - December 2021

Staff

Christine Jones, General Manager Strategy and Growth

Andy Mead, Manager: City & Infrastructure Planning

Carl Lucca, Programme Director: Urban Communities

Refer to the tabled document "SmartGrowth Priority Development Areas tracker" tabled at the SmartGrowth meeting 1 December 2021.

Key points

- Key points were summarised in paragraph 4.
- Council was working with Kainga Ora to look at all possible areas for rezoning.
- The City Plan review was on currently on hold and staff would bring back a report in the new year with priority plan changes.

In response to questions

- Budgets for Urban Design Panel – \$100,000 per annum in the 2022/23 operational budget onwards had been included to cover these costs; there may be further recommendations about the budget required going forward e.g. internal resourcing.
- Key issues from PC 27 – Staff were preparing responses to formal list of questions received; a number of submissions supported flood management through an infrastructure-led approach
- Industrial land report – a survey of available industrial land was undertaken annually. This was not a future thinking piece of work about the location of future industrial land, it demonstrated challenges being faced currently
- Housing Bill – The Select Committee has reported back and was unlikely to change the Bill. It appeared that there was little recognition of the issues raised in the TCC submission and a clear direction to progress the Bill. This meant it would be virtually impossible to carry on with PC 26 and it would need to be withdrawn or deferred. Staff would have further conversations with Government officials.

Discussion points raised

- The Committee commented that staff were doing a tremendous job in this area, but the system was cumbersome and unwieldy, with too many layers of decision making. These factors would create challenges for the Council to be able to move forward.

COMMITTEE RESOLUTION SFR7/21/7

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

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

CARRIED

10.7 Transport Strategy and Planning Progress Report - December 2021

Staff

Christine Jones, General Manager Strategy and Growth

Andy Mead, Manager: City & Infrastructure Planning

Alistair Talbot, Team Leader: Transport Strategy and Planning

Key points

- Key TCC business cases now in the market; Waikato and BOPRC would follow next year. Central Government policy and processes were still emerging.
- Funding availability – Waka Kotahi (WK) signalling heavy constraints on the National Land Transport Fund which had implications for Tauriko works.
- Enabling works was critical for the TBE industrial area to connect and would allow 40ha to be developed based on the enabling works.
- Remaining risk in western corridor was the misalignment between development of the transport corridor and business/housing aspirations.

In response to questions

- Modelling would continue to look at the origin and destination of traffic using Tauriko West roads, which showed 50% was freight usage. Staff were working with Waikato authorities to pick up on interregional freight and transport flows. Port freight predictions were also been included.
- Key issue was the funding. Staff would continue to work with WK to streamline the process to ensure that funding streams provided certainty for both quantum and timing. However the business case process mandated by government was complex and changing e.g. now included climate change emission reduction targets and were being relitigated on the basis of new criteria, which made it difficult for growth councils. Discussion was underway with WK in terms of emissions reduction targets.
- It was recognised that the Tauriko West project was not about commuters and public transport but freight going through New Zealand's busiest port which was critical to other aspects of the country's development and economy.

COMMITTEE RESOLUTION SFR7/21/8

Moved: Mr Bruce Robertson

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

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

CARRIED

10.8 Waters Strategy and Planning Progress Report - December 2021

Staff

Nic Johansson General Manager Infrastructure

Claudia Hellberg, Team Leader: City Waters Planning

Key points

- Declining flow in source streams required a multi-faceted approach to manage water.
- Three key strategic projects included developing a modelling tool that would be able to predict and also factor in water quality; development of a subregional management strategy/holistic approach for three waters and developing a reconsenting strategy for the most important consents the council holds.

Discussion points raised

- BOPRC concerns about the purpose of the subregional approach work as they felt much of the work had already completed by BOPRC.
- Point of the approach was to pull together the various pieces of works completed by the three councils, and move towards agreement on regional objectives, in order to understand what other organisations have underway to avoid overlaps and also gaps.

COMMITTEE RESOLUTION SFR7/21/9

Moved: Commissioner Stephen Selwood

Seconded: Commission Chair Anne Tolley

That the Strategy, Finance and Risk Committee:

- (a) Receives the Waters Strategy and Planning Progress Report - December 2021.
- (b) Supports in principal the development of a sub-regional long-term system plan for water.

CARRIED

10.9 He Puna Manawa: Naming of temporary Library and Customer Service Centre

Staff Carlo Ellis, Manager: Strategic Māori Engagement

Key points

- Exciting opportunity with the lease of the Goddards Plaza to house the library and customer service centre and to change the way the Council interacts with the public; create a hub for activity and interactive engagement.
- Council has engaged with Ngai Tamarawaho and Ngāti Tapu and kept Te Rangapū Mana Whenua o Tauranga Moana informed as this supports mana whenua decision making around naming.
- Noted that the logo was designed by local artist Quentin Bidois.
- TCC Heritage Collection have been involved in the development.
- Mana whenua were involved in the design team and will also be in the implementation and project teams

In response to questions

- The building owner has been approached and has started building a relationship with mana whenua to keep the name alive once the TCC lease concludes.

COMMITTEE RESOLUTION SFR7/21/10

Moved: Commissioner Shadrach Rolleston

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Endorses the name and concept of He Puna Manawa, as gifted by mana whenua to the temporary location for the Central Library and Customer Services Centre.

CARRIED

10.10 Te Manawataki o Te Papa: Naming of Civic Precinct

Staff Carlo Ellis, Manager: Strategic Maori Engagement

Key points

- Staff have consulted with mana whenua who were involved in the original masterplan in 2018; as well as broader mana whenua and Te Rangapū Mana Whenua o Tauranga Moana, which was facilitated by Josh Te Kani.
- Quintin Bidois was also involved in logo design.
- The key components of the design were outlined.
- There was a need to ensure the way the project was delivered adhered to the agreed Kaupapa.
- Staff noted reference to the heartbeat as being broader and more active than the heart.

COMMITTEE RESOLUTION SFR7/21/11

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

- (a) Endorses the name and concept of Te Manawataki o Te Papa as offered by mana whenua to the Tauranga Civic Precinct.

CARRIED

10.11 BOPLASS Estimated Savings to Tauranga City Council**COMMITTEE RESOLUTION SFR7/21/12**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the BOPLASS Estimated Savings to Tauranga City Council report.

ICARRIED

10.12 Deep Dive - Resourcing**Staff**

Susan Jamieson: General Manager: People & Engagement

Tony Aitken, Manager: Human Resources

Chris Quest, Team Leader: Risk

A PowerPoint Presentation was provided by staff.

Key points

- Opportunity to explore a risk in more detail, focusing on the people side of the resourcing in this deep dive.
- Outlined summary of TCC workforce, numbers, age, length of service and distribution across sectors of council.
- Tighter employment market was taking hold making it harder to recruit new staff. Job advertisements increasing but job applications were decreasing. Those in the market can dictate terms e.g. salary.
- Noted the unaffordability of housing in Tauranga can make Tauranga unaffordable for possible new hires, also puts pressure on salaries offered.
- Summarised current situation in TCC. 91 current open vacancies, especially difficult to find planners, engineers, project managers and building inspectors. Using external recruitment agencies more frequently.
- Looking at a mobility policy and flexible ways of working to attract talent based outside of Tauranga.

In response to questions

- Gathering further data not just on who TCC hires but who applies and who was not hired in terms of diversity and demographics.
- Need to provide real career opportunities for staff to retain staff.

Discussion points raised

- Susan was thanked for her contribution to the organisation and the Committee members wished her well in her new endeavours. The Commissioners noted Susan's work in Health and Safety and rework of the Council's Communication Strategy and Team.

COMMITTEE RESOLUTION SFR7/21/13

Moved: Dr Wayne Beilby

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the Deep Dive - Resourcing report.

CARRIED

11 DISCUSSION OF LATE ITEMS

NIL

12 PUBLIC EXCLUDED SESSION RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION SFR7/21/14

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

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 |
|---|---|---|
| 12.1 - Public Excluded Minutes of the Strategy, Finance and Risk Committee meeting held on 1 November 2021 | <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)(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)(g) - The withholding of the information is necessary to maintain legal professional privilege</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> | 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 |
| 12.2 - Cyber Security Update - 2021 Q3 | 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 |

| | | |
|---|---|--|
| 12.3 - Supplementary Legal Issues 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)(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)(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, negotiations (including commercial and industrial negotiations)</p> | <p>s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p> |
|---|---|--|

CARRIED

13 CLOSING KARAKIA

Commissioner Shadrach Rolleston closed the meeting with a karakia.

The meeting closed at 4.22pm.

The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee meeting held on 14 February 2022.

.....
CHAIRPERSON

8 DECLARATION OF CONFLICTS OF INTEREST

9 BUSINESS

9.1 Review of the Remission and Postponement of Rates on Māori Freehold Land Policy - Issues and Options

File Number: A13133716

Author: Jim Taylor, Transactional Services Manager
Emma Joyce, Policy Analyst

Authoriser: Paul Davidson, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. To agree amendments to the Remission and Postponement of Rates on Māori Freehold Land Policy (the policy). A copy of the current policy is attachment 1.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Agree that the following be incorporated into a draft Remission and Postponement of Rates on Māori Freehold Land Policy for consultation (to be adopted by Council):
 - (i) A new purpose statement paraphrasing the Preamble from Te Ture Whenua Māori Act 1993.
 - (ii) Revised criteria for remission of rates on land subject to development to only require assessment against the benefits outlined at section 114A of the Local Government (Rating) Act 2002.
 - (iii) Provisions extending the ability to remit rates on land intended for development to land returned through a right of first refusal scheme or treaty settlement or where the land is temporarily transferred to general title and held in collective ownership.
 - (iv) Provision for 100% remission of general rates on land subject to defined and agreed development or stage of development until such time as the development or stage of development is generating income or persons are residing in the houses.
 - (v) Provision for Māori freehold land rates remission which reflects a rate based on Maori freehold land value excluding any subdivision potential unlikely to be realised in Māori ownership.
 - (vi) Provision clarifying that land providing non-commercial community benefit to Māori or papakāinga is eligible for 100% remission of general rates.
 - (vii) Provision for partial or full remission of general rates on land that may be partially used for the growing of kai or medicinal plants, or used for a minor economic activity.

EXECUTIVE SUMMARY

2. Recent changes to the Local Government Act 2002 (LGA 02) and the Local Government (Rating) Act 2002 (LG(R)A 02) require councils to review (and amend if necessary) their policies on the remission and postponement of rates on Māori freehold land before 1 July 2022. In particular, council rating policies must show support for the principles in the Preamble to Te Ture Whenua Māori Act 1993 (TTWMA 93). (A copy of the Preamble is attachment 2). The principles acknowledge that as land is a taonga tuku iho for Māori, we need to avoid further alienation of land and provide mechanisms that enable the development of Māori freehold land for the benefit of owners, their whanau and hapū.

3. The LG(R)A 02 now also requires councils to consider any request for remission of rates on Māori freehold land where the owners seek to develop the land. This provides an opportunity to review this council's approach to the remission of rates on Māori freehold land to align with the more relaxed criteria for remission expressed in the legislation. While Council has had a policy on the remission and postponement of rates on Māori freehold land for some time, the provisions have largely remained the same at each review.
4. This report requests that the Strategy, Finance and Risk Committee (the Committee) agree preferred options arising from a review of the policy. Staff will then bring back a draft policy incorporating any agreed amendments to the 28 February Council meeting for adoption for consultation.
5. The table below provides a summary of the proposals recommended through the policy and notes where certain land is automatically non-rateable

| Type of remission | Amount of remission | Application |
|--|--|--|
| Land under development | Proposal for 100% remission until such time as development is complete (people are residing in homes or income is being generated). Services charges are not remitted | Māori freehold land, general land returned to collective ownership (except where part of commercial redress) through treaty settlement or right of first refusal |
| Land under development but partially complete (eg houses are being lived in) | Proposal for rates to be paid on completed development but if development is staged rates can be remitted on the yet to be completed part of the development | Māori freehold land, general land returned to collective ownership (except where part of commercial redress) through treaty settlement or right of first refusal |
| Land partially used for seasonal crops | Proposal for partial or full remission on consideration of amount of income earned from the crop | Māori freehold land |
| Land partially used to cultivate kai or medicinal plants for personal or community use | Proposal for 100% remission of general rates | Māori freehold land |
| Māori freehold land leased on a commercial basis | Fully rateable (no remission) | |
| Land providing non-commercial activity benefitting Māori | 100% of general rates. Partial remission of wastewater rates | All land |
| Unused rating unit of Māori freehold land | Non-rateable per the Local Government (Rating) Act 2002 | Māori freehold land |
| Marae and urupā | | |

BACKGROUND

6. Māori freehold land is land where the Māori Land Court has issued a freehold order, or was set aside by the Crown as freehold land, or was determined by the Court to be freehold land. Land is held by individuals who have shares in the land. Land will have economic and cultural value. There is approximately 1,982 hectares of Māori freehold land in Tauranga.
7. Recognising that rating law and practice could be an impediment to the development of Māori freehold land, Government legislated changes to the LGA 02 and LG(R)A 02 to better enable the occupation, development, and utilisation of Māori land for the benefit of the landowners. In particular, the legislation now requires councils to review their mandatory policies on the rating of Māori freehold land to identify how they can support the principles referenced in the Preamble to TTWMA 93. The Preamble to TTWMA 93 acknowledges that

as land is a taonga tuku iho for Māori it is important that we avoid further alienation of land and enable its development for the benefit of the landowners, their hapū and whanau.

8. Providing for remission of rates on land where the owners wish to develop is one means that councils can support the principles in the Preamble. While Tauranga has provided for rates remission and postponement on Māori freehold land for almost 20 years, other councils used their discretion to not offer rates remission and postponement¹. In order to achieve a nationally consistent approach to rates remission, the revised legislation now requires councils to “consider” all requests for rates remission on land under development.
9. While this council has long provided for rates remission, the policy criteria for granting remission are less enabling than envisioned in the amended legislation. The policy currently requires applications for rates remission (regardless of whether the land is under development or not) to include the following:
 - the number of owners on the land; and
 - the physical location of the land; and
 - the nature and extent of any wāhi tapu and the impact of that wāhi tapu on land development and usage; and
 - the amount of income being derived from the block; and
 - whether the land is occupied and to what extent it is occupied; and
 - whether the block of land is connected to council services eg. water and sewerage; and
 - whether there are any potential development options for the block of land.
10. The above policy criteria reference the matters outlined in Schedule 11 of the LGA 02 (attachment 3) that councils must be cognisant of in developing their policies. However, in considering requests for rates remission for land under development, councils now need only be satisfied that the development is likely to have one or all of the following benefits (section 114A(3) LG(R)A 02):
 - benefits to the district by creating new employment opportunities
 - benefits to the district by creating new homes
 - benefits to the council by increasing the council's rating base in the long term
 - benefits to Māori in the district by providing support for marae in the district
 - benefits to the owners by facilitating the occupation, development, and utilisation of the land.
11. A review of the criteria for rates remission is required to assess whether it supports the principles of the Preamble and the general intent of the legislative changes to reduce the barriers to developing Māori freehold land. The policy also currently requires staff to undertake annual assessments of Māori freehold land to determine eligibility for rates remission using the above criteria.
12. The legislation does not prevent councils from including additional criteria in their policies to consider when determining remissions. Councils also retain flexibility to determine the level of remission. The policy does not currently specify a level of remission instead noting that the “*level of remission will be negotiated with an owner or occupier according to the benefits of occupation, having regard to equity with charges made to other ratepayers* (clause 4.2)”. Some councils state the level of remission in their policies. For example, Western Bay of Plenty states that the maximum level of remission is 80% in the first year sliding down to no remission in year five.
13. The policy currently only applies to Māori freehold land. Owners of land held in general title (such as that returned through treaty settlement or right of first refusal) may aspire to develop their land. However, the incentives provided through rates remission do not apply to land

¹ While a policy on the remission and postponement of rates on Māori freehold land is a requirement of all councils, councils are not required to offer remission and postponement of rates through that policy i.e. their policy position might be ‘we do not provide remissions and postponements’.

held in general title. Other councils have extended the provisions to land returned through treaty settlement and held in multiple ownership.² Similarly, the mechanism proposed by landowners for economic development may require land to be transferred (either permanently or temporarily) to general title. However, once converted to general title, owners would not be automatically entitled to seek consideration of rates remission and would need to seek a specific Council decision.

14. At present, Māori freehold land is rated on its capital value (the same as land held under general title). Feedback received at a workshop with Te Rangapū was that this practice was potentially unfair as Māori freehold land is unlikely to ever be sold and therefore the capital value would not be realised. Rating of Māori freehold land on the same basis as general land and within western ideas of land value is an issue of longstanding in Tauranga³. Auckland Council recognises that Māori freehold land may not realise its capital value and therefore notes in its policy that *“the land will be valued to exclude any potential for subdivision and / or development that the land may have that is unlikely to be achieved in Māori ownership”*. Provision remains for this calculation to be equitable to similar properties. The Committee may wish to consider adding a similar provision to this council’s policy. Council’s general Rates Postponement Policy already provides for the postponement of rates on farmland where the development potential has increased the value of the property, but the property has not yet realised that potential.
15. While the legislation now requires consideration of rates remission on land subject to development, councils can continue to choose to offer (either full or partial) remission of rates on Māori freehold land not under development. Council’s general Rates Remission Policy notes that *“[L]and used primarily for the promotion of sport, art, health, recreation or education and not used for private pecuniary profit may receive a 100% remission on General rates”*. (Services charges still apply). This includes marae. However, feedback from Te Rangapū is that it was not clear if this provision extended to land providing non-commercial, community benefit to Māori or papakāinga.
16. The “desirability and importance” of land providing economic and infrastructure support to marae and papakāinga is one of the matters relating to rates relief outlined in Schedule 11 of the LGA 02 that councils should consider in developing their policy on the remission and postponement of rates on Māori freehold land. While unused Māori freehold land is automatically unrateable (cl. 14A Schedule 1 LG(R)A 02), the land may become liable for rates if used for agricultural or commercial purposes beyond the simple “gathering” of kai or medicinal plants. This includes where land may be used to grow food to support marae or papakāinga or where the land is used on a seasonal basis to grow maize. Council has discretion to introduce provisions in the policy to remit rates where land may be used to grow kai or medicinal plants, or where a minor economic benefit is gained through the land being used for a seasonal commercial crop cultivation.
17. Issues for the Committee to consider in reviewing the policy are, in summary:
 - Demonstrating support for the principles included in the Preamble to TTWMA 93
 - Amending the criteria for remission to align with the more enabling criteria in the legislation
 - Scope of land included in policy eligible for rates remission
 - Rate and duration of remission
 - Valuation of Māori freehold land
 - Land supporting non-commercial activity benefitting Māori
 - Land partially used to grow kai or medicinal plants or small commercial, seasonal crops.

²Note that Auckland excludes land returned as commercial redress or land commercially leased.

³ See the Waitangi Tribunal Report Wai 215 *Tauranga Moana 1886-2006: Report on the post-raupatu claims*.

STRATEGIC / STATUTORY CONTEXT

18. A policy on the remission and postponement of rates on Māori freehold land is a requirement of all councils under section 102(1) of the LGA 02 (noting that councils do not have to offer remission or postponement of rates). Policies must include the objectives sought by remission, and the criteria in order for rates to be remitted. The objectives and criteria must have regard to the “desirability and importance” of a range of objectives such as protection of indigenous biodiversity, protection of wāhi tapu, and avoiding further alienation of land (schedule 11 to LGA 02). This is in addition to the recent requirement noted in the above background section that policies support the principles contained within the Preamble to TTWMA 93.
19. This review is part of a wider council project reviewing council’s rating policy. All council rating policies must similarly be reviewed to determine compliance with the Preamble by 1 July 2024.
20. Other legislative changes to the rating of Māori freehold land do not require an amendment to the policy. They are noted below to illustrate the intention of the legislative changes to address some of the inequities with, and challenges of, rating Māori freehold land.
 - Allowing the Chief Executive to waive rates deemed unrecoverable (also applies to general land)
 - Marae land and land protected through a Ngā Whenua Rāhui kawenata now automatically non-rateable
 - Wholly unused land now non-rateable
 - Ability for council (upon request) to rate individual houses on Māori land as a separate rating unit enabling ratepayer to access the Government rates rebate scheme.
21. Council has previously shown support for the development of Māori land through the development of a policy to provide grants to cover payment of development contributions for papakāinga.

OPTIONS ANALYSIS**Issue 1 – Show support for Preamble in policy**

22. As noted in the background section, the main reason for this review is the new requirement to show support in our policy for the principles in the Preamble to TTWMA 93. Council can show this support through the addition of a new clause that paraphrases the Preamble or imply support through provisions in the policy. The table below outlines the advantages and disadvantages of adding an additional provision either as a purpose or principle or not adding a new provision.

| Option | | Advantages | Disadvantages |
|--------|--|---|---|
| 1.1 | Show support for Preamble through a new policy purpose (recommended) | <ul style="list-style-type: none"> • Clear alignment between the policy and demonstrating support for development of Māori land and principles in the Preamble • Ensures that following policy provisions must connect to the purpose • Reflects intent of policy and legislation to better enable development of Māori freehold land • Complies with legislation | <ul style="list-style-type: none"> • Nil |

| Option | | Advantages | Disadvantages |
|--------|---|---|--|
| 1.2 | Retain current purpose but show support for Preamble through a new policy principle | <ul style="list-style-type: none"> Some alignment between the policy and demonstrating support for development of Maori land. Complies with legislation | <ul style="list-style-type: none"> Potentially less emphasis on supporting Preamble and the principles of the Preamble |
| 1.3 | Do not include provision demonstrating support for Preamble / imply support through policy provisions | <ul style="list-style-type: none"> Support for principles can be implied through other policy provisions | <ul style="list-style-type: none"> Potential that policy does not comply with legislation Potential that policy does not show clear support for the principles in the Preamble |

Issue 2- Criteria for remissions

23. As noted in the above background section, the LG(R)A 02 includes five types of benefits to consider when assessing requests for remission of rates for land under development. (Unused Māori freehold land is non-rateable). This is in addition to the matters listed in schedule 11 of the LGA 02.
24. The criteria for remission need to be reviewed to be consistent with the legislative direction to more easily enable the development of Māori land. Council could retain the current criteria or replace that criteria with a statement that remission will be granted where one or more of the benefit(s) outlined in the legislation are met.

| Option | | Advantages | Disadvantages |
|--------|---|---|--|
| 2.1 | Criteria for land subject to remission need only demonstrate one of the five benefits listed in the legislation (recommended) | <ul style="list-style-type: none"> Aligns with intention of legislation and Preamble principles to enable development of Māori freehold land Consistent with legislation, including schedule 11 matters Less onus on landowners to provide supporting information to show compliance with criteria Eliminates administrative burden of requiring annual assessments | <ul style="list-style-type: none"> May not show explicit reference to the matters referred to in schedule 11 of the LGA 02 |
| 2.2 | Retain current criteria for land under development | <ul style="list-style-type: none"> Retains strong reference to the matters referred to in schedule 11 of the LGA 02 | <ul style="list-style-type: none"> May not reflect intention of legislation or support the principles in the Preamble to be enabling of land development Places onus on applicant to comply rather than Council being seen to be enabling and supportive of land development Current criteria are not required to assess benefits of land development |

| Option | | Advantages | Disadvantages |
|--------|--|------------|---|
| | | | <ul style="list-style-type: none"> Council may already hold this information in its systems – avoids duplication |

Issue 3 – Land included in scope of policy

25. While the legislation and our policy only apply to Māori freehold land, there is an opportunity to extend the policy to land returned to iwi or hapū through treaty settlement (non-commercial redress) or right of first refusal. This land is usually held in general title. The advantages and disadvantages of each option are outlined below.

| Option | | Advantages | Disadvantages |
|--------|---|---|---|
| 3.1 | Include land returned through treaty settlement in the scope of the policy (non-commercial redress) (recommended) | <ul style="list-style-type: none"> Recognises importance of land Recognises not all land is Māori freehold land but owners may similarly wish to develop that land for their benefit or benefit of their hapū Supports principles in Preamble, particularly recognising the significance of land and allowing the ability for it to be developed Acknowledges the recent adoption of right of first refusal scheme for surplus council land | <ul style="list-style-type: none"> Nil |
| 3.2 | Include land returned through right of first refusal in scope of policy (recommended) | | |
| 3.3 | Include land temporarily transferred to general title in scope of policy (recommended) | | |
| 3.4 | Policy only applies to Māori freehold land (status quo) | <ul style="list-style-type: none"> Consistent with legislation that remission only for Māori freehold land Potentially less impact on rates take | <ul style="list-style-type: none"> Does not acknowledge potential aspirations for development of land Potential that policy does not support principles of Preamble, particularly providing for the development of land |

Issue 4 – Rate of remission

26. The legislation does not specify the rate of remission and allows councils to determine if they will remit all or part of the rates for the duration of a development, differently during the different stages of a development and subject to any other conditions specified in the policy (s114A(4) LGA 02). Subject to a decision on issue three above, the same level of remission would apply to rating units returned or purchased through treaty settlement or right of first refusal where that land is intended for development.
27. At present, the policy allows staff to negotiate remission with landowners. The table below outlines the advantages and disadvantages of retaining the status quo or setting a rate of remission in the policy.

| Option | | Advantages | Disadvantages |
|--------|-----------------------|---|---|
| 4.1.1 | Retain flexibility to | <ul style="list-style-type: none"> Flexibility to respond to | <ul style="list-style-type: none"> Less certainty for staff in |

| | | | |
|-------|---|---|---|
| | negotiate level of remission (status quo) | remission applications based on type of development proposed <ul style="list-style-type: none"> Potentially does not reflect intent of legislation to be enabling of development | determining remissions <ul style="list-style-type: none"> Potential for inconsistent treatment of applications over time |
| 4.1.2 | Set a rate of remission in the policy (recommended) | <ul style="list-style-type: none"> Provides certainty to Council and staff Ensures consistent practice over time | <ul style="list-style-type: none"> Potentially less flexibility to adjust remission for proposed developments with differing or greater benefits |

28. If the Committee chooses option 4.1.2, consideration must be given to the rate of remission. Councils are required to consider the following in determining the proportion of rates to remit during or at any stage of the development (section 114A(5) LG(R)A) 02;

- Expected duration of the development
- When income is expected to be generated from commercial developments
- When the ratepayer or others person is likely to be able to reside in the dwellings.

| Option | | Advantages | Disadvantages |
|--------|---|--|---|
| 4.2.1 | Remission over five years with 80% in first year and zero in fifth year | <ul style="list-style-type: none"> Consistent with legislation Consistent with current Western Bay of Plenty policy | <ul style="list-style-type: none"> Some developments may take longer than five years Potential inequities with other ratepayers who are developing properties but cannot have rates remitted during that time |
| 4.2.2 | 100% remission for the defined and agreed development or stage of development until income generated or dwelling is inhabited (recommended) | <ul style="list-style-type: none"> Consistent with legislation Provides certainty to council staff when working with landowners Recognises that a range of factors can influence how long a development takes to be completed | <ul style="list-style-type: none"> Potential inequities with other ratepayers who are developing properties but cannot have rates remitted during that time |

Issue 5 – Remission to adjust Māori rateable land values

29. In general, all properties are rated on their capital value. Where Māori freehold land is valued for a highest and best use that is unlikely to be realised under Māori ownership, there is an option to rate Māori freehold land based on its value excluding any development potential. There is also potential that where land is developed, it may not be the “highest and best use” of that land. The Committee could consider confirming in the policy its intention to rate Māori land on its capital value, on its land value, excluding development potential unlikely to be realised in Māori ownership, or to allow for rates postponement on a similar basis to that available to farmland.
30. It is expected that this could apply to Māori freehold land over eight hectares in area. There are around 20 properties that fit this criterion with annual rates of \$125,000. Council’s valuers estimate the remission would be between zero and 40% depending on current valuation methodology.

| Option | | Advantages | Disadvantages |
|--------|--|--|---|
| 5.1 | Māori freehold land rated on its capital value | <ul style="list-style-type: none"> Consistent with land held in general title | <ul style="list-style-type: none"> Māori freehold land unlikely to realise the capital value |

| | | | |
|-----|---|--|--|
| | | <ul style="list-style-type: none"> Equity with other ratepayers who may not desire to realise capital value of their property | <ul style="list-style-type: none"> Less support for Preamble principle noting importance of land to Māori |
| 5.2 | Māori freehold land rates remission which reflects a rate based on Maori freehold land value excluding any subdivision potential unlikely to be realised in Māori ownership (recommended) | <ul style="list-style-type: none"> Recognises that Māori freehold land is unlikely to be sold or in some cases achieve its highest and best use Supports Preamble principle noting importance of land to Māori May better acknowledge Māori views of land value and ownership | <ul style="list-style-type: none"> Inconsistent with land held in general title Potential impact on rates take |
| 5.3 | Postponement similar to farmland (only if option 5.2 not approved) | <ul style="list-style-type: none"> Consistent with policy on rates remission for general land | <ul style="list-style-type: none"> Potential to disincentivise development Postponement requires payment of rates at future date (usually when sold) and approval of owners which might not be possible with Māori freehold land |

Issue 6 – Remission on land used for non-commercial purposes for the community benefit of Māori

31. Council's policy on rates remission for general land provides for 100% remission on general rates where that land is used for non-pecuniary community benefit. The provision is unclear if that applies to land used for the benefit of Māori, such as hauora providers.

| Option | | Advantages | Disadvantages |
|--------|---|--|--|
| 6.1 | Add provision to this policy providing for remission on land used for non-commercial community benefit of Māori (recommended) | <ul style="list-style-type: none"> Consistent with policy to offer 100% remission on general rates for community organisations Greater clarity that land providing community benefit to Māori is eligible for 100% remission of general rates Consistent with schedule 11 provisions to take into account role of land in providing economic and infrastructure support for marae or papakāinga | <ul style="list-style-type: none"> Nil |
| 6.2 | Adjust Rates Remissions Policy to clarify and extend existing provision to land providing benefit for Māori | <ul style="list-style-type: none"> Consistent with policy to offer 100% remission on general rates for community organisations General Remissions Policy already notes exceptions for marae and Māori | <ul style="list-style-type: none"> Potential confusion as references to remission for land providing benefit to Māori is split between two policies |

| Option | | Advantages | Disadvantages |
|--------|--|---|---|
| | | reservations | |
| 6.3 | Do not clarify that 100% remission includes land providing community benefit for Māori | <ul style="list-style-type: none"> Potential that issue is covered through existing provisions in Rates Remission Policy | <ul style="list-style-type: none"> Potential confusion as to the applicability of current provision in Rates Remission Policy to organisations providing benefit mainly to Māori |

Issue 7 – Rates remission on partially used Māori Freehold Land

32. Councils retain discretion to offer remission on partially used land. The table below outlines the advantages and disadvantages of offering remission on land partially used for a minor economic activity (such as seasonal maize crops) or used to grow kai and medicinal plants.

| Option | | Advantages | Disadvantages |
|--------|---|---|---|
| 7.1 | Provide remission of rates on land used for minor economic activity (recommended) | <ul style="list-style-type: none"> Consistent with schedule 11 provisions to provide for economic use Consistent with schedule 11 provisions to take into account role of land in providing economic and infrastructure support for marae or papakāinga Consistent with schedule 11 provisions to recognise use of land for traditional purposes | <ul style="list-style-type: none"> Potential challenges in determining minor economic activity, particularly where other landowners may pay full rates on small parcels of land used for crops |
| 7.2 | Provide remission of rates on land that is used for growing kai or medicinal plants (recommended) | | <ul style="list-style-type: none"> Nil |
| 7.3 | Do not provide remission of rates on land used for minor economic activity | <ul style="list-style-type: none"> Nil | <ul style="list-style-type: none"> Potential that policy does not align with the schedule 11 provisions |
| 7.4 | Do not provide remission of rates on land that is used for growing kai or medicinal plants | | <ul style="list-style-type: none"> Council required to rate land where the land returns limited financial benefit |

33. If the Committee agrees to the recommended option, the amount of rates remitted will consider the percentage of the income derived from partial use subsequently required to be expended on rates. Staff will also have regard to comparable rating units in Tauranga or neighbouring districts.

FINANCIAL CONSIDERATIONS

34. There are 442 Māori freehold land rating units in Tauranga with a total land area of 1,982 hectares. Total rates assessed in 2021/2022 were \$420,000 with \$150,000 rates remission on land with part use.
35. It should be noted that one of the benefits to be considered in providing for remission on land subject to development is the likelihood of an increase in council's rating base in the future.

LEGAL IMPLICATIONS / RISKS

36. There are no legal implications arising from the recommended options. A draft policy may be subject to legal review before adoption.

CONSULTATION / ENGAGEMENT

37. Staff discussed the legislative changes with Te Rangapū in June 2021 before taking a draft policy to Te Rangapū for discussion in October 2021. Feedback was sought on the following issues;
- Meeting the requirement to show support for the Preamble through a revised purpose statement
 - Criteria for remission
 - Including land returned through treaty settlement or right of first refusal in the policy for the purposes of remission.
 - Retention of clauses relating to postponement in the policy
 - Appropriate level of remission.
38. Feedback from Te Rangapū was generally supportive. Of particular note is the need to approach the policy from a te ao Māori perspective and acknowledge that papakāinga is not just housing. With regards to papakāinga, any definition of papakāinga used in this policy will be consistent with the definition in the recently adopted Grants for Development Contributions on Papakāinga Policy.
39. Other matters raised by Te Rangapū are discussed in issues five and six.
40. Some Te Rangapū members noted that the contribution of hapū and iwi to the growth of Tauranga was not acknowledged in rating policies and practices, in particular charging targeted rates for services. This is an issue of longstanding. Schedule 11 provides for councils to recognise the “levels of community services provided to the land and its occupiers” when considering the issue of rates relief on Māori freehold land.
41. This report and the recommended options have been provided to trusts and landowners. Initial feedback was generally positive with more detailed responses being reserved for the submission process.
42. Staff have also discussed the policy with staff from Bay of Plenty Regional and Western Bay of Plenty District Councils with a view to having consistent approaches to the rating of Māori freehold land.

SIGNIFICANCE

43. 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.
44. 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.
45. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of medium significance.







ENGAGEMENT

46. All rating policies adopted under section 102 of the LGA 02 must be consulted on in accordance with the principles of section 82 of the LGA 02.

NEXT STEPS

47. Staff will incorporate any amendments agreed at this meeting into a draft policy to be adopted for consultation at the 28 February Council meeting.
48. Statutory consultation on the draft policy will take place as part of the draft Annual Plan consultation.

