



AGENDA

Strategy, Finance and Risk Committee Meeting Monday, 20 June 2022

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

Date: Monday, 20 June 2022

Time: 9.30am

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:

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

Membership

The Committee will consist of:

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

Voting Rights

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

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

Committee's Scope and Responsibilities

A. STRATEGIC ISSUES

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

A1 – Strategic Issues

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

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

A2 – Policy and Bylaws

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

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

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

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

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

B. FINANCE AND RISK

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

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

B1 - Health and Safety

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

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

B2 - Risk Management

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

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

B3 - Internal Audit

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

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

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

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

B4 - External Audit

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

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

B5 - Fraud and Integrity

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

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

B6 - Statutory Reporting

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

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

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

Power to Act

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

Power to Recommend

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

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

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 14 February 2022

File Number: A13578144

Author: Sarah Drummond, Committee Advisor

Authoriser: Robyn Garrett, Team Leader: Committee Support

RECOMMENDATIONS

That the Minutes of the Strategy, Finance and Risk Committee meeting held on 14 February 2022 be confirmed as a true and correct record.

ATTACHMENTS

- 1. Minutes of the Strategy, Finance and Risk Committee meeting held on 14 February 2022**



MINUTES

Strategy, Finance and Risk Committee Meeting

Monday, 14 February 2022

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MINUTES OF TAURANGA CITY COUNCIL**STRATEGY, FINANCE AND RISK COMMITTEE MEETING
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE, 1
ELIZABETH STREET, TAURANGA
ON MONDAY, 14 FEBRUARY 2022 AT 10.30AM**

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

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (General Manager: Corporate Services), Susan Jamieson (General Manager: People & Engagement), Christine Jones (General Manager: Strategy & Growth), Gareth Wallis (General Manager: Community Services), Jeremy Boase (Manager: Strategy & Corporate Planning), Brendan Bisley (Director of Transport), Jim Taylor (Transactional Services Manager), Emma Joyce (Policy Analyst), Malcolm Gibb (Project Manager – Rating Review), Ruth Woodward (Team Leader: Policy), Vicky Grant-Ussher (Policy Analyst), Angelique Fraser (Health & Safety Change Manager), Allan Lightbourne (Chief Digital Officer), Coral Hair (Manager: Democracy Services), Robyn Garrett (Team Leader: Committee Support), Sarah Drummond (Committee Advisor), Anahera Dinsdale (Committee Advisor)

At the commencement of the meeting the Chairperson Anne Tolley and the committee acknowledged the passing of Mr Bruce Fraser and his long contribution to Tauranga Moana in many areas including many years working for the Bay of Plenty Regional Council, as a member of the Smart Growth Programme and leading recovery efforts following the grounding of the Rena.

1 OPENING KARAKIA

Commissioner Rolleston opened the meeting with a karakia.

2 APOLOGIES**APOLOGY****COMMITTEE RESOLUTION SFR1/22/1**

Moved: Commissioner Shadrach Rolleston

Seconded: Ms Rohario Murray

That the apology for lateness received from Mr Bruce Robertson accepted.

CARRIED

3 PUBLIC FORUM**3.1 Ms Holly Shaw - Mobile Shop Policy****Key Points and Questions**

- Ms Shaw provided the Committee with a PowerPoint Presentation on her business and the

effect of the current policy.

- The business had been operating in the Omanu Beach carpark full-time for about a year.
- Ms Shaw considered her business provided a community service, contributed to the local economy, and was involved in local fundraising and sponsorship.
- Ms Shaw had been very proactive in ensuring that the business was environmentally friendly and sustainable; and operated in a safe contactless manner.

Discussion points raised

- The Committee advised staff that they did not want changes to the current policy that would stifle growth especially in areas that were greatly benefitting from the presence of mobile shops.
- The Committee commended Ms Shaw on the thoroughness of her presentation and the way in which she was conducting her business. The presentation from Ms Shaw had provided valuable on the ground feedback from a business owner of a mobile shop that could contribute to amendments to the current policy.

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO ORDER OF BUSINESS

Nil

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 13 December 2021

COMMITTEE RESOLUTION SFR1/22/2

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the minutes of the Strategy, Finance and Risk Committee meeting held on 13 December 2021 be confirmed as a true and correct record, subject to the following corrections:

- Minor administrative corrections required to show Committee Member Ms Matire Duncan present at the meeting.
- A correction to show that on Issue 7 of item 10.1 the Committee was amenable to the promotion of and larger number of community gardens.

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Member Mr Te Pio Kawe declared a conflict with Agenda Item 9.1.

9 BUSINESS

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

Staff Jim Taylor, Transactional Services Manager
Emma Joyce, Policy Analyst

Key points

- Staff provided the Committee a short summary of the paper and its effect and implications.
- The policy looked to support and enable development of Māori owned land, by revising the current criteria, considered too onerous and cumbersome. Under the proposed plan there would only be a need to show the five benefits.
- Rates were currently set via capital value; this was not considered a method that reflected the actual values of the land in its current use. The proposed policy would allow the inherent value to be realised.
- Legislative change must be made by 1 July 2022.
- The Committee requested that staff included Te Tiriti principles in the preamble to the policy.
- The policy would be opened for consultation.

In response to questions

- Legislative change was required to review the policy and must be in place or the process started by 1 July 2022.
- The policy was not proposed as part of the current Annual Plan given the need to have its own consultation process.
- The Committee received the report and requested further discussion with staff to inform the proposed policy for consultation. It was agreed that staff would facilitate this discussion and bring a further report to the Committee with the final policy for consultation.
- Work and discussion had been started with the Western Bay of Plenty District Council. Although each region would have its own policy, staff were working together.
- An adoption date of 1 July 2022 could still be achieved even with an amended proposed policy returning to the Committee. Consultation would be open for one month.
- This proposed policy relates to capital value being balanced to achieve fair and equitable rateable values. Currently remaining undeveloped land was underutilised but paid the same rates as developed land. There would only be minor financial consequences for Council.
- Staff were writing the policy to be as flexible as possible and still meet the legislative requirements.

COMMITTEE RESOLUTION SFR1/22/3

Moved: Dr Wayne Beilby

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the report: Review of the Remission and Postponement of Rates on Māori Freehold Land Policy - Issues and Options.

CARRIED

9.2 Review of Rates Remission and Rates Postponement Policies - Issues and Options

Staff Jim Taylor, Transactional Services Manager
Emma Joyce, Policy Analyst

Key points

- The report was taken as read and staff highlighted key points noting that due to a recent high court decision they would be proposing a minor wording change to the recommendation to amend how remissions are used for kiwifruit orchards in relation to gold kiwifruit licences.
- Government aid for rates relief was currently hard to access and the Committee acknowledged the work staff had put into this area.
- The proposed policy would clarify issues, be easier to understand and use, and set clear principles in terms of fairness.

In response to questions

- Ratepayers seeking remission must prove that they could not access assistance. The Committee sought clarification about what this proof would look like. Staff advised that the hardship provisions were a safety net if ratepayers could not access further support from other sources e.g. through commercial banks. All that would need to be provided was a formal letter.
- The committee advised staff to make clear in the policy issues that there was currently no provision to obtain government or market funding, and that criteria needed to be clearly set out.
- The committee would like to see the establishment of a national scheme that all councils adopted, rather than councils becoming lenders of last resort or default debt holders.

Discussion points raised

- Remission would be for up to three years.

COMMITTEE RESOLUTION SFR1/22/4

Moved: Commissioner Bill Wasley

Seconded: Mr Te Pio Kawe

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) Agrees 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) Agrees 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 relating to the capital value component of the G3 licence 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.

CARRIED

9.3 Rating Policy Review

Staff Malcolm Gibb, Project Manager: Rating Review
Paul Davidson, General Manager: Corporate Services
Jim Taylor, Transactional Services Manager

Key points

- 50% split of transport rates between residential transport and commercial and industrial sector transport.
- This split would be achieved through a differential rather than a targeted rate.
- These recommendations would come back to Council on 21st February 2022.

In response to questions

- Insight Economics had completed the analysis of the difference between the two existing transport ratepayer groups, residential and commercial; and considered options for creating new or different ratepayer groups. Further information would be provided on how this analysis was developed.
- Staff were conscious of retaining alignment with the infrastructure levy.
- Insight Economics had been previously engaged by the city for similar types of work. This source of information was provided by TCC for robustness, as asset management planning had become more comprehensive and this advice and analysis supported that work.

Discussion points raised

- The report outlined preliminary findings; final proposals would come to the 21 February 2022 meeting.

COMMITTEE RESOLUTION SFR1/22/5

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

- (a) Receives the report: Rating Policy Review and
 - (i) Notes 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) Notes that comparable Councils use general rate differentials rather than targeted rates to fund their transportation activities
 - (iii) Agrees that the extent and quantum of any amendments to the rating policy could be a mix of differential general and targeted rates

- (iv) Confirms 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 21st February 2022.

CARRIED

9.4 Mobile Shop Policy Review: Issues and Options Paper

Staff Ruth Woodward, Team Leader: Policy
Vicky Grant-Ussher, Policy Analyst

Key points

- Staff provided an overview of the proposed policy and current issues that had led to the need to review and amend the policy.
- The proposed policy was brought to Council in February 2021 to bring Tauranga City Council policy in line with the rest of New Zealand.
- There was currently no allowance for previous or existing holders.
- A licence would be required to allow mobile shops to trade in identified areas.
- Current policy objective was primarily around public health and safety with little focus on public amenity.
- The committee did not want to be overly restrictive while still complying with health and safety requirements, environmental considerations, and parking requirements.

In response to questions

- Development of criteria for consideration could be devolved to the Chief Executive.

Discussion points raised

- Noted the importance of flexibility with changing use, and the balance between not being overly restrictive but allowing for enhanced trading as required.
- Staff would bring back new proposals for previous Issue 2.