ATTACHMENTS

1. **Remission and Postponement of Rates on Māori Freehold Land Policy - A13134641**  
2. **Preamble to Te Ture Whenua Māori Act 1993 - A13132247**  
3. **Schedule 11 Local Government Act 2002 - Matters relating to rates relief on Māori freehold land - A13133092**  



COUNCIL POLICY

POLICY TITLE: REMISSION AND POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND

Minute Ref: M18/56

Date of Adoption 28 June 2018

1. POLICY OBJECTIVES

- To enable Council to acknowledge the special circumstances where there is no occupier or person gaining an economic or financial benefit from the land.
- To provide relief for land that is appropriately set aside for non-use due to its natural features.
- To provide relief where the land may be physically inaccessible.
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.
- To grant remission for the portion of unoccupied land where a block of land is partially occupied.
- To facilitate the development and use of the land for economic use where Council considers utilisation would be uneconomic if full rates are required during the years of development.

2. PRINCIPLES

The overarching principles identified in the Revenue and Financing policy apply.

Under Section 91 of the Local Government (Rating) Act 2002, Maori freehold land is liable for rates in the same manner as if it were general land.

Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non collectible.

3. DEFINITIONS

General Rate is the rate that the local authority sets for the general purposes of the local authority.

Maori Freehold Land is land which has beneficial ownership that has been determined by a Freehold Order issued by the Maori Land Court.

Occupied land is land used as a place of residence, or occupied for a period of time exceeding six months in a calendar year.

Ratepayer means the person or persons identified in the rating information database as the person who is liable for rates – generally that person is the owner of the rating unit.

Rating Unit is defined in the Rating Valuations Act 1998. It is the block of land which attracts the liability for rates. The main criteria is the existence of a separate certificate of title.

Remission is the requirement to pay the rate for a particular financial year is forgiven.

Residential means the use of land and buildings for domestic or related purposes.

Services Charges are a targeted rate specifically relating to the provision of water and waste water services to a rating unit.

Unutilised Land is land that has not been developed from its natural state and not generating revenue and not used in any way, other than for the purposes of vegetation control

Waahi Tapu means the place sacred to Maori in the traditional, spiritual, religious, historical, or mythological sense. Those places defined as 'waahi tapu' vary from hapu to hapu.

4. POLICY STATEMENT

In determining this policy, Council has considered the matters set out in Schedule 11 of the Local Government Act 2002.

4.1 Rates Remission

Tauranga City Council will assess all Maori freehold land on an annual basis to determine the eligibility of rates remission using the below criteria.

Remissions will also be considered on receipt of a remission application, to ensure an opportunity for specific properties to be considered on a case-by-case basis exists.

Applications for remission must be in respect of Maori freehold land.

Applications for remission are to specify:

- the number of owners on the land; and
- the physical location of the land; and
- the nature and extent of any Waahi Tapu and the impact of that Waahi Tapu on land development and usage; and
- the amount of income being derived from the block; and
- whether the land is occupied and to what extent it is occupied; and
- whether the block of land is connected to council services e.g. water and sewerage; and
- whether there are any potential development options for the block of land.

Consideration of the above will determine whether a remission will apply.

4.2 Level of Remission

Occupied Properties

The level of remission will be negotiated with an owner or occupier according to the benefits of occupation, having regard to equity with charges made to other ratepayers. No remission will be applied to Uniform Annual General Charges on occupied land.

Unoccupied Properties with Multiple Owners

Where the land is unoccupied, unutilised, not suitable for occupation and ownership is fragmented so that any form of collection action is impractical, then full or partial remission may be granted to both General rates and Uniform Annual General Charges.

Partitions for Building Sites Subject to Te Ture Whenua Maori Act 1993

Rates may be remitted on vacant Maori freehold land which has been partitioned under Te Ture Whenua Maori Act 1993 and the land has two or less owners.

4.3 Postponement of Rates

A postponement of rates will be considered on receipt of an application and where land is:

- unoccupied; and
- has no service connection; and
- has the potential for development

When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the ratepayer and Council and will:

- state the amount of postponement; and
- state the timeframe or conditions upon which the postponed rates will become due and payable; and
- acknowledge that the postponed rates will be registered as a charge against the land; and
- be signed by both parties.

The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a sum lesser than that which the ratepayer would be entitled to have postponed under this policy.

5. RELEVANT DELEGATIONS

The following officer, and all of the officers in a direct line of authority above them, including the General Manager of their division, are delegated the authority to make decisions as to whether and how this policy applies (and therefore rates are postponed or remitted), including the exercise of any Council discretion provided for in the policy, and to sign on behalf of Council the postponement agreements.

Manager: Revenue

Revenue Collections Specialist

Any officer who performs or exercises the same or substantially similar role or function as to the officers above, whatever the name or his or her position.

6. REFERENCES AND RELEVANT LEGISLATION

Local Government (Rating) Act 2002 (Section 87).

Local Government Act 2002 (Section 108, Schedule 11).

Preamble

Nā te mea i roto nā te Tiriti o Waitangi i motuhake ai te noho a te iwi me te Karauna: ā, nā te mea e tika ana kia whakaūtia anō te wairua o te wā i roto atu ai te kōwhirianga kia riro mai ai te mau tonu o te rangatiratanga e takoto nei i roto i te Tiriti o Waitangi: ā, nā te mea e tika ana kia mārama ko te whenua he taonga tuku iho e tino whakaaro nuitia ana e te iwi Māori, ā, nā tērā he whakahau kia mau tonu taua whenua ki te iwi nōna, ki ō rātou whānau, hapū hoki, a, a ki te whakangungu i ngā wāhi tapu hei whakamāmā i te nohotanga, i te whakahaeretanga, i te whakamahitanga o taua whenua hei painga mō te hunga nōna, mō ō rātou whānau, hapū hoki: ā, nā te mea e tika ana kia tū tonu he Te Kooti, ā, kia whakatakototia he tikanga hei āwhina i te iwi Māori kia taea ai ēnei kaupapa te whakatinana.

Whereas the Treaty of Waitangi established the special relationship between the Maori people and the Crown: And whereas it is desirable that the spirit of the exchange of kōwhirianga for the protection of rangatiratanga embodied in the Treaty of Waitangi be reaffirmed: And whereas it is desirable to recognise that land is a taonga tuku iho of special significance to Maori people and, for that reason, to promote the retention of that land in the hands of its owners, their whānau, and their hapu, and to protect wāhi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapu: And

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Version as at
28 October 2021

Te Ture Whenua Māori Act 1993
Māori Land Act 1993

s 4

whereas it is desirable to maintain a court and to establish mechanisms to assist the Maori people to achieve the implementation of these principles.

Preamble: amended, on 1 July 2002, by section 3(1)(a) of Te Ture Whenua Māori Amendment Act 2002 (2002 No 16).

Preamble: amended, on 1 July 2002, by section 3(1)(b) of Te Ture Whenua Māori Amendment Act 2002 (2002 No 16).

Schedule 11**Matters relating to rates relief on Māori freehold land**

ss 5(2), 108(4), 109(2), 110(2)

- 1 The matters that the local authority must consider under section 108(4) are—
 - (a) the desirability and importance within the district of each of the objectives in clause 2; and
 - (b) whether, and to what extent, the attainment of any of those objectives could be prejudicially affected if there is no remission of rates or postponement of the requirement to pay rates on Māori freehold land; and
 - (c) whether, and to what extent, the attainment of those objectives is likely to be facilitated by the remission of rates or postponement of the requirement to pay rates on Māori freehold land; and
 - (d) the extent to which different criteria and conditions for rates relief may contribute to different objectives.
- 2 The objectives referred to in clause 1 are—
 - (a) supporting the use of the land by the owners for traditional purposes;
 - (b) recognising and supporting the relationship of Māori and their culture and traditions with their ancestral lands;
 - (c) avoiding further alienation of Māori freehold land;
 - (d) facilitating any wish of the owners to develop the land for economic use;
 - (e) recognising and taking account of the presence of waahi tapu that may affect the use of the land for other purposes;
 - (f) recognising and taking account of the importance of the land in providing economic and infrastructure support for marae and associated papa-kainga housing (whether on the land or elsewhere);
 - (g) recognising and taking account of the importance of the land for community goals relating to—
 - (i) the preservation of the natural character of the coastal environment;
 - (ii) the protection of outstanding natural features;
 - (iii) the protection of significant indigenous vegetation and significant habitats of indigenous fauna;
 - (h) recognising the level of community services provided to the land and its occupiers;
 - (i) recognising matters related to the physical accessibility of the land.

9.2 Review of Rates Remission and Rates Postponement Policies - Issues and Options**File Number: A13134749****Author: Jim Taylor, Transactional Services Manager****Emma Joyce, Policy Analyst****Authoriser: Paul Davidson, General Manager: Corporate Services****PURPOSE OF THE REPORT**

1. To agree amendments to the Rates Postponement and Rates Remission Policies (the policies) (attachments 1 and 2).
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RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Notes that reference to the Preamble to Te Ture Whenua Māori Act 1993 will be added to Council's Revenue and Financing Policy.
 - (b) Agree that the following matters be addressed in a draft Rates Postponement Policy for consultation (for adoption by Council);
 - (i) deletion of all criteria for rates postponement for financial hardship except the requirement for there to be at least 25% equity in the property and that the ratepayer must not be able to access support from private sector financial institutions.
 - (ii) addition a new criterion that applications for rates postponement for financial hardship may only be for the property the ratepayer is currently residing in.
 - (iii) addition of a new criterion providing for postponement of rates on rating units where the valuation may have increased due to boundary adjustments and re-zoning from rural to urban uses, noting that a maximum of six years postponed rates will be due when the property is sold or developed.
 - (c) Agree that the following matters be addressed in a draft Rates Remission Policy for consultation (for adoption by Council);
 - (i) Addition of a provision for partial remission of general rates and targeted rates set at the capital value on rating units with both a license to grow gold kiwifruit and planted vines where the rates have increased by more than the citywide average, noting that the remission will be for the portion of rates above the citywide average and for a maximum of three years with 100% remission in the 2022/2023 financial year and two thirds remission in year two (2023/2024).
 - (ii) Deletion of provisions pertaining to remission of wastewater rates for schools and reference to remission of rates on land designated a Māori reservation.
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EXECUTIVE SUMMARY

2. In adopting the Long-term Plan 2021-2031 (LTP) and in response to public feedback, Commissioners requested a review of council policies on the remission and postponement of rates, particularly for those on fixed incomes. Recent legislative changes also require councils to review their policies on rates remission and postponement to confirm they support the principles in the Preamble to Te Ture Whenua Māori Act 1993 (TTWMA 93) (copy of preamble appended at attachment 3).
3. This report asks the Strategy, Finance and Risk Committee (the Committee) to agree any amendments to the policies. Draft policies incorporating any agreed amendments will be presented to the 28 February Council meeting for adoption for consultation.

BACKGROUND

4. Recent legislative changes require councils to review their rates postponement and remission policies to confirm they support the principles in the Preamble to TTWMA 93. These principles acknowledge the significance of land to Māori and the need to avoid further alienation while providing for the development of land.
5. During consultation on the LTP, feedback was received that increasing rates would place a particular burden on persons on fixed incomes, particularly people whose sole income was New Zealand superannuation. While persons receiving New Zealand superannuation may be eligible to receive the government rates rebate, Council committed to looking at options to further support people on fixed incomes manage their rates payments. This included a review of our remissions and postponement policies.
6. Under section 102(3) of the Local Government Act 2002 (LGA 02), councils may adopt policies on the remission and postponement of rates. Rates postponement policies must state the objectives sought by the policy and the conditions and criteria that must be met for rates to be postponed. The objectives of this council's policy are to support ratepayers experiencing financial hardship and to recognise council zoning changes that may impact on rating valuations. Applicants seeking postponement on the grounds of financial hardship must currently meet all of the following criteria;
 - Payment of the first \$1,000 of rates
 - Have at least 25% equity in the property
 - Applied for the government rates rebate scheme.
 - Unable to access financial assistance from private sector financial institutions.
7. These criteria were introduced into the policy at its last review in 2018 in order to provide some certainty to applicants and avoid a council committee deciding on postponement applications. Providing for postponements for financial hardship recognised that the decision to charge higher rates on higher value properties may impact ratepayers on fixed incomes but residing in a high value property. While postponement policies must contain some criteria, a review of the above criteria can consider whether all of the criteria remain necessary or potentially place additional burden on persons seeking postponement for financial hardship.
8. Some councils (including Christchurch City and Western Bay of Plenty District Councils) provide for anyone aged 65 or over to postpone all or part of their rates. Dunedin only requires the applicant to prove that they do not have the financial capacity to pay their rates or doing so would create financial hardship. While Taupō offers postponement for persons receiving New Zealand superannuation, it also requires the person to have been a residential ratepayer in the district for at least ten years.
9. In general, this council's rates postponement criteria are consistent with other councils. Wellington similarly requires the applicant to have first applied for a reverse mortgage from their bank. As reported to the November 2021 Committee meeting, we are collaborating with other metro councils to develop a rates postponement scheme that would provide an equity release scheme. This would be a more cost efficient and less expensive scheme than keeping the postponed rates on council's books.
10. Other councils provide assurance that any postponement is for the property the ratepayer is currently residing in. Consideration should be given to adding this condition to this council's postponement policy. Ratepayers seeking postponement are asked to confirm that the application concerns their current residence, however, it is not currently a criterion in the policy for approving an application.
11. Land is rated on its highest and best use. Recognising that not all land will be utilised for its highest and best use, the policy currently provides for ratepayers of rezoned farmland to postpone part of their rates. The level of postponement is calculated on the difference between the rateable value of the rateable unit and the valuation of a comparable farmland rating unit elsewhere in Tauranga or surrounding district. Postponed rates are due when the

land is sold, subdivided or has a change in use. A property could have postponed rates for several years but would only be required to pay up to six years of postponed rates when the land is sold, subdivided or has a change in use.

12. There is no intention to review the above provisions relating to farmland. However, consideration could be given to extending this provision to other rating units where the value may have increased due to council re-zoning the land from rural to residential use. This is likely to apply to properties moved into the Tauranga City Council area as a result of recent boundary adjustments. Such properties will be rated for their “highest and best use” but may not be able to realise that use until such time appropriate service provisions are put in place (potentially ten years away).
13. The Valuer-General recently accepted the view that rating valuations for kiwifruit orchards must now include the licence to grow gold kiwifruit and the planted vines. This view was supported by an assessment against the Rating Valuations Act 1998 definition of value of improvements, which requires the assessment of the value of all work done on or for the benefit of the land. While a recent decision from Land Valuation Tribunal has held that gold kiwifruit licenses should not be included in the land valuation⁴, if the change is upheld it will mean an increase in the capital value and the value of improvements of gold kiwifruit properties. This change will affect approximately 22 properties in Tauranga who may have an increase in their rating valuation significantly above the citywide average. Staff are finalising data on the actual financial impact of this change and will provide this information to the Committee at its meeting.
14. Councils have discretion to introduce provisions in their rates remission policy to ease the transition to the increased rating valuation for gold kiwifruit orchards. Unlike the properties described in paragraph 12, the properties are used for their highest and best use. As such, it is more appropriate to consider offering remission than postponement.
15. In summary, the issues for consideration are
 - Ensuring policies support the principles in Preamble to TTWMA 93
 - Criteria for postponement of rates
 - Postponement or remission of rates on re-zoned properties
 - Remission of rates on gold kiwifruit orchards

STRATEGIC / STATUTORY CONTEXT

16. Section 102 of the LGA 02 provides for councils to adopt policies on the remission or postponement of rates. Councils are required to review (and amend if necessary) their remission and postponement policies to confirm they support the principles in the Preamble to TTWMA 93 by 1 July 2024.

OPTIONS ANALYSIS

Issue 1 – showing support for principles in the Preamble

17. The principles in the two policies reference back to the general principles included in the Revenue and Financing Policy – accountability, exacerbaters, affordability, benefits and practicalities. The Committee could add an additional principle to the Revenue and Financing Policy to address the preamble or add an additional statement to both the postponements and remissions policy.
18. Table below outlines the advantages and disadvantages of each option.

| Option | | Advantages | Disadvantages |
|--------|--|---|---|
| 1.1 | Add provision to the policies referencing Preamble | <ul style="list-style-type: none"> • Clear reference to the Preamble • Meets legislative requirement to | <ul style="list-style-type: none"> • Nil |

⁴ This decision was issued only a few days before agenda went to print. As such, information on implications are not yet clear.

| Option | | Advantages | Disadvantages |
|--------|---|---|--|
| | | review policies to ensure support for Preamble to TTWMA 93 | |
| 1.2 | Do not add provision to the policies but add provision to Revenue and Financing Policy (recommended) | <ul style="list-style-type: none"> • Recognises that there is limited reference to Māori freehold land in the two policies • Acknowledges that the Preamble principles are best reflected in council's overall policy on rating (Revenue and Financing Policy) • Meets legislative requirement to review policies to ensure support for Preamble to TTWMA 93 | <ul style="list-style-type: none"> • No explicit reference to supporting the preamble in the policies |

19. If the Committee prefers option 1.1, any references to the Preamble will be consistent with that proposed for the Remission and Postponement of Rates on Māori Freehold Land Policy.

Issue 2 – Criteria for postponement for financial hardship

20. The table below outlines the advantages and disadvantages of retaining the current criteria for postponement for financial hardship (options 2.1 – 2.5) and adding new criteria (options 2.6 and 2.7).

| Option | | Advantages | Disadvantages |
|--------|---|--|--|
| 2.1 | Must have minimum 25% equity in the property (recommended) | <ul style="list-style-type: none"> • Sufficient equity remains in the property for council to recover any postponed rates upon sale | <ul style="list-style-type: none"> • Nil |
| 2.2 | Pay first \$1000 of rates | <ul style="list-style-type: none"> • Ratepayer pays a portion of their rates | <ul style="list-style-type: none"> • Retention of criteria may place additional burden on ratepayers, particularly those on fixed incomes • Application process for government rates rebate may be administrative burden for some people |
| 2.3 | Apply for Government rates rebate | <ul style="list-style-type: none"> • Ratepayer pays a portion of the rates • Does not impact on council | <ul style="list-style-type: none"> • Retention of criteria may place additional burden on ratepayers • Application process for government rates rebate may be administrative burden for some people |
| 2.4 | Ratepayer must prove they are unable to access financial assistance from private sector financial institutions (recommended) | <ul style="list-style-type: none"> • Council does not carry debt burden • Recognises other forms of financial assistance available to ratepayers • Recognises that Council would be unlikely to cover costs of a postponement scheme the same as a private institution would be | <ul style="list-style-type: none"> • Policy may not recognise the burden of rates for people on fixed incomes • Addition of new criteria may place unnecessary burden on ratepayers, particularly those on fixed incomes |

| Option | | Advantages | Disadvantages |
|--------|--|---|---|
| | | <ul style="list-style-type: none"> Potential for national rates postponement scheme in the future | |
| 2.5 | Postponement available to anyone aged 65 or older | <ul style="list-style-type: none"> Recognises the impact of rates on people whose sole income is New Zealand superannuation Consistent with some other councils | <ul style="list-style-type: none"> Inconsistent with Revenue and Financing Policy that people who receive the benefits should contribute to them. Does not recognise availability of Government rates rebate for people on low incomes Younger people who may similarly have fixed incomes not entitled to automatic postponement and must meet other criteria Potential impact on rates take |
| 2.6 | Postponement only available for home ratepayer is residing in (recommended) | <ul style="list-style-type: none"> Mitigates any potential risk of people with multiple homes accessing postponement scheme for their financial benefit | <ul style="list-style-type: none"> Nil |
| 2.7 | Ratepayer to have paid rates in Tauranga for a period of time | <ul style="list-style-type: none"> Provides for recognition of previous contribution | <ul style="list-style-type: none"> Addition of new criteria may place unnecessary burden on ratepayers, particularly those on fixed incomes |
| 2.8 | No postponement of rates at all | <ul style="list-style-type: none"> Nil | <ul style="list-style-type: none"> Inconsistent with current practice Inconsistent with some other councils No policy recognition that rates may place a financial burden on some ratepayers |

Issue 3 – Postponement or remission of rates on rezoned land

21. Boundary adjustments confirmed in 2021 resulted in several rural zoned properties moving into the jurisdiction of this Council. These properties are likely to be re-zoned from rural to urban uses (i.e. residential, employment or commercial) over time, potentially increasing the value of these properties. The Committee could consider offering a postponement scheme similar to that offered for farmland (as is currently provided for in the existing policy). Other options include remitting the portion of rates attributed to the land's development potential, or not providing a policy mechanism to address the potential increase in the rating value of these properties.

22. The table below outlines the advantages and disadvantages of each option.

| Option | | Advantages | Disadvantages |
|--------|--|---|--|
| 3.1.1 | Provide for <u>postponement</u> of rates on properties where rating valuation may have increased due to boundary adjustments and rezoning from rural to urban uses (i.e. | <ul style="list-style-type: none"> Consistent with current rules for farmland Recognises that Council action to re-zone may increase rates on some properties | <ul style="list-style-type: none"> Reduction in cashflow until postponed rates are paid |

| Option | | Advantages | Disadvantages |
|--------|---|---|---|
| | residential, employment or commercial) (recommended) | <ul style="list-style-type: none"> Ensures Council receives postponed rates in the future when property sold or developed. | |
| 3.1.2 | Provide for <u>remission</u> of rates for properties where rating valuation may have increased due to boundary adjustments and rezoning (recommended if option 3.1.1 not supported) | <ul style="list-style-type: none"> Recognises that Council action to re-zone may increase rates on some properties | <ul style="list-style-type: none"> Inconsistent with current rules for farmland Does not allow Council to receive rates in the future when property sold or developed. |
| 3.1.3 | Do not provide for remission or postponement of rates on properties rezoned from rural to urban uses (i.e. residential, employment or commercial) | <ul style="list-style-type: none"> Council collects full amount of rates in year rates are due | <ul style="list-style-type: none"> Potential that Council action to rezone puts financial burden on some ratepayers whose land value changes, but may not be able to make full use of the new zoning (until infrastructure provision is at boundary of properties). Inconsistent with current provisions for farmland |

23. If the Committee opted for either 3.1.1 or 3.1.2, consideration needs to be given to the period of time in which postponement (or remissions) would apply. The current rules for farmland allow rates to be postponed until such time as the land is sold, changes use or is subdivided. However, the ratepayer would only be required to pay the postponed rates for the previous six years (for example, a property could have its rates postponed for ten years but would only pay for six).

24. The six year timeframe references section 65 of the LG(R)A 02 that states “an action to recover unpaid postponed rates must not be commenced in a court of competent jurisdiction later than 6 years after the date or event to which the rates were postponed”. Council could allow postponement for a maximum of six years, or until such time as the land is sold or developed with six years of postponed rates due, or until such time as the land is sold or developed upon which all postponed rates would become due.

| Option | | Advantages | Disadvantages |
|--------|---|--|--|
| 3.2.1 | Postponement available for a maximum of six years | <ul style="list-style-type: none"> Council receives higher rates (full rates amount) after 6 years. | <ul style="list-style-type: none"> Inconsistent with current rules for farmland In certain cases, while the land may be zoned to provide for urban land uses, the ability to implement these uses may be limited due to the lack of infrastructure capacity in place. Restricts ratepayers' choice to retain current use and enjoyment of the property Ratepayer may not be getting the benefit of the valuation after six years |

| Option | | Advantages | Disadvantages |
|--------|--|--|---|
| 3.2.2 | Postponement available until such time an application in line with the zoning is received, or the property is connected to services, or changes ownership. <u>Up to six years</u> (inclusive) of postponed rates would be due at that time. (recommended) | <ul style="list-style-type: none"> Consistent with current rules for farmland | <ul style="list-style-type: none"> Rates are not based on highest and best use in the same way as other properties Potential Council forgoes some rates income if a property postpones their rates for more than six years |
| 3.2.3 | Postponement available until such time an application in line with the zoning is received, or the property is connected to services, or changes ownership. <u>All</u> postponed rates would be due at that time. | <ul style="list-style-type: none"> Council does not forgo any rates income | <ul style="list-style-type: none"> Potential that landowner builds up significant debt or feels forced to sell earlier than desired due to rates burden Potential that ratepayers' choice to retain current use and enjoyment of the property is restricted Inconsistent with current practice for farmland in other parts of the city |

Issue 4 – Remission rates on properties with license to grow gold kiwifruit and planted vines

25. Noting that properties with a licence to grow gold kiwifruit and planted vines may face an increase in rates significantly above the citywide average, the Committee can choose to offer a partial remission of rates to ease the transition to the new rating valuation. (The remission would only be for the portion of rates above the citywide average attributed to the gold kiwifruit). This partial remission would apply both to the general rates and any targeted rates set at the capital value. The Committee could also choose to offer remission to only those properties where the planted vines are not yet earning income.

| Option | | Advantages | Disadvantages |
|--------|---|---|--|
| 4.1.1 | Provide for partial remission of rates on all properties with gold kiwifruit license and planted vines only where valuation above citywide average (recommended) | <ul style="list-style-type: none"> Recognises potential impact on rates of new approach to valuation | <ul style="list-style-type: none"> Does not acknowledge that properties have been potentially undervalued for some time Council forgoes some rates income |
| 4.1.2 | Provide for partial remission <u>only</u> where planted vines are not yet productive and <u>only</u> where valuation above citywide average | <ul style="list-style-type: none"> Acknowledges that planted vines may not yet be earning income Consistent with proposed provision for remission on Māori freehold land under development until such time as the land is generating income | <ul style="list-style-type: none"> Generally understood that income on orchards may be limited in initial years after planting vines Some properties may be receiving income from green kiwifruit variety Potentially difficult to administer |
| 4.1.3 | Do not provide for partial remission of rates on all properties with gold kiwifruit | <ul style="list-style-type: none"> Acknowledges that properties have been potentially undervalued for some time | <ul style="list-style-type: none"> Some ratepayers potentially facing increased rates burden Potential reputational risk |

| Option | | Advantages | Disadvantages |
|--------|---------------------------|---|---------------|
| | license and planted vines | <ul style="list-style-type: none"> • Council collects full amount of rates in year rates are due | |

26. If the Committee prefers option 4.1.1 or 4.1.2, consideration needs to be given to the period of time in which any remission would apply, and the rate of remission. Options include offering larger remission over a shorter period, or less remission over a longer period. These options are outlined in the table below.

| Option | | Advantages | Disadvantages |
|--------|--|--|--|
| 4.2.1 | 100% remission in the 2022/2023 with partial remission of 2/3 in year two, and 1/3 in year three (recommended) | <ul style="list-style-type: none"> • Recognises recent review decision that gold kiwifruit license should not be considered in land valuation may have implications • Provides for higher remission in first year when rates increase will be most noticeable • Provides for transition to new rating valuation over the time | <ul style="list-style-type: none"> • Nil |
| 4.2.2 | Partial remission available over two years with 2/3 remission and 1/3 remission in year two, No remission in third year | <ul style="list-style-type: none"> • Provides for higher remission in first year when rates increase will be most noticeable • Provides for transition to new rating valuation over the time | <ul style="list-style-type: none"> • Some ratepayers may still need to manage significant increases |
| 4.2.3 | Partial remission available over three years with 3/4 in first year, sliding to full rates in year 4. | <ul style="list-style-type: none"> • Provides for transition to new rating valuation over time | <ul style="list-style-type: none"> • Potentially insufficient to ease the immediate financial impact of new rating valuations • Some ratepayers may still need to manage significant increases |

Other matters - Rates Remission Policy

27. Māori reservations are now non-rateable under the recent legislative changes. As such, reference to remission on this land can be deleted. The remission policy previously provided for remission of a portion of the wastewater rate for schools. As this financial year is the last financial year that this remission applies, the provision can be deleted from the policy.
28. No other changes are proposed to the remissions policy.

FINANCIAL CONSIDERATIONS

29. At present, council receives very few applications for rates postponement. Changes to the criteria such as (while not recommended in this report) allowing ratepayers aged 65 or older to postpone rates automatically may increase the number of applications and impact on council's rate take.
30. As reported to the November 2021 Committee meeting and noted above, this council is working with other metro local authorities to establish a national rates postponement scheme. This would provide an equity release option that would not reside on council's balance sheet as debt. A national scheme would have scale that would be more cost efficient and less expensive for ratepayers.
31. As noted above, there will be approximately 15 properties affected by the change in the rating of gold kiwifruit orchards. Staff are currently finalising data on the financial impact of this change and will provide information to the Committee prior to the meeting. Options for addressing this change are outlined in the substantive section above.

LEGAL IMPLICATIONS / RISKS

32. At the time of writing this report, a judicial review of Gisborne's approach to the rating of gold kiwifruit orchards held that a license to grow gold kiwifruit should not be considered in the valuation of the land. While the reach of this decision is yet unknown, we have included an option to remit 100% of the rates increase above the citywide average attributed to the gold kiwifruit license in the 2022/2023 financial year. (This includes general rates and any targeted rates set at the capital value). This timeframe provides for staff and affected ratepayers to observe the implications of the recent judicial review decision, and any appeals. If the Land Valuation Tribunal decision is upheld, there would be no requirement for the remission.
33. There are no other legal implications arising from the recommendations.
34. There is a potential reputational risk if the criteria for postponement is perceived as being too burdensome on ratepayers.

CONSULTATION / ENGAGEMENT

35. Council received correspondence from kiwifruit growers in 2021 advising of the potential impact of ratings valuations. Staff have considered that feedback in drafting the recommendations in issue 4. Staff have also discussed the recommendations with colleagues at Western Bay of Plenty District Council with the aim of having a consistent approach across the sub-region.
36. No specific consultation or engagement has been undertaken to inform this report. As noted above, Commissioners requested a review of our rates postponement policies in response to feedback received through consultation on the LTP.
37. Consultation on the policies must be undertaken in accordance with the principles at section 82 of the Local Government Act 2002. This consultation is planned to occur alongside consultation on the draft Annual Plan. As part of the consultation material, specific comment and feedback on issues, including options not recommended in this report (such as automatically allowing over 65s to be granted postponement) can be requested.







SIGNIFICANCE

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

NEXT STEPS

41. Revised postponement and remissions policies incorporating amendments agreed at this meeting will be presented to Council at its 28 February meeting for adoption for consultation.
42. Consultation will be undertaken in conjunction with consultation on the draft Annual Plan.

ATTACHMENTS

1. Rates Postponement Policy - A13137662  
2. Rates Remission Policy - A13137663  
3. Preamble to Te Ture Whenua Māori Act 1993 - A13132247  



COUNCIL POLICY

| | |
|-------------------------|---------------------------|
| POLICY TITLE: | RATES POSTPONEMENT |
| Minute Ref: | M18/56 |
| Date of Adoption | 28 June 2018 |

1. POLICY OBJECTIVES

- To provide rating relief to ratepayers experiencing financial hardship
- To provide rating relief to ratepayers whose farmland has increased in value due to the potential residential, commercial or other non-rural use.

2. PRINCIPLES

The overarching principles identified in the Revenue and Financing Policy apply.

3. DEFINITIONS

Farmland means land which is used principally or exclusively for agricultural, horticultural, or pastoral purposes, or for the keeping of bees or poultry or other livestock.

Ratepayer means the person or persons identified in the rating information database as the person who is liable for rates – generally that person is the owner of the rating unit.

Rate postponement means the payment of rates is not remitted but delayed until a certain time, or until certain events occur.

4. POLICY STATEMENT

4.1 General

Postponements will be considered under this policy on receipt of a postponement application.

When considering any postponement Council will take into account the circumstances at the time payment was due.

Postponed rates will be registered as a statutory land charge on the rating unit title.

A postponement fee will be added to the postponed rates reflecting the administrative and financial costs of postponement.

When an application to postpone rates has been approved, a formal postponement agreement will be entered into by both the ratepayer and Council and will:

- State the amount of postponement; and
- State that a postponement fee will be charged; and
- State the timeframe or conditions upon which the postponed rates will become due and payable; and
- Acknowledge that the postponed rates will be registered as a charge against the land.
- Be signed by both parties.

4.2 Financial Hardship

Ratepayers with at least 25% equity in their property, who are unable to access financial assistance from private sector financial institutions, and have applied for a rates rebate, may be able to postpone part of the rates. The ratepayer will be required to pay the first \$1,000 of the rates.

Ratepayers applying for a rates postponement on the grounds of extreme financial hardship must provide evidence of their financial circumstance.

Any postponed rates will be postponed until the:

- death of the ratepayer(s); or
- the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- the ratepayer(s) ceases to use the property as his/her residence; or
- the date specified by the Council in the postponement agreement.

The postponed rates or any part thereof may be paid at any time. The ratepayer may elect to postpone the payment of a sum lesser than that which the ratepayer would be entitled to have postponed under this policy.

4.3 Farmland

Council will postpone rates on farmland where the value of the rateable unit is influenced by the potential residential, commercial or other non-rural use.

The level of postponement granted will be based on the difference between the rateable value of the rateable unit and the valuation of a comparable farmland rating unit elsewhere in the district or surrounding district, as determined by Council's valuation service provider. Council's valuation service provider's decision is final.

If the rating unit is subdivided, changes use, or sold all rates postponed and unpaid for six years or less will become payable on the issue of a resource or building consent that is not principally for agriculture, horticulture or pastoral purposes, or the issue of a separate Certificate of Title for the sub-divided land.

5. RELEVANT DELEGATIONS

The following officers, and all officers in a direct line of authority above them, including the General Manager of their division, are delegated the authority to make decisions as to whether and how this policy applies (and therefore rates are postponed), including the exercise of any Council discretion provided for in the policy, and to sign on behalf of Council the postponement agreements.

Team Leader: Revenue

Any officer who performs or exercises the same or substantially similar role or function as to the officer above, whatever the name or his or her position.

6. REFERENCES AND RELEVANT LEGISLATION

Local Government (Rating) Act 2002 (in particular section 87)

Local Government Act 2002



COUNCIL POLICY

| | |
|-------------------------|------------------------|
| POLICY TITLE: | RATES REMISSION |
| Minute Ref: | M18/56 |
| Date of Adoption | 28 June 2018 |

1. POLICY OBJECTIVES

- To enable Council to acknowledge the special circumstances of particular ratepayers.
- To provide targeted financial relief to community organisations.
- Provide relief to ratepayers who have excessive water rates due to a leak.

2. PRINCIPLES

The overarching principles identified in the Revenue and Financing Policy apply.

3. DEFINITIONS

General rate is a rate that the local authority sets for the general purposes of the local authority.