COMMITTEE RESOLUTION SFR1/22/6

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

Issue 1: Policy structure for mobile shop trading

- (a) Agrees 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: Non-compliant behaviour by a small cohort of mobile shops that is causing traffic safety concerns

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

Issue 3: Waste minimisation opportunities

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

Issue 4: Changes in road traffic volumes and changes in speed zones

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

Issue 5: Noise levels of generators

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

CARRIED**9.5 2021 Q2 Oct-Dec Health and Safety Report**

Staff Angelique Fraser, Health & Safety Change Manager
Tony Aitken, General Manager: People and Engagement

Key points

- Report had been summarised and split into core elements; the second half specifically looked at mental health and wellbeing.
- Statistics had been provided for specific incidents.
- The report themes were on learning from incidents and ensuring Council focused on the areas and roles for which it was responsible.
- A varied approach was being taken. For example, with stress management, risk management, digital learning, work exposure and alternate training were all used.
- Current reporting was showing no great jump in issues of wellbeing concerns among staff.
- The Covid pandemic and alert levels had provided a number of challenges in maintaining contracting staff and hiring of new staff; and created a challenging environment for staff to navigate with issues like the introduction of vaccine pass requirements.
- The current exit interviews and statistics were pleasing.

In response to questions

- There had been good discussion and openness from people to talk about day to day operations.
- The Committee commended the format and content of the report for providing clear and concise information.
- Where health and safety incidents occurred, there was a process of learning for the individual, including an ability to comment on how the system was doing and why it failed on that occasion.
- Noted the importance of minimising the chance that accidents were being normalised.

Discussion points raised

- The Committee would like to see more information from staff on how any potential or actual cultural clashes between individuals and/or teams were worked through and what processes were in place.

COMMITTEE RESOLUTION SFR1/22/7

Moved: Mr Bruce Robertson

Seconded: Commissioner Bill Wasley

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

CARRIED

At 1pm the meeting adjourned.

At 1.45pm the meeting reconvened.

9.6 Financial and Non-Financial Monitoring Report: Period ended 31 December 2021

Staff Paul Davidson, General Manager: Corporate Services
Kathryn Sharplin, Manager: Finance

Key points

- The report covered the first six months of the year.
- Overall operating and capital was currently below budget.
- Operational delivery was moving slowly through a combination of Covid, workload and staff availability with recruitment.
- The updated forecasts were optimistic; staff noted that the next few months might see more delays.
- Baycourt and the airport were currently under budget.

In response to questions

- Staff would provide an updated 'top 25 projects' forecast.
- Staff were assessing at a macro level the implications of delay and consequent carry forwards for the Annual Plan budget. The main revisions related to the Tauriko West and Cameron Road projects.
- A more realistic time frame for roading projects had been set. NZTA Waka Kotahi delays had impacted the Tauriko project which could have implications for rates levels and timing.
- As projects were revisited, estimates previously provided had seen cost increases.
- Cameron Road was anticipated to be back on schedule by May. There had been timeframe adjustments due to ongoing delays in arrival of materials; however, the targeted completion date was still on track.
- TCC was in a similar position to other councils, with inflation at 5%, shortages of qualified staff and supply of materials impacting on an ambitious capital programme.

COMMITTEE RESOLUTION SFR1/22/8

Moved: Dr Wayne Beilby

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

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

CARRIED

10 DISCUSSION OF LATE ITEMS

Nil

11 PUBLIC EXCLUDED SESSION

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION SFR1/22/9

Moved: Commissioner Bill Wasley

Seconded: Ms Rohario Murray

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
11.1 - 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

CARRIED

12 CLOSING KARAKIA

The meeting was closed with a karakia.

The meeting closed at 3.20pm.

The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee Meeting held on 20 June 2022.

.....
CHAIRPERSON

UNCONFIRMED

7.2 Minutes of the Strategy, Finance and Risk Committee meeting held on 28 March 2022

File Number: A13578147

Author: Sarah Drummond, Committee Advisor

Authoriser: Robyn Garrett, Team Leader: Committee Support

RECOMMENDATIONS

That the Minutes of the Strategy, Finance and Risk Committee meeting held on 28 March 2022 be confirmed as a true and correct record.

ATTACHMENTS

- 1. Minutes of the Strategy, Finance and Risk Committee meeting held on 28 March 2022**



MINUTES

Strategy, Finance and Risk Committee Meeting

Monday, 28 March 2022

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MINUTES OF TAURANGA CITY COUNCIL**STRATEGY, FINANCE AND RISK COMMITTEE MEETING
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS,
REGIONAL HOUSE, 1 ELIZABETH STREET, TAURANGA
ON MONDAY, 28 MARCH 2022 AT 10.02AM**

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

IN ATTENDANCE: Marty Grenfell (Chief Executive), Tony Aitken (Acting General Manager: People & Engagement), Paul Davidson (General Manager: Corporate Services), Barbara Dempsey (Acting General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy & Growth), Gareth Wallis (General Manager: Central City Development), Steve Pearce (Acting General Manager: Regulatory and Compliance), Anne Blakeway (Manager: Community Partnerships), Kendyl Sullivan (City Partnerships Specialist), Jim Taylor (Transactional Services Manager), Ceilidh Dunphy (Community Relations Manager), Carl Lucca (Team Leader: Urban Communities), Emma Joyce (Policy Analyst), Corinne Frischknecht (Senior Policy Planner), Janine Speedy (Team Leader: City Planning), Sam Fellows (Manager: Sustainability and Waste), Kath Norris (Team Leader: Democracy Services), Cathy Davidson (Manager: Directorate Services), Coral Hair (Manager: Democracy Services), Robyn Garrett (Team Leader: Committee Support), Sarah Drummond (Committee Advisor), Anahera Dinsdale (Committee Advisor)

1 OPENING KARAKIA

Commissioner Rolleston opened the meeting with a karakia.

2 APOLOGIES**2.1 Apologies****COMMITTEE RESOLUTION SFR3/22/1**

Moved: Commissioner Bill Wasley

Seconded: Ms Rohario Murray

That apologies from Mr Te Pio Kawe and Mr Bruce Robertson be received and accepted.

CARRIED

3 PUBLIC FORUM

Nil

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO ORDER OF BUSINESS

Nil

7 DECLARATION OF CONFLICTS OF INTEREST

Committee Member Matire Duncan declared a conflict in relation to item 8.10 Three Waters Reform.

8 BUSINESS

8.1 Mainstreets Monitoring Report for the period to 31 December 2021

Staff Anne Blakeway, Manager: Community Partnerships
Kendyl Sullivan, City Partnerships Specialist

External Sally Cooke, Mainstreet Tauranga
Claudia West, Mount Business Association
Sally Benning, Greerton Village Mainstreet

Key points

- All reports were taken as read and external speakers provided the committee with updates on their particular areas.
- All parties were glad of the relaxation of Covid 19 alert levels, this would allow for street pedestrian counts to be repeated in October.

Mount Mainstreet

- There were a number of well received activities in the Mount over the period including an inflatable ice rink, fairy lights and a music trail.
- Working was ongoing to revamp the monthly awards; gift vouchers had been reinstated. Outdoor movies were on hold until restrictions were further lifted to allow greater numbers of people to attend.
- Issues of street cleanliness and rubbish were being addressed.
- A new website was to be launched.

All financial reports have now been audited and a slight loss noted

Downtown Tauranga

- There was now a feeling of optimism in the CBD; however challenges still remained and there were still many empty street fronts to fill. The Association had worked to provide more good stories and sites of interest across all Main Streets.
- Commercial sector had been less active; landlords and property owners were looking at ways to draw people into the conversation. Mainstreet and council staff would look at further work in this area, the light display at Christmas was a great example of joint activation.

Greerton Village Mainstreet

- Greerton had been particularly hard hit by Covid. The businesses that had closed were not due to Covid but those that had struggled through had been very quiet for the last month. This

related to the easing of restrictions and nervousness of an older population.

- Yarn bombing was a highlight, it was a major event and last year was declared the best year ever. Mainstreet hoped to have the Cherry Blossom Festival this year.
- Mainstreet was very proud of their Christmas light display and had invested money in new lights. Great support had been received for a Christmas hamper from a cross section of businesses.
- A new website was planned.

In response to questions

- Expanding lighting opportunities would be budget dependant.
- The Committee expressed its thanks that the Mainstreets, particularly Mount Mainstreet, had gone from zero to hero in a very short time.
- Several metrics were key to all the Mainstreets, such as pedestrian traffic counts. If Mainstreet members were willing to provide anonymised data on turnover, that would allow overall trends to be assessed.
- On street parking was always an issue for members, and the Mainstreets were working with the Wednesday Challenge to initiate change.

Discussion points raised

- The committee noted a common theme of problems with street cleaning and levels of service, especially around deep cleans, This had been noted; there was a need to make sure there were clear goals.

COMMITTEE RESOLUTION SFR3/22/2

Moved: Commissioner Bill Wasley

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Receives the Mainstreets' Monitoring Report for the period to 31 December 2021.
- (b) Receives the Mount Business Association Report to 31 December 2021.
- (c) Receives the Mainstreet Tauranga Report to 31 December 2021.
- (d) Receives the Greerton Village Mainstreet Report to 31 December 2021.
- (e) Receives the Papamoa Unlimited Report to 31 December 2021.

CARRIED

8.2 Audit New Zealand Report on the Audit of Tauranga City Council for the year ended 30 June 2021 and Audit Plan for the year ended 30 June 2022

Staff Paul Davidson, General Manager: Corporate Services

External Clarence Susan, Audit New Zealand

Key points

- Noted that the first report of the year was under the old SAP system; the second report dealt with the upcoming 2022 audit.
- These reports closed the financial reporting of 2021 and the issuing of an audit plan for 2022 year. There would be a balancing required to account for the 3 Waters reform.
- Supply chains were still causing issues with increase of rates.

- Of the remaining matters in the report (15 items), these had now been resolved or would be integrated into other programmes. The most important would be dealt with as a matter of urgency.
- Audit NZ had been working with Tauranga City Council to resolve these matters. Some recommendations would be resolved with the implementation of new systems; some would require a change to reporting.
The Committee requested that the 15 outstanding matters be highlighted to show those repaired by the new SAP system, those completed and those that would require further changes.
- Mr Susan from Audit New Zealand noted that there was currently a shortage of auditors in New Zealand and they would work with staff as best they could.
- The Committee commended all involved in the process of a clear audit.

COMMITTEE RESOLUTION SFR3/22/3

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the report - Audit New Zealand Report on the Audit of Tauranga City Council for the year ended 30 June 2021 and Audit Plan for the year ended 30 June 2022.

CARRIED

8.3 Adoption of draft Rates Remission Policy and draft Rates Postponement Policy for consultation

Staff Jim Taylor, Transactional Services Manager
Emma Joyce, Policy Analyst

Key points

- The report incorporated changes from February.

In response to questions

- Clarification was provided regarding valuation and possible remission of gold kiwifruit licences. Staff were waiting for the legal proceedings to be resolved, and would then follow any direction from the courts for valuation and remission.

COMMITTEE RESOLUTION SFR3/22/4

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Adopts the draft Rates Remission Policy for consultation
- (b) Adopts the draft Rates Postponement Policy for consultation.

CARRIED

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

Staff Jim Taylor, Transactional Services Manager
Emma Joyce, Policy Analyst

Key points

- The Committee commended staff on a good report that included and highlighted the consultation and conversations that had already taken place. Staff noted that there had been another hui since the report was signed off.
- Staff had been in discussion with the Western Bay of Plenty District Council, which was currently consulting on their policy, and had aimed to achieve consistency with the Western Bay. Staff however noted that, while following a similar policy approach and staff having confirmed broadly similar consensus, there were some areas and approaches that the two councils would have to agree to disagree on.
- Staff suggested that this should be highlighted in the consultation documents to allow targeted responses

COMMITTEE RESOLUTION SFR3/22/5

Moved: Commissioner Bill Wasley

Seconded: Ms Rohario Murray

That the Strategy, Finance and Risk Committee:

- (a) Adopts the draft Remission and Postponement of Rates on Māori Freehold Land Policy for consultation, noting the following amendments:
 - (i) A new purpose statement paraphrasing the Preamble from Te Ture Whenua Māori Act 1993.
 - (ii) Revised criteria for remission of rates, except service charges, 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, except service charges, 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 rates, except service charges, on land subject to development, or 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 Māori freehold land value excluding any subdivision potential unlikely to be realised in Māori ownership.
 - (vi) Provision for partial or full remission of rates, except service charges, on land that may be partially used for limited or seasonal productive use.
 - (vii) Provision clarifying that land providing non-commercial community benefit to Māori or papakāinga is eligible for 100% remission of rates, except service charges.

CARRIED

8.5 TCC Urban Design Framework

Staff Corinne Frischknecht, Senior Policy Planner
Carl Lucca, Team Leader: Urban Communities

Key points

- The report was taken as read and minor amendments were made to the resolution following discussion and questions.

In response to questions

- Staff undertook to provide more information and reports from the Auckland Unitary Authority on their Design Panel Process.
- The Committee noted a lack of specific emphasis on greening of the urban landscape and a restriction of panel members that might inhibit innovation from other areas. These matters would be addressed by incorporation into the Design Panel Guidelines.
- Public design space would be captured through the Environment Strategy refresh process. This report covered private spaces.
- The Committee noted that these matters would need to operate in both spaces.
- It was intended that the Panel would provide a strong local voice and be able to provide good advice and learning from the city as a whole.
- Under this process, there would be an urban design planner assigned from the time of application to the end of the application process.
- There would be strong advice and advocacy for applicants of the benefit of the Urban Design Panel process.
- Mana whenua values should be considered at the front of the application process and reflected as a voice both on the Panel and in the application documentation.
- The cCommittee considered this process would provide great benefit, would like to see it include public transport and also come together as part of overall urban design.
- The Committee noted that the scope of panel advice required some rationalisation and prioritisation.

COMMITTEE RESOLUTION SFR3/22/6

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Adopts an Urban Design Framework to promote and facilitate high quality urban design outcomes in Tauranga City, including:
 - (i) Setting up an **Urban Design Panel**, in line with the proposed Terms of Reference
 - (ii) Incorporating urban design policy into the City Plan, supported by appropriate urban design guidelines
 - (iii) Providing for ongoing awareness and promotion of urban design requirements and outcomes sought through educational and promotional material.
 - (iv) Establishing internal staff resources to implement the Urban Design Framework.
 - (v) Ensuring alignment with other relevant planning documents (including but not limited to the Street Design Guide and Strategy Refresh).

- (b) Delegates authority to the Chief Executive and General Manager, Strategy & Growth to refine the draft Terms of Reference;
- (c) Notes that the Executive Report on the 2022/23 Annual Report will include provision for funding for the senior urban design and support administration roles, totalling an estimated \$173,000 per annum.
- (d) Requests that staff report back to the Committee on progress and implementation in no later than 18 months' time.

CARRIED

8.6 Plan Change Work Programme for 2022

Staff Christine Jones, General Manager: Strategy and Growth
Janine Speedy, Team Leader: City Planning

Key points

- Staff provided a brief overview of the report noting that at present Plan Change 26 (PC 26) remained on hold as further direction was expected from the Minister that may provide a better pathway.

In response to questions

- The proposed Plan Change would incorporate key corridors in Greerton, Gate Pa and potentially The Mount and Cherrywood. The Plan Change would be notified in August then appeals would only be on points of law.
- This process would allow the same intensification as PC 26 but was a more streamlined process; either pathway would require the same process of including all spatial work into the plan which would come back to the Committee by end of June for further discussion.
- The proposed legislation was restrictive on what Council could do, the raw frameworks completed for PC26 would be used to inform the work.
- The new framework would not allow the previous approach of rules that did not allow encroachment on the building envelope. For example, PC 26 had a blank façade rule which could not now be implemented under the proposed legislative process. There are other potential legal impacts on issues such as fencing and waste management that staff are working through one by one.
- The Council would define a walkable catchment; staff would bring proposals back to the Committee and seek guidance from the Committee on this matter once affected corridors and areas have been defined. Currently staff were working to align with other councils as practicably as possible on these rules.
- Council's submission voiced concern over the 'three dwellings as of right' rules, as these might cause unforeseen consequences for infrastructure development and planning. Staff advised that where a resource consent was required there was an infrastructure capacity rule available that looked at non RMA rules. Staff were working to determine if some controls could be added at this point around infrastructure.
- There were currently some timeframes that may require further engagement with central government on these areas of concern e.g. transportation risk.

Discussion points raised

- Feedback was provided that at present what was not in the proposal was what was not available – an ability to achieve rapid processes for rapid changes for the city, there were no provisions for greenfield development.
- The Committee acknowledged the previous great work from staff on PC26 and noted that it must be hugely disappointing to not take that forward.
- The Committee might not be able to work to paragraph 8 and have no other plan changes. They would like to revisit this at the end of 2022 and for staff to report back.

- The Commissioners had been tasked to look after the city and grow it in a proud way. They and the Committee acknowledged that the proposed legislation presented a challenge to those coming forward for future councils.

COMMITTEE RESOLUTION SFR3/22/7

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Approves proceeding with a plan change to implement the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act by:
 - (i) Applying the Medium Density Residential Standards to residential zones (currently identified as Suburban Residential, Wairakei Residential, City Living and High-Density Residential zones) with an appropriate rule framework; and
 - (ii) Giving effect to Policy 3 in the National Policy Statement on Urban Development to maximise heights in the City Centre Zone, enable at least 6 storeys within a walkable catchment of the city centre and enable residential building height and density appropriate to local, neighbourhood and town centres.
- (b) Notes that greenfield urban growth areas (Te Tumu and Tauriko West) and private plan changes will be progressed through planning processes separate from (a) above.
- (c) Notes that Plan Change 26 (Housing Choice) remains on hold to retain the opportunity to notify a variation if subsequently identified as the most appropriate pathway.

CARRIED

At 12.27pm the meeting adjourned.

At 1.15pm the meeting reconvened.

8.7 Adoption of draft Waste Management and Minimisation Bylaw 2022 for consultation

Staff Nic Johansson, General Manager: Infrastructure
Sam Fellows, Manager: Sustainability and Waste

Key points

- In current practice multi-unit dwellings as an area of rubbish collection had been set by an ad hoc bylaw. The new bylaw would allow developers to place waste minimisation practices into development plans; a second phase would be to add in demolition waste. At present, as staff are working on a region-wide approach with the Western Bay of Plenty, conditions had not been made too onerous.
- The proposed bylaw included recognition of the Treaty of Waitangi.
- Staff noted that there will be new legislation released from central government that would be taken into account.

In response to questions

- The Morrison Low report had been reviewed and advised the formation of the proposals. It compared Tauranga city operations with other cities and provided a basis for the proposed plan and bylaw.
- There is a small but wide definition of Māori values in the proposal especially as related to Māori land blocks, to ensure the right consultation is undertaken to have all views and perspectives on board.

- The proposed bylaw was mirrored throughout the Bay of Plenty and acknowledged the need to bring the commercial sector on a journey to change.

COMMITTEE RESOLUTION SFR3/22/8

Moved: Commissioner Bill Wasley

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Approves the draft Waste Management and Minimisation Bylaw 2022 (**Attachment A**) for community consultation.
- (b) Adopts the Statement of Proposal for the draft Waste Management and Minimisation Bylaw 2022 (**Attachment B**) for community consultation.
- (c) Resolves that in accordance with section 155 of the Local Government Act 2002, the proposed draft Waste Management and Minimisation Bylaw 2022, is the most appropriate and proportionate way of addressing the perceived problem and does not give rise to any implications under the New Zealand Bill of Rights Act 1990.
- (d) Delegates to staff the ability to make any minor edits or amendments to the draft Waste Management and Minimisation Bylaw 2022 or Statement of Proposal to correct any identified errors or typographical edits.

CARRIED

8.8 Adoption of draft Waste Management and Minimisation Plan 2022-2028 for consultation

Staff Nic Johansson, General Manager: Infrastructure
Sam Fellows, Manager: Sustainability and Waste

Key points

- Staff provided a summary of the Plan.

In response to questions

- The Committee noted that the report told the story of current problems and set the case for change but no summary for actions.
- There would be a large amount of monitoring that would be required.
- There were currently not many hard facts or details for the Committee to look at. At higher levels this would enable the region to apply for central government levy money that would see half of waste charges returned to be directed to further initiatives.
- It was anticipated that the Plan would form a living document and may change in yearly effect, with concrete actions added, legislative change incorporated and a proactive focus on not creating double handling or workload.
- It was expected that a yearly delivery report containing plans for the following year would be provided to Council.
- Given recent Covid disruptions to recycling and green waste disposal, under the proposed plan these could be elevated in priority.