Uniform Annual General Charge (UAGC) is a fixed dollar rate set on each separately used or inhabited part of a rating unit for the general purposes of the local authority.

Wastewater rate is a fixed dollar targeted rate set on the number of water closets and urinals within the rating unit.

Ratepayer is the person or persons identified in Council's rating information database as the person liable for rates – generally that person is the owner of the rating unit.

Rates penalty is an additional rates charge made when payment is not received by the due date specified.

Rating unit is defined in the Rating Valuations Act 1998. It is the block of land which attracts the liability for rates. The main criterion is the existence of a separate certificate of title.

Remission means the requirement to pay the rate for a particular financial year is forgiven in whole or in part.

Residential means a rating unit whose primary use is residential, rural, education, recreation, leisure or conservation.

Commercial means a rating unit whose primary use is commercial, industrial, port, transportation or utilities network, and includes any land not in the residential category.

4. POLICY STATEMENT

4.1 General Consideration

When considering any remission Council will take into account the circumstances at the time the rates are set.

4.2 Remission of Uniform Annual General Charge (UAGC)

Council may remit on application the additional UAGC for a separately used or inhabited part of a rating unit where a person is unable to fully utilise the unit's facilities e.g. due to disability and/or age.

Utilities owned by Tauranga City Council will receive 100% remission of Uniform Annual General Charges (as such rates would otherwise be indirectly recovered from ratepayers).

4.3 Remission of General Rates

Utilities owned by Tauranga City Council will receive 100% remission of General rates (as such rates would otherwise be indirectly recovered from ratepayers).

4.4 Rates Penalty

In order to provide relief of penalties incurred on unpaid rates where specific events or circumstances have occurred, Council will remit penalties on rates where any of the following apply and a remission application has been received:

- An agreement has been reached for the ratepayer to make payment within two weeks of the penalty being issued or make regular automatic payments to settle all arrears and current rates within the current rating year, and the ratepayer has a good payment history (being three clear years' history without penalty).
- A bereavement, serious illness or relationship breakdown in the ratepayer's family occurred around the time the instalment was due.
- The penalty is less than \$10.00 for any rates excluding water rates or \$2.00 for water rates.
- An administrative error.

The Team Leader: Revenue Services may remit rates penalties for reasons other than those specified up to \$1,000 on any one rating unit. Applications to remit penalties on any one rating unit over \$1,000 for reasons other than those specified above are to be decided upon by the Manager: Revenue.

4.5 Community and Not-for-Profit Organisations

In order to provide relief to applicable community and not-for-profit organisations, who deliver social benefits to the community where neither government nor business is best or appropriately placed to do so Council will allow the following:

Land used for a place of religious worship, Marae or not-for-profit early childhood centres with a non-rateable status under the Local Government (Rating) Act 2002 may be remitted 66.66% of the Wastewater rate.

Land used for a place of religious worship or Marae with a non-rateable status under the Local Government (Rating) Act 2002 may receive full remission of the water base rate over the minimum base rate where there is a water meter connection greater than 20 millimetres.

Land used primarily for the promotion of sport, art, health, recreation or education and not used for private pecuniary profit may receive a 100% remission on General rates. These organisations must provide evidence of a significant portion of local community voluntary contribution to operations and funding (other than from Government Agencies).

This remission will not apply to land used for organisations who are affiliated or who could be affiliated to Clubs New Zealand Incorporated or used for horse racing.

Land designated a Maori Reservation under the Te Ture Whenua Maori Act 1993, excluding land used for permanent housing, will be granted a 100% remission on General rates.

4.6 Water Rates Attributable to Water Leaks

In order to provide relief to people in situations where water usage is high due to a water leak, Council may remit water consumption rates where all of the following apply:

- A remission application has been received; and
- Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
- The leak has been repaired within 14 days of being identified (an extension of 14 days may be granted if written evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- Proof of the leak being repaired has been provided to Council within 14 days after repair of the leak.

The amount of the remission will be the difference between the average consumption of the property prior to the leak, as deemed reasonable by Council, and the consumption over and above that average.

Remission is limited to the period where the leak was identified and fixed and the last invoice. Remission for any particular property will generally be granted only once every year. Where a remission for a water leak has been granted to a property under this policy within the last year, the remission decision is to be made by the Manager: Revenue.

4.7 Remission for Wastewater Rates Commercial Properties

In order to provide relief to commercial ratepayers that choose to install more toilets than required by the building code, Council may partially remit the wastewater rate for commercial ratepayers where the number of toilet pans installed exceeds the number of pans required under the building code.

4.8 Remission for Wastewater Rates Schools

Land used for an educational establishment which has a non-rateable status under Schedule 1 Part 1 section 6 (a) and (b)(i) & (ii) of the Local Government (Rating) Act 2002 may be remitted 50% of the Wastewater rate for the 2016/2017 rating year.

This remission will reduce as follows:

- 50% of the Wastewater rate in the 2016/2017 rating year
- 40% of the Wastewater rate in the 2017/2018 rating year
- 30% of the Wastewater rate in the 2018/2019 rating year
- 20% of the Wastewater rate in the 2019/2020 rating year
- 10% of the Wastewater rate in the 2020/2021 rating year
- 0% of the Wastewater rate in the 2021/2022 rating year

4.9 Remission for Natural Disasters and Emergencies

In order to provide relief to ratepayers where a natural disaster or other type of emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit all or part of any rate or charge where it considers it fair to do so.

Individual events causing a disaster or emergency are to be identified by Council resolution. Council will determine the criteria for the remission at that time and those criteria may change depending on the nature and severity of the event and available funding at the time.

Remissions approved under this policy do not set a precedent and will be applied for each specific event and only to properties directly affected by the event.

4.10 Remission for Buildings Undergoing Earthquake Strengthening

In order to provide relief to ratepayers of commercial properties in Tauranga City that are undergoing earthquake strengthening, including rebuilding, that affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit all or part of the general rate where it considers it fair to do so.

Applications must be received before 1 July prior to the year when the remission is to apply. If the earthquake strengthening work is over multiple rating year's applicants must reapply before 1 July to be eligible for remission for the next year.

4.11 Remission for unliveable Residential Buildings undergoing remedial rebuilding

In order to provide relief to ratepayers of residential properties in Tauranga City, that are undergoing rebuilding, that affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time, Council may remit rates to the extent that rates would be assessed on that land, as if it was a vacant rating unit.

Applications must be received before 1 July prior to the year when the remission is to apply. If the rebuilding work is over multiple rating year's applicants must reapply before 1 July to be eligible for remission for the next year.

Applications must meet the relevant criteria as approved by the Chief Financial Officer.

4.12 Exceptions

Rates may be fully or partially remitted where the Manager: Revenue considers that the characteristics of land use, location or special circumstances warrant a remission.

5. RELEVANT DELEGATIONS

With the exceptions of decisions required to be specifically made by Council (section 4.9)) or that which is specifically delegated to the Manager: Revenue (sections 4.6 and 4.12), the Team Leader: Revenue, and all officers in a direct line of authority above them, including the General Manager of their division, are delegated the authority to make decisions as to whether and how this policy applies, including the exercise of any Council discretion provided for in the policy, and to sign on behalf of the General Manager.

Team Leader: Revenue

Any officer who performs or exercise the same or substantially similar role or function as to the officer above, whatever the name of his or her position.

6. REFERENCES AND RELEVANT LEGISLATION

Local Government (Rating) Act 2002 (in particular sections 85 and 86)

Local Government Act 2002

Te Ture Whenua Maori Act 1993,

Lead Policy: Rating Policy

Preamble

Nā te mea i roto nā te Tiriti o Waitangi i motuhake ai te noho a te iwi me te Karauna: ā, nā te mea e tika ana kia whakaūtia anō te wairua o te wā i roto atu ai te kōwhirianga kia riro mai ai te mau tonu o te rangatiratanga e takoto nei i roto i te Tiriti o Waitangi: ā, nā te mea e tika ana kia mārama ko te whenua he taonga tuku iho e tino whakaaro nuitia ana e te iwi Māori, ā, nā tērā he whakahau kia mau tonu taua whenua ki te iwi nōna, ki ō rātou whānau, hapū hoki, a, a ki te whakangungu i ngā wāhi tapu hei whakamāmā i te nohotanga, i te whakahaeretanga, i te whakamahitanga o taua whenua hei painga mō te hunga nōna, mō ō rātou whānau, hapū hoki: ā, nā te mea e tika ana kia tū tonu he Te Kooti, ā, kia whakatakototia he tikanga hei āwhina i te iwi Māori kia taea ai ēnei kaupapa te whakatinana.

Whereas the Treaty of Waitangi established the special relationship between the Maori people and the Crown: And whereas it is desirable that the spirit of the exchange of kōwhirianga for the protection of rangatiratanga embodied in the Treaty of Waitangi be reaffirmed: And whereas it is desirable to recognise that land is a taonga tuku iho of special significance to Maori people and, for that reason, to promote the retention of that land in the hands of its owners, their whānau, and their hapu, and to protect wāhi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapu: And

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Version as at
28 October 2021

Te Ture Whenua Māori Act 1993
Māori Land Act 1993

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whereas it is desirable to maintain a court and to establish mechanisms to assist the Maori people to achieve the implementation of these principles.

Preamble: amended, on 1 July 2002, by section 3(1)(a) of Te Ture Whenua Māori Amendment Act 2002 (2002 No 16).

Preamble: amended, on 1 July 2002, by section 3(1)(b) of Te Ture Whenua Māori Amendment Act 2002 (2002 No 16).

9.3 Rating Policy Review

File Number: A13156550

Author: Malcolm Gibb, Project Manager - Rating Review

Kathryn Sharplin, Manager: Finance

Jim Taylor, Transactional Services Manager

Authoriser: Paul Davidson, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. To present summary findings of research and analysis on the groups within the community that benefit from or cause council expenditure primarily in transportation. Based on this analysis to consider options regarding the fair apportionment of rates funding of council expenditure.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receive report and
 - (i) Note that the report provides evidence from internal and external sources that the commercial and industrial sector should contribute a higher share of the rate funding for the transportation activity
 - (ii) Note that comparable Councils use general rate differentials rather than targeted rates to fund their transportation activities
 - (iii) Agree that the extent and quantum of any amendments to the rating policy could be a mix of differential general and targeted rates
 - (iv) Confirm that further consideration will be given to a suitable proposal for the rating policy being included in the draft 2022/23 draft Annual Plan on 28th February

EXECUTIVE SUMMARY

2. The report provides a range of scenarios which can be considered to bring into effect the Commissioners' request for a fairer split of the rate funding required to be invested in the transportation network. A proposal, to be decided at the Council meeting on the 28th February, will be included in the draft 2022/23 Annual Plan for consultation with the community.

BACKGROUND

3. The Commissioners resolved at the Council meeting on 15th December to
 - (a) Confirm the funding mix for general rates, stormwater, resilience and community targeted rates between the commercial/industrial sector and the residential sector will at least be maintained at 76%/24% once the property revaluation process on capital values is completed for the 2022/23 financial year
 - (b) Endorse the principle that the benefits provided by the transport activity be further considered in February 2022, to more fairly allocate rate revenue funding between the commercial/industrial sector and residential sector, for inclusion in the draft 2022/23 draft Annual Plan.
 - (c) Plan to consult with the community during the 2022/23 Annual Plan process on how best to transition to a higher differential for the commercial/industrial sector to align with

benefits received from council expenditure to ensure the rate funding mix is better balanced across all its activities.

Early engagement in February is planned to be undertaken by the Commissioners with the commercial and industrial sector through Priority One and the Chamber of Commerce with meetings arranged with their members.

STRATEGIC / STATUTORY CONTEXT

4. The preparation of an annual plan is required under the Local Government Act 2002 and the rating policy review under the Rating Act 2002.

RESEARCH AND ANALYSIS

5. To inform council's requests regarding higher levels of funding to be provided by the commercial and industrial sector we have undertaken specific research through Insight Economics along with internal review and analysis of the transportation activity. Work on other activities will have to be conducted separately to better understand the specific benefits received by this sector from each activity.
6. Insight Economics has provided expert external advice on the groups that benefit from transportation or contribute to the costs of transportation services. The key findings from this work are summarised in Table 1 and the Project Summary and Preliminary Findings are attached as Attachment 1.
7. Table 1 shows that residents pay a much higher share of transport rates than their estimated shares of causation/benefits, and vice versa for business ratepayers.
8. Accordingly, the recommendation is that the relative shares of transport funding paid by residential and non-residential properties be reviewed.
9. Moreover, while the relationship between funding and causation/benefit shares differs within the commercial ratepayer group (i.e. between commercial vs industrial vs retail) and hence splitting that group up may be justifiable, this must be weighed against other considerations, such as policy simplicity and administrative ease.
10. Overall, the recommendation is that the existing commercial and industrial group be kept, but the corresponding differentials reviewed.

Table 1: Causation/Benefit versus Rates Contribution

| Land Use | Share of Daily Trips | Share of Peak Hour Trips | Share of Parking Demand | Share of Transport Rates |
|--------------|----------------------|--------------------------|-------------------------|--------------------------|
| Commercial | 19% | 14% | 43% | 6% |
| Industrial | 18% | 20% | 33% | 9% |
| Retail | 16% | 19% | 24% | 4% |
| Residential | 48% | 48% | 0% | 80% |
| Total | 100% | 100% | 100% | 100% |

11. In addition to this work by Insight Economics there are various internal studies and asset management planning by TCC which supports their analysis on the commercial and industrial sector's impact on council's transportation services. TCC's 2021-31 Transport Asset Management Plan (TAMP) is an extensive document that presents three problem statements, the first of which is the response needed to manage the risk that

"increased travel and reliance on a few key routes threaten the future viability and productivity of the Port and other commercial areas".

12. Long term forecasts on the use of the Transportation network (sourced from UFTI and Smartgrowth) also provides relevant evidence on the impact that commercial growth in Tauranga has on key journeys. The Deloitte Freight Demand Study predicts 50-80% more heavy vehicles on the network over the study period of 30 years.
13. Long-Term Plan budgets for the transportation activity are proposed to be \$35 Million for 2022/23 rising to \$179 Million (non-inflation adjusted) by 2030/31 reflecting the substantial investment in the transportation network over the next ten years. In the 2021-31 Transportation Asset Management Plan (TAMP), forecast operational and maintenance expenditure is \$91.5 million on average each year for ten years. The renewal expenditure is expected to be a further \$17.9 million per annum.
14. Asset Management investment analysis provided by the Transportation team, which covers the last ten years of investment activity, shows the extent of investment needed to maintain and renew the parts of the network, most used by commercial and industrial vehicles. The analysis reveals that it is considerably more expensive and requires more frequent interventions to maintain the levels of services which are consistent with the TAMP and LTP than for other roads in the network.
15. For the proposed investment levels to be supported by the community and to be financially sustainable, changes to funding contribution should be considered that reflect the benefits of this future capital work, specifically a greater contribution by the commercial sector.
16. As presented in the December report, Council has a significantly lower share of rates paid by the commercial sector than other metro councils for the funding of their transport activity. Table 2 below compares the rating differentials and shares of general rates or transport targeted rates that are paid by the commercial sector in each of these councils.

Table 2: Comparison of Metro Councils Rating differential and proportion of rates collected from Commercial Sector

| Council | Rating Units | Commercial Differential | Transportation funding | Total rates \$000 | Average /RU \$ |
|------------------|--------------|-------------------------|---|-------------------|----------------|
| Upper Hutt | 17,434 | 2.90 | General rate | \$46,145 | \$ 2,647 |
| Hutt City | 43,258 | 3.00 | General rate (Commercial 38% of general rate) | \$128,460 | \$ 2,970 |
| Dunedin | 59,582 | 2.46 | General rate (Commercial 32% of general rate) | \$179,124 | \$ 3,006 |
| Palmerston North | 33,850 | 3.37 | General rate | \$109,059 | \$ 3,222 |
| Christchurch | 177,350 | 1.70 | General rate (Commercial 27%) | \$588,027 | \$ 3,316 |
| Queenstown Lakes | 27,703 | 3.75 | *Targeted rate (Commercial 45% benefit) | \$95,869 | \$ 3,461 |
| Auckland | 600,626 | 2.70 | General rate (Commercial 35% of general rate) | \$2,105,831 | \$ 3,506 |
| Hamilton | 62,802 | 2.65 | General rate (Commercial 41% of general rate) | \$221,714 | \$ 3,530 |
| Tauranga | 60,053 | 1.60 | General+Targeted rate (Commercial 24% of general rate) | \$234,278 | \$ 3,901 |
| Wellington | 86,602 | 3.25 | General rate (Commercial 44% of general rate) | \$391,556 | \$ 4,521 |

OPTIONS TO FUND THE TRANSPORT ACTIVITY

17. Table 3 provides the impact analysis of the four scenarios presented in December for assessing 50% of the transportation costs on the commercial sector, updated with the draft annual plan budget and proposed new rating 2021 rating valuations.
18. The table shows the total rates share and proposed rates increases for the commercial/industrial sector and the residential sector, for the 2022/23 financial year. Further scenarios are included in Attachment 2.

Table 3: Options for allocation through the general rate and the TSP targeted rate

| Scenario's 2022-2023 Impact | Status Quo commercial differential 1.6 | Scenario 1 Transport general rate and TSP targeted rate | Scenario 2 Transport general rate and TSP targeted rate phased 2 years | Scenario 3 Transport general rate and TSP targeted rate phased 3 years | Scenario 4 Transport general rate and TSP rate Commercial 30% of total rates |
|--|--|---|--|--|--|
| Total budget \$ Million (excluding water) | \$232.32 | \$232.32 | \$232.32 | \$232.32 | \$232.32 |
| Transportation/TSP targeted rate \$ Million | \$3.96 | \$3.96 | \$3.96 | \$3.96 | \$3.96 |
| Activity Benefit Split | 24 : 76 | 50 : 50 | 40 : 60 | 33 : 67 | 50 : 50 |
| TSP Differential | 1.6 | 4.93 | 3.28 | 2.51 | 4.93 |
| General Differential | 1.6 | 2.13 | 1.9 | 1.8 | 2.69 |
| Overall Total Rates Mix commercial: residential | 23 : 77 | 27 : 73 | 25 : 75 | 24 : 76 | 30 : 70 |
| % rates increase in 2022/2023 for a range of residential properties in each scenario (low to high capital value) | 13-10% | 9-3% | 10-6% | 11-7% | 4--4% |
| % rates increase in 2022/2023 for a range of commercial properties in each scenario (low to high capital value) | 15-14% | 31-37% | 25-28% | 21-23% | 44-55% |

19. Scenarios 1 to 4 show the impact on the allocation of rates if the transportation activity budget was assessed through the current general rate and the existing TSP targeted rate.
Alternative scenarios 1.1 to 4.1 included in attachment 2 show the impact if all the transportation activity budget, including the existing TSP budget, was collected through a new combined targeted rate, instead of a mix of general rate and the TSP targeted rate.
20. The operational costs for transportation in most other metro's is funded through a general rate differential. Retaining the current general rate and targeted rate will make benchmarking Tauranga's general rate differential with other metro council's general rate differentials more transparent.
21. **Scenario 1:** If the proposed change to funding the transportation activity to 50/50 on the residential and commercial sectors was implemented in one year the differential on the general rate would increase from 1.6 to 2.13 and the differential on the TSP rate would increase from 1.6 to 4.93. The overall rates allocation would be 27% commercial / 73% residential. The impact on residential ratepayers would be a lower increase than the status quo in rates of between 3-9% and the impact on commercial ratepayers would be a higher increase than the status quo of between 31-37%.
22. Phasing the proposed change in policy over a period of time can assist with the principle of re-balancing the funding mix to the rating policy.
23. **Scenario 2:** If the proposed change was implemented over two years, the differential on the general rate would increase in the first year from 1.6 to 1.9 and the differential on the TSP rate would increase from 1.6 to 3.28. The overall rates allocation would be 25% commercial /

75% residential in year one. The impact on residential ratepayers would be between 6-10% and the impact on commercial ratepayers would be between 25-28% in the first year.

24. **Scenario 3:** If the proposed change was implemented over three years, the differential on the general rate would increase in the first year from 1.6 to 1.8 and the differential on the TSP rate would increase from 1.6 to 2.51. The overall rates allocation would be 24% commercial / 76% residential. The impact on residential ratepayers would be between 7-11% and the impact on commercial ratepayers would be between 21-23% in the first year.
25. **Scenario 4:** This scenario considers the higher differential needed to reflect benefit across other areas of council expenditure in line with other cities. If the proposed change was implemented in one year, and the commercial sector allocation was increased to 30% of all rates (the average of the other metro's) the differential on the general rate would increase from 1.6 to 2.69 and the differential on the TSP rate would increase from 1.6 to 4.93. The overall rates allocation would be 30% commercial / 70% residential in year one. The impact on residential ratepayers would be between -4% and 4% and the impact on commercial ratepayers would be between 44-55% in the first year.
26. These scenarios will be discussed with the representatives of the commercial and industrial sector during the engagement meetings arranged with Priority One and the Chamber of Commerce during February.

FINANCIAL CONSIDERATIONS

27. This report forms part of the process of preparing a draft budget for the 2022/23 financial year. This draft will be consulted with the community during March and April 2022.

LEGAL IMPLICATIONS / RISKS

28. Council is required to ensure compliance with the relevant sections of the LGA and Rating Act to progress these proposals through the Annual Plan process.

SIGNIFICANCE

29. The matter considered by this report, the draft Annual Plan 2022/23, is considered of high significance in terms of council's Significance and Engagement Policy. This is because it affects all residents, ratepayers and businesses in, and visitors to, the city, and because it involves council's resource allocation decisions and rating decisions for the next year.
30. However, the decisions to be made in response to this report are considered of low significance as they are just one interim step in the process of developing the draft annual plan.

ENGAGEMENT

31. Consultation on the draft 2022/23 Annual Plan will be in accordance with the requirements of the Local Government Act and be presented to Commissioners on 28th February. The engagement process has already commenced with stakeholders in the commercial and industrial sector regarding proposed changes to aspects of the rating policy.
32. Taking into consideration the above assessment, that the matter is of high significance, officers are of the opinion that the planned consultation and engagement will meet the requirements of the Rating Act and LGA.

NEXT STEPS

33. The draft 2022/23 Annual Plan and budget will be approved on 28 February for public consultation.

ATTACHMENTS

Nil

Attachment 1 – Insight Economics – Project Summary and Preliminary Findings

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Auckland 1010

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INSIGHT | ECONOMICS

Project Summary and Preliminary Findings

| | | | |
|----------|-----------------------------------|-------|-------------------------|
| To: | Malcom Gibb | From: | Fraser Colegrave |
| Date: | Tuesday, 25 January 2022 | Page: | 3 (including this page) |
| Subject: | Review of Transport Rating Groups | | |

Malcom,

This memo summarises our approach to assessing potential changes to TCC's transport funding, particularly the possible identification of new ratepayer groups, and summarises our initial findings.

Purpose of Report

1. TCC is currently reviewing its approach to funding transport activities and engaged us to consider the need for and/or merits of:
 - a. Altering the shares of transport rates between the two existing ratepayer groups, residential and commercial, and/or
 - b. Identifying new ratepayer groups and resetting transport rates accordingly.

Context

2. Tauranga is a fast-growing and highly car dependent city, plus it contains NZ's largest port, so its transport work is under significant (and growing) pressure.
3. Currently, Tauranga City Council (TCC) funds transport activities mainly via UAGCs, general rates, and targeted rates (with a differential of 1.6 for commercial ratepayers).
4. Transport targeted rates are set to grow rapidly and become the largest funding source over time.

Focus of Assessment

5. To help determine whether changes may be required, we first estimated the extent to which each ratepayer group causes the need for and/or benefits from TCC's and BOPRC's transport activities as per s101(3) of the LGA.
6. Then we reconciled them with their shares of transport funding to identify areas for improvement.
7. While the city's transport system is complex and multi-faceted, we focussed on the direct effects/benefits of its roading work, which accounts for most transport movements.
8. Further, since transport demand is more uniform across residential properties than businesses ones (which vary markedly in size and nature), we focussed on potentially splitting the existing commercial ratepayer group into smaller chunks. e.g. commercial vs industrial vs retail.

Options for Creating New Ratepayer Groups

9. Our first task was to identify and assess options for potentially setting new ratepayer categories, if deemed necessary.
10. There are several ways to group and rate properties, including property sizes, values, locations, zoning, and so on.
11. Intuitively, transport demand is likely to vary by land use and/or zone, so we focussed on those.

Page | 1

12. Specifically, we analysed the extent to which business activities in the city's commercial and industrial zones house wide ranges of land uses (with transport demands thus varying), or whether they were relatively similar.
13. Overall, there is significant land use variation within the city's commercial and industrial zones, so zoning is unlikely to be a reliable proxy for the transport demand of each property.
14. Accordingly, we focussed on grouping properties using Core Logic landuse classification.

Calculating Transport Causation/Benefit by Land Use Type

15. Using TCC's RID, each property was tagged to a land use type, with its GFA overlaid by trip and parking demand rates per 100m² to estimate:¹
 - a. Daily trips,
 - b. Peak hour trips, and
 - c. Parking demand
16. Adjustments were then made to reflect:
 - a. the share of trips that were primary versus those done enroute elsewhere, and
 - b. The mix of heavy and light vehicles
17. This helps capture the varying impacts of different trips. For example, trips enroute elsewhere typically have lower impacts, while heavy vehicle trips have greater network loads than light ones.
18. Once adjusted, our estimates of trips and parking demand were aggregated by land use to yield shares of causation/benefit, then reconciled with shares of funding to produce the table below.

Table 1: Causation/Benefit versus Rates Contribution

| Land Use | Share of Daily Trips | Share of Peak Hour Trips | Share of Parking Demand | Share of Transport Rates |
|--------------|----------------------|--------------------------|-------------------------|--------------------------|
| Commercial | 19% | 14% | 43% | 6% |
| Industrial | 18% | 20% | 33% | 9% |
| Retail | 16% | 19% | 24% | 4% |
| Residential | 48% | 48% | 0% | 80% |
| Total | 100% | 100% | 100% | 100% |

Conclusions on Ratepayer Groups and Funding Shares

19. Table 1 shows that residents pay a much higher share of transport rates than their estimated shares of causation/benefits, and vice versa for business ratepayers.
20. Accordingly, we recommend that the relative shares of transport funding paid by residential and non-residential properties be reviewed.
21. Moreover, while the relationship between funding and causation/benefit shares differs within the commercial ratepayer group (i.e. between commercial vs industrial vs retail) and hence splitting that group up may be justifiable, this must be weighed against other considerations, such as policy simplicity and administrative ease.
22. Overall, we recommend that the existing commercial group be kept, but the corresponding differentials reviewed.

¹ Household demand was estimated on a per dwelling basis in line with common practice.

Attachment 2 - Other Funding Options for the Transportation activity - a new targeted rate.

Alternative scenario's 1.1 to 4.1 in the Table below show the impact if all the transportation activity budget, including the existing TSP budget, was collected through a new combined targeted rate, instead of the current mix of the general rate and the TSP targeted rate.

Although targeted rates can provide greater transparency, the operational costs of the transportation activity which are in the general rate in the same way as other metros would get mixed with the TSP targeted rate which was created for transparency for the new TPS investments.

Creating a new combined targeted rate would not necessarily create greater transparency.

| Scenario's 2022-2023 Impact | Status Quo commercial differential 1.6 | Scenario 1.1 100% targeted rate Transport | Scenario 2.1 100% targeted rate Transport phased 2 years | Scenario 3.1 100% targeted rate Transport phased 3 years | Scenario 4.1 100% targeted rate Transport Commercial 30% of total rates |
|--|---|--|---|---|--|
| Total budget \$ Million (excluding water) | \$232.32 | \$232.32 | \$232.32 | \$232.32 | \$232.32 |
| Transportation/TSP targeted rate \$ Million | \$35.24 | \$35.24 | \$35.24 | \$35.24 | \$35.24 |
| Activity Benefit Split | 24 : 76 | 50 : 50 | 40 : 60 | 33 : 67 | 50 : 50 |
| TSP Differential | 1.6 | 4.93 | 3.28 | 2.51 | 4.93 |
| General Differential | 1.6 | 1.6 | 1.6 | 1.6 | 2.22 |
| Overall Total Rates Mix (commercial : residential) | 23 : 77 | 27 : 73 | 25 : 75 | 24 : 76 | 30 : 70 |
| % rates increase in 2022/2023 for a range of residential properties (low to high capital value) in each scenario | 13-10% | 9-3% | 10-6% | 11-7% | 4--4% |
| % rates increase in 2022/2023 for a range of commercial properties (low to high capital value) in each scenario | 15-14% | 31-37% | 25-28% | 21-23% | 44-55% |

9.4 Mobile Shop Policy Review: Issues and Options Paper

File Number: A12894205

Author: Vicky Grant-Ussher, Policy Analyst

Authoriser: Christine Jones, General Manager: Strategy & Growth

PURPOSE OF THE REPORT

1. This report outlines the findings from a scheduled review of the Mobile Shops Policy and provides issues and options for consideration.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

Issue 1: Policy structure for mobile shop trading

- (a) Agree to incorporate the Mobile Shops Policy into the Community, Private and Commercial Use of Council-Administered Land policy review and consult on the issues outlined below through the review.

Issue 2: Trading site allocation

- (b) Agree to consult on the following changes to the Mobile Shops Policy:
 - (i) add an additional mobile trading site in Gordon Spratt Reserve
 - (ii) add an additional mobile trading site in Greerton Park
 - (iii) add an additional mobile trading site in Carlton Reserve
 - (iv) set Gordon Carmichael Reserve limit at 1 mobile shop
 - (v) set Omanu Beach carpark limit at 1 mobile shop

Issue 3: Non-compliant behaviour by a small cohort of mobile shops that is causing traffic safety concerns

- (c) Require mobile shops to have a plan to manage health and safety risks.
- (d) Add a category in the Traffic and Parking Bylaw to cover mobile shops' operation on the road.

Issue 4: Waste minimisation opportunities

- (e) Require mobile shops to complete a waste minimisation survey as part of the mobile shop licence process.

Issue 5: Changes in road traffic volumes and changes in speed zones

- (f) Prohibit mobile shops trading on roads with a speed limit higher than 50km/hr.

Issue 6: Noise levels of generators

- (g) Require mobile shops to connect to power where this is available, and their set up allows.

EXECUTIVE SUMMARY

2. A regular review of the Mobile Shops Policy has been undertaken as part of the policy work programme. The Mobile Shops Policy helps balance the amenity benefits mobile shops bring to our city with other outcomes.

3. Early feedback received suggests the Mobile Shops Policy is generally working well, however early engagement with stakeholders has identified several issues with the Mobile Shops Policy for consideration including:
 - a greater number of mobile shops operating and requests from mobile shop operators for additional trading sites
 - waste minimisation opportunities
 - non-compliant behaviour by a small cohort of mobile shops that is causing traffic safety concerns
 - changes in road traffic volumes and changes in speed zones
 - noise levels of generators.
4. In addition to these issues raised there is also the opportunity to consider whether to continue to have a stand-alone policy for the Mobile Shops Policy. The content of the policy could instead form part of the Community, Private and Commercial Use of Council-Administered Land lead policy (Use of Council Land Policy) or the Traffic and Parking Bylaw as appropriate.

BACKGROUND

5. Mobile shops can enhance users' experience of recreational space and can offer vibrancy and interest to our city. The Mobile Shops Policy seeks to balance the amenity value of mobile shops for users with other outcomes such as safety and access, quiet reserve enjoyment and the interests of community groups operating commercial activities on council land.
6. The Mobile Shops Policy sets out:
 - the conditions of trading in a public place
 - the parks and reserves where trading is allowed
 - tender requirements for prime locations
 - areas where trading is prohibited.
7. Under the Street Use and Public Places Bylaw, mobile shops are required to follow the Mobile Shops Policy to trade in a public place. The terms of the licence require operators to adhere to the Mobile Shops Policy.

STRATEGIC / STATUTORY CONTEXT

8. The Mobile Shops Policy was adopted in 2006. It is a supporting policy to the Use of Council Land Policy which is currently under active review. The last review of the Mobile Shops Policy was in 2016.

OPTIONS ANALYSIS

9. Early engagement was conducted with council bylaws officers, parks and reserve staff, transportation staff and current mobile shop licence holders on the operation of the policy. The results of a short survey of current mobile shop owners is provided in Attachment 2. Of the approximately 90 active mobile shop licence holders, 16 completed the survey. Not all respondents answered all questions.
10. Most stakeholders were happy with the operation of the policy. However, several issues were identified that had emerged since the last review and are provided for consideration. Minor amendments to the policy for clarification were also suggested and have been incorporated in the draft policy for consultation in Attachment 1.
11. During the review it was also identified that there was limited printed or website information available for mobile shop operators applying for a licence. We will be updating the material as part of the review.

Issue 1: Policy structure for mobile shop issues

12. Currently the Mobile Shops Policy contains the primary content relating to mobile shops and their operation⁵. The Street Use and Public Places Bylaw authorises mobile shops to operate in a public place subject to the Mobile Shops Policy, it also sets out the requirements for any signs for the mobile shop. In Issue 3 there is the option to investigate moving the aspects relating to trading on the road into the Traffic and Parking Bylaw.
13. The current Mobile Shops Policy covers requirements to operate in parks and reserves and on roads. As noted in the issues analysis there is currently a lack of accessible information for mobile shop owners on how to operate and at present the policy is provided as terms and conditions for their operation.
14. Issues surrounding the commercial use and activation of spaces has been raised through this review, for example, pressure on spaces, impacts on passive use of parks and reserves, and the quality level of operators. Bringing the Mobile Shops Policy into the Use of Council Land Policy review could help give consistency across businesses that use council land to operate.