COMMITTEE RESOLUTION SFR3/22/9

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Approves the draft Waste Management and Minimisation Plan 2022-2028 (**Attachment A**) for community consultation.
- (b) Delegates to staff the ability to make any minor edits or amendments to the draft Waste Management and Minimisation Plan 2022-2028 or Statement of Proposal to correct any identified errors or typographical edits.

CARRIED

8.9 Q2 2021/22 LGOIMA and Privacy Requests

Staff Tony Aitken, Acting General Manager: People and Engagement
Kath Norris, Team Leader: Democracy Services

Key points

- Staff provided a summary of recent trends and the number of requests received.

In response to questions

- It was expected that the current trend of increasing requests would continue.

COMMITTEE RESOLUTION SFR3/22/10

Moved: Commissioner Stephen Selwood

Seconded: Dr Wayne Beilby

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Q2 2021/22 LGOIMA and Privacy Requests.

CARRIED

8.10 Three Waters Reform Update Report

Staff Nic Johansson, General Manager: Infrastructure
Cathy Davidson, Manager: Directorate Services

Key points

- The staff summary of the report noted that there had been little recent movement and the report was mainly an information report detailing facts as known.
- Following expected further announcements, this issue would come back to a future Council meeting after consultation with the community and including staff comment on those concerns raised.

Discussion points raised

- Noted the importance of consultation with Te Rangapū.

COMMITTEE RESOLUTION SFR3/22/11

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Three Waters Reforms Programme update to the end of February 2022.
- (b) Notes the establishment of the following structures to undertake ongoing work related to the three waters reforms.
 - (i) Project Team
 - (ii) Project Steering Group
- (c) Supports the continuation of Tauranga City Council working with National Transition Unit, including the responses to information requests, nominations for National Reference Groups and Entity B Local Transition Team and working alongside other local authorities in the Entity B region.
- (d) Notes the recommendations of the Working Group on Representation, Governance and Accountability.
- (e) That the Project Steering Group appraises the recommendations from the Working Group on Representation, Governance and Accountability report, and reports to Council how those recommendations respectively respond, or otherwise, to concerns captured from community, Te Rangapū and commission, in relation to the original governance proposal.

CARRIED

9 DISCUSSION OF LATE ITEMS

Nil

10 PUBLIC EXCLUDED SESSION**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION SFR3/22/12**

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Bill Wasley

That the public be excluded from the following parts of the proceedings of this meeting. Mr Nathan Speir of Rice Speir (Counsel) will be present for item 10.4

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
10.1 - Quarterly Security Report - Q4 2021	s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.2 - Corporate Risk Register - Quarterly Update	<p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.3 - Internal Audit - Quarterly Update	<p>s6(b) - The making available of the information would be likely to endanger the safety of any person</p> <p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(d) - The withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
10.4 - Litigation Report	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	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

	<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>which good reason for withholding would exist under section 6 or section 7</p>
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CARRIED

Mr Robertson entered the meeting at 2.30 pm

Commissioner Wasley left the meeting at 2.33 pm

11 CLOSING KARAKIA

Commissioner Rolleston closed the meeting with a karakia.

The meeting closed at 2.39 pm.

The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee Meeting held on 20 June 2022.

.....
CHAIRPERSON

8 DECLARATION OF CONFLICTS OF INTEREST

9 BUSINESS

9.1 Local Alcohol Policy Review: Deliberations

File Number: A13239261

Author: Jane Barnett, Policy Analyst

Ruth Woodward, Team Leader: Policy

Jeremy Boase, Manager: Strategy and Corporate Planning

Authoriser: Steve Pearce, Acting General Manager: Regulatory and Compliance

PURPOSE OF THE REPORT

1. To consider the submissions received on the draft Local Alcohol Policy (the draft policy).

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Decides on the options in the submission summary document (**Attachment One**) as follows.

No.	Issue	Option
One	Closing time for on-licensed premises in Tauranga Central City	Option A: Change the closing time to 2am. Recommended
Two	One-way door provision	To be determined at meeting
Three	Presentation of club licence provisions	Option A: Create a separate section for club licences. Recommended
Four	Club trading hours	To be determined at meeting
Five	Opening sales time for off-licensed premises	To be determined at meeting
Six	Final sales time for off-licensed premises	To be determined at meeting
Seven	Number and density of off-licensed premises	To be determined at meeting
Eight	Location proximity provisions for off-licensed premises	To be determined at meeting
Nine	Location provisions for on-licensed premises	To be determined at meeting
Ten	Discretionary conditions for off-licensed premises	To be determined at meeting
Eleven	Format of hours in policy	Option A: No format change - retain the presentation of opening and closing hours in the same line. Recommended

And either

- (b) Recommend to Council to adopt the resulting proposed provisional Local Alcohol Policy for public notification
- (c) Authorises the Chief Executive to make any necessary minor drafting or presentation amendments to the proposed provisional Local Alcohol Policy, prior to the commencement of public notification.

or

- (d) Directs staff to develop selected options further and report back to the Committee for direction on these so they can be incorporated into a revised draft Local Alcohol Policy for community consultation.

EXECUTIVE SUMMARY

2. Developing a Local Alcohol Policy (LAP) is inherently complex. The differing views within the community, the resource intense appeal process and lack of and sometimes conflicting evidence make LAPs difficult to determine and put in place (see **Attachment Two**).
3. The current Tauranga and Western Bay of Plenty District's Joint LAP is due for review. As part of this review the Committee, after consultation with the Police, Medical Office of Health, licensing inspectors, and initial feedback from other stakeholders, approved a draft policy for community consultation on the 1 November 2021.
4. The draft policy only includes matters relating to Tauranga, in a move away from a joint policy as Western Bay of Plenty District Council was preparing their own policy
5. This community consultation was undertaken from 17 November 2021 to 20 December 2021. 158 submissions were received, and 15 submitters presented at the Committee meeting on 14 March 2022.
6. A summary of submissions has been attached to this report (see **Attachment One**). It outlines the issues raised by submitters, and options for the Committee to consider. The full copy of submissions is available with the agenda for the 14 March 2022 Committee meeting.
7. The four main issues raised were the:
 - closing time for on-licensed premises in the city centre
 - opening hours for off-licensed premises
 - location and number of any potential off-licensed premises
 - discretionary conditions for off-licensed premises.
8. Submitters have different views how the proposed earlier closing time for on-licensed premises in the city centre (2am instead of the current 3am) will impact on alcohol related harm. The majority (67%) of submitters oppose the reduction and believe it would not reduce alcohol harm.
9. Other submitters, including the Police, licensing inspectors and the Medical Officer of Health¹ support the reduction in hours and put forward evidence that the earlier closing time would reduce alcohol harm in the community.
10. Several submitters were also concerned that the draft policy did not make any changes to off-licence provisions. These submitters wanted alcohol harm addressed by reducing trading

¹ Under the Act, Police, Medical Officers of Health, and inspectors must be consulted before producing a draft Local Alcohol Policy.

hours and restrictions on the number and location of off-licensed premises (particularly in high deprivation areas) and adding discretionary conditions.

11. Issues with the current District Licensing Committee representation, notification of licence applications and monitoring were also identified both during community consultation and pre-engagement.
12. The Committee is now asked to make decisions on the issues raised by submitters. Depending on the decisions made, a provisional LAP could be recommended to Council for adoption or direction could be given to work on further developing options to develop a revised draft policy for community consultation.
13. When making decisions on the options Council must consider several matters (see **table One below** and **Attachment Two**). Primarily, the objective of the Sale and Supply of Alcohol Act 2012 (the Act) along with the evidence and benefits and costs associated with each option. The Alcohol Regulatory and Licensing Authority (ARLA) ruling in the Wellington appeal case signals that the Committee should not give weight to wider economic or strategic concerns, such as vitality of the City Centre, or promoting the night-time economy (see **Attachment Three**).

BACKGROUND

The draft Local Alcohol Policy

14. On 1 November 2021, the Committee approved the draft LAP and Statement of Proposal for community consultation, in accordance with the Special Consultative Procedure. A summary of the legal requirements for preparing and reviewing the LAP is set out in **Attachment Two**.
15. The draft LAP largely retained the current joint Tauranga and Western Bay of Plenty District's Joint Alcohol Policy. Two key changes were proposed:
 - reducing the closing time for on licensed premises in the Tauranga city centre – to 2am instead of the current 3am
 - changing the one-way door provisions because of the proposed change in closing time. The one-way door would now start at 1am in the Tauranga City Centre.
16. The draft policy also includes only matters relating to Tauranga, in a move away from a joint policy as Western Bay of Plenty District Council was preparing their own policy. They adopted their policy on 12 May 2022, and it is due to come into force on 21 August 2022.
17. The other change proposed was a formatting change to present the conditions for club licences separately. Currently the conditions for club licences are incorporated in the on-licensed premises section of the policy.

Community submissions

18. The community was asked for their views on the proposed changes to the policy. 158 submissions were received, and 15 submitters presented at the Committee meeting on the 14 March 2022.
19. 63 percent of submitters strongly disagreed with the proposed reduction in hours and a further 4 percent somewhat disagreed. While 27 percent of submitters strongly agreed and just under 2 per cent somewhat agreed.
20. This split was also reflected when submitters were asked if they agreed with the change to the one-way door provisions. With just under 60 percent strongly disagreeing with the proposed change and 25 per cent strongly agreeing.
21. These submitters believe that the changes would not reduce alcohol harm and would impact on the hospitality sector and on the potential vibrancy of the city.

22. Other submitters, including the Police, the Medical Officer of Health and Te Rūnanga o Ngāi Te Rangi Iwi Trust (TRONIT) supported the proposed changes and cited evidence that the changes would reduce alcohol related harm.
23. Several submitters believed the changes did not go far enough to address alcohol harm in the community. These submitters advocated for a reduction in trading hours and restrictions on the number and location of off-licensed premises, (particularly in high deprivation areas) and for discretionary conditions.
24. Issues with the current District Licensing Committee representation, notification of licence applications and monitoring were also identified both during community consultation and pre-engagement.

Hearings

25. At the hearings meeting, the Committee heard a diverse range of views on whether the proposed changes to the current LAP would reduce alcohol harm and what further changes could be considered.
26. The available evidence was discussed. The Committee requested further information including the key reports looking at the impact of reduced hours on alcohol harm, information on LAPs in other metropolitan areas, and Police data prior to the current LAP being put in place. This information is included in **Attachment Four** to this report.

Deliberations

27. The Committee are now asked to make decisions on the issues raised by submitters. Depending on the decisions made, a provisional LAP could be recommended to Council for adoption, or direction could be given to work on developing options further to develop a revised draft policy for community consultation.
28. All the issues raised by submitters and the options for responding to these are set out in **Attachment One**. For most issues staff recommendations are not provided due to the nature and different viewpoints on the issues and related evidence.
29. When making decisions on the options Council must consider several matters (see Table One below). The objective of the Act is the key consideration.
30. This is:
 - the sale, supply, and consumption of alcohol should be undertaken safely and responsibly; and
 - the harm caused by the excessive or inappropriate consumption of alcohol should be minimised.

Table One: Matters to be considered when making decisions on the LAP

Consideration	Overview
<i>Objective of the Act</i>	Whether the proposal would help to minimise harm from excessive and inappropriate consumption and whether it would allow for the safe and responsible sale, supply, and consumption of alcohol.
<i>Statutory considerations</i>	Considerations specified at section 78(2) of the Act: <ul style="list-style-type: none"> • the objectives and policies of its district plan • the number of licences of each kind held for premises in its district, and the location and opening hours of each of the premises • any areas in which bylaws prohibiting alcohol in public places are in force • the demography of the district's residents • the demography of people who visit the district as tourists or holidaymakers • the overall health indicators of the district's residents • the nature and severity of the alcohol-related problems arising in the district.
<i>Evidence</i>	Strength of evidence to support the option.
<i>Feedback</i>	Assessment of submissions in terms of anticipated reductions in alcohol harm
<i>Benefits and Costs</i>	The benefits and costs associated with each option including: <ul style="list-style-type: none"> • the potential to reduce alcohol related harm • any very significant adverse impact on businesses only if the anticipated reduction in alcohol-related harm is relatively insignificant.

31. In considering whether the options meet the objective of the Act, the strength of the available evidence and community feedback, along with the benefits and costs associated with each option, need to be assessed by the Committee.
32. Staff sought legal advice on what matters could be considered when making decisions on the issues raised. In particular, whether the Committee could consider the financial impact of the proposed changes on businesses and any impacts on vitality of the city centre.
33. The legal advice reported that submissions should be assessed primarily in terms of anticipated reduction in alcohol-related harm. The Committee can consider adverse economic impacts, but these concerns should only apply where the economic impacts are very significant and the anticipated reduced in alcohol-related harm are relatively insignificant (see **Attachment Three**).
34. The legal advice also reported on the Alcohol Regulatory and Licensing Authority ruling in the Wellington case. This case law informs that the Committee should not give weight to wider economic or strategic concerns, such as vitality of the city centre, or promoting the night time economy (see **Attachment Three**).

STRATEGIC / STATUTORY CONTEXT

35. Currently Council is refreshing its strategic framework and developing a City Vision. This work will ensure Council has a current and cohesive strategic framework that provides a

clear line of sight from Council activities and policies to strategy documents and from there to the City's Vision and adopted Community Outcomes.

36. The LAP is one tool in working towards Council's community outcome of 'An inclusive city'. This includes people feeling safe in their homes, neighbourhoods and public places.
37. A LAP is required to be reviewed every six years. LAPs are restricted in what they can contain (see **Attachment Two**).
38. In accordance with the Act, Council has, in preparing the draft LAP consulted with the Police, licensing inspectors and Medical Officers of Health (section 78(4) of the Act) and had regard to the matters set out in section 78(2) of the Act.

OPTIONS ANALYSIS

39. The options for responding to the issues raised are set out in **Attachment One**.

LEGAL IMPLICATIONS / RISKS

40. The legal implications and risks are dependent on the changes, if any, made to the draft policy.
41. There are legal risks if the Committee takes into consideration matters outside the scope of the objective Act as noted in the legal advice received (see **Attachment Three**).

CONSULTATION / ENGAGEMENT

42. As set out in the Act, before producing the draft LAP the Police, inspectors and Medical Officers of Health were consulted (section 78(4)).
43. In accordance with the Act the special consultative procedure was used to consult on the draft policy. Targeted consultation was carried out with the hospitality sector, mana whenua, Hauora organisations, main street organisations, ratepayer associations and other community support organisations.
44. Staff met with Police and some CBD bar owners as part of the consultation process. Staff invited further submissions, acknowledging that the consultation period occurred at a busy time for the hospitality industry.
45. Staff also met with Ngāi Te Rangi during the consultation period to listen to their concerns and feedback.

SIGNIFICANCE

46. 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.
47. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
48. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of medium significance.





ENGAGEMENT

49. Taking into consideration the above assessment, that the issue is of medium significance, officers are of the opinion that no further engagement is required prior to Council considering the issues raised by submitters.
50. However, in deliberating on the issues the Committee may decide on options that will ultimately require further community consultation. This is set out in the submission summary (see **Attachment One**).

NEXT STEPS

51. Depending on the decisions made by the Committee, a provisional Local Alcohol Policy could be recommended to Council for adoption, or direction could be given to work on developing the selected options so they can be incorporated into a revised draft policy for community consultation.

ATTACHMENTS

1. **Attachment One - Submission Summary - A13495850** [↓](#) 
2. **Attachment Two - LAP context and process - A13544829** [↓](#) 
3. **Attachment Three - Legal advice on LAP deliberation considerations - A13545031** [↓](#) 
4. **Attachment Four - Information requested by the Committee at the LAP hearings - A13512772 (Separate Attachments 1)** 

9.2 Six Monthly Treasury Strategy Update

File Number: A13451111

Author: Sheree Covell, Treasury and Financial Compliance Manager
Kathryn Sharplin, Manager: Finance

Authoriser: Paul Davidson, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. The Treasury policy requires strategies to be approved on a six-monthly basis. The Treasury policy was last reviewed in November 2021. This report seeks approval for strategies for treasury risk management activities, debt issuances, investments, foreign exchange exposures management and interest rate hedging activities.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the Treasury Strategy Report.
- (b) Approves the issuance of long and short term debt on a wholesale basis to manage cash flows.
- (c) Approves the management of fixed interest rate hedging in the target range of 50% to 60% at two years forward, and 30% to 40% at five years forward.
- (d) Approves maintenance of a minimum of \$10m of cash and short-term investments to manage cash flows.
- (a) Approves hedging of all significant foreign exchange exposure

EXECUTIVE SUMMARY

2. This report outlines all significant treasury operational activities and seeks confirmation of existing strategies and approvals for planned strategies.
3. Treasury Strategy is an important element of sound financial management and allows Council to efficiently manage its funding and associated risks.

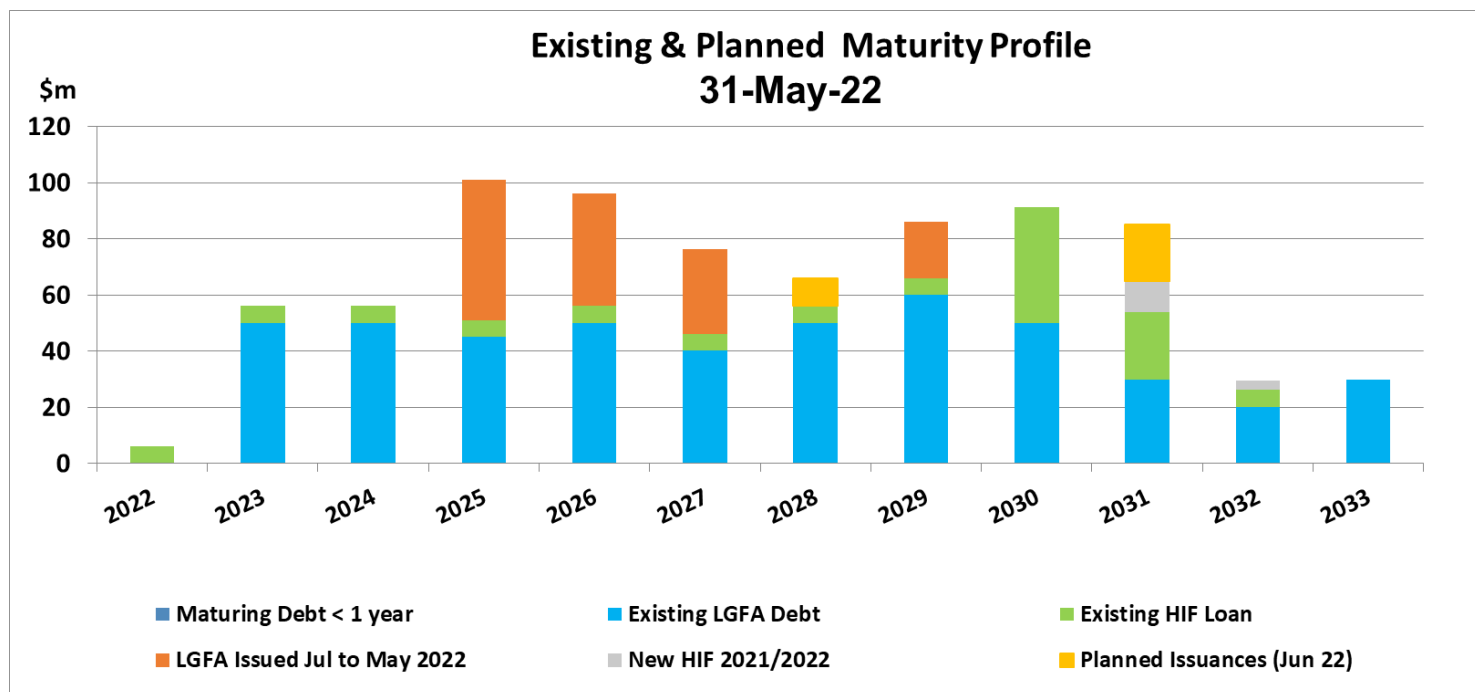
BACKGROUND

Debt Management

4. Council has a large investment in infrastructure assets which have long economic lives and long-term benefits. Debt is utilised to fund infrastructure and it is recognised as an efficient mechanism to allocate the cost of infrastructure to the community.
5. Core external debt and working capital requirements are managed by issuing a combination of long term and short-term debt. The maturity dates for new debt issuance are assessed under the following criteria:
 - Borrowing margins for short vs long term
 - Investor demand including bank funding
 - Local Government Funding Agency (LGFA) or other wholesale margins / maturities offered
 - Compliance with LGFA covenants
 - Housing Infrastructure Fund (HIF) drawdowns

- Existing maturity profile
- Available undrawn bank facilities

2. The graph below shows the debt maturity profile as at 30 May 2022 together with planned debt issuances.



3. As at 30 May 2022 outstanding debt was \$780m of which \$20m was issued during May 2022.
4. It is planned to issue a further \$30m in June 2022 to manage ongoing cash flow requirements. This is included in the chart above.
5. The above chart is based on closing net debt of \$720m as at 30 June 2022, the annual plan net debt closing balance was \$760m. This is based on actual cashflow forecasts provided by the business and will be closely monitored for the remainder of the financial year.
6. During 2021-22 \$66m of long-term debt has matured or is due to mature (\$6m in June 2022). During 2022-23 \$56m is due to mature.