Table 1: Policy structure for Mobile Shop Trading

| # | Option | Advantages | Disadvantages |
|---|---|---|--|
| 1 | Continue a stand-alone Mobile Shops Policy | <ul style="list-style-type: none"> Retains existing approach that mobile shop owners understand Provides one source of rules for mobile shops Allows for frequent reviews related just to mobile shop issues | <ul style="list-style-type: none"> May lead to inconsistencies with the use of council land by businesses |
| 2 | Include the Mobile Shops Policy in the Use of Council Land Policy review (recommended) | <ul style="list-style-type: none"> Allows for issues related to the use of council land by businesses to be considered together Consolidates the engagement processes the community need to feed into | <ul style="list-style-type: none"> May be more difficult for mobile shops to understand which rules apply to their business (however updated support materials will be developed) May add to the complexity of reviewing the settings of the Mobile Shops Policy |

Issue 2: Trading Site Allocation

15. Council staff have noticed an increase in the number of mobile shops operating following the Covid-19 lockdown period in 2020. Mobile shop licence holders also feel there has been increase in mobile shops with 12 of 15 respondents believing more mobile shops were operating this year. It is unclear whether this is a temporary trend in relation to the uncertain economic environment or whether this will continue long-term. The council will continue monitoring this trend.
16. A survey of mobile shop licence holders showed around half of the respondents would like to have an increase in the number of spaces available for mobile shops in parks and reserves (7 respondents). The other half were happy with the existing allocations (6 respondents). The

⁵ Some aspects of mobile shop operation remain in the Temporary Commercial Activities on Council Land Policy however these are now superseded and will be removed as part of the policy updates agreed to for the Use of Council Land Policy review.

results showed the most popular sites identified for extra spaces were, Gordon Spratt Reserve, Greerton Park, Carlton Reserve, Papamoa Domain, Fergusson Park and Waipuna Park. Table 2 below provides an analysis of the suitability of possible parks and reserves identified.

17. Engagement on the Use of Council Land Policy suggests that long-standing, well-run mobile shops are valued and considered to enhance the area and people's enjoyment of parks and reserves. However, the engagement also raised issues relating to mobile shops' operation on parks and reserves where it impacted on the purpose of the park or reserve. Feedback included:
- a need to prioritise parking spaces for park or reserve users
 - concern if mobile shops crowd out green areas and create visual clutter
 - concern for the impact on nearby permanent retailers or sports clubs.

Options for increasing trading places for mobile shops in parks and reserve sites

Table 2: Options for additional trading spaces at parks and reserves

| # | Option | Advantages | Disadvantages |
|---|--|--|--|
| 1 | Increase number of sites on Gordon Spratt Reserve from 4 to 5 (recommended) | <ul style="list-style-type: none"> • Adequate carpark space • Would service large reserve | <ul style="list-style-type: none"> • May impact on sport clubs' plans for reserve • High use of reserve at weekends |
| 2 | Increase number of sites on Greerton Park from 2 to 3 (recommended) | <ul style="list-style-type: none"> • Adequate car parking space • No sports club tuck shop competition | <ul style="list-style-type: none"> • None |
| 3 | Increase number of sites on Carlton Reserve from 2 to 3 (recommended) | <ul style="list-style-type: none"> • Adequate carpark space | <ul style="list-style-type: none"> • May impact on long-term sport clubs' plans for reserve |
| 4 | Increase number of sites on Papamoa Domain from 2 to 3 | <ul style="list-style-type: none"> • Popular location | <ul style="list-style-type: none"> • Access issues • High use area |
| 5 | Increase number of sites on Fergusson Park from 2 to 3 | <ul style="list-style-type: none"> • Adequate carpark space in off peak periods • No sport facilities tuck shop competition • Further activates the space | <ul style="list-style-type: none"> • Experiences high use on weekends and additional sites may limit carpark space • Feedback that the community disliked noisy generators on the park |
| 6 | Increase number of sites on Waipuna Park from 2 to 3 | <ul style="list-style-type: none"> • Would service large park | <ul style="list-style-type: none"> • Very small carpark and very high use of carpark at the weekends • A container café has recently begun operating here with council support |

Options to reduce or restrict mobile shop trading in high activity areas**Blake Park**

18. Currently the Mobile Shops Policy allows for five mobile shops to operate in carpark areas on Blake Park adjacent to sports fields. These sites are tendered based on weighted criteria outlined in the policy. If successful, applicants will pay a variable amount for the site depending on the price they submitted for the tender. The funds raised by the tender offset the cost of administering the policy and enforcement.
19. Two of the sports clubs operating on Blake Park also offer food and beverages for purchase as a way of increasing revenue for the club (netball and hockey). The Council supports sports clubs to undertake these sorts of fundraising activities to support their financial sustainability. Tensions arise between the sports clubs that are trying to increase their revenue through fundraising and the mobile shops who are in competition for park users' business. Of issue, is the tender site adjacent to the netball courts which had been a carpark site; but recent vendors had begun parking next to the shop on the grass creating more competition.
20. Blake Park is currently undergoing a process with the council to look at the longer-term plan for the park and have run several forums with sports clubs operating on the park. No changes are proposed to the number of mobile shops on Blake Park until this work is done. In the interim the council will clarify and enforce the need for tender operators to trade from the carpark, not the grass.

Gordon Carmichael Reserve

21. There are several mobile shops operating from the carpark or the roadside near the playground at Gordon Carmichael Reserve. Currently there is no maximum limit on mobile shops at this site. Concerns have been raised that the mobile shops are taking up multiple spots in the carpark making it difficult for users to access the reserve.

Table 4: Options to reduce or restrict mobile shop sites at Gordon Carmichael Reserve

| # | Option | Advantages | Disadvantages |
|---|---|--|---|
| 7 | Status Quo - no limit on mobile shops | <ul style="list-style-type: none"> Would allow continued trading options for mobile shops | <ul style="list-style-type: none"> Would continue to take up carparking from reserve users |
| 8 | Set Gordon Carmichael Reserve limit at 1 mobile shop (recommended) | <ul style="list-style-type: none"> Would address complaints of limiting car parking | <ul style="list-style-type: none"> Would move some mobile shops onto the road berm |

Omanu Beach carpark

22. The Omanu Beach carpark is a medium sized carpark (with 46 spaces) off Surf Road. The car park is adjacent to the surf lifesaving building and the beach has patrolled swimming over summer.
23. Complaints have been received about the mobile shop taking up spaces in the carpark that could be used by beach users. There is currently no limit on the number of mobile shops that can trade in the carpark. However, there has only been one mobile shop operating in the carpark at the time we have been receiving complaints about congestion. While there is a regular operator in the carpark, the vendor can and does change on occasion.
24. Complaints have also been received from local businesses affected by the mobile shop. Currently there is a dairy, a café, a fish and chip shop and a restaurant operating within a short distance of the carpark.

25. In contrast to these complaints we have also received feedback in support of the venture, noting the feeling of community and culture created in the space and disputing the level of congestion created. The operation of a mobile shop in the carpark provides amenity benefits for reserve users.
26. The current Asset Manager of the carpark has not identified the mobile shop as contributing to congestion in this area.

Table 5: Options to reduce or restrict trading at Omanu Beach carpark

| # | Option | Advantages | Disadvantages |
|----|---|--|---|
| 9 | Status Quo - no limit on mobile shops | <ul style="list-style-type: none"> Would allow continued sites for mobile shops | <ul style="list-style-type: none"> Would continue to take up carparking from beach users. Would not address concerns from local businesses |
| 10 | Set Omanu Beach carpark mobile shop limit at 1 (recommend) | <ul style="list-style-type: none"> Would allow for one mobile shop site Would stop two or more mobile shops from operating | <ul style="list-style-type: none"> Will limit number of mobile shops Unlikely to address complaints of limiting car parking Would not address concerns from local businesses |
| 11 | Prohibit mobile shops from Omanu Beach carpark | <ul style="list-style-type: none"> Would address complaints of limiting car parking Would address concerns from local businesses | <ul style="list-style-type: none"> Will prohibit mobile shops even at times of the year when the carpark is not busy Would reduce amenity value for reserve users |
| 12 | Prohibit mobile shops from Omanu Beach carpark during summer season and limit to one mobile shop at other times | <ul style="list-style-type: none"> Address complaints of limiting car parking in summer Would allow one mobile shop in less busy periods of the year | <ul style="list-style-type: none"> Will limit mobile shop trade during summer Would reduce amenity value for reserve users in summer |

Issue 3: Non-compliant behaviour

27. In December 2020, some Christmas tree sellers were operating shops from roadsides without adequate safe parking for their customers. Customers were parking in inappropriate areas causing traffic safety concerns. These operators were in breach of section 5.2 (d) of the Mobile Shops Policy as their shops were constituting a danger to road users. Bylaws officers used an education-based approach to enforce the policy, and this had some success with responsible shop owners.
28. One operator refused to move even after being alerted to the safety issue as they preferred to operate in the busy location, with greater street traffic, despite the inadequate parking. In this situation the options for enforcement would be to revoke the mobile shop's licence, and if they continued to operate, prosecute the operator under the Street Use and Public Places Bylaw. Enforcing the policy is a time-consuming, resource intensive process and given the short period of operation of these shops, seemed unlikely to be effective in mitigating the safety risk. Similar actions by Auckland Council to shut down Christmas tree sellers operating at a busy intersection in 2018 attracted public criticism.

29. In 2021 there were no issues with Christmas tree sellers. The bylaws officers noted that the problematic mobile shop was not present this season.
30. In response to this issue we have considered several options to strengthen the safety and enforcement elements of the policy. More than one option may be selected.

Table 6: Non-compliant behaviour options

| # | Option | Advantages | Disadvantages |
|---|---|---|---|
| 1 | Require mobile shops to have a plan to manage Health and Safety risks (recommended) | <ul style="list-style-type: none"> Requires mobile shops to proactively consider health and safety Supports our role in ensuring the mobile shops we license are operating safely Consistent with the requirements placed on other commercial activities using council land Early engagement suggests most mobile shops (15 of 16 responses) already had a health and safety plan | <ul style="list-style-type: none"> May increase documentation requirements for a small proportion of mobile shops without current health and safety plans Unlikely to change non-compliant mobile shops' behaviour |
| 2 | Move from an education to enforcement approach and revoke mobile shop's licences, remove goods (Christmas trees) and prosecute under the Street Use and Public Places Bylaw | <ul style="list-style-type: none"> Would provide a disincentive for shops to trade unsafely | <ul style="list-style-type: none"> Unlikely to address issue of non-compliant short-term seasonal mobile shops due to the long timeframes involved in current enforcement process Likely to be seen as highly punitive by the public Would require more resource to engage with non-compliant shops, store seized goods, and resources to support prosecution if required Would increase risk to our staff from disgruntled mobile shops/public trying to use the service |
| 3 | Add a category in the Traffic and Parking Bylaw to cover mobile shops' operation on road (recommended) | <ul style="list-style-type: none"> Can impose financial penalty for mobile shops unwilling to operate safely Easier to enforce a bylaw than a policy | <ul style="list-style-type: none"> Would increase number of bylaws and policies mobile shops need to adhere to It is an untested use of the Traffic and Parking Bylaw (however some other councils use this approach to manage mobile shops) May still be seen as punitive by public |

Issue 4: Waste minimisation

31. Currently the Mobile Shops Policy is not aligned with council waste minimisation requirements for event operators. Before operating at events, operators are asked a waste minimisation questionnaire which allows council staff to vet vendors' waste minimisation plans. At a minimum, council staff require vendors to provide rubbish and recycling options (sometimes including composting) and to close off council litter bins. Event organisers can borrow rubbish bin covers from the council.
32. The waste minimisation rules for mobile shops are less stringent. Mobile shops are responsible for removing any litter from the surrounding area of the mobile shop which has been generated by the activities of its operation that day. They are not responsible for providing rubbish or recycling bins for customers and can use council bins located in parks for that purpose. This approach results in most mobile shops' waste going to landfill.
33. Concerns have been raised that waste from mobile shops on Marine Parade has contributed to an increase in rodents in the area. This is of particular concern due to the little blue penguins that live on the nearby Moturiki Island.

Table 7: Waste minimisation options

| # | Option | Advantages | Disadvantages |
|---|---|---|--|
| 1 | Status Quo – only require surrounding area be clear of litter | <ul style="list-style-type: none"> Removes difficulty for mobile shops in transporting rubbish and recycling across sites in a day Does not add additional waste removal costs for mobile shops | <ul style="list-style-type: none"> Does not divert waste from landfill and no incentive for mobile shops to choose recyclable or reusable packaging options Misalignment with event expectations |
| 2 | Require mobile shops to complete a waste minimisation survey and gain approval from the waste minimisation team as part of the mobile shop licence process (recommended) | <ul style="list-style-type: none"> Supports mobile shops to operate sustainably and aligns with event expectations Allows flexibility to change conditions as new waste options become available or consider individual mobile shop's circumstances (eg, highly mobile shops) Can require additional waste minimisation conditions in areas with vulnerable wildlife Likely to result in waste diverted from landfill | <ul style="list-style-type: none"> Adds additional requirements for mobile shop Likely to add waste removal costs for mobile shops May be seen as inconsistent by mobile shops if conditions vary |
| 3 | Require mobile shops to provide rubbish and recycling bins for customers | <ul style="list-style-type: none"> May divert some waste from landfill Creates financial incentive for mobile shops to reduce waste Closer to aligning with event expectations | <ul style="list-style-type: none"> May be difficult for mobile shops to transport waste and recycling while operating from multiple sites Adds waste removal costs for mobile shops |

Issue 5: Changes in traffic volumes and changes in speed zones which impact the prohibited site for trading

34. The current Mobile Shops Policy bans mobile shops on council roads with a speed limit higher than 70km/hr and several other high use roads (for example, Turret Road and Cameron Road), as well as other high use areas in Mount Maunganui. Mobile shops are required to assess whether a site is safe before trading and must allow for adequate parking for their customers.
35. Since the 2016 Mobile Shops Policy review, council has reduced some speed limits on roads to improve safety, however this means mobile shop trading can occur which was not intended. In addition to these changes, other roads are experiencing higher traffic volumes as the city grows and some roads may become less suitable to trade from.
36. The transport team recommends that the speed limit threshold in the policy should be dropped, to stop mobile shops operating on any road with a speed limit above 50km/hr. This would restrict trading on roads with fast moving traffic for example, Cambridge Road, Oropi Road and Totara Street. Council staff are not aware of any traders operating on these roads, however the impact of this change would be explored with mobile shop operators through the consultation process. Maps outlining the current prohibited roads (Map 1) and with the proposed changes (Map 2) are provided in Attachment 3.
37. The transport team are now also considering whether arterial roads are suitable for mobile shop trade. This will be considered as part of their planned review of the roading hierarchy (that forms part of the City Plan). Following this review, we will consider if any further changes are required to the policy settings.

Table 9: Prohibited sites for trading

| # | Option | Advantages | Disadvantages |
|---|--|--|---|
| 1 | Status Quo | <ul style="list-style-type: none"> Retains existing spaces for mobile shops to operate | <ul style="list-style-type: none"> Leaves it up to mobile shops to assess if they can operate safely on roads with fast moving traffic |
| 2 | Stop mobile shops trading on roads with a speed limit higher than 50km/hr (recommended) | <ul style="list-style-type: none"> Stops mobile shops trading on roads with fast moving traffic Retains existing spaces for mobile shops to operate on 50km/hr roads | <ul style="list-style-type: none"> Removes spaces for mobile shops to operate on roads over 50km/hr. |

Issue 6: Noise levels of generators

38. Complaints have been received in relation to mobile shops' generator noises impacting nearby residents to parks. Noise limits are set by the City Plan. Generally, noise from operating generators falls below City Plan limits. Our bylaws officers respond to noise complaints by working with mobile shops to reposition their businesses to reduce noise or discuss adjustments to generators to reduce noise (eg, mufflers). Most complaints relate to parks close by residential neighbourhoods.
39. Council is providing power outlets in some parks to reduce noise while maintaining mobile shops' trade. Power connections provide mobile shops a noise free, more sustainable alternative to using a generator. Mount Drury has had a power supply available for some time, Kulim Park is expected to have a power supply installed in February 2022. Adding the connection in Kulim Park will cost around \$40,000 and is covered in the redevelopment budget. While costs may vary depending on the park in question, general park maintenance budgets would not cover that level of cost.

40. The cost of connecting the power is covered by our user fees and charges. Although set ups may vary, we do not expect a significant difference in running costs to using power instead of a generator although this would be explored with mobile shop operators through the consultation process.

Table 10: Options to reduce noise levels

| # | Option | Advantages | Disadvantages |
|---|---|---|---|
| 1 | Status Quo – optional power use for mobile shops | <ul style="list-style-type: none"> Retains competition/choice in the park May reduce noise for generator powered mobile shops | <ul style="list-style-type: none"> May not reduce noise if mobile shops prefer to run generators |
| 2 | Require mobile shops to connect to power where this is available, and their set up allows (recommended) | <ul style="list-style-type: none"> Retains competition/choice in the park Reduces noise for generator powered mobile shops | <ul style="list-style-type: none"> Will not reduce noise from vehicle powered mobile shops |
| 3 | Require mobile shops to connect to power where this is available and prohibit mobile shops that cannot connect from operating in these spaces | <ul style="list-style-type: none"> Removes noise in parks with power outlets available | <ul style="list-style-type: none"> Reduces competition/choice in the market |

FINANCIAL CONSIDERATIONS

41. Installing additional power connections in parks or reserves would have a capital cost. The cost of installation would vary depending on the existing infrastructure available in the park or reserve. Currently mobile shops would need to pay for power under our user fees and charges, providing free power for mobile shops would have an operational cost.

LEGAL IMPLICATIONS / RISKS

42. Amending the Traffic and Parking Bylaw to allow financial penalties for mobile shops unwilling to operate safely would be an untested use of the Traffic and Parking Bylaw. Other councils, such as Whakatane and the Far North have some aspects of their mobile shop rules in their road related bylaws. Currently the Traffic and Parking Bylaw restricts similar activities which could cause a traffic disturbance, such as parking a vehicle for the primary purpose of promotion, and parking for the purpose of display or sale.

SIGNIFICANCE

43. 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.
44. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- the current and future social, economic, environmental, or cultural well-being of the district or region

- (b) any persons who are likely to be particularly affected by, or interested in, the issue.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
45. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of medium significance.

CONSULTATION /ENGAGEMENT

46. We have undertaken early engagement with mobile shop operators to identify issues with the policy through an online survey (results are provided in Attachment 2). The results from the consultation on the Use of Council Land Policy were also reviewed in developing these options.
47. Taking into consideration that the issue is of medium significance, targeted consultation is required under section 82 of the Local Government Act. In addition to wider consultation on the policy changes, targeted consultation is planned with the Blake Park Future Forum.

NEXT STEPS

48. Once options have been selected, these will either be included in the consultation on the Use of Council Land Policy or will be incorporated into the draft Mobile Shops Policy. Submissions can be made on the draft policy through the TCC website and we will encourage feedback from mobile shop operators and the wider community.
49. If adding a category to the Traffic and Parking Bylaw is selected, this change will be progressed as part of the Traffic and Parking Bylaw review occurring this year.

ATTACHMENTS

1. **Attachment 1 - Draft Mobile Shop Policy - A13197077** [!\[\]\(b7e1c8bc060ab2af8bc42ce81bfcf3c4_img.jpg\)](#) [!\[\]\(2d0771195b0e0240efcbd9d75c7cddb8_img.jpg\)](#)
2. **Attachment 2 - Mobile Shop Survey Results Graphs - A13197060** [!\[\]\(2877759bcf4a3609f6b92cbc19de8848_img.jpg\)](#) [!\[\]\(28f8e7c07e6223706c823723c822f20f_img.jpg\)](#)
3. **Attachment 3 - Maps - A13197055** [!\[\]\(d87d73a74f22e314c531cbe6e8724268_img.jpg\)](#) [!\[\]\(c32625d3acdc466104f8dc7eeb786ca3_img.jpg\)](#)



COUNCIL SUPPORTING POLICY

| | |
|--------------------------|---|
| POLICY TITLE: | MOBILE SHOPS POLICY |
| Lead Policy | Community, Private and Commercial Use of Council Administered Land |
| Minute Ref: | M16/62.4 |
| Date of Adoption: | 12 September 2016 |

1. POLICY OBJECTIVE

- To protect, maintain and promote public health and safety and ensure access to Public Places is not compromised.

2. PRINCIPLES

- Public Places should be used primarily for community use and not for exclusive private or commercial use.
- Public health and safety is paramount.

3. DEFINITIONS

| | |
|---------------------------|---|
| Approved Activity | means an event or market that has been approved by Council. |
| Council | means Tauranga City Council or a duly authorised officer of Council. |
| Designated Area | means 12 car parks on the seaward side of Marine Parade between Grace Avenue and Pacific Avenue (see Map A). |
| Footpath | means a path or way principally designed for, and used by, pedestrians, and includes a footbridge. |
| Marine Parade Area | means the car parks on the seaward side of Marine Parade between Grace Avenue and Pacific Avenue excluding the Designated Area (see Map A). |
| Mobile Shop | means a vehicle as defined under the Land Transport Act 1998 from which material goods are offered for sale. |
| Operator | means the person or organisation carrying on business by means of a Mobile Shop. |

| | |
|---------------------|--|
| Park | means a park held under the Local Government Act 2002. |
| Public Place | means a place that is accessible to the public and under control of Council. |
| Reserve | means a reserve held under the Reserves Act 1977. |
| Road Berm | means the shoulder of the roadway or strip of land adjoining the roadway. |
| Roadway | means the portion of the road used for vehicular traffic in general, including parking spaces. |

4. BACKGROUND

Under the *Tauranga Street Use and Public Places Bylaw 2013* written permission of Council is required to sell or offer for sale any goods in a Public Place.

If a Mobile Shop is trading as part of an Approved Activity, permission is obtained through Council's event and market approval processes.

If a Mobile Shop is not trading as part of an Approved Activity, permission is obtained by applying for a Mobile Shop licence.

5. POLICY STATEMENT

This policy sets conditions for Mobile Shops trading in Public Places in Tauranga City that are required to obtain a Mobile Shop licences from Council. The conditions that apply depend of the place where the Mobile Shop is trading from and the time of year.

This policy does not apply to:

- (a) private land;
- (b) areas administered by other authorities such as roads administered by the New Zealand Transport Agency; or
- (c) Mobile Shops trading as part of an Approved Activity.

5.1 Mobile Shop Licences

A Mobile Shop licence must be obtained from Council before a Mobile Shop can trade in a Public Place unless the Mobile Shop has obtained permission to trade as part of an Approved Activity. **Operators must complete a waste minimisation survey as part of the registration process.**

The conditions set out in this policy are subject to any other specific conditions that may be set by Council in individual Mobile Shop licences.

Mobile Shop licences are personal to the Operator and may not be transferred.

5.2 General Conditions for Mobile Shop Trading

Mobile Shops must trade in accordance with the following conditions:

- (a) Operators must sell and display goods directly from the Mobile Shop.
- (b) Mobile Shops are only permitted to trade from sunrise to sunset, unless permission from Council is granted to trade outside this period.

- (c) Operators must comply with all relevant statutes, regulations, bylaws and policies and the Tauranga City Plan.
- (d) Mobile Shops are not permitted to trade where in the opinion of Council the Mobile Shop would:
 - Obstruct or be likely to obstruct the view of any corner, bend, intersection, vehicle crossing, traffic sign or traffic signal;
 - Distract unduly or be likely to distract unduly the attention of road users;
 - Constitute or be likely to constitute in any way a danger to road users.
- (e) Operators must remove any litter from the surrounding area of the Mobile Shop which has been generated by the activities of its operation that day.
- (f) Mobile Shops must be visually presentable and not cause offence or be a nuisance.
- (g) Mobile Shops must not cause damage to the Roadway, Footpath or Road Berm.
- (h) Operators must display their Mobile Shop license in the Mobile Shop so that it is visible at all times.
- (i) Mobile Shops must not trade:
 - on the Footpath;
 - on the Roadway (unless one of the exceptions in section 5.2(k) applies);
 - in a Public Place where an Approved Activity is taking place unless the Mobile Shop has obtained permission to trade from Council as part of an Approved Activity; or
 - in any of the Public Places list in Table 3, section 5.5.
- (j) Mobile Shops may trade on the Road Berm provided there is adequate parking available for customers.
- (k) Mobile Shops may trade on the Roadway in:
 - a residential zone directly in front of a private residence for a period of no more than 15 minutes. Mobile Shops must not trade directly in front of the same private residence on more than one occasion in any one day;
 - the Designated Area, subject to the conditions in section 5.3.1; and
 - the Marine Parade Area, subject to the conditions in section 5.3.2.
- (l) Mobile shops must have a plan to manage the health and safety risks associated with their operation.

5.3 Specific conditions for Mobile Shops trading in the Designated Area and wider Marine Parade Area

There are specific conditions that apply to Mobile Shops trading in the Designated Area and wider Marine Parade Area.

5.3.1 Conditions for trading in the Designated Area

- (a) Operators must hold a specific tendered licence allocated by Council through the tender process outlined in section 5.6 to trade in the Designated Area from 26 December to 6 February, inclusive.
- (b) Mobile Shops may occupy a maximum of three car parks spaces while trading in the Designated Area.

5.3.2 Conditions for trading in the Marine Parade Area

- (a) Mobile Shops must not trade in the Marine Parade Area from 26 December to 6 February, inclusive unless the Operator holds a specific tendered licence. If an Operator holds a specific tendered licence, the Mobile Shop can only trade in the Designated Area from 26 December to 6 February, inclusive and not the wider Marine Parade Area.
- (b) Outside of the Designated Area, Mobile Shops may occupy a maximum of two car parks.

5.4 Specific Conditions for Mobile Shops trading on Reserves and Parks

There are certain statutory provisions on Reserves under the Reserves Act 1977 that apply to Mobile Shops trading on Reserves. The requirements of the Reserve Act 1977 will be considered by Council when an application for a Mobile Shop licence is made.

Mobile Shops trading on Parks and Reserves must trade in accordance with the following conditions:

- (a) Mobile Shops must only trade from a formed car park.
- (b) Mobile Shops may occupy a maximum of two car park spaces.
- (c) Mobile Shops must not trade in the Reserves and Parks listed in Table 1 if the maximum number of Mobile Shops trading from the Reserve or Park has been reached.
- (d) Operators must hold a specific tendered licence allocated by Council through the tendered process outlined in section 5.6 to trade in the Reserves listed in Table 2.
- (e) Mobile Shops must not trade from any of the Reserves and Parks listed in section 5.5, Table 3.
- (f) During an Approved Activity Council may reduce or increase the number of Mobile Shops permitted to trade in Reserves and Parks.
- (g) If a council provided power supply is available in a park or reserve, mobile shops must connect to the power supply and pay any associated user fees and charges (except if a mobile shop is not designed to connect to power).

Table 1: Maximum number of Mobile Shops permitted at selected Reserves and Parks on a first come basis

| Reserve/Parks | Maximum number of Mobile Shops |
|------------------------------------|--------------------------------|
| Fergusson Park | 2 |
| Carlton Reserve | 2 3 |
| Greerton Park | 2 3 |
| Waipuna Park | 2 |
| Links Ave Reserve | 1 |
| Macville Park | 1 |
| Arataki Park (Zambuk Way car park) | 1 |
| Gordon Spratt Reserve | 4 5 |
| Kulim Park* | 1 |
| Rotary Park | 1 |
| Tye Park | 1 |
| Papamoa Domain | 2 |
| Harrisons Cut | 1 |
| Gordon Carmichael Reserve | 1 |
| Omanu Beach carpark | 1 |

* Mobile shops must trade from the designated mobile shop site

Table 2: Number of tendered licences allocated at selected Reserves and Parks

| Reserve/Parks* | Maximum number of Mobile Shops |
|--|--------------------------------|
| Blake Park – Car Park A (Netball/Tennis) | 2 |
| Blake Park – Car Park B (Cricket Oval) | 2 |
| Blake Park – C (Hockey) | 1 |
| Memorial Park | 3 |

*Mobile shops must always trade from the carpark; trade is prohibited on the grass.

5.5 Prohibited locations

Mobile Shops must not trade from Public Places listed in Table 3.

Table 3: Prohibited locations

| Council Roads and Car Parks | Reserves and Parks |
|---|---|
| Any road administered by Council that has a speed limit of 70 km/hr or more more than 50 km/hr | Any Reserve or Park without a formed car park |
| Cameron Road | Tauranga Domain |
| Off road Council car parks, other than those in Reserves | Bethlehem Hall Site |
| Turret Road | Cambridge Park |
| Waihi Road | Matua Park |
| The Strand | May Street Reserve |

| Council Roads and Car Parks | Reserves and Parks |
|---|-----------------------------|
| Fraser Street between 11 th Avenue and 18 th Avenue | Morland Fox Park |
| 15 th Avenue between Turret Road and Cameron Road | Scout Reserve |
| Commons Avenue between Maunganui Road and Marine Parade | Welcome Bay Hall Site |
| Grace Avenue between Maunganui Road and Marine Parade | Welcome Bay Scout Hall Site |
| Marine Parade between Adams Avenue to Grace Avenue, and between Pacific Avenue to Banks Avenue. | |
| Marine Parade between Grace Avenue and Pacific Avenue from 26 December to 6 February unless the Mobile Shop Operator has a tendered licence | |
| The Mall between Salisbury Avenue and Prince Avenue, and between Leinster Avenue and Adams Avenue | |
| The landward side of The Mall between Prince Avenue and Leinster Avenue | |
| Salisbury Avenue | |
| Maranui Street from Sunrise Avenue to Sandhurst Drive | |
| Papamoa Beach Road from Sandhurst Drive to a point 30 meters east of Coast Boulevard | |

5.6 Tender process for allocating tendered licences for the Designated Area and the Reserves and Parks listed in Table 2

The conditions of the tender process are as follows:

- (a) Tendered licences will be allocated by Council annually.
- (b) Requests for tender applications will be publicly advertised.
- (c) An application fee may be charged.
- (d) Council may require a deposit to be submitted with the tender application. For unsuccessful tenders, the deposit will be refunded, less any application fee. For successful tenders, the deposit will be retained and deducted from the amount owing in respect of the licence fee.
- (e) Tendered licences will be allocated via a two stage process:
 - i. Stage One: A weighted attributes tender evaluation method will be used to evaluate the tenders. The attributes which will be assessed are set out in Table 4.
 - ii. Stage Two: Consideration by Council that a variety of goods are provided at each location.
- (h) If the tender is successful, the licence fee will become payable.

Table 4: Weighted attributes to be applied in the tender evaluation

| Attribute | Description | Weighting |
|----------------------------|---|-----------|
| Compliance | Council will consider the applicant's previous history of compliance with the conditions of this policy and any current or previously held Mobile Shop licence. | 40% |
| Sustainability | Council will consider the proposed actions the applicant will take to minimise environmental impacts, including but not limited to: <ul style="list-style-type: none"> Reducing waste Using packaging materials that can be recycled or composted Providing opportunities for the public to divert recyclables and compostable material from the rubbish Food waste reduction Reducing water consumption Reducing energy consumption Fairtrade/Rainforest Alliance certification | 30% |
| Price | The tendered licence fee (which is to equal or exceed the base licence fee set annually through Council's Annual Plan). | 10% |
| Visitor experience | Council will consider the appearance of the Mobile Shop and any amenity impacts it may have on the particular area. | 10% |
| Relevant experience | Council will consider the applicant's track record and previous experience of delivering quality goods. | 10% |

6. FEES, MONITORING AND ENFORCEMENT

6.1 Fees

Council will set fees to cover the cost of issuing Mobile Shop licences and monitoring, enforcing and administering this policy. These will be reviewed annually and detailed in Council's User Fees and Charges Schedule.

6.2 Monitoring and Enforcement

Council reserves the right to revoke Mobile Shop licences issued if evidence of non-compliance with the licence or this policy is observed. The standard protocol for addressing non-compliance is as follows:

- If an Operator does not comply with the conditions of this policy, or Mobile Shop licence Council will notify the Operator of the non-compliance and outline the required remedy.
- If the Operator continues to contravene the conditions of their licence or this policy, Council will consider revoking the licence.
- Operators that trade in a Public Place without a Mobile Shop licence will be asked to stop trading. If the Operator continues to trade without obtaining a Mobile Shop licence, Council may take enforcement action under the *Tauranga Street Use and Public Places Bylaw 2013* or the *Traffic and Parking Bylaw 2012*.

7. RELEVANT DELEGATIONS

The implementation of this policy is delegated to the Chief Executive or his/her sub-delegate.

8. REFERENCES AND RELEVANT LEGISLATION

Local Government Act 2002

Reserves Act 1977

Tauranga Street Use and Public Places Bylaw 2013

Traffic and Parking Bylaw 2012

Tauranga City Plan

Operation of Markets and Stalls Policy

MAP A: The Designated and Marine Parade Area



Mobile Shop Policy Review Survey Results

16 respondents total from 89 mobile shop licence holders

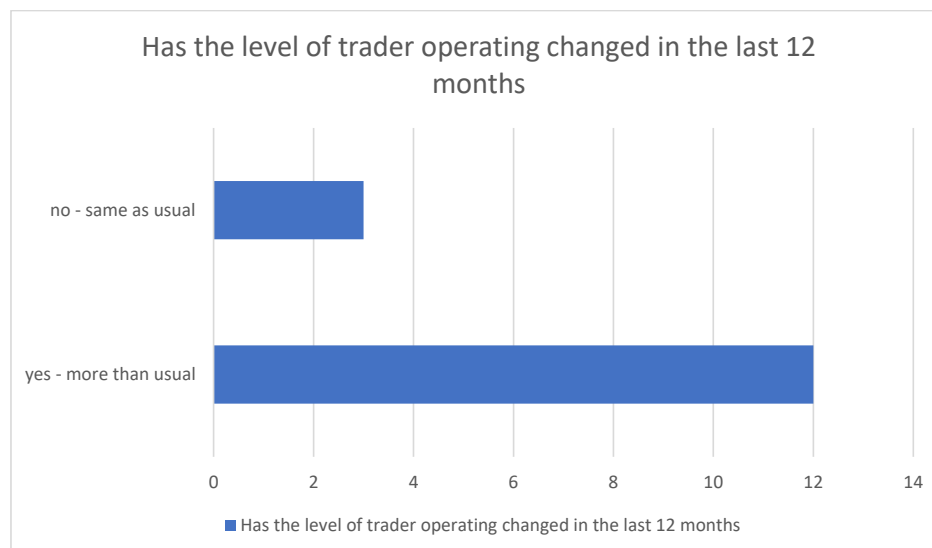
Question One: How long have you had a mobile shop licence?