Debt Management

7. Access to liquidity funding by way of committed bank facilities and or liquid investments is required to manage liquidity risk.
8. Both Council's Treasury Policy and the LGFA financial covenants require a level of undrawn committed bank facilities or liquid investments or a combination of these. The key objective is to maintain adequate liquidity in the context of managing debt maturities and debt servicing on a 12 month rolling basis.
9. Bank facilities are \$100m. This facility matures on 31 October 2024. Generally the maturity date is extended by one year each year. It is planned to maintain the facility within the 2 to 4 year maturity band.
10. In general bank facilities are available to be drawn down at short notice, the event they are drawn on, and they are able to be repaid on a quarterly basis.
11. It is important to note that any draw down from bank facilities would need to be managed within the existing debt to revenue ratio.

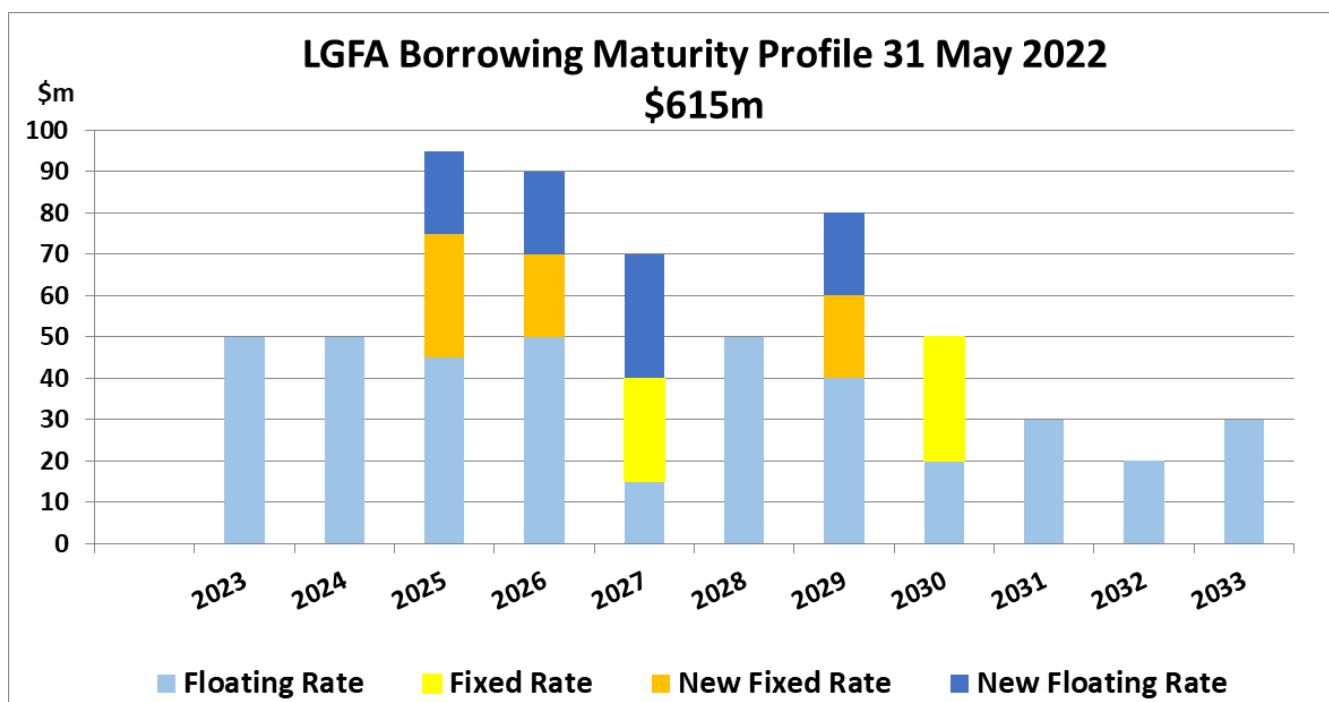
12. Current annual facility costs are 2% (\$200k from \$100m). Generally pricing on facilities are reviewed on an annual basis.

Liquidity Risk

13. The Treasury Policy outlines the management framework for funding, liquidity, and credit risks. Liquidity risk primarily focuses on ensuring that there are sufficient funds available to meet obligations in an orderly manner.
14. The key liquidity risk management indicators are:
 - (a) The primary debt maturity limit requires ‘external debt, committed bank facilities and cash/cash equivalents’ to be maintained above 100% on a 12 month peak forecast net external debt; and
 - (b) No more than 33% of debt to be refinanced in any rolling 12 month period.

Local Government Funding Agency (LGFA)

15. The LGFA is an agency specialising in financing of the local government sector. LGFA was established to raise debt on behalf of councils on terms that are more favourable to them if they raised the debt directly.
16. LGFA was incorporated as a limited liability company under the Companies Act 1993 on 1 December 2011. Following the enactment of the Local Government Borrowing Act 2011. As LGFA is majority owned by councils, it constitutes a ‘Council Controlled Organisation’ (CCO) under the Local Government Act 2002.
17. LGFA’s debt obligations are guaranteed by council shareholders and any other councils that borrow in excess of \$20m (total guarantors 60). The New Zealand Government does not guarantee LGFA. Any call under the guarantee will be allocated across all guarantors on a pro rata basis in relation to their rates revenue.
18. As at 30 May 2022, total LGFA bonds (long term) on issue were \$15,915m of which \$615m have been on-lent to Tauranga City Council.
19. The graph below shows the borrowings from LGFA on a fixed interest vs floating interest rate basis.



20. Current new fixed rate borrowing rates from LGFA are:

1 Year	3.66%	6 Year	4.51%
2 Year	4.19%	7 Year	4.55%
3 Year	4.31%	8 Year	4.65%
4 Year	4.40%	9 Year	4.76%
5 Year	4.41%	10 Year	4.87%

Security

21. Generally, debt will be issued under the existing Council’s Debenture Trust Deed (DTD) which offers rates revenue as security to attract lower borrowing margins. Councils Trustee appointed under the DTD is Covenant Trustee Services Limited. All debt obligations are registered with Link Market Services Limited.