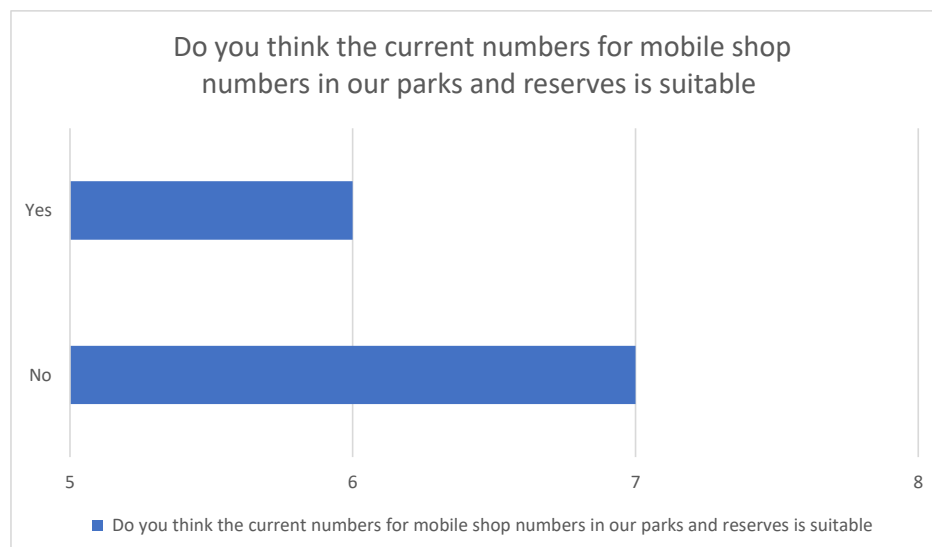
Question Two: Where do you currently trade? (multiple answers allowed)



Question 3: Do you think the level of traders operating has changed in the last 12 months?



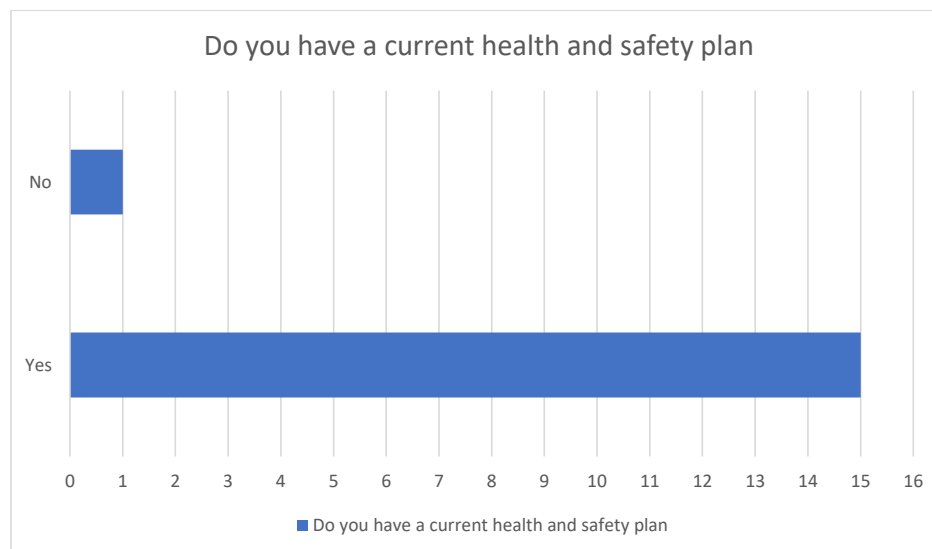
Question 4: Our parks and reserves have limits on the number of mobile shops that may operate. Do you think the current numbers for mobile shop numbers in our parks and reserves listed below is suitable?



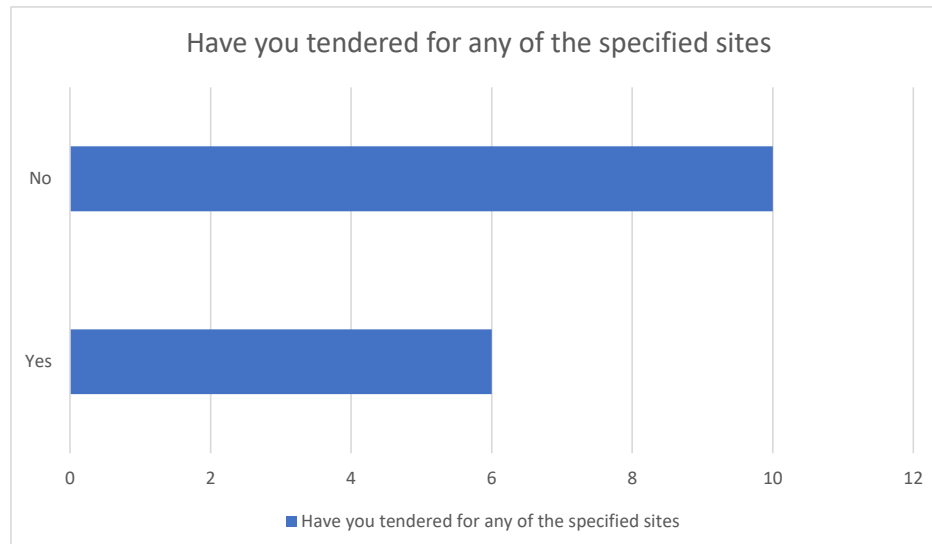
Question 5: Number of mobile shops in parks and reserves - If no (to question 4 above), let us know what numbers you'd like to see



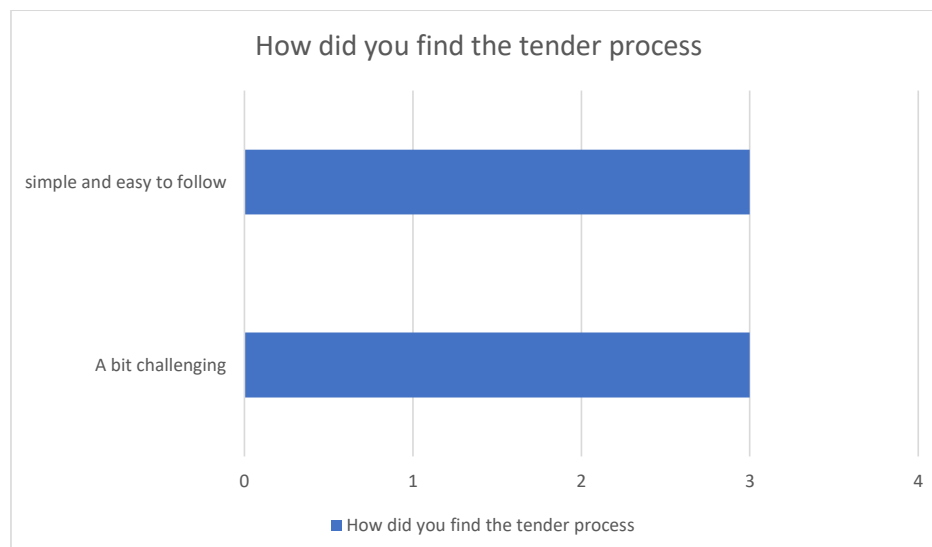
Question 6: Do you have a current health and safety plan?



Question 7: We are looking at ways to improve the tender process for licenced sites. Have you tendered for any of the specified sites such as Blake Park, Memorial Park?

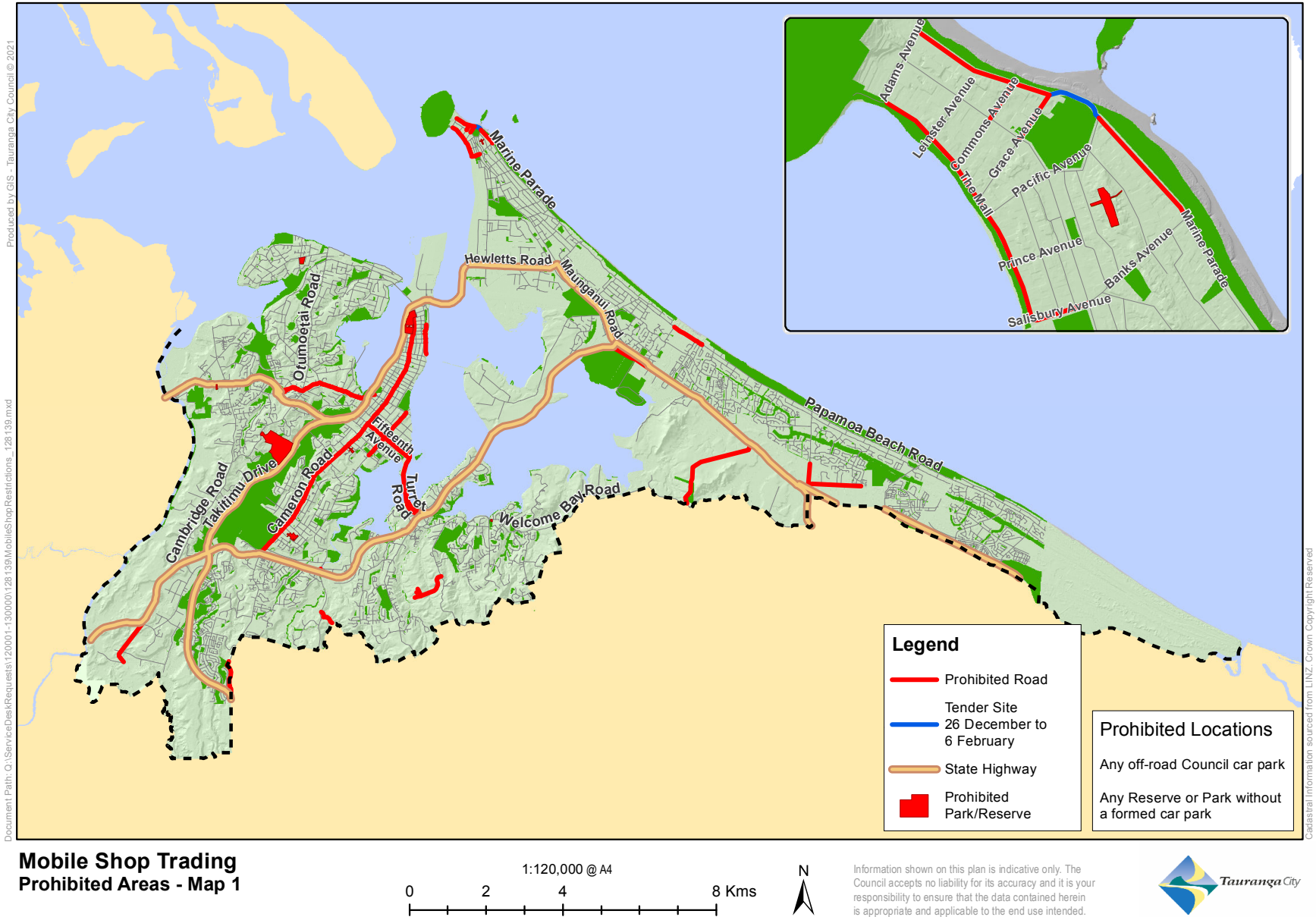


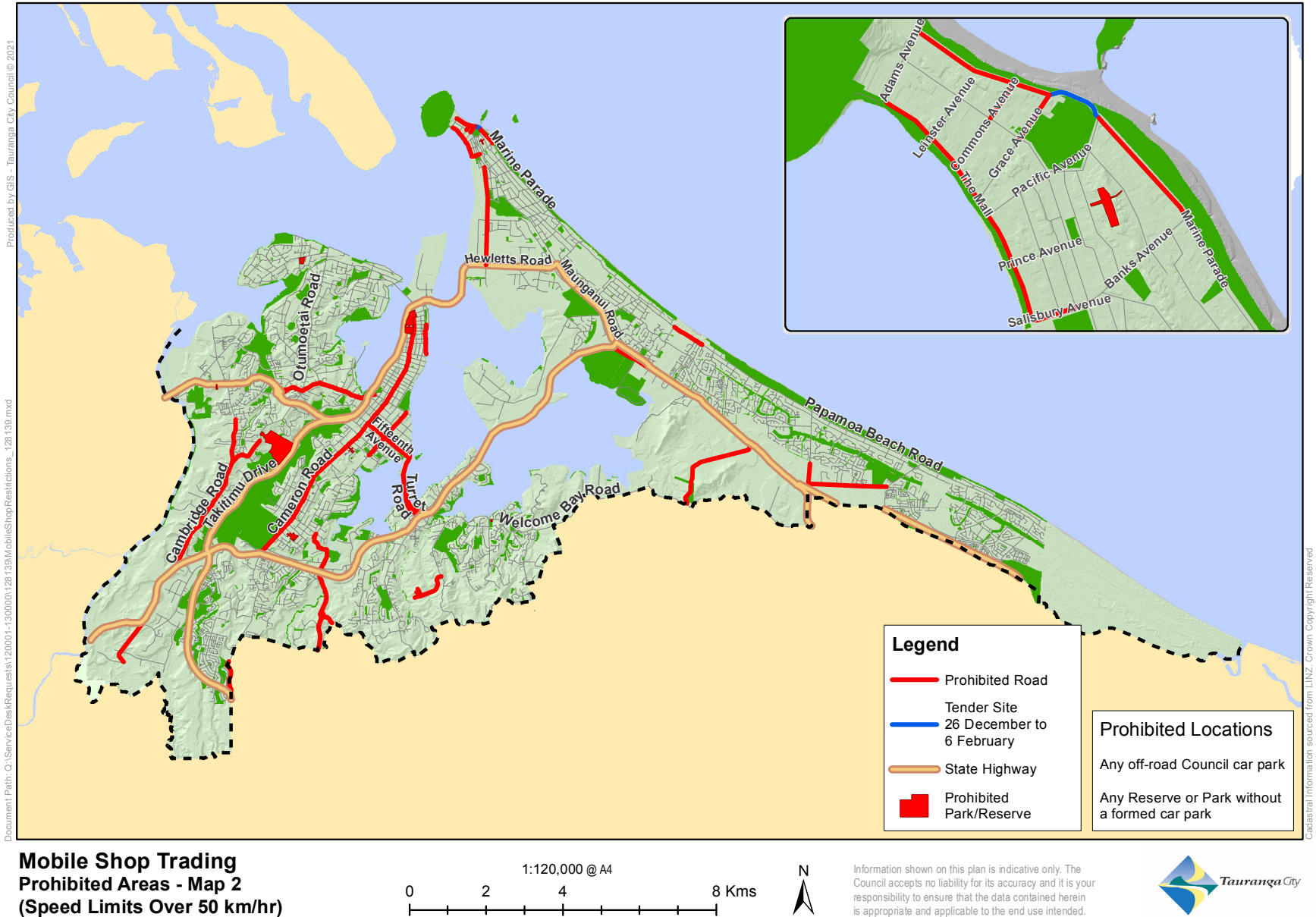
Question 8: If yes how did you find the tender process?



Do you have any suggestions about how to improve this process?

- No (2 answers)
- I think the process is extremely long.
- Because we have tendered before we found the application easy enough to follow.
- I feel that if you have already got the tender and retender you shouldn't have to redo all the specks you ask for as you the council have them all on file. size etc (you only required update on health cert and current rego extra for mobile truck. and as long as ownership hasn't changed it should be more straight forward. The paper work is just getting to stressful everytime you tender.
- Specify better the financial side of tendering process- the actual price. Also, for Marine Parade site, there are 12 parking spots but in reality there can't fit more than 5 food carts. There are very interesting food traders but not enough opportunities-spaces.
- Email to notify when the tenders are available some of the food trailers need to be of a higher standard some are very rough with little or no refrigeration. There needs to be a health inspector checking at some events as the tents there have no refrigeration and no hot water to wash your hands.





9.5 2021 Q2 Oct-Dec Health and Safety Report**File Number:** A13160896**Author:** Angelique Fraser, Health & Safety Change Manager

Tracy Dragovich, Health Safety & Wellness Design Lead

Authoriser: Tony Aitken, Acting General Manager: People and Engagement**PURPOSE OF THE REPORT**

1. To provide a summary of Health, Safety and Wellbeing activities over the October to December 2021 quarter.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (i) Receives the 2021 Q2 Health and Safety Report
- (ii) Receives the 2021 Q2 Mental Health and Wellbeing Report

EXECUTIVE SUMMARY

2. This is a quarterly report provided to the committee, designed to monitor Health, Safety and Wellbeing activities and share learnings.
3. Any feedback regarding content or topics that the Committee would like is welcomed.

ATTACHMENTS

1. 4_2021 Q2 Health & Safety Report - A13211882 [↓](#) 
2. 4_2021 Q2 H&S_MHW Report_PDF - A13212005 [↓](#) 



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Health, Safety & Wellbeing

October 2021 – December 2021 - Learnings



Introduction

The October – December 2021 Health, Safety and Wellbeing (HSW) quarterly report highlights learning through investigations – and the resulting continuous improvement for our workplaces and Community.

Events

(4(d) To ensure we have the appropriate processes for receiving and considering information regarding incidents, hazards and risk and for responding in a timely manner)

163 ↑

(87 in last quarter)

H&S Events reported across TCC, with:

- 133 investigations from these events are complete
- 14 investigations from these events are underway
- 16 investigations from these events are overdue for completion
- 3 notifiable events to WorkSafe from our Contractors:
 - 2 – fall from height
 - 1 – object unplanned release from height

27 ↑

(25 in last quarter)

Injury Events to staff, contractors or members of community:

- 10 first aid treatment, 4 medical treatment
- 2 x fracture associated with fall from height (contractors)
- Dropped object resulting in stitches (contractor)
- Vehicle collision with cyclist (member of community)

19

Covid-19 Events with aggressive behaviour towards our staff and contractors associated with COVID19 requirements



Health and Safety Management System Audit

4(f) To verify the provision and use of resources and processes.

Status of management actions from Financial Year 2019/20 Internal Audit.



The outstanding audit items are underway within projects scheduled across 2022/2023 as follows:

| Project | Audit Items | Notes |
|-------------------------------|-------------|--|
| Inductions | 7.3 8.4 | Targeted, role specific inductions e.g. for Project Managers, Contractors. |
| PCBU* Relationship Management | 8.2 8.3 | Defining roles and responsibilities around overlapping duties. |
| Drug & Alcohol Impairment | 9.2 : 10.5 | Assessment underway around implementing drug & alcohol policy within TCC. |
| Vehicle Speed Monitoring | 12.0 | Procedures under review to ensure reflection of current processes. |

*Person conducting business or undertaking as defined in section 17 of Health and Safety at Work Act



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October 2021 – December 2021 - Learnings



Tauranga City

Learning the Why

(4(e) To ensure that the PCBU has, and implements, processes for complying with any duty or obligations of the PCBU under this Act)

The method '5 Whys' is commonly used to identify the root cause(s) of incidents. As an iterative interrogative technique, it is used to explore the cause-and-effect relationships underlying an event - by repeating the question 'why'. Each answer forms the basis of the next question. A recent WorkSafe notifiable event, where a sub sub-contractor fell from an unfixed joist (resulting in a dislocated ankle and broken fibula) was investigated by our contractor using the 5 Whys investigation technique. (Note: 5 is an indicative number of iterations typically used to establish the root cause.)

Principal Contractor - Example 5 Whys questions for this incident

Event – Worker fell accessing worksite.

Why did the worker fall?

- Joists, on the boardwalk, were left unsecured (at the end of the previous day), and the fall hazard was not identified or controlled.

Why was the hazard not identified or controlled?

- The site was shutdown for the weekend and hazards were to be communicated during the next morning briefing.

Why was the site accessed prior to the morning briefing?

- Sub-contracting teams entered the site at opposite ends – requiring the injured party to walk through the site to attend the morning meeting. etc...

Event Consequences - Fall resulted in fractured ankle.

Why did the fall result in fracture?

- Sub sub-contractor was not wearing ankle height, laced safety boots (Principal Contractor Minimum PPE standards).

Why were minimum standards not in place?

- Sub sub-contractor not inducted by Principal Contractor.

Why was Principal Contractor not notified of sub subcontractor?

- Procedure for engaging and managing contractors not followed. etc...

For incidents of high consequence (or potential consequence) an investigation should be undertaken by each PCBU in the contracting chain to identify improvement opportunities.

This should be relevant to their area of influence and control within the chain.

TCC

Relevant obligation: Monitor project to ensure HSW of workers where TCC has influence and control.

Opportunity: PM roles and responsibilities should include requirement for ongoing monitoring of how the Contractor is planning work to meet project commitments.

Principal Contractor

Relevant obligation: Ensure the HSW of workers through facilitating consultation, cooperation and coordination of work.

Opportunity : Effective implementation of established procedures for contractor management.

Sub-Contractor

Relevant obligation: Manage / control the worksite according to requirements of Principal.

Opportunity : Ensure Principal is notified of all sub contractors working on site. Hazards should be clearly isolated. Updated risk assessment to reflect additional contractor working arrangements.

Sub Sub-Contractor

Relevant obligation: Ensure the H&S of workers is managed.

Opportunity : Workers commenced without induction and accessed site before briefing.



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October 2021 – December 2021 - Learnings



Tauranga City

Investigating the Root of the Problem

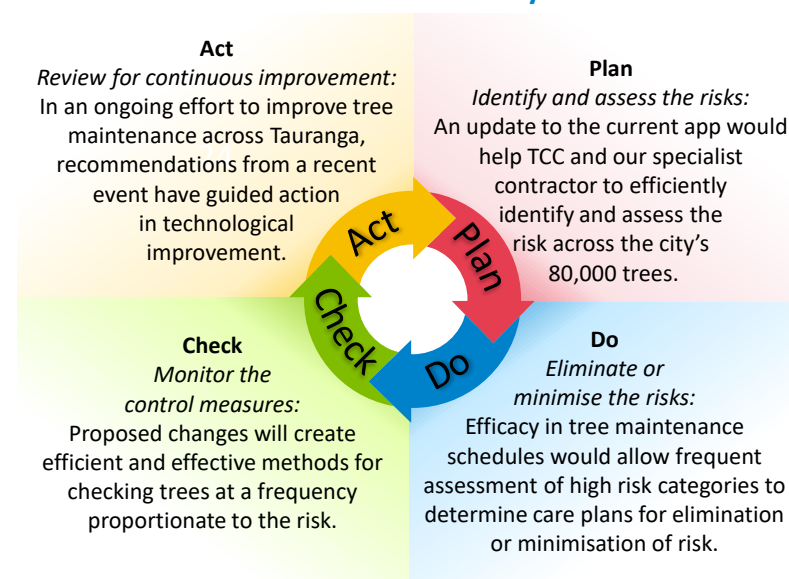
Tauranga City Council own an estimated 80,000 trees as assets throughout the Tauranga area including Street and Reserve Trees. Trees are essential through the benefit they bring to the community and how they can enhance the environment. They help to cool down our streets, clean the air we breathe, store carbon, improve our health and mental wellbeing and increase property value.

Though trees can bring a great many benefits, they also bring risk - when from time to time a branch falls into the path of people or vehicles. The management around the tree system is a large undertaking and finding efficient ways to assess and maintain the 80,000 trees is a process of continuous improvement.

TCC's Principal Urban Forester and team have been reviewing the current systems around tree maintenance to ensure they are fit for purpose. Following the risk management cycle of '**Plan-Do-Check-Act**', efficacy of current processes and improved digital solutions are being reviewed to manage the risks.



Plan-Do-Check-Act Cycle



Learning from repeated aggressive events

With increasing incidents relating to aggression and violence towards our people in enforcement or regulatory roles, continual improvement opportunities are being explored in conflict management virtual reality training for these roles.



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Health, Safety & Wellbeing

October 2021 – December 2021 - Learnings



Continual Improvement

4(e) To ensure that the PCBU has, and implements, processes for complying with any duty or obligations of the PCBU under this Act)

Improvement opportunities identified or underway following events, at TCC workplaces or under TCC control in October 21 to December 21 quarter.

Event:

Injury to members of community on hanging Christmas decorations.

Continual improvement:

Immediately - removed installation and updated risk assessment.

Requirement for temporary installations to be subject to risk assessment.

Event:

Staff threatened with baseball bat.

Continual improvement:

Review and update of local aggression and violence procedures – facilitated by local workforce.

Event:

Break-in at animal control facility during working hours – exposing staff (and others at the facility) to risk of aggressive member of the public.

Continual improvement:

Update to security including height of security fence, repair to internal alarm and grating on internal skylight.

Event:

Continued traffic buildup outside Transfer Station exposing members of community to vehicle collision risk.

Continual improvement:

In addition to improved technology at the weighbridge to increase throughput, longer term assurance the risk will be managed as Tauranga grows has been addressed through review of design of new Transfer Station to facilitate vehicle stacking within Transfer Station.

Event:

Manual handling equipment failure exposing workers to musculoskeletal risk. Repairs delayed due to Hamilton based specialist contractors required for the work and COVID-19 protocols.

Continual improvement:

Local contractor used to develop work around until specialist available. Review of Business Continuity / equipment redundancy measures.



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Mental Health & Wellbeing

October 2021 – December 2021



Tauranga City

Introduction

Within this Mental Health and Wellbeing report:

- Report from our employee Counselling service (OCP)
- Overview of COVID19 impact on TCC staff
- Celebrating connections and cultural safety and wellbeing
- Human Resources Update.

Recommendation

We recommend the following:

- Continue to formalise the approach to MHW through planned activities within the Health and Safety Strategic Plan.
- Continue to raise awareness around the impact of workload on MHW and the role of People Leaders focusing on clarity around job priorities.

TCC Counselling Service (OCP)

The latest report from our employee counselling service (OCP) highlights:

- Uptake of OCP services well below national average
- 11% are immediate family members with the balance employees
- Personal issues significantly outweigh work issues align to national average
- Workload remains the top work issue.

How are you doing in Delta AL2?

In August and again in September, we put a short pulse survey to see how our people are doing in Delta Alert Level 2. The participation and outcomes were:

73% participation rate

82% survey score

- People generally happy with COVID response and know what is expected of them.
- Small drop in connection with colleagues and team, apprehensive this will be the new normal with the new office fit-out and working arrangements.

TCC Counselling Service (OCP)

Anonymised data gathered from TCC's counselling and advisory services. Sep 2021 – Jan 2022
(Data gathered is anonymised).

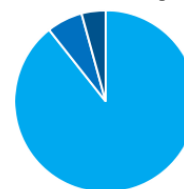
Service Uptake: 5.5%
(based on 850 employees)

National Average: 8-10%

Top three divisions utilising counselling services

| | Community Services | Infrastructure | Corporate Services |
|--------|--------------------|----------------|--------------------|
| People | 12 | 10 | 8 |
| % | 25% | 21% | 17% |

Monitoring issues provides insight into progress against MHW risks.



| Referral Type | Ppl | TCC % | OCP % |
|---------------|-----|-------|-------|
| Personal | 42 | 89% | 81% |
| Work | 3 | 6% | 5% |
| Both | 2 | 4% | 13% |

| Work Issues | Visits | TCC % |
|-------------|--------|-------|
| Workload | 5 | 83% |
| Conditions | 1 | 17% |

| Personal Issues | Visits | TCC % |
|-----------------|--------|-------|
| Anxiety | 27 | 44% |
| Family | 10 | 16% |
| Relationships | 8 | 13% |

Across total of 62 visits for personal issues



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Health, Safety & Wellbeing

October 2021 – December 2021



COVID Rollercoaster

Throughout this period, staff continued to provide Council services through changes to national guidance and TCC requirements to working safely within these constraints - as the nation managed localised outbreaks of COVID 19– Delta variant. Open and timely communication, engagement and consultation across all levels of leadership contributed to managing staff wellbeing.

| | October | November | December | January |
|----------------|--|--|--|---|
| Alert Status | <ul style="list-style-type: none"> - Auckland and Hamilton AL3 - Tauranga in AL2 | <ul style="list-style-type: none"> - Auckland and Hamilton move down stages in AL3 | <ul style="list-style-type: none"> - COVID Protection Framework (CPF) Tauranga at orange - Local Government guidance issued. | <ul style="list-style-type: none"> - 23rd January - New Zealand at CPF Red |
| COVID Variants | <ul style="list-style-type: none"> - Delta in Community | <ul style="list-style-type: none"> - Delta in Community with cases popping up in Tauranga; 18th Nov: 2 cases, 19th Nov 5 cases | <ul style="list-style-type: none"> - Delta in Community & Omicron identified by WHO | <ul style="list-style-type: none"> - Omicron in the Community, cases in Tauranga & TCC |
| Contractors | <ul style="list-style-type: none"> - Difference of alert levels isolating some staff and contractors creating difficulty to source specialist contractors | <ul style="list-style-type: none"> - Guidance established around bringing contractors from other alert levels to Tauranga | <ul style="list-style-type: none"> - Capital works projects shutdown over Christmas and New Year period. | <ul style="list-style-type: none"> - Pre-startup - key contractors use Rapid Antigen Tests for staff - Contractor sites not subject to TCC Vaccine mandate. |
| Vaccine | <ul style="list-style-type: none"> - 12 Oct: Government mandated vaccines for roles in education and health - TCC supporting Government rollout; no additional mandates. Anxiety across TCC in status quo and uncertainty about future decisions | <ul style="list-style-type: none"> - Voluntary vaccine survey showed 90% of TCC staff have had at least one vaccination - Anxiety around uncertainty of future decisions continues | <ul style="list-style-type: none"> - Executive mandate COVID Vaccine Certificates across public facing roles - Survey to gauge staff position on mandating vaccinations across TCC (closed 22 Dec) - Anxiety around uncertainty of future decisions continues | <ul style="list-style-type: none"> - 26th January Executive mandate entry to all premises and workspaces COVID Vaccine Certificates. - Boosters encouraged. |
| General | <ul style="list-style-type: none"> - Continued restrictions on fleet use and office access for staff and visitors - impacting team connection - COVID Planning Team chair moved from Executive to senior management role. | <ul style="list-style-type: none"> - Continued restricted access to offices with strict scanning, mask use and physical distances rules - Restrictions relaxed around vehicle use - Limits on Christmas functions for Business Continuity | <ul style="list-style-type: none"> - Extra security established at libraries and service centre - Libraries identified as location of interest, requiring closure for deep cleaning and while staff isolate and are tested | <ul style="list-style-type: none"> - Staff and people leaders working with Human Resources to meet vaccine mandate requirements. - Reviewing use of Rapid Antigen Testing for Council staff. Tests ordered. |



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Mental Health & Wellbeing

October 2021 – December 2021



Tauranga City

Connect and Reflect

Taking time to relax and de-stress can lead to improvements in mood, brain function and memory, allowing the mind and body to repair. Acknowledging the importance of this, Tauranga City Council had a mandatory Christmas closedown for all staff, except essential services over the Christmas and New Year period.

Coffee Roulette, introduced as part of Mental Health Awareness week, is ongoing - to facilitate connection across our people. Broadly, a sense of belonging and connection can lower anxiety and depression, help regulate emotions and lead to higher self-esteem and empathy.

66 users signed up for Coffee Roulette, a couple of whom 'spilled the beans' on how they found it:

"My role is about supporting our TCC team to make Tauranga better by lifting individual and team capability. Coffee Roulette has given me an opportunity to connect with people I have never met before, to understand a little about them and the role they do, the opportunities they see and the challenges they experience. These collective experiences help me to 'keep it real' in everything I do and confirms we have an amazing bunch of skilled and dedicated people working here"

– Sonia Appleby-Maine, Learning & Development Programme Manager

"I've absolutely loved the 10 or so Coffee Roulette hook-ups I've been on to date. The opportunity to sit down with colleagues from right across the business and talk about pretty much anything that isn't work-related, has been fascinating and fun! I encourage everyone to give it a try."

– Gareth Wallis,
General Manager:
Community Services

"Coffee Roulette gave me an amazing opportunity to not only get some one-on-one time in front of some senior leaders and find out a bit about them out of 'work mode' it also unintentionally gave me some great contacts within areas of the business I was due to work with and didn't realise, it's always so nice to learn what other areas do and the people who make them tick"

– Jadwyn Bulling, Learning & Development Advisor

He Puna Manawa - Customer Service Centre opened Monday, 24 January.

TCC's commitment to cultural safety and wellbeing is closely supported through our relationship with Tangata Whenua. Through their guidance we were pleased to be able to conduct a blessing following Tikanga Maori. The value of this is to utilise Te Ao Maori and their relationship with the land to clear any cultural and spiritual barriers so that we have done everything we can to ensure the future success of our activities on site. Through partnership we combine best practice in planning and construction with cultural safety to create a safe and welcoming place for all.



"It's just amazing to be here, thinking that we stood here on the 18th of October last year and we talked then about it being the first step, but this really feels like the first step.... You really feel like the city is now starting to be transformed"

– Commission Chair Anne Tolley

Local kaumātua, Tamati Tata, of Ngāi Tamarāwaho, led a karakia at the new Customer Service Centre.





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Mental Health & Wellbeing

October 2021 – December 2021



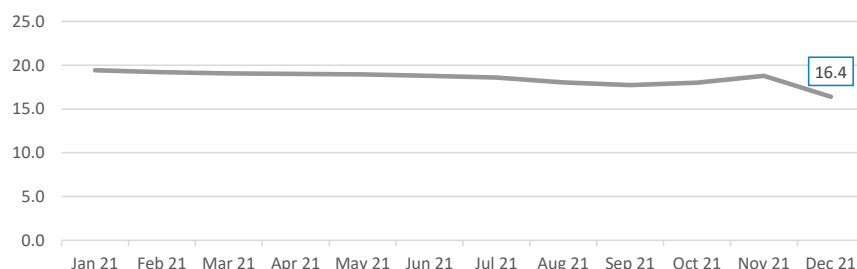
Tauranga City

Human Resources

Employers have a responsibility to act in good faith and ensure the employment relationship continues in trust and confidence around pay, holiday leave and sick leave. Through monitoring metrics we can continue to prioritise our actions and track effectiveness of in-flight initiatives.

Annual Leave

Monthly Average Annual Leave Balances (days)

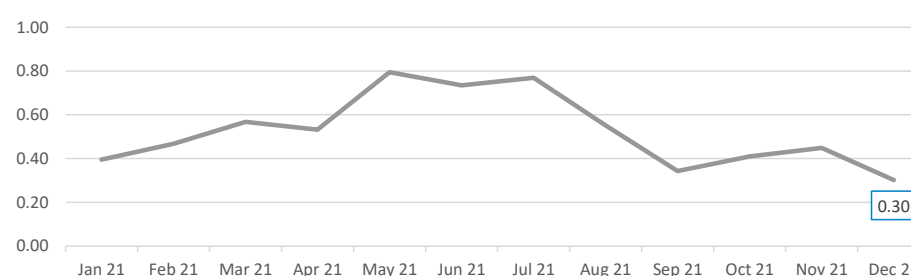


People leaders, with the support of Human Resources, ensure their staff are taking regular holidays, promoting rest and recuperation as we navigate an ever-changing work environment through the COVID-19 pandemic.

Despite changing alert levels, lockdowns and border restrictions, we haven't seen increases in average annual leave balances over the year. A decrease in December was evident with staff encouraged to take leave over this time and supported by the Christmas closedown period – this is down on 19.4 days in December 2020.

Sick Leave

Monthly Average Sick Leave Taken (days)



People leaders, with the support of Human Resources, encourage employees to use their sick leave when they are sick or need a mental health day. There has been a culture shift for several organisations (including ours) where employees pre-COVID-19 would often push through sickness, come into work, not recover as quickly and/or risk spreading sickness to other team members. Greater use and acceptance of flexible working and technology (e.g. Teams meetings) has played a role in allowing staff to undertake work activities where they may have felt the need to use sick leave in the past.



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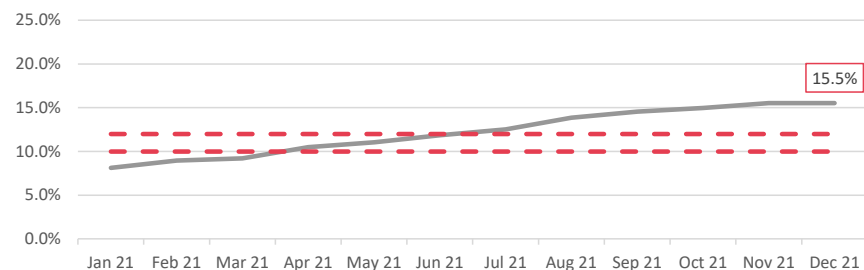
Mental Health & Wellbeing

October 2021 – December 2021



Tauranga City

Unplanned Turnover



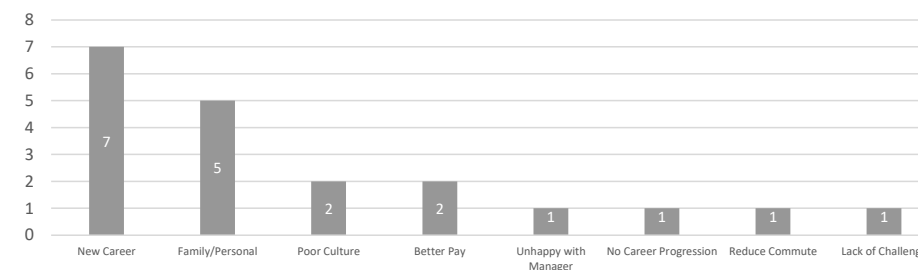
Percentage of unplanned exits of permanent employees over a rolling 12-month period, against the average permanent headcount over that period (including new hires).

Unplanned turnover is significantly higher than what it was 12 months ago (15.5% vs 8.2%). An ideal rate of turnover has been proposed at between 10 and 12%, which provides a good mix of new talent and retained expertise.

While this isn't unique to TCC (with these trends being seen across both the public and private sectors) it does pose additional challenges in retaining and recruiting talent.

Exiting TCC

Main reason reported for exiting TCC (September 2021 – 31 January 2022)



In September, our Exit Survey made the switch from being conducted through an external research company to being run in house – utilizing technology already available at TCC. The online Exit Survey is being made available to all permanent staff leaving TCC, with the option of having a face-to-face interview being offered if preferred.

While still early days, valuable information is already been gleaned. Positively, 90% of respondents over this period would consider returning to work for TCC in the future.

9.6 Financial and Non-Financial Monitoring Report: Period ended 31 December 2021**File Number:** A13173945**Author:** Kathryn Sharplin, Manager: Finance

Tracey Hughes, Financial Insights & Reporting Manager

David Moore, Manager: Capital Projects Assurance Division

Raj Naidu, Corporate Planner

Authoriser: Paul Davidson, General Manager: Corporate Services**PURPOSE OF THE REPORT**

1. The purpose of this report is to inform Council and the public of our financial and service level performance result for the first six months of the financial year 2021/22 and provide an overview of resident perceptions. The report also includes information on progress and risks relating to the capital programme.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives Report Financial and Non-Financial Monitoring Report: Period ended 31 December 2021.

EXECUTIVE SUMMARY

2. Operational results for the six months to 31 December 2021 are tracking slightly favourably to budget. Revenue overall is close to budget with services affected by the alert level restrictions early in the year offset by higher revenue across building services. Full year revenue forecasts overall remain at budget. Expenditure overall remains close to budget apart from a lower forecast for other operating costs. The risks associated with Omicron are overall likely to be to slow project and service delivery in some areas which would further reduce operating expenditure. Capital expenditure is tracking below budget year to date with a full year result forecast by project managers to be within 80-85% of total budget.
3. The COVID impact headwinds discussed in the previous quarterly report are now starting to materialise and are directly affecting the capital delivery programme across a variety of projects. This impact is particularly affecting the larger construction projects where more stringent health and safety policies and practices are being instigated to mitigate the spread of COVID within construction workplaces causing budget pressure and delays to project schedules through supply chain delays of materials, plant and gaining access to skilled workers, inflaming an already challenging and stretched resource pool within the construction industry.
4. Whilst both employee costs and consultancy costs are currently showing favourable variance this should not be taken as a favourable result. Key reasons for these favourable variances is the difficulty we are experiencing in the labour market at present and this anticipated to get worse as Omicron takes hold. Labour market impacts are affecting both our ability to attract staff and in some cases we are unable to compete in the market around salary expectations. This is a national issue and the low level of unemployment is exacerbating this problem. Executive will continue to work on mitigation strategies to alleviate this however it is expected to impact on our work programme going forward.
5. **Attachment 1** includes the Statement of Comprehensive revenue and expense along with a by activity breakdown of variances in user fee revenue and operating expenditure. A

Treasury summary showing debt and full year projections is shown along with a high-level summary of capital expenditure to budget.

6. **Attachment 2** summarises the performance of the top 25 capital programmes being undertaken this year up to 31 December 2021.
7. **Attachment 3** presents how Council and the community are tracking towards achieving Council's non-financial performance measures and levels of service.
8. Of the 100 non-financial performance measures, 88 have been measured and reported on. 53 measures (53%) are on track, 25 measures (25%) off track and 12 measures (12%) yet to be measured. 10 measures (10%) have achieved the annual target.
9. Initial analysis of non-financial performance measures shows that of the 25 measures off track, ten measures (40%), across five activity groups, continue to be affected by the impact of COVID-19.
10. **Attachment 4** presents a high-level summary of the year to date results of the Annual Residents Survey.

BACKGROUND

11. This report is for monitoring and reporting purposes showing Council's financial and non-financial performance in delivering services to the community.
12. The operational budgets for year one of the Long-term Plan (LTP) set the revenue and expenditure expectations to deliver on agreed service levels and capital investment.
13. In an LTP, the level of service that the council will deliver along with operational budgets and capital investment programme are agreed upon by the council in consultation with the public. Rates and user charges are set based on these budgets.
14. The Local Government Act 2002 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 indicators.
15. In the 2021-31 LTP there were 100 KPIs that were agreed upon, 23 of which are mandatory measures as per section 261B of the Local Government Act.

STRATEGIC / STATUTORY CONTEXT

16. Maintaining expenditure within budget ensures delivery of services in a financially sustainable way.
17. Monitoring non-financial performance is a key function of the committee.

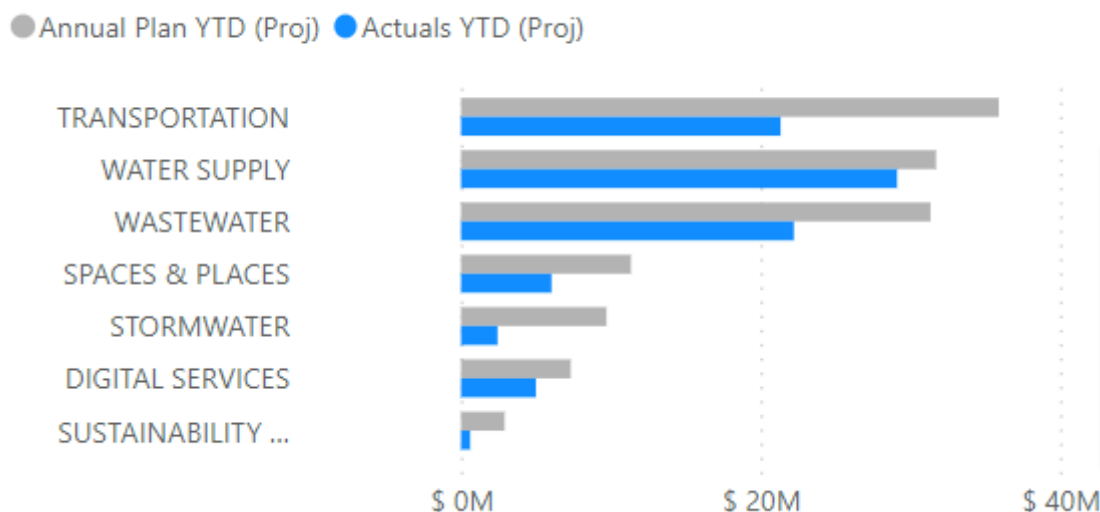
DISCUSSION

Part 1: Financial Performance

18. **Attachment 1** to this report provides a summary of Council's financial performance for the year to date. The content of this attachment includes:
 - (a) A summary of revenue and expenditure year to date with revised full year projections presented as a Statement of Comprehensive Revenue and Expense.
 - (b) A summary by activity of user fee revenue and operating expenditure variances year to date.
 - (c) A Treasury report which shows borrowing year to date and full-year projections, the average cost of funds and money market investments benchmarked to average return.
 - (d) A summary of capital expenditure to date and full year projections across the whole programme.

19. **Operating Performance and Revenue and Expenditure Variances by Activity** (Attachment 1) shows the operating and capital revenue and expenses in a format consistent with the Annual Report. It shows the year to date results for revenue and expenditure.
20. Revenue overall is tracking close to budget with full year revenue forecasts on budget except for capital subsidies and vested assets. There is a small increase in interest revenue forecast based on higher cash deposit levels due to slower expenditure profile. There has been some impact on revenue in areas of the business from COVID-19 alert level restrictions early in the year including the airport and community facilities such as Baycourt, with further disruptions expected from Omicron. However, this has been offset to date by favourable results elsewhere such as in building services. There are forecast full year revenue losses from closure of the two carparking buildings for several months although to a lesser extent than originally thought due to revisions to project phasing.
21. Operational expenditure has been below budget, partly due to lower activity in some areas due to alert level restrictions and new contract arrangements being established. Infrastructure and growth planning work is also slower than budgeted. Digital projects have also been slightly delayed which has flow on impacts to operational costs. Expenditure is projected to increase in the second half of the year with full year results projected to be below budget (\$2.3m) but not to the extent of first half year results. Uncompleted work will carry forward to the next financial year.
22. Capital expenditure for the first half of the year has been \$95m against a budget of \$135m. Forecasts for the full year are based around an increase in delivery in the second half of the year, with full year delivery forecast at over 80% of budget.
23. Project performance by activity and programme is indicated graphically below and further information is provided in the attachments. Activity areas accounting for the majority of year to date underspend include Transportation projects (55% actual spend to budget), Spaces and Places (53%) and Stormwater (23%).

Activity Performance YTD



Summary Treasury and Net debt projections

23. Net debt at year end is now projected to be as budgeted at around \$760m. Lower forecast capital delivery for the full year \$252m, which is \$30m below budget, has been fully offset by a significant weathertight claim settlement bringing the likely closing net debt to the budgeted \$763m. Interest rates are increasing, but are not expected to have a significant effect on current year budgets which had been based on anticipated rates increases, higher rate debt

being paid off and a significant amount of debt hedged at lower rates or at zero interest rates through the HIF loans.

Part 2: Capital Programme Performance – Top 25 Projects

24. After a gradual increase in productivity and delivery in the first quarter of the FY the expected COVID headwinds are beginning to make an impact on the Top 25 capital projects and programmes. Actual spend to budget has dropped from an encouraging 90% in FYQ1 to 85% in FYQ2. Additionally, the financial year end forecast has dropped from \$217M in FYQ1 to \$193M in FYQ2 against a year end Top 25 budget of \$227M.
25. Risk management planning and recovery/mitigation strategies are being worked on by project teams and projects are being delivered as optimally as possible. However, there is ongoing uncertainty of COVID impacts, particularly on supply chain risk affecting resources and materials. These risks are extending project timeframes and leading to higher costs.
26. The actual expenditure on key projects such as Te Maunga wastewater and Waiari water supply are generally tracking within budget timing but are expected to slow down due to increased COVID impacts of supply chain and more stringent health and safety measures. Cameron Road Stage 1 actual spend is tracking slightly behind budget with recovery measures in place to meet financial year end budget. However, risks of slower delivery still remain.
27. Overall, a larger carry forward of current Top 25 capital budgets into the next financial year are now expected. Please refer to the Top 25 report in the attachments for information on the Top 25 project and programmes.

Part 3: Non-Financial Performance

28. **Attachment 3** presents how Council and the community are tracking towards achieving Council's non-financial performance measures and levels of service.
29. Of the 100 non-financial performance measures, 88 have been measured and reported on. Data is not yet available for 12 measures.
30. 53 measures (53%) are on track with 25 measures (25%) off track and 10 measures have been met already (10%).
31. Of the 25 measures off track, ten measures (40%), across five activity groups (Water Supply, Community Services, Emergency Management, Marine Precinct and Spaces and Places), have been affected by the impacts of COVID-19. We will continue to monitor these measures and keep reporting the likelihood of whether these measures will now not be met this financial year over the next quarter.
32. Where data is not available, the majority relate to annual measures which are only surveyed at one point through the year or to measures that have no current method of assessment.

Part 4: Perceptions Monitor

33. The Annual Residents' Survey supports non-financial reporting by measuring the perceptions of residents regarding various aspects of services that Council provides.
34. The survey is conducted in four waves across the year. Each wave's mail out quotas are applied according to age, gender and ward, to ensure that a representative sample of Tauranga City's population is achieved. The data is weighted to account for variances in the achieved quotas and to ensure that the sample reflects the population profile achieved.
35. Waves were introduced in 2016/17 so that data was captured at different points throughout the year rather than one data collection point, as had been the case until then.
36. The overall results have an anticipated margin of error of +/- 4.6% at the 95% confidence level. Scores for the reporting periods exclude 'Don't know' responses.

37. The year to date results for 2021/22 are interim and based on the sample of n=361. Data collection for wave two took place between 1 November and 5 December 2021.
38. A summary of the highlights is attached at **Attachment 4**. The summary helps provide an insight into how different elements of Council's core service deliverables, reputation and the perception of value for money contribute to respondents' perception of Council's overall performance.
39. Under overall performance, the year to date result is that 32% of respondents are satisfied or very satisfied with Tauranga City Council in general, which is equal to the full year result for 2020/21.
40. Reputation measures the community's perception of four key areas – leadership, faith and trust, financial management and quality of services/facilities. Under reputation, the year to date result is that 23% of respondents are satisfied or very satisfied, up from the full year result for 2020/21 which was 19%.
41. Within reputation, there is the measure in terms of respondent's faith and trust in Council, the year to date result is that 22% of respondents are satisfied or very satisfied, up from the full year result for 2020/21 which was 19%.
42. A summary of the rest of the high-level survey results of the and their trend to date is summarised in the table below:

| Measure | 2020/21 | 2021/22 YTD | Trend |
|---|---------|-------------|-------|
| <i>Overall Performance</i> | 32% | 32% | - |
| <i>Overall Image and Reputation</i> | 19% | 23% | ▲ |
| <i>Overall Value for money</i> | 35% | 38% | ▲ |
| <i>Overall Core Services Deliverables</i> | 59% | 58% | ▼ |
| <i>Overall Water management</i> | 61% | 53% | ▼ |
| <i>Overall Road and footpaths</i> | 48% | 43% | ▼ |
| <i>Overall Waste Management</i> | 61% | 61% | - |
| <i>Overall Outdoor spaces</i> | 81% | 75% | ▼ |
| <i>Overall Public facilities</i> | 67% | 72% | ▲ |

43. In this year's survey an additional question was added asking the respondents' awareness that a Crown appointed commission had taken over the governance responsibilities of Tauranga City Council.
44. The result year to date was that 77% of respondents are aware and 23% unaware, with age being a main factor. Further breakdown of awareness results by age is as follows:

| Age | 2021/22 YTD |
|----------|-------------|
| 18 to 24 | 43% |
| 25 to 34 | 54% |
| 35 to 44 | 69% |
| 45 to 54 | 88% |
| 55 to 64 | 89% |
| 65 + | 93% |

45. Another additional question was added asking how the respondents rated the Commissioners' leadership with the year to date result being 48% of respondents stating they are satisfied or very satisfied.
46. The next wave is due to be collected during February 2022 with the results scheduled to be reported to this committee in May 2022.

OPTIONS ANALYSIS

47. There are no options associated with this report. The report is provided as information only.

FINANCIAL CONSIDERATIONS

48. The financial results to budget for the first quarter provide information on trends and risks. At the corporate-wide level at this stage of the year no amendments have been made to forecast budgets. Trends and revisions to forecasts will be considered further in the 6-monthly report.

LEGAL IMPLICATIONS / RISKS

49. This monitoring report has no specific legal implications or risks.

CONSULTATION / ENGAGEMENT

50. This report is made public.

SIGNIFICANCE

51. 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.
52. 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.
53. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

54. 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.

NEXT STEPS

55. This report ensures monitoring of Council performance to ensure compliance with Council's budgets, policies and delegations.

ATTACHMENTS

1. **Attachment 1 - Financial monitoring - A13192285** [!\[\]\(ed3513375e5dc0b9e8a0af4e4f96cfb3_img.jpg\)](#) [!\[\]\(97757af8270ee96085cf451e97be1ee6_img.jpg\)](#)
2. **Attachment 2 - Top 25 Projects & Programmes - Dec 2021 - A13194883** [!\[\]\(6da1596f3f589aa525a1401058b3ebfd_img.jpg\)](#) [!\[\]\(8158a274f38a5cf8896966c31dbd84cc_img.jpg\)](#)
3. **Attachment 3 - Non-Financial Performance Measures - Q2 2021_22 - A13111375** [!\[\]\(b87d456e98ecd0a35f45312c1858a272_img.jpg\)](#) [!\[\]\(7ddf526a75b55133f8f602e0658a9919_img.jpg\)](#)

4. **Attachment 4 - Annual Residents Survey 2021_22 - Wave 2 - Performance Report - A13190266**  

Financial Statements

As at 31 Dec 2021

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Favourable
(Unfavourable)

| | | | | | | FULL YEAR | | |
|--|--------|------------|------------|----------|------------|-----------|--------------|----------|
| | \$'000 | Actual YTD | Budget YTD | Variance | Variance % | Forecast | Total Budget | Variance |
| OPERATING REVENUE | | | | | | | | |
| Rates | | 117,807 | 116,779 | 1,028 | 1% | 234,278 | 234,278 | 0 |
| Subsidies & Grants | | 4,532 | 5,426 | (894) | -16% | 9,352 | 11,652 | (2,300) |
| Other Revenue | | 27,700 | 27,640 | 59 | 0% | 55,110 | 53,771 | 1,339 |
| Finance Revenue | | 1,130 | 648 | 482 | 74% | 1,773 | 1,472 | 301 |
| Total Operating Revenue | | 151,169 | 150,494 | 675 | 0% | 300,513 | 301,173 | (660) |
| ASSET DEVELOPMENT REVENUE & OTHER GAINS | | | | | | | | |
| Development Contributions | | 14,963 | 13,430 | 1,533 | 11% | 26,860 | 26,860 | 0 |
| Other Gains/(Losses) | | 923 | 663 | 260 | 39% | 1,626 | 1,326 | 300 |
| Subsidies & Grants Capital Expenditure Contributions | | 20,274 | 25,575 | (5,301) | -21% | 59,459 | 57,659 | 1,800 |
| Assets vested to Tauranga City Council | | 8,394 | 10,804 | (2,410) | -22% | 21,608 | 21,608 | 0 |
| Total Asset Development Revenue & Other Gains | | 44,554 | 50,473 | (5,919) | -12% | 109,553 | 107,453 | 2,100 |
| TOTAL REVENUE | | 195,723 | 200,966 | (5,244) | -3% | 410,066 | 408,626 | 1,440 |
| OPERATING EXPENDITURE | | | | | | | | |
| Personnel Expense | | 36,604 | 39,089 | 2,484 | 6% | 77,935 | 77,935 | 0 |
| Depreciation & Amortisation Expense | | 33,123 | 35,669 | 2,546 | 7% | 71,338 | 71,338 | 0 |
| Finance Expense | | 9,973 | 9,836 | (137) | -1% | 21,466 | 21,466 | 0 |
| Consultants & Contractors | | 11,313 | 12,376 | 1,063 | 9% | 24,909 | 24,909 | 0 |
| Other Expense | | 51,701 | 65,256 | 13,555 | 21% | 128,376 | 130,705 | 2,329 |
| Total Operating Expenditure | | 142,715 | 162,226 | 19,511 | 12% | 324,024 | 326,353 | 2,329 |
| OTHER EXPENSES | | | | | | | | |
| Provision Expense | | 0 | 600 | 600 | 100% | 1,200 | 1,200 | 0 |
| Total Other Expenses | | 0 | 600 | 600 | 100% | 1,200 | 1,200 | 0 |
| TOTAL EXPENDITURE | | 142,715 | 162,826 | 20,111 | 12% | 325,224 | 327,553 | 2,329 |
| SURPLUS/(DEFICIT) | | 53,007 | 38,140 | 14,867 | 39% | 84,842 | 81,073 | 3,769 |
| OPERATING SURPLUS/(DEFICIT) | | 8,454 | (11,733) | 20,186 | 172% | (23,511) | (25,180) | 1,669 |

Overall Comments on Year to Date Balances

Rates revenue is above budget, primarily reflecting higher volumetric charges for water.

Subsidies & Grants revenue includes the NZTA subsidy, which is under budget, partly due to the impact of COVID restrictions affecting timing of completion of work. Subsidies are not expected to be on budget for full year.

Other Revenue, primarily user fees is tracking on budget. COVID revenue losses e.g. at the airport and facilities, were offset by strong results from building services. Details of user fee variances by activity are attached.

Finance Revenue includes interest on deposits and dividends, which have both exceeded budgets due to additional funds on deposit (slower capital programme) and higher dividend payments.

Development Contributions are ahead of budget. Primarily from city-wide development contributions (57%) and Papamoa East local development contributions (28%).

Other Gains and Losses includes non-cash accounting entries in relation to:

- a gain recognised from the Housing Infrastructure Fund loan (\$95m loan), which recognises a zero percent interest rate as a gain over market, and
- a gain relating to the Totara Farm (Te Tumu) land transaction.

Subsidies & Grants Capital Expenditure Contributions are primarily related to Crown Infrastructure Partnership subsidies for the Cameron Road upgrade project, which are currently ahead of budget and are expected to be well over budget for the year. Also included is NZTA capital project funding which is significantly behind budget due to a shortage of project managers and contractors. Forecast is for continuing slower delivery of transport capex, leading to a lower subsidy.

Assets vested to Tauranga City Council - revenue recognition is dependent on the timing of project completion of infrastructure projects by developers.

Personnel Expense underspend reflects unfilled positions and leave taken over the holiday period, where salaries are funded from the leave provision.

Depreciation is under budget, but the variance is expected to decrease as assets are capitalised.

Consultants and Contractors costs are tracking below budget, with Digital Service’s reliance on contractors (offset by large capitalisation credits for time charged to projects) being more than offset by Development planning activity (some projects yet to get underway).

Other Expenditure is below budget across a number of activities. The main areas of underspend are Digital Services, 3 waters, Transport and Spaces and Places. Details of expenditure variance by activity are attached.

Provision expense will be recognised towards the end of the financial year. The budget is for Leaky Homes claims.

Full year forecast Amendments for known, material, variances have been made to the expected full year result. These are explained above, and in the user fees and expenditure variance by activity report, attached.

Revenue and Expense Variance - December 2021

| USER FEES | | | | | | EXPENDITURE | | | |
|-----------|----------------------------|--|--------------|--------------|---------------|--|--------------|-------------|---------------|
| | Activity | Main Revenue Stream | YTD Variance | Full Budget | Full Forecast | YTD Variance Commentary | YTD Variance | Full Budget | Full Forecast |
| | Corporate Services | | | | | | | | |
| 101 | Corporate Treasury | Rates Penalty & Dividend Income | (1,981) | (800,000) | (800,000) | Revenue: Minor variance Expenditure: Unbudgeted Bella Vista costs. | (84,107) | 692,020 | 692,020 |
| 102 | Head Office - TCC | | 4,546 | 0 | 0 | Expense: Transfer of funds to the Acorn Foundation, from Stewart & Carruthers Reserve. Actual costs forecast to be in-line with budget at year end. | (327,628) | 756,589 | 756,589 |
| 104 | Strategic Properties | | 0 | 0 | 0 | Expense: Rates expense on council properties below budget. | 19,458 | 90,000 | 90,000 |
| 10 | Finance | Payments/contributions from Regional Council | 147,896 | (722,000) | (722,000) | Revenue: Timing variances with BOP Regional Council rates commission and valuation data recoveries. Expenditure: Lower than budget across several areas; consultants, rates database maintenance, training and travel. | 182,450 | 5,476,932 | 5,276,932 |
| 12 | Executive Team | | 10,000 | 0 | 0 | Revenue and Expenditure: Minor variances. | (8,914) | (2,880) | (2,880) |
| 13 | Digital Services | Metro network lease | (6,233) | (156,000) | (156,000) | Revenue: Lower than budgeted due to lower recoveries from metro fibre network leases. Expenditure: Delays in implementation of key digital projects has flow-on effects to operational costs including software licenses. Activity managers are forecasting they will incur this expenditure before financial year-end. | 4,106,741 | 19,423,939 | 19,423,939 |
| 19 | Insurance | Insurance recovery | 369,016 | 0 | (370,000) | Revenue and expenditure: Offsetting variances re insurance recoveries. | (368,938) | (1) | 370,000 |
| 55 | Legal & Risk | | 0 | 0 | 0 | Expenditure: Credits from capitalisation of salaries, for legal input on capital projects, are running below budget. External legal fees are above budget due to litigation costs unbudgeted for. Business continuity consultancy costs lower than expected, meaning recoveries are also under budget. | (353,177) | 1,953,055 | 2,203,055 |
| 57 | Marine Precinct | Leasing & Berthage | 9,021 | (1,002,804) | (1,002,804) | Revenue: Higher than budgeted revenue from travel lift launching. Expenditure: Increased maintenance activity during past quarter and over budget on staff costs (all contractors). Forecast increased to reflect these. | (106,685) | 1,312,020 | 1,350,000 |
| 81 | Airport | Landing & parking fees / Leasing | (593,209) | (8,785,782) | (7,350,514) | Revenue: Landing charges and Parking fees are under budget as a result of the recent COVID lockdowns. Expenditure: Also under budget largely as a result of Fire Rescue costs tacking below budget year to date. | 170,744 | 3,723,716 | 3,150,000 |
| 83 | Fleet Management | | 0 | 0 | 0 | Expenditure: Timing of Custom Fleet lease payment recharges. | (1,759) | (17,909) | (17,909) |
| 94 | Elder Housing | Rental Income | (58,372) | (897,251) | (1,417,251) | Revenue: Empty units in Pitau village, pending a vacant possession sale. Forecast for revenue as the budget assumed a sale date of Jan 2022. Expenditure: Elevated repairs and maintenance costs, due to an aging housing stock. Rates higher than budgeted. | (172,195) | 749,070 | 949,070 |
| | TOTAL CORPORATE SERVICES | | (119,317) | (12,363,837) | (11,818,569) | | 3,055,989 | 34,156,551 | 34,240,816 |
| | Community Services | | | | | | | | |
| 15 | Civic Complex | Leasing | (9,996) | (20,000) | 0 | Revenue: No rental income from Willow Street retail premises. Forecast reflects this. Expenditure: Higher than budget consultancy costs (re future ways of working project) and 306 Cameron Road rent (unbudgeted additional floor space being leased). Forecast adjusted for these additional costs. | (128,077) | 5,045,046 | 5,045,046 |
| 40 | City Centre | | 0 | 0 | 0 | | (7,085) | 0 | 0 |
| 54 | City Events | | 1,000 | 0 | 1,000 | Expenditure: Underspend from cancellation of New Years Eve events will be partly offset by other initiatives and activations, as well as external comms support. There will be a request to transfer any unspent monies to the Event Investment Fund. | 39,092 | 2,701,211 | 2,701,211 |
| 56 | Community Partnerships | Graffiti fines, Safe City contribution, and other recoveries | 512 | 0 | 0 | Expenditure: Behind budget due to timing of the first tranche of community grant funding payments, as well as Papakainga housing and community housing grants (which will be carried forward to 2023 FY). Expenditure across graffiti control and community funding portfolios are also tracking slightly behind budget, but expected to be fully expended by year end. | 212,769 | 4,697,605 | 3,897,605 |
| 58 | Bay Venues Limited & CCO's | Depreciation - trsfr to TCC Depreciation Reserve / External Recoveries | (113,930) | (805,487) | (805,487) | Revenue: Depreciation transfer from BVL for second quarter yet to be received. Expenditure: Renewals claim in the second quarter higher than budgeted. \$400k additional renewals budget signalled to renew Greerton Aquatics this FY due to a lack of sub-contractors tendering for work and significant supply chain premiums for materials. | (126,732) | 11,038,355 | 11,238,355 |
| 59 | Spaces & Places | Reserve and property rentals, McLaren Falls | (50,638) | (422,760) | (322,760) | Revenue: Lower than anticipated revenue as a result of COVID alert level changes and closure of the campground (planning to reopen in first quarter of 2022 calendar year). Full year forecast expected to be \$100k lower than budget as a result. Expenditure: Bay Oval grant funding for Stage 2 Pavillion, Event Day Toilets, Generator Shelter and Broadcast Towers capital projects tracking behind YTD budget but still on track for full delivery this FY. Passive reserves maintenance tracking behind budget due to COVID lockdown and contractor availability but expected to be fully spent by year end. Employee costs forecast above budget due to under-capitalised salaries and additional unbudgeted resource required to carry out maintenance contract review. Partly offset by forecast savings across Mauao planting (reduced planting area per Mauao planting plan), coastal and harbour restoration (reduced restoration area as a result of COVID lockdown) and the carry forward of Mt Cricket Club loan-funded grant for building construction to align with wider Blake Park master planning. | 1,467,860 | 24,250,581 | 24,390,581 |

| USER FEES | | | | | | EXPENDITURE | | | |
|-----------|--|---|--------------|--------------|---------------|--|--------------|-------------|---------------|
| | Activity | Main Revenue Stream | YTD Variance | Full Budget | Full Forecast | YTD Variance Commentary | YTD Variance | Full Budget | Full Forecast |
| 64 | Baycourt Community & Arts Centre | Sales & Hireage Fees | (257,604) | (933,440) | (583,440) | Revenue: Lower than anticipated revenue as a result of COVID alert level changes and deferred productions. Utilisation has been strong in November thanks to local community groups; discounted rental rates during these months has enabled activity to continue. Full year forecast revenue lower than budgeted as Baycourt unlikely to meet Ticketek volume targets. Expenditure: Marketing and stock purchases below budget as a direct result of deferred productions. Casual staff tracking to budget despite decreased number of productions YTD as staffing levels have increased to respond to new COVID protection framework requirements (e.g. introduction of My Vaccine Pass system). | 104,086 | 1,760,576 | 1,710,576 |
| 65 | Arts & Heritage | | 0 | 0 | 0 | Expenditure: Tracking behind budget due to timing of heritage fund payments, closely linked to civic precinct development. | 74,355 | 3,264,971 | 3,264,971 |
| 67 | Marine Facilities | Leases | (48,755) | (606,838) | (526,838) | Revenue: Boat storage and commercial lease revenue both behind budget. Expenditure: Additional waterfront R&M and rates expense, partly offset by lower than budget consultancy fees on Marine Facilities Strategy. | (17,375) | 978,181 | 978,181 |
| 68 | Beachside | Accommodation | (107,471) | (2,159,104) | (2,059,104) | Revenue: Tracking below budget due to COVID lockdowns and late cancellations in December as a result of the vaccination mandate. Expenditure: Also under budget as a result of lower occupancy. | 6,988 | 1,217,168 | 1,217,168 |
| 77 | Libraries | User Fees | 16,862 | (326,087) | (416,087) | Revenue: User fees revenue tracking below budget as a result of COVID lockdown and vaccination mandates, offset by unbudgeted revenue from DIA to cover additional staff as part of the Libraries Partnership Programme. Expenditure: Employee costs tracking above budget due to additional staff (being recovered through DIA), partly offset by lower than budgeted lease costs associated with the timing of the temporary library relocation. | (80,366) | 7,399,576 | 7,579,576 |
| 84 | Cemeteries | Product sales | (110,142) | (1,192,632) | (1,042,632) | Revenue: Income from cremations tracking below budget as a result of COVID lockdown and fewer illnesses over the winter months. Expenditure: R&M and fuel costs associated with cremations also tracking below budget, offset by increased staff costs related to the Spaces & Places restructure. | (6,838) | 657,762 | 657,762 |
| 90 | Property Management | Leasing Income | (25,100) | (4,554,395) | (4,554,395) | Revenue: Operating expense recoveries from tenants below budget (expected to meet budget at year end). Expenditure: Underspend mainly relates to reduced consultants costs and less investigation activity (surveys for asbestos and seismic issues). Full year spend expected to be in line with budget. | 268,385 | 5,228,731 | 5,228,731 |
| 92 | Historic Village | Leasing Income | (134,455) | (812,424) | (740,000) | Revenue: Lease revenue tracking behind budget due to the timing of the tenant programming plan rollout (anticipated to be fully in place by the end of this FY). Event & venues revenue behind budget due to booking cancellations as a result of COVID alert level restrictions. Full year forecast expected to be lower than budget as a result. Expenditure: Full year forecast above budget due to unplanned electrical audit required on priority buildings this FY. | 23,684 | 993,057 | 1,061,057 |
| | TOTAL COMMUNITY SERVICES | | (839,718) | (11,833,167) | (11,049,743) | | 1,830,746 | 69,232,820 | 68,970,820 |
| | Infrastructure Services | | | | | | | | |
| 26 | Stormwater | Leasing, Operational cost recovery | (5,208) | (10,410) | (10,410) | Revenue: Minor Variance Expenditure: Mainly due to R&M tracking behind budget, but is expected to pick up over the summer months. Internal charges and consultancy expenses are also behind budget. | 3,066,618 | 10,092,536 | 10,092,536 |
| 27 | Wastewater | Trade Waste and Omokoroa metered income | (203,476) | (1,970,414) | (1,970,414) | Revenue: Other user charges are tracking behind budget due to a system error that will be corrected in Jan. Expenditure: Mainly driven by reduced R&M activity, however there is a trend of increased unscheduled jobs which is expected to reach the budget. Bio solid costs are running slightly behind budget but expected to pick up in the next two quarters Consultancy expenses and internal charges also behind budget. | 2,385,466 | 17,383,345 | 17,383,345 |
| 29 | Water Supply | Water operation fees/forestry | (270,616) | (861,500) | (201,500) | Revenue: Extended engagement with stakeholders, along with widely reported international supply chain issues means that the forestry income (\$660k) budgeted this year, is postponed until next year. Expenditure: Related variable forestry costs will be delayed(\$490k). Consulting costs in waters planning behind budget year to date with projects picking up in second quarter. | 1,233,893 | 16,330,939 | 15,840,939 |
| 30 | City Waters (Support Services) | Laboratory fees | 438,926 | (262,030) | (762,030) | Revenue: External recoveries from the joint asset management system, due to a timing difference. Expenditure: All external operating costs running on budgeted levels. Higher internal charges are contributing to the negative variance. | (307,966) | 634,391 | 634,391 |
| 32 | Sustainability & Waste | User Fees - from operations & contract | 594,271 | (56,458) | (841,458) | Revenue: Glass sales and income from new /additional bins. Expenditure: Volume of waste going into landfill is significantly lower than budget. | 615,957 | 10,767,268 | 10,467,268 |
| 38 | Transportation | Road Zones & Other Fees | 112,360 | (605,142) | (705,142) | Revenue: Majority of positive variance are recoveries from external third parties for completing work on their behalf. Expenditure: Majority of YTD expense variance relates to R&M expenditure timing on Maintenance and Renewals. Expect this to be spent by year end. | 1,379,573 | 19,748,284 | 19,748,284 |
| 47 | Infrastructure Delivery (Asset Delivery) | Consent & Planning Fees | 0 | 0 | 0 | Expenditure: Minor variance. | 2,792 | 3,870 | 3,870 |
| 69 | Asset & Infrastructure Planning | | 79,487 | (800,000) | (800,000) | Revenue: Revenue from engineering planning approvals and recoveries running slightly ahead of budget. Expenditure: External operating costs are within budget allowances, with some costs to be reallocated to other activities including transport and waters. | (653,040) | 939,927 | 939,927 |
| 85 | Parking Management | Parking Fees | (294,289) | (3,402,336) | (2,802,336) | Revenue: Covid restrictions causing people to WFH and seismic strengthening of carpark buildings may have an adverse impact on full year revenue. Expenditure: Under spend on R&M expenditure due to COVID restrictions and timing of the seismic work. | 367,195 | 2,781,046 | 2,224,837 |
| | TOTAL INFRASTRUCTURE SERVICES | | 451,454 | (7,968,290) | (8,093,290) | | 8,090,488 | 78,681,606 | 77,335,397 |
| | Human Resources | | | | | | | | |