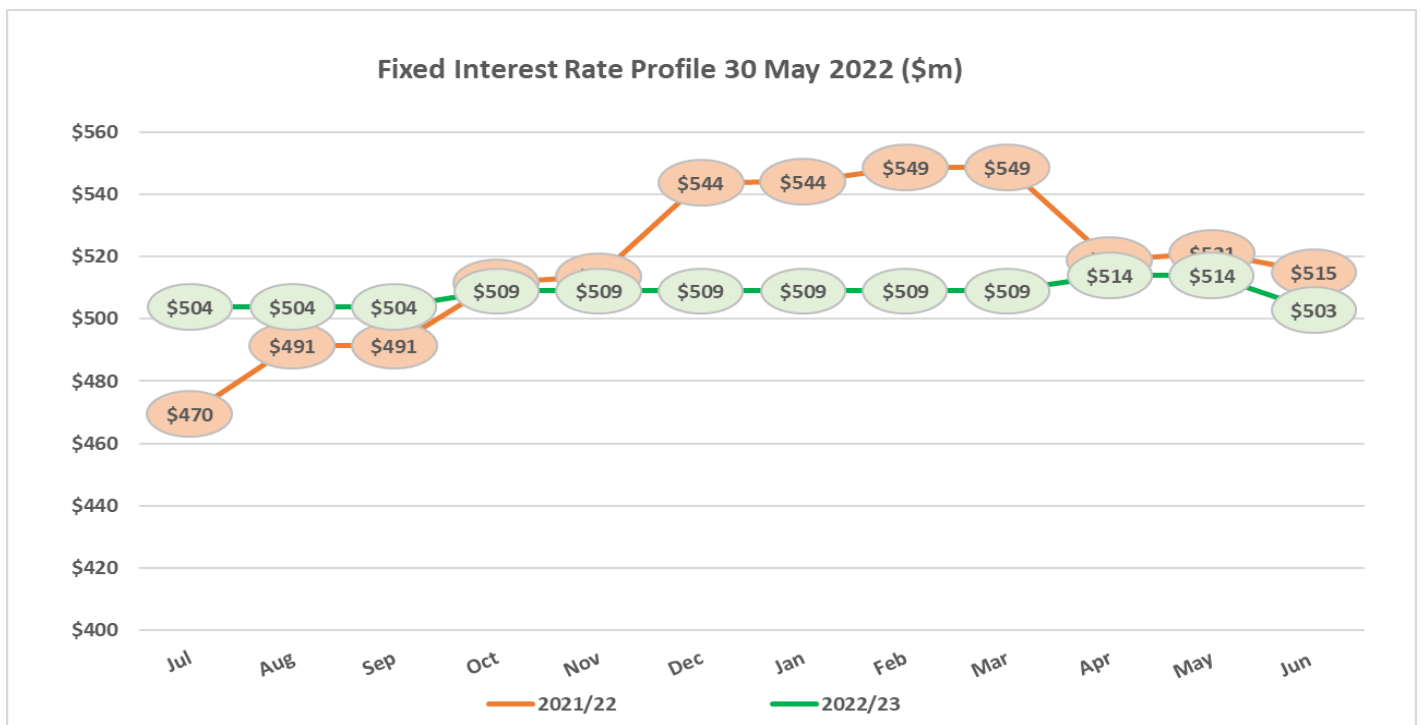
Interest Rate Risk Management

22. The overall objective of the interest rate risk management strategy is to:

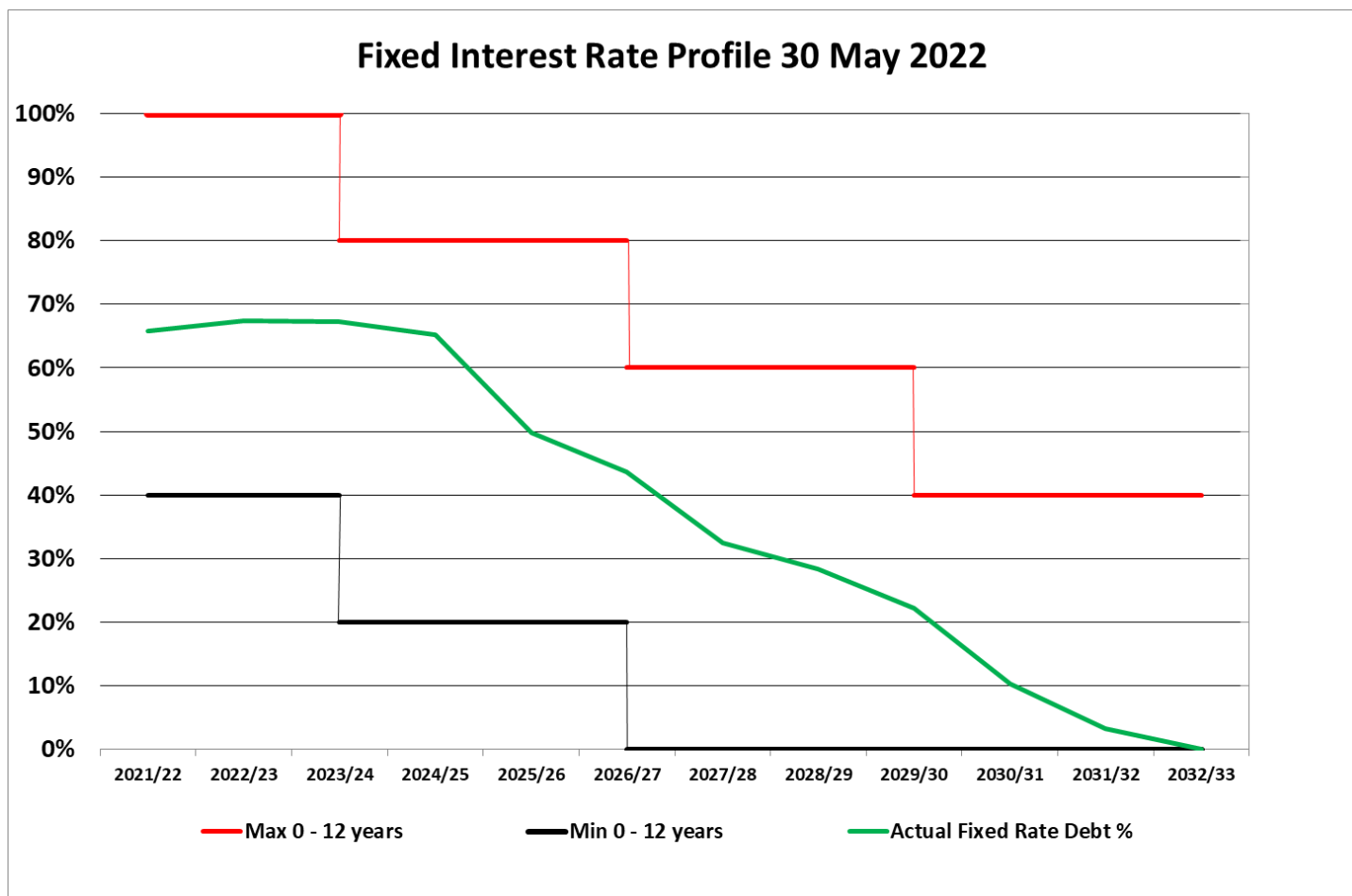
- Minimise the average net interest cost on borrowings over the long term
- Minimise large concentrations of interest rate risk
- Increase duration of the interest rate re-pricing profile
- Maintain an appropriate mix of floating and fixed interest rate exposures

23. Council is exposed to the interest rate fluctuations on existing and future borrowings. Interest rate risk is minimised by managing floating and fixed interest rate exposures within the Treasury Policy limits framework. The overall outcome of interest rate risk management is reflected in the average interest rate on borrowings. The average interest rate on borrowings as at 30 May is 3.19%

24. As at 30 May 2022 the fixed interest rate position was \$521m which was 67% of debt. The graph below shows the existing fixed interest rate positions (fixed debt and interest rate hedging) over the next two years on a monthly basis.



- 25. The Treasury Policy outlines the framework for interest rate management activities. Interest rate risk is managed with minimum and maximum fixed rate debt percentages by time bands. These minimum and maximum levels by time bands are designed to minimise interest rate re-price risks.
- 26. The chart below shows the fixed interest rate positions relative to forecast debt over time. The fixed interest rate positions include fixed rate debt issued, planned drawdowns from HIF and existing interest rate hedging. Forecast debt levels have been adjusted to recognise future cashflow capital delivery/carry forwards at the end of each year throughout the LTP period, these adjustments range from \$30m to \$300m. This adjustment is required to ensure interest rate hedging is maintained at the appropriate level and is not over hedged.



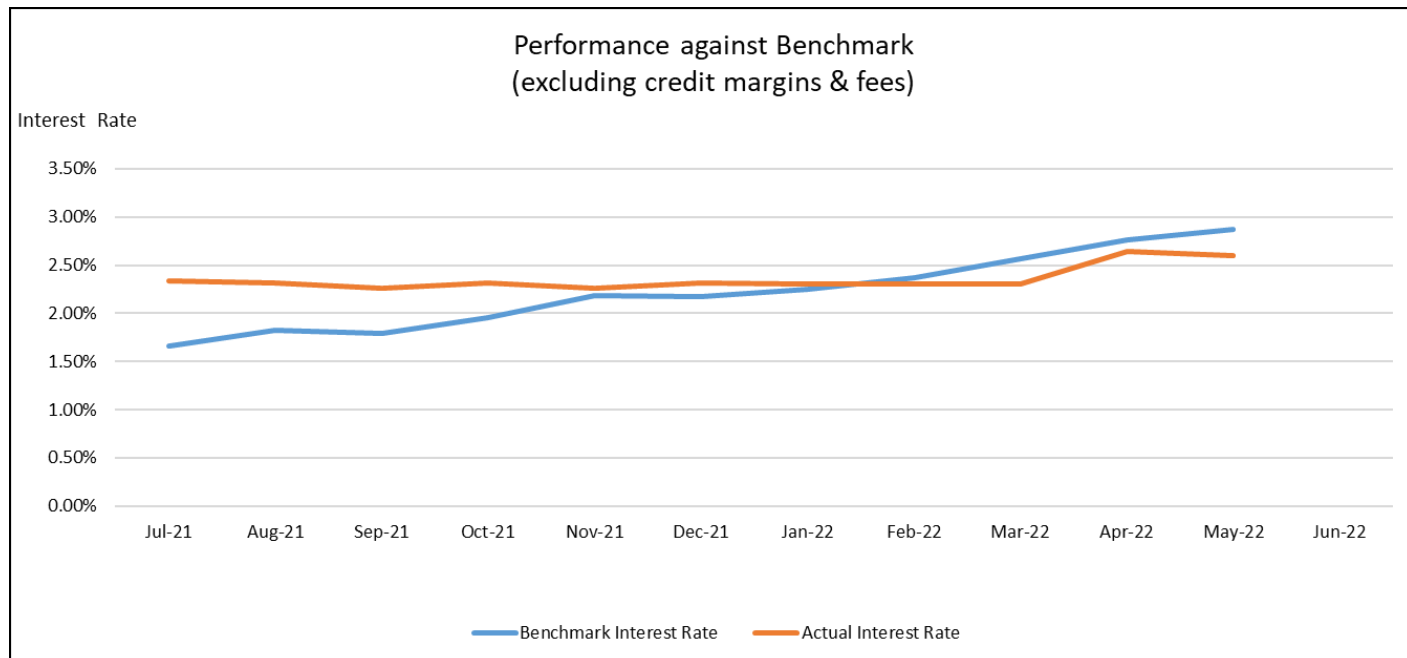
- 27. Over the last nine months (since September 2021 Treasury Strategy Report), new fixed rate exposures of \$42m have been entered, \$12m of this is HIF debt with a 0% interest rate. There have been no hedges since June 2021.
- 28. Analysis of debt levels and associated interest rate hedging positions are reviewed on a monthly rolling basis.

Net Interest Budget

- 29. Net interest is forecast based on closing net debt of \$720m as at 30 June 2022. The average interest rate as at 30 June 2022 is forecast to be 3.20% (2.99% 30 June 2021).
- 30. The table below shows the net external interest position for the current year. A small favourable variance is forecast for the current year due to lower than expected capital spend driving down interest expenses and interest rates rises positively impacting on our money market investments.

Net External Interest	Budget (June 2022)	Forecast (June 2022)	Variance Fav / (Unfav)
2021/22 (\$m)	20.7	20.3	0.4

31. The graph below shows the actual average interest rates against market benchmarks. The average interest rate remains below benchmark due to hedging placed during a low-rate environment and high interest debt maturing during the 2021/22 year.



Investments

32. From a short term working capital management perspective, it is proposed to maintain a minimum liquid investments balance of \$10m, on which investment rates aligning to OCR have been negotiated with the bank. This level of working capital is sufficient to manage the net cash flows during an average month. Overall, the investment portfolio is managed in line with the detailed monthly cash flow forecast.

Foreign Exchange

33. Under the policy, upon approval of expenditure, all significant commitments for foreign exchange are hedged. Generally foreign exchange exposure above \$100,000 are regarded as significant.
34. Currently there are no outstanding foreign exchange contracts.

STRATEGIC / STATUTORY CONTEXT

6. The Treasury Strategy is an important element of sound financial management and allows Council to efficiently manage its funding and associated risks. These strategies ensure compliance with Treasury Policy limits.