| USER FEES | | | | | | EXPENDITURE | | | |
|-------------------------------|--|---|--------------|--------------|---------------|--|--------------|-------------|---------------|
| | Activity | Main Revenue Stream | YTD Variance | Full Budget | Full Forecast | YTD Variance Commentary | YTD Variance | Full Budget | Full Forecast |
| 11 | Human Resources | | 2,500 | 0 | 0 | Revenue: No material variance. Expenditure: Training underspend is expected to be utilised over the remainder of the year. Consultancy costs tracking behind budget. | 302,649 | 4,603,925 | 4,603,925 |
| 16 | Democracy Services | Resource Consent compliance Inspection Fees | 2,972 | 0 | 0 | Revenue: Citizenship revenue received that is not budgeted for. Expenditure: Contingency expenditure (\$248k) to support commissioners hasn't materialised, but is available if required in H2. Admin costs and employee expenses relating to commissioners remuneration also tracking behind budget but expected to be spent by year end. | 385,766 | 3,040,231 | 3,040,231 |
| 20 | Communications & Engagement | | 0 | 0 | 0 | Expenditure: Due to an underspend across other operating expenses, marketing and advertising. Partly offset by an overspend in employee expenses due to higher than budgeted recruitment costs. | 94,647 | 2,428,815 | 2,428,815 |
| 21 | Te Pou Takawaenga Maori Unit | | 0 | 0 | 0 | Expenditure: Consultancy costs are behind budget but expected to be fully expended by year end. | 91,740 | 746,242 | 746,242 |
| 75 | Customer Services | Property Files & Information | (140,434) | (1,595,637) | (1,345,637) | Revenue: lower than expected volumes for LIMs and property files is driving lower than expected revenue, primarily due to COVID. LIM and property file applications have declined 10% and 20% respectively against the previous year to date. Market indications are that this trend will continue for the remainder of this year. Expenditure: Salary overspend, offset by savings in operating expenses. Salary overspend is due to incorrect HR establishment data in the LTP which has since been corrected. | 65,830 | 3,090,326 | 3,090,326 |
| TOTAL HUMAN RESOURCES | | | (134,962) | (1,595,637) | (1,345,637) | | 940,631 | 13,909,539 | 13,909,539 |
| Regulatory and Compliance | | | | | | | | | |
| 44 | Emergency Management | Rates | 0 | 0 | 0 | Expenditure: Consultancy and employee expenses underspent, expected to be on budget at year end. | 278,252 | 1,307,986 | 1,307,986 |
| 46 | Environmental Planning | Consent fees | (450,602) | (4,040,841) | (3,590,239) | Revenue: Resource consents revenue under budget. Higher consent volumes are being offset by a shortage of resourcing, resulting in lower output. Expenditure: Consultancy expenses over budget, partially offset by lower employee costs due to unfilled positions. | (57,770) | 4,512,748 | 4,628,287 |
| 48 | Environmental Regulation | Monitoring Fees | 16,569 | (910,931) | (910,931) | Revenue: Variance not material. Expenditure: After hours service expense, internal charges and employee expenses under budget. | 165,163 | 1,668,661 | 1,503,498 |
| 50 | Animal Services | Dog Registration Fees/ court recoveries/ impounding | (47,028) | (1,439,271) | (1,439,271) | Revenue: Majority of variance is due to lower court recoveries and fines revenue. Expenditure: Internal charges and employee expenses under budget. | 43,213 | 1,153,089 | 1,109,876 |
| 52 | Building Services | Consenting & Inspection Fees | 1,406,398 | (12,216,025) | (15,028,821) | Revenue: Revenue above budget across all revenue streams due to higher volumes, which is reflected in the forecast. Expenditure: Extra workload means employee expenses are over budget; temporary staff expense, salaries and overtime paid. | (543,739) | 9,017,806 | 10,105,284 |
| 74 | Regulatory Services | Permit Fees, Premises registrations | (28,665) | (108,250) | (108,250) | Revenue: Revenue under budget, expected to increase in third quarter if COVID restrictions lift. Expenditure: Variance caused by higher internal charges and employee expenses. | (488,279) | (56,514) | (56,514) |
| TOTAL REGULATORY & COMPLIANCE | | | 896,672 | (18,715,318) | (21,077,512) | | (603,159) | 17,603,776 | 18,598,417 |
| Strategy and Growth | | | | | | | | | |
| 18 | Strategy & Corporate Planning | | 0 | 0 | 0 | Expenditure: Consultants and employee costs (vacancies) and operational project expenses are all under budget. Currently expected to be on budget by financial year end. | 287,086 | 2,805,685 | 2,805,685 |
| 51 | City & Infrastructure Planning | Recoveries (external) | 2 | 0 | 0 | Expenditure: Year to date underspends and reduction to forecast reflect the effect of RMA reform on the planning programme along with delays in progressing some items due to resourcing issues. | 2,876,997 | 10,325,257 | 8,525,257 |
| 72 | SmartGrowth Implementation | Partner Contributions - WBOPDC/BOPRC | (196,831) | (1,294,359) | (1,726,179) | Revenue: Timing of revenue to date slightly behind budget. Forecast increase due to prior year income in advance brought forward to current year. Expenditure: Community consultation delays due to COVID. | 118,755 | 1,294,194 | 1,294,194 |
| 76 | Economic Development | Targeted Rate Funding | 0 | 0 | 0 | Expenditure: Grant payments are behind due to timing only. | 543,234 | 4,814,636 | 4,814,636 |
| 95 | Strategic Investment & Commercial Facilitation | | 2,059 | 0 | 0 | Expenditure: Capitalised salaries less than budgeted due to new staff inductions. | (38,392) | 725,489 | 725,489 |
| TOTAL STRATEGY AND GROWTH | | | (194,770) | (1,294,359) | (1,726,179) | | 3,787,681 | 19,965,261 | 18,165,261 |
| TOTAL | | | 59,358 | (53,770,608) | (55,110,930) | | 17,102,376 | 233,549,553 | 231,220,250 |

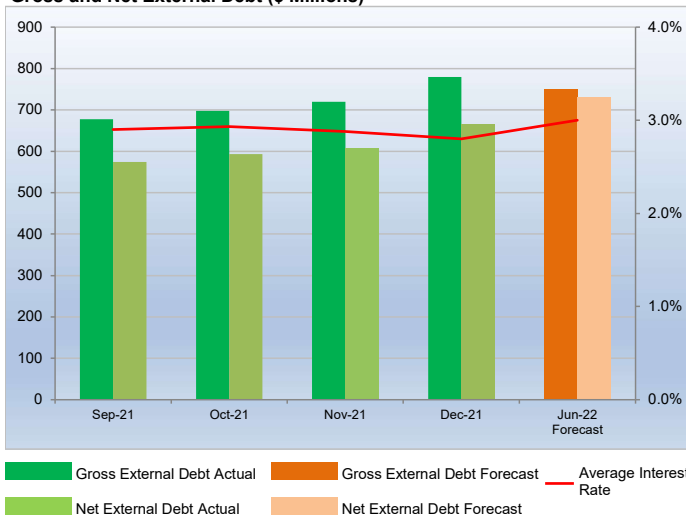
green font = favourable to budget
red font = unfavourable to budget

Treasury Report Policy Compliance

As at 31 December 2021



Gross and Net External Debt (\$ Millions)



Comments

Gross debt as at 31 December 2021 was \$779.8m and net debt at \$664.3m. New long-term debt of \$144.7m has been added over the last six months, of which \$4.7m is under the Housing Infrastructure Fund. \$60m of this borrowing has been assigned to repay debt maturing later in the year. Both interest rate hedging and debt maturity levels are within recommended levels. \$543.8m of total debt (73.5%) is at fixed interest rates as at 31 December 2021.

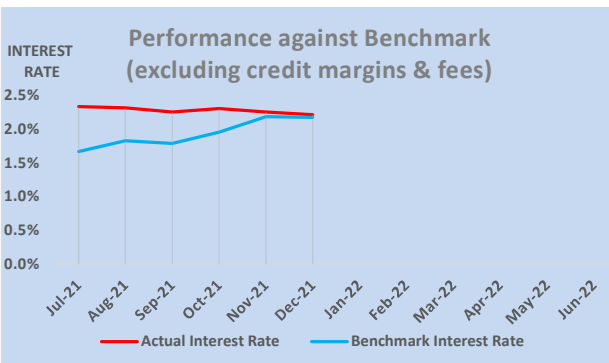
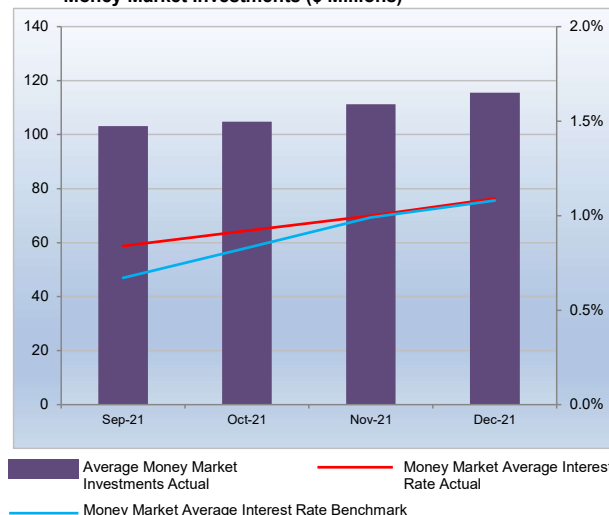
The forecast full year net debt is \$760m, which is close to budget of \$763m.

The Official Cash Rate ("OCR") was increased by 0.25% to 0.75% on 24 November with further increases expected.

Financial Limits (Council only)

| | Limit | 30 June 2022 Forecast |
|-------------------------------|-------|-----------------------|
| Net Debt to Operating Revenue | 300% | 212% |

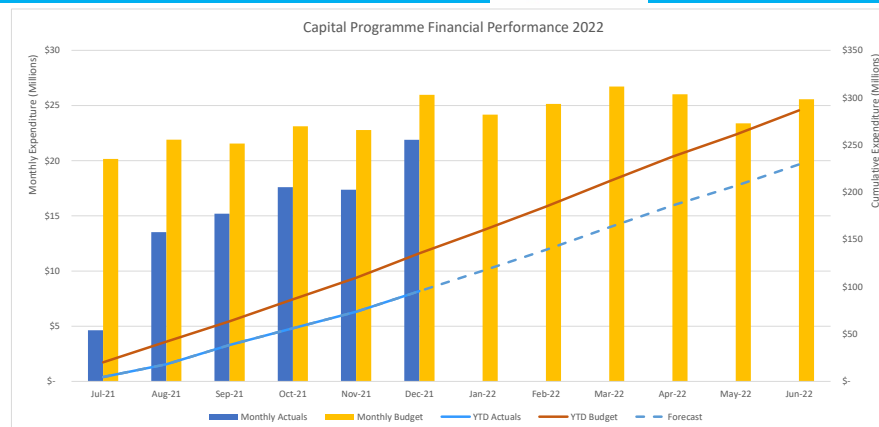
Money Market Investments (\$ Millions)



Capital Programme - 2022 Financial Year - December 2021



| | |
|---|---------|
| Actuals Current Month | \$22m |
| Budget Current Month | \$26m |
| Variance Current Month | (\$4m) |
| Forecast has decreased from last month, as we are now seeing the supply chain of impacts from covid taking place across a variety of projects, particularly on the larger construction projects where more stringent health and safety practices are in place to mitigate covid being contracted by construction workers. There is also high demand on design services with limited supply which is further extending project timeframes. | |
| FY22 Actuals to Date | \$95m |
| FY22 Budget to Date | \$135m |
| FY22 Variance | (\$40m) |
| FY22 Budget | \$285m |
| FY22 Forecast | \$229m |
| FY22 Variance | (\$55m) |



| Top 25 Projects/Programme | Project Budget | Project Forecast | Variance 2022 | Comments |
|---|----------------------|----------------------|----------------------|--|
| Top 25 Programme | \$227,414,450 | \$193,354,903 | -\$34,059,547 | See attached top 25 Programme for further detail |
| Balance of Growth Projects | \$40,097,343 | \$16,523,008 | -\$23,574,335 | Already tracking well behind budget, also includes provisional land acquisition budget, which has not yet been allocated to any specific land purchases. |
| Capital Delivery Adjustment Growth Projects | -\$33,500,000 | \$0 | \$33,500,000 | |
| Balance of Level of Service Projects | \$55,133,539 | \$25,577,105 | -\$29,556,434 | Currently tracking at 50% of year to date budget. Projecting increase over remaining 6 months of the year, but unlikely to achieve over 60% of the total budget, with projects crossing over into next financial year. |
| Capital Delivery Adjustment Level of Service Projects | -\$9,000,000 | \$0 | \$9,000,000 | |
| Balance of Renewal Projects | \$27,242,197 | \$16,450,996 | -\$10,791,201 | Renewals programme is also tracking behind budget, however most of the programme is seasonal and generally occurs in the second half of the financial year, forecasting 85% delivery. |
| Strategic Property Disposals | -\$22,520,000 | -\$22,520,000 | \$0 | Too early in the year to project any variance to property disposal programme, as negotiations and planning are underway. |
| TOTAL CAPITAL PROGRAMME | \$284,867,529 | \$229,386,012 | -\$55,481,517 | |

Sensitivity: General

Top 25 Projects/Programmes - Capital Works Programme - 2022 Financial Year - December 2021

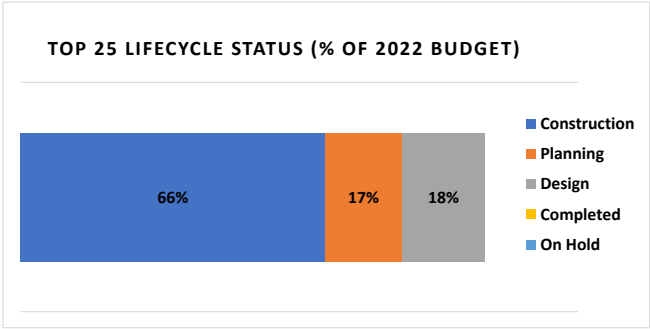
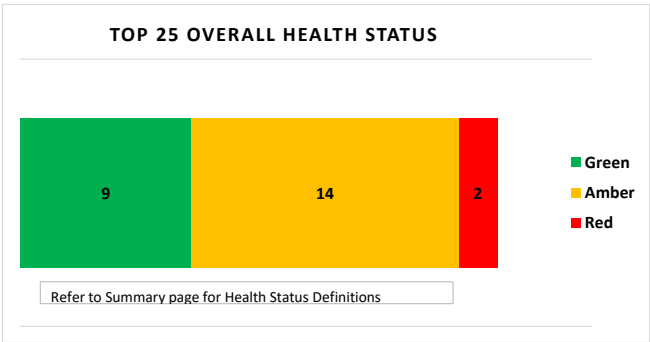
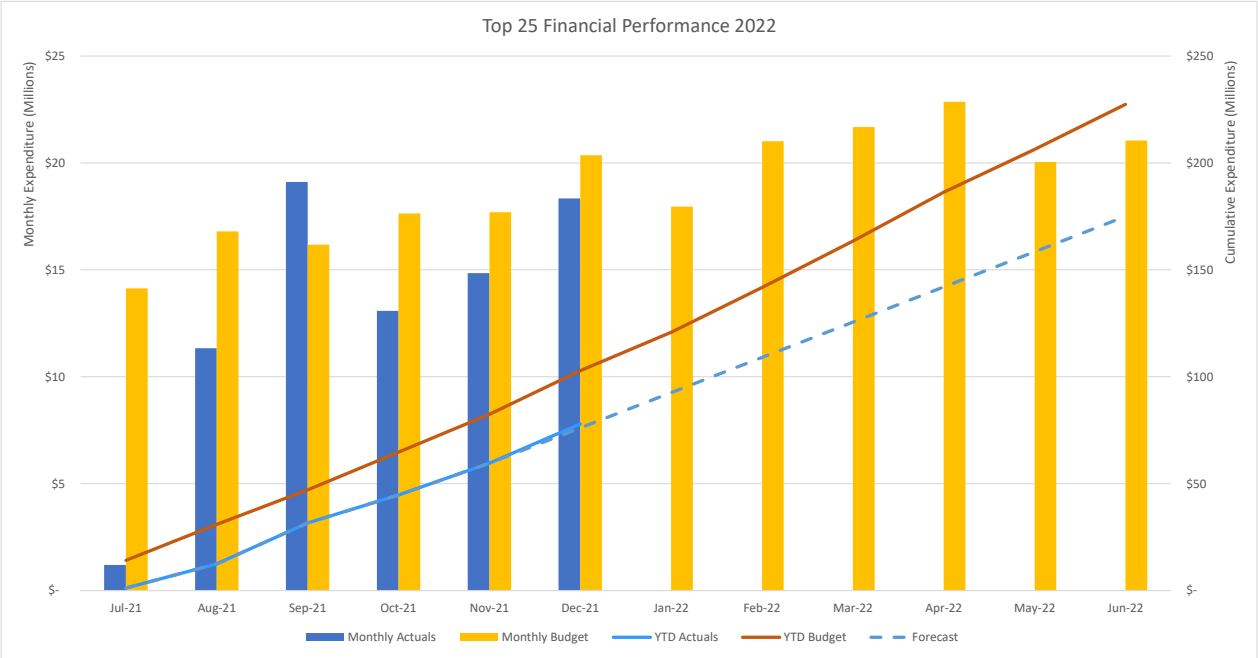


| | |
|------------------------|--------|
| Actuals Current Month | \$18m |
| Budget Current Month | \$20m |
| Variance Current Month | (\$2m) |

Top 25 capex spend for December was slightly below the month budget target, and the overall actual spend to date is \$25M behind budget after the first 6 months of the FY. Projects and programmes continue to be impacted across many fronts and this is reflected in the reducing health scores with 2 projects/programmes moving to RED health status. Factors impacting delivery performance include COVID restrictions where more stringent health and safety practices are being enforced on construction sites and COVID supply chain impacts, a lack of skilled resources and sub-contracting labour supply, delays to funding and consenting timeframes. There is also high demand on design services with limited supply in the market, which is further extending project timeframes. The Top 25 capital performance has resulted in an overall lower 'end of year' forecast target of approx \$193M compared to the budget of \$227M or 85% of budget.

Refer to the summary pages for detailed project/programme commentary.

| | |
|---------------------------------|---------|
| FY22 Actuals to Date | \$78m |
| FY22 Budget to Date | \$103m |
| FY22 Variance to Date | (\$25m) |
| FY22 Year End Forecast (Top 25) | \$193m |
| FY22 Year End Budget (Top 25) | \$227m |
| FY22 Year End Variance (Top 25) | (\$34m) |



| Top 25 Projects/Programmes | Project Budget 2022 | Project Forecast 2022 | Variance 2022 | Project Health | Health Trend |
|--|----------------------|-----------------------|----------------------|----------------|--------------|
| Waiairi Water Treatment Plant | \$45,448,344 | \$44,567,477 | -\$880,867 | Amber | Stable |
| Cameron Road Stage 1 | \$28,168,221 | \$25,837,044 | -\$2,331,177 | Amber | Stable |
| Te Maunga Wastewater Treatment Plant | \$32,767,930 | \$32,763,976 | -\$3,954 | Amber | Stable |
| Papamoa East Interchange | \$17,247,155 | \$10,661,265 | -\$6,585,890 | Amber | Stable |
| Intersection Kaweroa Dr & SH29 | \$8,931,500 | \$9,538 | -\$8,921,962 | Amber | Stable |
| Digital Works Programme | \$14,407,429 | \$13,694,409 | -\$713,020 | Green | Stable |
| Elizabeth St Streetscape | \$5,405,793 | \$7,439,662 | \$2,033,869 | Red | Declining |
| Kennedy Road Embankment Dam | \$3,008,033 | \$1,952,270 | -\$1,055,763 | Green | Stable |
| Civic Redevelopment | \$9,382,222 | \$4,172,414 | -\$5,209,808 | Green | Stable |
| Marine Parade Boardwalk | \$2,000,000 | \$893,011 | -\$1,106,989 | Green | Stable |
| Kulim Park Development | \$1,999,185 | \$1,189,623 | -\$809,562 | Green | Stable |
| Omanawa Falls Formal Track | \$1,000,000 | \$653,329 | -\$346,671 | Red | Declining |
| Memorial Park Aquatics Facility | \$264,223 | \$25,240 | -\$238,983 | Green | Stable |
| Eastern Corridor Trunk Wastewater | \$2,550,000 | \$652,542 | -\$1,897,458 | Amber | Stable |
| Historic Village Investment Programme | \$2,417,142 | \$2,050,707 | -\$366,435 | Green | Improving |
| Infrastructure Resilience Programme | \$1,600,000 | \$293,900 | -\$1,306,100 | Amber | Stable |
| Kopurererua Valley Development | \$2,599,000 | \$308,407 | -\$2,290,593 | Green | Stable |
| Marine Precinct Offloading Wharf | \$1,998,716 | \$1,355,561 | -\$643,155 | Amber | Stable |
| Maunganui Rd Safety Improvements (phase 2) | \$3,336,750 | \$4,852,260 | \$1,515,510 | Amber | Stable |
| Redevelopment of the The Maunga Transfer Station | \$4,589,089 | \$1,283,574 | -\$3,305,515 | Amber | Stable |
| Totara St Cycling Improvements | \$0 | \$7,339,709 | \$7,339,709 | Amber | Stable |
| Transport Renewals | \$13,265,050 | \$8,212,421 | -\$5,052,629 | Green | Stable |
| Waters CIP Stimulus Package | \$15,570,121 | \$10,338,857 | -\$5,231,264 | Amber | Declining |
| Western Corridor Wastewater Strategy Stage A | \$7,278,725 | \$9,926,716 | \$2,647,991 | Amber | Stable |
| Accessible Streets | \$2,179,822 | \$2,880,991 | \$701,169 | Amber | Stable |
| TOTAL TOP 25¹ | \$227,414,450 | \$193,354,903 | -\$34,059,547 | | |

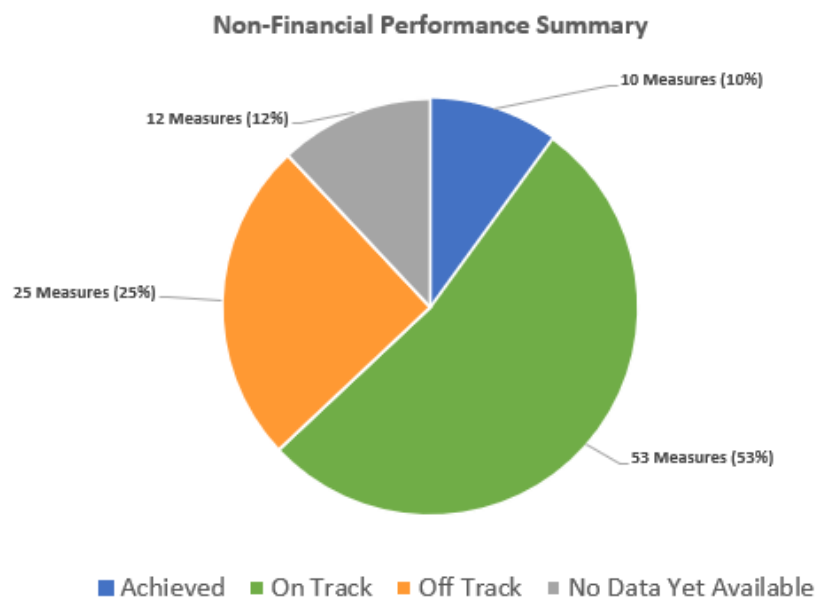
¹The CAPEX totals expressed in this report cover the Top 25 Projects & Programmes only

Non-financial performance measures monitoring report

Quarter 2 | October – December 2021

Non-financial performance measures overview

- Performance measures help us report back on our service performance.
- Targets are set for the full financial year. See below an overview of how we're tracking on our performance measures across council for the first six months of the financial year 2021/22. The current reporting period is Q2 (01 October – 31 December 2021). Our performance is grouped by the number of measures we're on track to achieve, those already achieved, and measures where we're off track. In some cases, performance data isn't available, due to the relevant information only being available on an annual basis.
- The term 'off track' represents measures that are behind target and need attention in order to be achieved by financial year-end, or at a minimum bring them closer to target.



Non-financial performance graph by Group of Activities



Non-financial performance measures Q2 monitoring report (October – December 2021)

2

Off track measures report

| Groups of Activities | % achievement of targets | | KPI off track | | | Discussion and action taken to improve result |
|----------------------|----------------------------|----------|--|---|---|--|
| | Achieved | On Track | Off Track | No Data | | |
| Water Supply | 73% | | 27% | | | <ul style="list-style-type: none"> Water loss detection surveys planned for 2020/21 were delayed due to COVID-19 lockdowns. As a result of the increase in water leakage/loss indicators reported in October 2021, City Waters has engaged Detection Services to complete leak detection on 750km (roughly half) of network across Tauranga City. The City Waters engineers have prioritised zones for leak detection using modelled data and historical flow trends. Work commenced in December 2021, with a focus on those zones with highest predicted leakage. This will assist with locating leaks in the system and prioritized leak repair, will in turn, be undertaken by Council's maintenance contractor. A new Three Waters maintenance contract started 01 July 2021 together with new business systems and processes. The off-track results for KPI two and three in the table on the left reflects a period where the contractor's business processes were not being adhered to in the field. Work is underway to correct incorrect data held against work orders. |
| | 3 of 11 measures off track | | | | | |
| | | | We will manage the average consumption of drinkable water | Target Year 1 | YTD Result | |
| | | | <p>The percentage of real water loss from Council's networked reticulation system (includes real losses through leaks in the network, non-revenue water and apparent losses through metering inaccuracies or water theft) (DIA measure)</p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <p>a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site. (DIA measure)</p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <p>b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. (DIA measure)</p> | <p>≤ 18%</p> <p>≤ 60 min</p> <p>≤ 5hr</p> | <p>18.80%</p> <p>1hr 35min</p> <p>6hrs 10 min</p> | |

| Groups of Activities | % achievement of targets | | KPI off track | | Discussion and action taken to improve result |
|---------------------------------|---|----------|--|---|--|
| | Achieved | On Track | Off Track | No Data | |
| Sustainability and Waste | <p>50% 25% 25%</p> <p>1 of 4 measures off track</p> | | We will provide a rubbish collection service to all residential properties in urban and rural-residential areas | Target Year 1 75% YTD Result 74% | <ul style="list-style-type: none"> The result is only slightly below target and remains consistent with previous year's results. An analysis of comments provided by respondents who scored between 1-4 showed that the majority of concerns centred around the size/quantity of bins (either too small, or too big, or too many or not enough) and cost of service. |
| City and Infrastructure | <p>67% 33%</p> <p>1 of 3 measures off track</p> | | We will deliver and monitor a planning framework for the city that provides sufficient development capacity to accommodate ongoing growth | Target Year 1 Short term compliance achieved YTD Result Not Achieved | <ul style="list-style-type: none"> The 2021 Housing and Business Assessment (HBA) identified a short term (next 3 years) housing shortfall for Tauranga City as at 30 June 2020 of 400 dwellings, rising to 1,120 dwelling capacity shortfall when the required NPS-UD competitiveness margin of +20% was applied. In the last 18 months to 31 December 2021, around 400 more dwelling consents were issued than projected for this period (ie: 2,202 dwelling consents issued, 1,795 consents projected) reducing the remaining forward development capacity faster than expected. As a result, it is expected that short term non-compliance over the next 3 years from 31 December 2021 will likely increase due to this reduced forward supply. It is noted that the NPS-UD short term compliance is a moving target. The Resource Management Act Housing Amendment creates challenges for progressing Plan Change 26 which seeks to help address short term housing supply constraints. This matter will be reported to Council in early 2022. |

| Groups of Activities | % achievement of targets | | | | KPI off track | | | Discussion and action taken to improve result |
|------------------------|---|----------|-----------|---------|---|---------------|------------|---|
| | Achieved | On Track | Off Track | No Data | | | | |
| Community Services | <div><div>25%</div><div>30%</div><div>35%</div><div>10%</div></div> <p>7 of 20 measures off track</p> | | | | Library spaces are community hubs for place making in the city centre and neighbourhood centres | Target Year 1 | YTD Result | • The Q2 result is 122,825. Physical visits were approximately 30% down, due to COVID-19 Alert Level 2 rules in October and November. Visitor numbers have also been affected by implementation of the Traffic Light System and vaccine mandates in December. Papamoa library was a location of interest and closed for three days, impacting on overall results for the quarter. |
| Activities Include: | | | | | Visits to Council Libraries (all four combined) | 600,000 | 252,247 | |
| Arts and Culture | | | | | | | | |
| Community Partnerships | | | | | Provide a comprehensive and fully functional performing arts venue, which is for use by the community and to attract high quality performing arts events to our city. | Target Year 1 | YTD Result | • There were 7,192 tickets issued for Q2 representing a 47% decrease in attendance compared to Q2 results last year (13,750 patrons). This can be attributed to limited capacity due to COVID-19. It is unlikely this measure will meet the target based on future booking numbers and continuing COVID-19 international restrictions. Of the 36 ticketed events delivered in Q2, 24 were operating under Alert Level 2 capacity restrictions, which meant a maximum capacity of 196 patrons per performance. |
| Elder Housing | | | | | Number of patrons attending ticketed events at Baycourt | 60,000 | 15,854 | |
| Libraries | | | | | | | | |
| Venues and Events | | | | | Deliver a diverse programme of arts experiences and events through a year-round programme. | Target Year 1 | YTD Result | • Only 85 days were available to be booked in Q2, of which 46 were occupied. October had the least amount of occupied dates in Q2 (23% occupancy) due to the cancellation of the 20-day Tauranga Arts Festival booking and the inability to book in new events due to COVID-19 Alert Level 2 capacity restrictions. November had positive occupancy (77%) due largely to rescheduled local dance school bookings and December operated at 67% occupancy, slightly up on the previous December. |
| | | | | | The number of event days that Baycourt is occupied from total possible available days using booking information. | 255 | 89 | |

Non-financial performance measures Q2 monitoring report (October – December 2021)

| Groups of Activities | % achievement of targets | | KPI off track | | | Discussion and action taken to improve result |
|-------------------------------------|--------------------------|----------|--|---------------|------------|---|
| | Achieved | On Track | Off Track | No Data | | |
| | | | We will invest in and/or attract events to Tauranga that meet the objectives of the Legacy and Major Event Funds | Target Year 1 | YTD Result | • Only one legacy event (Surfbreaker Triathlon) was delivered in Q2. Target Year 1 is unlikely to be achieved because of the cancellations of key events due to COVID-19. Cancellations events included the Tauranga Arts Festival, City to Surf, the Tinman Triathlon, A Night Before Christmas, the Ford National Hockey Championships and HoopNation. This has directly affected visitor numbers and total net benefit. |
| | | | Number of visitor nights as a direct result of Legacy and Major Event Fund investments | 75,000 | 172 | |
| | | | Total “Net Benefit” contribution of events within the Legacy and Major Event Funds | \$4.5M | \$21,951 | |
| Community, People and Relationships | 67% | 33% | We will provide a Land Information Memoranda (LIM) service | Target Year 1 | YTD Result | • Applications for LIM Reports during Q2 escalated to their highest volume within December just before the Statutory Timeframe deadline. During Q2, 11 LIM Reports (out of 927) were not delivered with 10-day Statutory timeframe. This was mainly due to staff turnover. The team coped well, and our level of service only dropped 1% as a result and our Customer Feedback remained excellent. The focus for Q3 / Q4 is to train our new officers to ensure the team can respond to continued high application volumes. It is worth noting that all 3-day urgent LIM applications met their timeframes. |
| Activities Include: | 4 of 6 measure off track | | 10 Day Statutory timeframes are met | 100% | 99% | |
| Community Relations | | | | | | |
| Customer Service | | | | | | |
| Democracy Services | | | | | | |

| Groups of Activities | % achievement of targets | KPI off track | | | Discussion and action taken to improve result |
|------------------------------|--|---|---------------|------------|---|
| | Achieved On Track Off Track No Data | | | | |
| Te Pou Takawaenga Māori Unit | | We provide opportunities for the community to participate in decision making. | Target Year 1 | YTD Result | •Whilst off track, the result is showing a slight improvement when compared with last years result (44%). |
| | | Percentage of residents who are satisfied or neutral with the way the Council involves the public in decision-making processes. | 59% | 52% | |
| Emergency Management | <div><div>33%</div><div>67%</div></div> <div>2 of 3 measures off track</div> | We will provide an Emergency Operations Centre (EOC) to ensure an effective emergency response | Target Year 1 | YTD Result | • 68% is the number of staff we have within our Emergency Operations Centre (EOC) that are considered trained. Or more specifically 52 staff out of our 76 EOC staff are trained. Formal trainings have been severely impacted due to COVID-19 and subsequent Alert Level restrictions. Bay of Plenty Civil Defense and Emergency Management's (BoPCDEM) Group Training team were unable to run Integrated Training Framework courses between Aug - Dec 2021 and this has resulted in a backlog of Council staff requiring training to specified levels. Council's (EOC) staff continue to be trained and have practised an EOC set-up twice in the last 12 months and as well as a scenario-based training exercise on the 18th November 2021. • The latest result remains consistent with previous year's results. The EM team has a work programme scheduled for community education, resilience and awareness raising programmes for |
| | | The city is prepared for and can effectively respond to an emergency. Measured by annual audit by EMBOP, the CDEM Group office. Measures include aggregate score across: • EOC Control appointments and function leads trained to Joint Committee specified levels, • EOC practised within last 12 months. • EOC response procedures reviewed within last 3 years. | Advancing | 68% | |
| | | We will provide community education initiatives increase public awareness and preparedness | Target Year 1 | YTD Result | |
| | | Percentage of residents that know they need to be self-reliant in the event of a major civil defence emergency | 95% | 81% | |

| Groups of Activities | % achievement of targets | | | KPI off track | | | Discussion and action taken to improve result | |
|---------------------------|--|----------|-----------|---|---------------|------------|---|--|
| | Achieved | On Track | Off Track | No Data | | | | |
| | | | | | | | | the upcoming year. This includes the current tsunami project that was rolled out this summer and the hazards research project for the Mount industrial area. |
| Marine Precinct | <div><div>33%</div><div>33%</div><div>33%</div></div> <div>1 of 3 measures off track</div> | | | We will provide the marine industry with access to efficient and reliable large/heavy vessel lifting and hardstand facilities | Target Year 1 | YTD Result | • Due to COVID-19 and ongoing restrictions, Q2 is still been impacted by the difficulties of getting international pleasure vessels into NZ and increased competition from other yards. Minor pricing adjustments are being considered to attract smaller vessels in order to compete with other yards with less lifting capacity. | |
| | | | | Average annual hardstand occupancy | 40% | 30% | | |
| Regulatory and Compliance | <div><div>59%</div><div>41%</div></div> <div>7 of 17 measures off track</div> | | | We will provide an effective dog registration process that supports a safe community | Target Year 1 | YTD | • There are 14,893 known dogs in the city, of these 14,062 are registered. 132 infringements have been issued to owners of unregistered dogs and enforcement of unregistered dogs continues. | |
| | Activities Include: | | | All known dogs are registered, or appropriate enforcement action is taken. | 100% | 95% | | |
| | Animal Services | | | | | | | |
| | Building Services | | | We will provide technical advice and consent decisions within statutory timeframes | Target Year 1 | YTD Result | • Quarter 2 result is 45%. High volumes of building consent applications were received in July 2021 because of the Development Contributions increases subsequently leading to a backlog of consents. To address this an action plan has been created to identified priority consent types and additional contractors have been engaged to assist clear the backlog. Ministry of Business, Innovation and Employment (MBIE) have been | |
| | Environmental Health and Licensing | | | Percentage of building consent applications processed within legal timeframes | 98% | 53% | | |
| Environmental Planning | | | | | | | | |
| Regulation Monitoring | | | | | | | | |

| Groups of Activities | % achievement of targets ■ Achieved ■ On Track ■ Off Track ■ No Data | KPI off track | | | Discussion and action taken to improve result |
|----------------------|---|--|---------------|------------|--|
| | | | Target Year 1 | YTD Result | |
| | | | | | informed about the backlog and the action plan to resolve it. |
| | | We will undertake audits of all food premises registered with Tauranga City Council | | | <ul style="list-style-type: none"> For the quarter, 112 verifications were completed (totalling 199 for the year). From the 112 verifications, 12 required corrective actions. Currently 35% has been verified of the 575 verifications required to complete the financial year. To complete the remaining verifications an action plan has been implemented and being undertaken in the second half of the year. |
| | | Percentage of TCC verified food premises that have been inspected and had appropriate enforcement action taken | 100% | 35% | |
| | | Council will aim to reduce alcohol-related harm by annually inspecting alcohol licensed premises to ensure compliance with the Sale and Supply of Alcohol Act 2012 and licensing conditions in general. | | | <ul style="list-style-type: none"> Currently, 30% have been inspected and it is expected all premises will get inspected as applications are made. |
| | | Percentage of new and renewed licensed premises inspected and appropriate enforcement action taken | 100% | 30% | |

| Groups of Activities | % achievement of targets | KPI off track | | Discussion and action taken to improve result | |
|----------------------|-------------------------------------|---|---------------|---|--|
| | Achieved On Track Off Track No Data | | | | |
| | | We will meet the community's expectations through making informed decisions, delivering fit for purpose vested infrastructure through robust engineering assessments and by taking an education first approach to compliance. | Target Year 1 | YTD Result | <ul style="list-style-type: none">• The Q2 result is 86%. 191 applications were received over the reporting period. 29 of the new applications have been completed of which 25 were within statutory timeframes. It should also be noted that 76 are currently being processed and 43 applications are on hold for further information. Also, an additional 95 decisions were issued in this period for applications received in the 20/21 reporting year. The lower percentage (86%) reflects the complexity associated with a high percentage of RC applications for delivering higher density development within suburban areas.• The Q2 result is 46%. Only eight responses received despite requesting feedback in the Planning Panui and creating a signature when decisions and general email correspondence are sent out that links to the survey created. Slower response times was a clear source of customer dis-satisfaction in the results. The low response does not provide a useful gauge of overall customer satisfaction. We continue take steps to promote the survey to increase participation across our business. |
| | | Percentage of new resource consent applications processed within statutory timeframes | 95% | 81% | |
| | | Percentage overall satisfaction with level of advice given, response times and clarity of communication | 70% | 61% | |

| Groups of Activities | % achievement of targets | KPI off track | | | Discussion and action taken to improve result |
|------------------------------|---|--|---------------|------------|--|
| | Achieved On Track Off Track No Data | | | | |
| | | We will monitor traffic and parking bylaw and related legislation, taking an education approach to raise awareness in the community, or enforcement where appropriate. | Target Year 1 | YTD Result | • For Q2, 605 complaints were received and responded to. Of which, 561 of were actioned within the 24-hour KPI requirement. There were 44 complaints which took longer than 24 hours to action due to technical issues with software, current lack of resources and also some were actually done within time but not closed in the software. |
| | | Respond to all parking complaints within 24 hours | 100% | 93% | |
| Spaces and Places | <div><div>20%</div><div>80%</div></div> <div>1 of 5 measure off track</div> | We will provide a range of accommodation options for visitors to the region | Target Year 1 | YTD Result | • Due to COVID-19 restrictions continuing, the number of guest nights for Q2 is 16,893 compared to 22,326 guest nights in the same quarter last year. With on-going uncertainties due to COVID-19 variants, it is difficult to forecast target year achievement. |
| Activities Include: | | | | | |
| Cemeteries | | Number of Guest Nights - Mount Beachside Holiday Park | 75,000 | 27,595 | |
| Mount Beachside Holiday Park | | | | | |
| Marine Facilities | | | | | |
| Spaces and Places | | | | | |

Annual Residents Survey

Wave two 2021/22



Introduction

The Community Perceptions Monitor Study measures the perceptions of residents regarding various aspects of services that Council provides. The results of this study feed into the Tauranga City Council Long-term Plan process and allow Council staff to assess the performance of the Council against a set of pre-determined actions and performance levels.

What does this report show?

This report summarises the responses received from the first two waves of Tauranga City Council's 2021/22 annual residents survey. In the second wave, 170 people have responded. A further two waves will be undertaken in 2021/22 with a goal of a minimum of 600 responses in total (over four waves).

This report gives a high-level view of the responses received to date and how they compared to previous years. It is important to note that as the survey has not yet been completed, these results are indicative but do not meet the threshold of statistical relevance to be reflective of the views of the whole city.

We will provide a follow up report in May once wave three of the survey has been completed in February to March 2022.

Research Objectives:

To determine residents' satisfaction with various Council services and facilities.

To determine residents' perceptions about aspects of living, working, and playing in Tauranga.

To identify progress towards Key Performance Indicators (KPIs) in Council's Annual Report.

To assess trends in perceptions and satisfaction through comparisons with previous survey results.

Methodology:

The 2021/22 annual study will target 600 responses from the residents in the Tauranga City Council area. In 2019/20 the data collection method was changed from postal to online.

Each wave's mail out quotas are applied according to age, gender, and ward, to ensure that a representative sample of Tauranga City's population is achieved.

The data is weighted to account for variances in the achieved quotas and to ensure that the sample reflects the population profile achieved.

Data collection takes place in four waves between August 2021 and May 2022.

The overall results have an anticipated margin of error of +/- 4.6% at the 95% confidence level.

= Overall Performance

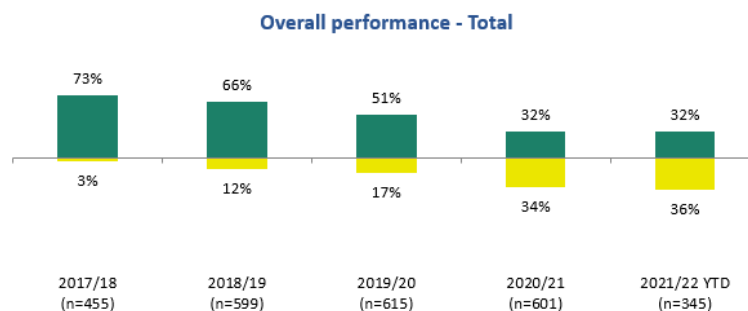
Overall Performance – Wave two 2021/22 = 32% (YTD)

▼ Trending down ▲ Trending up = No Change

Results

■ Satisfied (%7-10)
■ Dissatisfied (%1-4)

Interpretation



- The year to date result is that 32% of respondents are satisfied or very satisfied with Tauranga City Council in general, which is equal to the full year result for 2020/21.
- As noted in the wave one report, satisfaction with Council has been on a declining trend over the past reporting periods and dissatisfaction has been increasing since 2018, this appears to be stabilising from the downward trend.

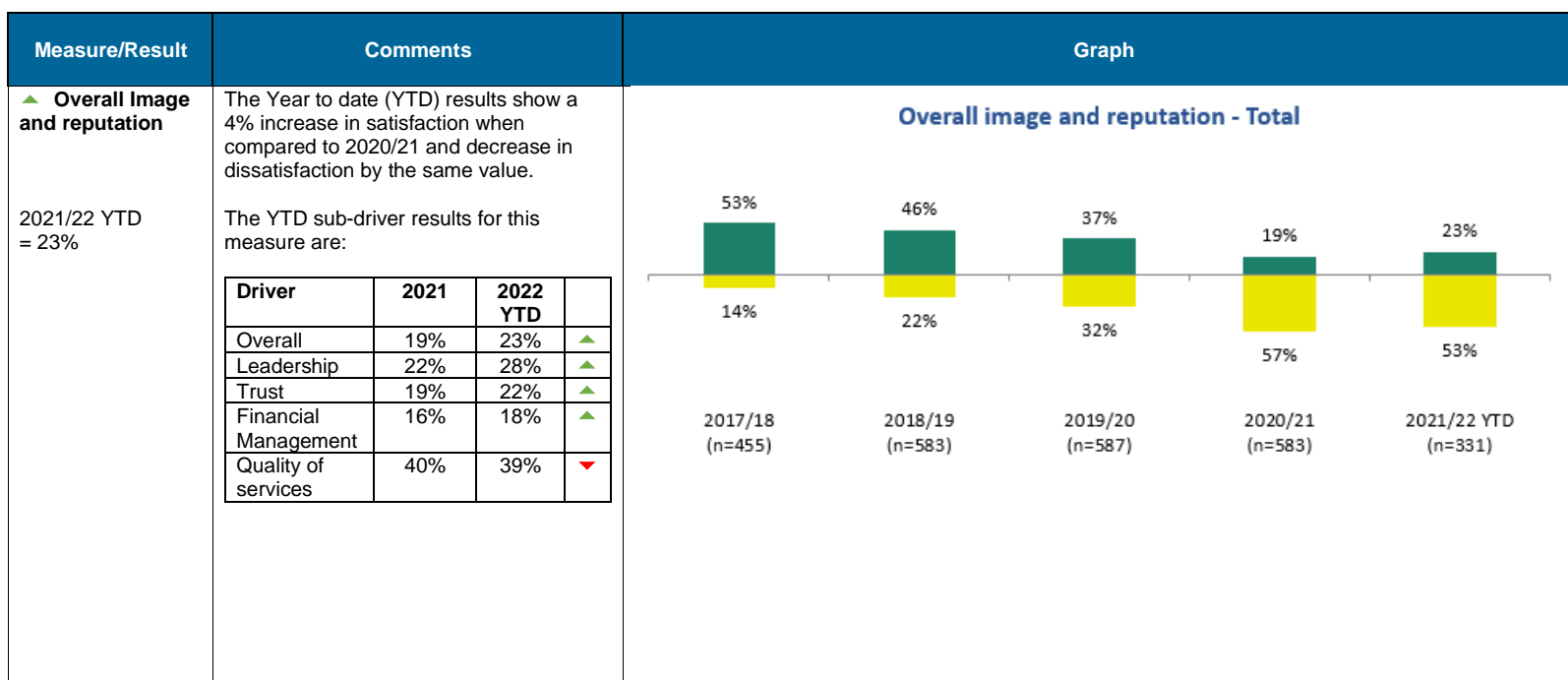
Verbatim Summary

- This section of the survey includes a free text field in which respondents could comment further on their overall satisfaction score of Tauranga City Council in general.
- The majority of respondents who were dissatisfied (scored 1-4) commented on concerns around the suspension of the democratic process as well as having better elected members when it resumes, wanting more community consultation, issues around parking, roading and transport safety, and felt that rates were too high.
- For the respondents who were satisfied (scored 7-10), the comments were themed around addressing governance concerns and returning to democracy, happiness at the leadership direction of the commissioners, and making progress on infrastructure and roading.

Summary of other measures

▼ Trending down ▲ Trending up = No Change

■ Satisfied (%7-10)
■ Dissatisfied (%1-4)



| Measure/Result | Comments | Graph | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|-----------------|-----------------|---------------------|-----------------|-----------------|---------------------|--------------|----------------------------------|-----|-----|-----|---------------------------------|-----------------|-----|----|-----------------------------|-----|-----|---|--|-----|-----|---|--|------|-----------------|-----------------|-----------------|-----------------|---------------------|--------------|-----|-----|-----|-----|-----|-----------------|-----|-----|-----|-----|-----|
| <p>▼ Overall Value for money</p> <p>2021/22 YTD = 38%</p> | <p>A marginal increase for this measure's satisfaction YTD results when compared to 2020/21, however this is negated due to increase in dissatisfaction by a similar value.</p> <p>The YTD sub-driver results for this measure are:</p> <table><tr><th>Driver</th><th>2021</th><th>2022 YTD</th><th></th></tr><tr><td>Overall</td><td>35%</td><td>38%</td><td>▲</td></tr><tr><td>Annual rates fair and reasonable</td><td>29%</td><td>28%</td><td>▼</td></tr><tr><td>Water rates fair and reasonable</td><td>46%</td><td>42%</td><td>▼</td></tr><tr><td>Invoicing clear and correct</td><td>75%</td><td>70%</td><td>▼</td></tr><tr><td>Payment arrangements fair and reasonable</td><td>73%</td><td>73%</td><td>=</td></tr></table> | Driver | 2021 | 2022 YTD | | Overall | 35% | 38% | ▲ | Annual rates fair and reasonable | 29% | 28% | ▼ | Water rates fair and reasonable | 46% | 42% | ▼ | Invoicing clear and correct | 75% | 70% | ▼ | Payment arrangements fair and reasonable | 73% | 73% | = | <p>Overall value for money - Total</p> <table><tr><th>Year</th><th>2017/18 (n=385)</th><th>2018/19 (n=497)</th><th>2019/20 (n=567)</th><th>2020/21 (n=559)</th><th>2021/22 YTD (n=312)</th></tr><tr><td>Satisfaction</td><td>58%</td><td>50%</td><td>43%</td><td>35%</td><td>38%</td></tr><tr><td>Dissatisfaction</td><td>13%</td><td>20%</td><td>28%</td><td>36%</td><td>38%</td></tr></table> | Year | 2017/18 (n=385) | 2018/19 (n=497) | 2019/20 (n=567) | 2020/21 (n=559) | 2021/22 YTD (n=312) | Satisfaction | 58% | 50% | 43% | 35% | 38% | Dissatisfaction | 13% | 20% | 28% | 36% | 38% |
| Driver | 2021 | 2022 YTD | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Overall | 35% | 38% | ▲ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Annual rates fair and reasonable | 29% | 28% | ▼ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Water rates fair and reasonable | 46% | 42% | ▼ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Invoicing clear and correct | 75% | 70% | ▼ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Payment arrangements fair and reasonable | 73% | 73% | = | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | 2017/18 (n=385) | 2018/19 (n=497) | 2019/20 (n=567) | 2020/21 (n=559) | 2021/22 YTD (n=312) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Satisfaction | 58% | 50% | 43% | 35% | 38% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dissatisfaction | 13% | 20% | 28% | 36% | 38% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>▼ Overall Core Services Deliverables</p> <p>2021/22 YTD = 58%</p> | <p>The YTD results for satisfaction and dissatisfaction remain consistent when compared to results from 2020/21.</p> | <p>Core service deliverables - Total</p> <table><tr><th>Year</th><th>2017/18 (n=455)</th><th>2018/19 (n=594)</th><th>2019/20 (n=621)</th><th>2020/21 (n=601)</th><th>2021/22 YTD (n=335)</th></tr><tr><td>Satisfaction</td><td>73%</td><td>72%</td><td>66%</td><td>59%</td><td>58%</td></tr><tr><td>Dissatisfaction</td><td>4%</td><td>7%</td><td>11%</td><td>13%</td><td>13%</td></tr></table> | Year | 2017/18 (n=455) | 2018/19 (n=594) | 2019/20 (n=621) | 2020/21 (n=601) | 2021/22 YTD (n=335) | Satisfaction | 73% | 72% | 66% | 59% | 58% | Dissatisfaction | 4% | 7% | 11% | 13% | 13% | | | | | | | | | | | | | | | | | | | | | | | | |
| Year | 2017/18 (n=455) | 2018/19 (n=594) | 2019/20 (n=621) | 2020/21 (n=601) | 2021/22 YTD (n=335) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Satisfaction | 73% | 72% | 66% | 59% | 58% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dissatisfaction | 4% | 7% | 11% | 13% | 13% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Measure/Result | Comments | Graph | | | | | | | | | | | | | | | | | | |
|---|---|---|------|--------------|-----------------|-----------------|-----|----|-----------------|-----|-----|-----------------|-----|-----|-----------------|-----|-----|---------------------|-----|-----|
| <p>▼ Overall Water management</p> <p>2021/22 YTD = 53%</p> | <p>This measure will be monitored over the next wave as YTD satisfaction has decreased eight percent. However, dissatisfaction has not increased further to date.</p> <p>Those that were dissatisfied mentioned water restrictions and lack of infrastructure as reasons for dissatisfaction.</p> | <p>Sig Diff</p> <p>Overall water management - Total</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Satisfaction</th> <th>Dissatisfaction</th> </tr> </thead> <tbody> <tr> <td>2017/18 (n=455)</td> <td>67%</td> <td>7%</td> </tr> <tr> <td>2018/19 (n=566)</td> <td>69%</td> <td>8%</td> </tr> <tr> <td>2019/20 (n=560)</td> <td>70%</td> <td>10%</td> </tr> <tr> <td>2020/21 (n=550)</td> <td>61%</td> <td>16%</td> </tr> <tr> <td>2021/22 YTD (n=313)</td> <td>53%</td> <td>16%</td> </tr> </tbody> </table> | Year | Satisfaction | Dissatisfaction | 2017/18 (n=455) | 67% | 7% | 2018/19 (n=566) | 69% | 8% | 2019/20 (n=560) | 70% | 10% | 2020/21 (n=550) | 61% | 16% | 2021/22 YTD (n=313) | 53% | 16% |
| Year | Satisfaction | Dissatisfaction | | | | | | | | | | | | | | | | | | |
| 2017/18 (n=455) | 67% | 7% | | | | | | | | | | | | | | | | | | |
| 2018/19 (n=566) | 69% | 8% | | | | | | | | | | | | | | | | | | |
| 2019/20 (n=560) | 70% | 10% | | | | | | | | | | | | | | | | | | |
| 2020/21 (n=550) | 61% | 16% | | | | | | | | | | | | | | | | | | |
| 2021/22 YTD (n=313) | 53% | 16% | | | | | | | | | | | | | | | | | | |
| <p>▼ Overall Road and footpaths</p> <p>2021/22 YTD = 43%</p> | <p>This measure has seen a steady decline in satisfaction and significant increase in dissatisfaction over the last four reporting periods.</p> <p>Dissatisfied comments from wave two point to traffic congestion and lack of maintenance as the biggest reasons for dissatisfaction.</p> | <p>Overall road and footpaths - Total</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Satisfaction</th> <th>Dissatisfaction</th> </tr> </thead> <tbody> <tr> <td>2017/18 (n=455)</td> <td>63%</td> <td>6%</td> </tr> <tr> <td>2018/19 (n=597)</td> <td>57%</td> <td>16%</td> </tr> <tr> <td>2019/20 (n=634)</td> <td>51%</td> <td>21%</td> </tr> <tr> <td>2020/21 (n=612)</td> <td>48%</td> <td>26%</td> </tr> <tr> <td>2021/22 YTD (n=357)</td> <td>43%</td> <td>32%</td> </tr> </tbody> </table> | Year | Satisfaction | Dissatisfaction | 2017/18 (n=455) | 63% | 6% | 2018/19 (n=597) | 57% | 16% | 2019/20 (n=634) | 51% | 21% | 2020/21 (n=612) | 48% | 26% | 2021/22 YTD (n=357) | 43% | 32% |
| Year | Satisfaction | Dissatisfaction | | | | | | | | | | | | | | | | | | |
| 2017/18 (n=455) | 63% | 6% | | | | | | | | | | | | | | | | | | |
| 2018/19 (n=597) | 57% | 16% | | | | | | | | | | | | | | | | | | |
| 2019/20 (n=634) | 51% | 21% | | | | | | | | | | | | | | | | | | |
| 2020/21 (n=612) | 48% | 26% | | | | | | | | | | | | | | | | | | |
| 2021/22 YTD (n=357) | 43% | 32% | | | | | | | | | | | | | | | | | | |

| Measure/Result | Comments | Graph | | | | | | | | | | | | | | | | | | |
|--|--|--|------|--------------|-----------------|-----------------|-----|-----|-----------------|-----|-----|-----------------|-----|-----|-----------------|-----|-----|---------------------|-----|-----|
| = Overall Waste management 2021/22 YTD = 61% | <p>The YTD results for satisfaction and dissatisfaction remain consistent when compared to results from 2020/21.</p> <p>Approximately 74% of residents were satisfied with what happens on their rubbish collection day which continues to be around the same as what it was previously before the introduction of Council's own collection service.</p> <p>An analysis of comments provided by respondents who were dissatisfied showed that the majority of concerns centred around the size/quantity of bins (either too small, or too big, or too many or not enough) and cost of service.</p> | <p>Overall waste management - Total</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Satisfaction</th> <th>Dissatisfaction</th> </tr> </thead> <tbody> <tr> <td>2017/18 (n=455)</td> <td>61%</td> <td>14%</td> </tr> <tr> <td>2018/19 (n=587)</td> <td>69%</td> <td>12%</td> </tr> <tr> <td>2019/20 (n=629)</td> <td>62%</td> <td>19%</td> </tr> <tr> <td>2020/21 (n=584)</td> <td>61%</td> <td>19%</td> </tr> <tr> <td>2021/22 YTD (n=348)</td> <td>61%</td> <td>16%</td> </tr> </tbody> </table> | Year | Satisfaction | Dissatisfaction | 2017/18 (n=455) | 61% | 14% | 2018/19 (n=587) | 69% | 12% | 2019/20 (n=629) | 62% | 19% | 2020/21 (n=584) | 61% | 19% | 2021/22 YTD (n=348) | 61% | 16% |
| Year | Satisfaction | Dissatisfaction | | | | | | | | | | | | | | | | | | |
| 2017/18 (n=455) | 61% | 14% | | | | | | | | | | | | | | | | | | |
| 2018/19 (n=587) | 69% | 12% | | | | | | | | | | | | | | | | | | |
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| 2020/21 (n=584) | 61% | 19% | | | | | | | | | | | | | | | | | | |
| 2021/22 YTD (n=348) | 61% | 16% | | | | | | | | | | | | | | | | | | |
| ▼ Overall Outdoor spaces 2021/22 YTD = 75% | <p>This measure will be monitored over the next wave as YTD satisfaction has decreased six percent. Also, dissatisfaction has increased further to eight percent.</p> <p>Those that were dissatisfied mentioned needing more shade at playgrounds, quality of offerings and and lack of maintenance.</p> | <p>Sig Diff</p> <p>Overall outdoor spaces - Total</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Satisfaction</th> <th>Dissatisfaction</th> </tr> </thead> <tbody> <tr> <td>2017/18 (n=455)</td> <td>82%</td> <td>5%</td> </tr> <tr> <td>2018/19 (n=588)</td> <td>83%</td> <td>5%</td> </tr> <tr> <td>2019/20 (n=601)</td> <td>81%</td> <td>6%</td> </tr> <tr> <td>2020/21 (n=578)</td> <td>81%</td> <td>5%</td> </tr> <tr> <td>2021/22 YTD (n=339)</td> <td>75%</td> <td>8%</td> </tr> </tbody> </table> | Year | Satisfaction | Dissatisfaction | 2017/18 (n=455) | 82% | 5% | 2018/19 (n=588) | 83% | 5% | 2019/20 (n=601) | 81% | 6% | 2020/21 (n=578) | 81% | 5% | 2021/22 YTD (n=339) | 75% | 8% |
| Year | Satisfaction | Dissatisfaction | | | | | | | | | | | | | | | | | | |
| 2017/18 (n=455) | 82% | 5% | | | | | | | | | | | | | | | | | | |
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| 2021/22 YTD (n=339) | 75% | 8% | | | | | | | | | | | | | | | | | | |

| Measure/Result | Comments | Graph | | | | | | | | | | | | | | | | | | |
|--|---|---|--------|------------|-----------------|---------|-----|-----|---------|-----|-----|---------|-----|-----|---------|-----|-----|-------------|-----|-----|
| <p>▲ Overall Public facilities</p> <p>2021/22 YTD = 72%</p> | <p>The 2021/22 YTD result show there has been a slight positive change in the results when compared to 2020/21 results.</p> | <p>Overall public facilities - Total</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Percentage</th> <th>Sample Size (n)</th> </tr> </thead> <tbody> <tr> <td>2017/18</td> <td>78%</td> <td>455</td> </tr> <tr> <td>2018/19</td> <td>77%</td> <td>570</td> </tr> <tr> <td>2019/20</td> <td>72%</td> <td>566</td> </tr> <tr> <td>2020/21</td> <td>67%</td> <td>524</td> </tr> <tr> <td>2021/22 YTD</td> <td>72%</td> <td>293</td> </tr> </tbody> </table> | Period | Percentage | Sample Size (n) | 2017/18 | 78% | 455 | 2018/19 | 77% | 570 | 2019/20 | 72% | 566 | 2020/21 | 67% | 524 | 2021/22 YTD | 72% | 293 |
| Period | Percentage | Sample Size (n) | | | | | | | | | | | | | | | | | | |
| 2017/18 | 78% | 455 | | | | | | | | | | | | | | | | | | |
| 2018/19 | 77% | 570 | | | | | | | | | | | | | | | | | | |
| 2019/20 | 72% | 566 | | | | | | | | | | | | | | | | | | |
| 2020/21 | 67% | 524 | | | | | | | | | | | | | | | | | | |
| 2021/22 YTD | 72% | 293 | | | | | | | | | | | | | | | | | | |

Commissioner based questions

At the beginning of the reputation section of the questionnaire the following statement is made to respondents completing the survey:

- “Please note on 9 February 2021, a Crown Commission appointed by the Minister of Local Government took over all of the council’s governance responsibilities, replacing elected members until the next election in October 2022”.

Then two questions are asked to respondents about their awareness of the Commissioners of having taken over the governance responsibilities of Tauranga City Council and then rate their satisfaction with their leadership.

| Measure/Result | Comments | Graph | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|----------|----------|----------|----------|-----|-----|----------|-----|-----|----------|-----|-----|----------|-----|-----|----------|-----|-----|------|-----|-----|--|-----|------------------------|----------|-----|----------|-----|----------|-----|----------|-----|----------|-----|------|-----|
| <p>Awareness that a Crown appointed Commission has taken over the governance responsibilities of Tauranga City Council until the next election in October 2022</p> <p>YTD 2021/22</p> <ul style="list-style-type: none">- Aware 77%- Unaware 23% | <p>Age continues to be the biggest factor in awareness that a commission had been appointed; with very high awareness in those 45 years and older.</p> <p>The wave by waves results are shown in the table below:</p> <table><tr><th>Age</th><th>Wave one</th><th>Wave two</th></tr><tr><td>18 to 24</td><td>54%</td><td>29%</td></tr><tr><td>25 to 34</td><td>59%</td><td>48%</td></tr><tr><td>35 to 44</td><td>80%</td><td>57%</td></tr><tr><td>45 to 54</td><td>83%</td><td>94%</td></tr><tr><td>55 to 64</td><td>87%</td><td>92%</td></tr><tr><td>65 +</td><td>95%</td><td>90%</td></tr></table> | Age | Wave one | Wave two | 18 to 24 | 54% | 29% | 25 to 34 | 59% | 48% | 35 to 44 | 80% | 57% | 45 to 54 | 83% | 94% | 55 to 64 | 87% | 92% | 65 + | 95% | 90% | <p>Awareness by Age</p> <table><tr><th>Age</th><th>Aware of Commissioners</th></tr><tr><td>18 to 24</td><td>29%</td></tr><tr><td>25 to 34</td><td>48%</td></tr><tr><td>35 to 44</td><td>57%</td></tr><tr><td>45 to 54</td><td>94%</td></tr><tr><td>55 to 64</td><td>92%</td></tr><tr><td>65 +</td><td>90%</td></tr></table> | Age | Aware of Commissioners | 18 to 24 | 29% | 25 to 34 | 48% | 35 to 44 | 57% | 45 to 54 | 94% | 55 to 64 | 92% | 65 + | 90% |
| Age | Wave one | Wave two | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18 to 24 | 54% | 29% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 to 34 | 59% | 48% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 35 to 44 | 80% | 57% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 45 to 54 | 83% | 94% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 55 to 64 | 87% | 92% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 65 + | 95% | 90% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Age | Aware of Commissioners | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18 to 24 | 29% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 to 34 | 48% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 35 to 44 | 57% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 45 to 54 | 94% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 55 to 64 | 92% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 65 + | 90% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Measure/Result | Comments | Graph | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|--------|------------------|---------------------|---|---------|----|----|---|---------|----|----|---|---------|----|----|---|---------|----|----|---|-------------|-----|-----|-----|
| Satisfaction with the leadership of the Commissioners Wave two 2021/22 = 48% (YTD) | The YTD result of satisfaction with the Commissioners leadership is 48% and dissatisfaction is 26%. Positive result as satisfaction continues to outweigh those dissatisfied. | <div><p>Leadership of the Commissioners - Total</p><table><thead><tr><th>Period</th><th>Satisfaction (%)</th><th>Dissatisfaction (%)</th><th>n</th></tr></thead><tbody><tr><td>2017/18</td><td>0%</td><td>0%</td><td>0</td></tr><tr><td>2018/19</td><td>0%</td><td>0%</td><td>0</td></tr><tr><td>2019/20</td><td>0%</td><td>0%</td><td>0</td></tr><tr><td>2020/21</td><td>0%</td><td>0%</td><td>0</td></tr><tr><td>2021/22 YTD</td><td>48%</td><td>26%</td><td>246</td></tr></tbody></table></div> | Period | Satisfaction (%) | Dissatisfaction (%) | n | 2017/18 | 0% | 0% | 0 | 2018/19 | 0% | 0% | 0 | 2019/20 | 0% | 0% | 0 | 2020/21 | 0% | 0% | 0 | 2021/22 YTD | 48% | 26% | 246 |
| Period | Satisfaction (%) | Dissatisfaction (%) | n | | | | | | | | | | | | | | | | | | | | | | | |
| 2017/18 | 0% | 0% | 0 | | | | | | | | | | | | | | | | | | | | | | | |
| 2018/19 | 0% | 0% | 0 | | | | | | | | | | | | | | | | | | | | | | | |
| 2019/20 | 0% | 0% | 0 | | | | | | | | | | | | | | | | | | | | | | | |
| 2020/21 | 0% | 0% | 0 | | | | | | | | | | | | | | | | | | | | | | | |
| 2021/22 YTD | 48% | 26% | 246 | | | | | | | | | | | | | | | | | | | | | | | |

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 - Tauriko Business Estate (TBE) Potential Liability on Council | s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities | s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7 |
| 11.2 - Public Excluded Minutes of the Strategy, Finance and Risk Committee meeting held on 13 December 2021 | <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)(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)(g) - The withholding of the information is necessary to maintain legal professional privilege</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> | 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 |

12 CLOSING KARAKIA