OPTIONS ANALYSIS

7. Option 1: Approve Recommendations

The committee is recommended to approve the above Treasury strategies. The recommendations ensure compliance with the Council’s Treasury Policy: the effect management of both interest rate and funding risks and allows the achievement of existing net interest rate budgets.

Option 2: Do Not Approve Recommendations

Council may decide not to approve the recommendations. This may risk Council not complying with its Treasury Policy and may lead to increased interest rate and funding risks and sub-optimal net interest costs.

CONSULTATION / ENGAGEMENT

8. Taking into consideration the above assessment, that the matter is of low significance, officers are of the opinion that no engagement is required.

SIGNIFICANCE

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

ENGAGEMENT

12. 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

13. Implementation of Treasury Strategy within the Treasury Policy Framework.

ATTACHMENTS

Nil

9.3 Update on Audit New Zealand Recommendations and Annual Report 2022 Asset Valuation Risks

File Number: A13439835

Author: Sheree Covell, Treasury and Financial Compliance Manager

Marin Gabric, Senior Financial Accountant

Kathryn Sharplin, Manager: Finance

Authoriser: Paul Davidson, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. The purpose of this report is to provide the committee with an update on the recommendations made by Audit New Zealand as part of the audit of the 2021 Annual Report.
2. The recommendations were presented to the Committee on 28 March 2022 and the committee requested that a progress update was provided in June 2022.
3. The secondary purpose of this report is to outline the risk associated with asset values impacting on the audit of the 2022 Annual Report

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Update on Audit New Zealand Recommendations and Annual Report 2022 Asset Valuation Risks

EXECUTIVE SUMMARY

4. The Audit New Zealand report on the Tauranga City Council's 2021 Annual Report includes 13 unresolved recommendations classed as necessary to address. Attachment A details which recommendations have been addressed and provides a plan for those still outstanding.
5. The initial work for the 2021-22 Annual report has identified potential issues regarding the fair value of assets categorised as 3 waters assets and land and buildings. The values in the accounts are as they were at 30 June 2020 and may be materially below fair values at 30 June 2022, triggering the requirement for full revaluation. Available resourcing, the migration of three waters data to a new system and timeframes to complete a full revaluation mean there is a risk that revaluations, if required, would not be achieved in time for adoption of the annual report in December. Staff will report back to this committee once the fair value assessments are completed and further discussions have been held with Audit New Zealand.

DISCUSSION

2021 Annual Report – Audit Recommendations

6. The Audit New Zealand report on the Tauranga City Council's 2021 Annual Report includes 13 unresolved recommendations classed as necessary to address. Audit New Zealand prioritises its recommendations as Urgent, Necessary and Beneficial. This report covers recommendations that have been categorised as necessary which means they are required to be addressed at the earliest reasonable opportunity, generally within six months. No urgent recommendations were identified.

7. Attachment A details which recommendations have been addressed and provides a plan for those still outstanding. Of the 13 recommendations all have been addressed within the business and will be reviewed by Audit during their 2022 audit process, it is expected that most will be closed during this process, with others continuing to be addressed.

2022 Annual Report – Asset Valuations

8. Land, buildings and infrastructural assets (except land under roads) are revalued on a three yearly valuation cycle to ensure that their carrying amount does not differ materially from fair value. The order of revaluations during an ordinary reporting cycle is as follows:
- Year 1: Land & Buildings
 - Year 2: 3 Waters, Roading & Marine
 - Year 3: Airport, Parks Infrastructure
9. This year the revaluation of Roading Network and Marine assets are occurring in cycle.
10. The 3 Waters assets were revalued out of cycle as part of last year's annual report based on advice from our asset management team that unit rates appeared low. The assets were revalued to 30 June 2020.
11. For assets not due for revaluation, council annually undertakes a fair value assessment to confirm that the values shown in the accounts fairly reflect current values. Given increasing property values and costs, there is a risk that the fair value assessment of these assets will result in a material increase in the fair value of TCC's total assets. This would trigger the need for a new revaluation of the 3 Waters assets and Land & Buildings. Such a revaluation as part of this annual report would be problematic. The shortage of valuation resource both for 3 Waters assets & land and Buildings could affect ability to meet annual report timeframes. Furthermore, for 3 waters, the incomplete migration of data to the new asset management system means it would be problematic to complete a full revaluation of waters assets.
12. The risk of revaluation problems is being raised at this time for information, noting that the options should a full revaluation be required would include:
- (a) A delay in finalisation of the annual report beyond the 31 December 2022 Statutory deadline with TCC in breach of statutory reporting obligations or
 - (b) Not undertaking the revaluation in which case Audit NZ may present a modified opinion of the 2022 Annual Report to the extent that the reader could not rely on the Fair Value of TCC's assets.
13. TCC have engaged GHD to undertake the fair value assessment of the 3 Waters assets and Quotable Value (QV) for Land & Building assets which will be completed in line with the 2022 Annual Report process. The results of the fair value assessments and the formal revaluation of Roading Network assets and Marine assets will be evaluated by Audit New Zealand to determine whether the results breach any materiality thresholds. The materiality threshold will include evaluation against individual assets classes and the entire asset base.
14. Audit New Zealand has indicated that an increase of more than 10% of the asset base would be deemed material. If it is deemed that the increase in the value of the assets that have undergone fair value assessments does breach the materiality threshold TCC will be required to undertake a subsequent revaluation of it 3 Waters, Land and Building classes.
15. A full formal revaluation of 3 Waters assets is not likely to be completed within the legal timeframe for signing off an Annual Report due migration to the new Waters Asset System which is currently still underway. Furthermore, available resources
16. In the situation that a revaluation is not undertaken Audit NZ have advised that TCC will risk having a qualified audit opinion regarding this matter.

STRATEGIC / STATUTORY CONTEXT

17. The audit of the Annual Report is a requirement under the Local Government Act 2002.

OPTIONS ANALYSIS

18. There are no options presented in this report.

FINANCIAL CONSIDERATIONS

19. There are no financial considerations presented in this report.

LEGAL IMPLICATIONS / RISKS

20. There are no legal implications or risks associated with the recommendations raised by Audit New Zealand.
21. The risk regarding requirement for significant asset revaluations has been advised and further update will be provided of the fair value assessment and implications once this information is known.

CONSULTATION / ENGAGEMENT

22. There is no public consultation required.

SIGNIFICANCE

23. 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.
24. 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.
25. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

26. 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

27. Audit New Zealand will commence the audit of the 2022 Annual Report including the typical control and system tests in June 2022.
28. The draft 2022 Annual Report will be presented to the Committee on 12 September 2022.

ATTACHMENTS

1. **Responses to Audit Recommendations - A13459293**  

9.4 Adoption of Remission and Postponement of Rates on Māori Freehold Land Policy

File Number: A13335855

Author: Jim Taylor, Transactional Services Manager

Emma Joyce, Policy Analyst

Authoriser: Paul Davidson, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. To deliberate on, and adopt, the draft Remission and Postponement of Rates on Māori Freehold Land Policy (draft policy) (attachment one).

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Adopt the draft Remission and Postponement of Rates on Māori Freehold Land Policy.

EXECUTIVE SUMMARY

2. The Strategy, Finance and Risk Committee (the Committee) adopted the draft policy for consultation at its March 2022 meeting. A total of six submissions were received during the consultation period with one submitter being heard at a hearing on 8 June 2022.
3. This report responds to issues raised through both the written and verbal submissions and invites decision on options arising prior to adoption of a final policy.

BACKGROUND

4. Council is required to review its policy on the remission and postponement of rates on Māori freehold land by 1 July 2022 in response to the Local Government (Rating of Whenua Māori) Amendment Act 2021. This Act introduced provisions to the Local Government (Rating) Act (LG(R)A 02) and Local Government Act 2002 (LGA 02) to better enable development of Māori freehold land, particularly for housing and papakāinga, and to modernise rating legislation affecting Māori freehold land. Policies on the remission and postponement of rates on Māori Freehold Land must now also support the principles in the Preamble to Te Ture Whenua Māori Act 1993 (TTWMA 93).
5. The new provisions at section 114A of the LG(R)A 02 require Council to consider the outcomes to be achieved from developing Māori land, including providing additional housing and employment opportunities and future increase in council's rating base. Developing Māori freehold land for the economic, social and cultural benefit of the owners and beneficiaries will benefit the whole community. New housing and associated papakāinga will further Māori cultural identity and iwi / hapū connection to Tauranga Moana. It will also reduce the overall shortfall of healthy housing for everyone in our community through increased supply and reduced demand for rentals or privately-owned homes. Creating commercial business ventures on Māori freehold land will create new jobs within our rohe and benefit our city and the wider region's economy.
6. At its March 2022 meeting, the Committee provided feedback that it would be ideal if policies on the remission and postponement of rates on Māori freehold land are the same between Tauranga City and Western Bay of Plenty District Councils. Staff advice at the time was that the only difference was in the level of remission. Since then, it has been confirmed that Western Bay do not have a level of remission or timeframe in which remissions would be granted specified in their policy. This is consistent with our policy.

SUBMISSION ANALYSIS

7. A total of six submissions were received on the policy. Submissions opposed to the policy either stated that council was setting its policy based on race or overstating the differences between Māori freehold land and general land. These matters are addressed in the background section to the draft policy. No further changes are recommended.
8. Both the submissions from Ngā Pōtiki ā Tamapahore Trust and Ngāi Tukairangi acknowledged the work done to bring a tiriti lens to the policy, while noting that there is always room for improvement. The incorrect legislative reference in the draft policy pointed out in the Ngā Pōtiki submission has been corrected in the attached draft version. Staff have also accepted the recommendation to refer to iwi and hapū in the principle at 5.3. These changes have been made in the attached draft policy and highlighted for reference.
9. Ngā Pōtiki also queried the meaning of “defined and agreed” at clause 6.2.1. This refers to the agreements we will have with owners of land under development to ensure both parties understand the area(s) eligible for remission under the draft policy. No change to the policy is recommended.
10. One matter requiring further consideration by the Committee is treatment of land returned as commercial redress where part of the land is retained for a housing purpose. This is discussed at issue one below.

OPTIONS ANALYSIS

Issue 1 – Land returned as commercial redress

11. The draft policy as consulted states in the scope (clause 2.3) that “Land returned for commercial redress will not generally be eligible for remission under this policy”. This recognises that remitting rates on land that may already be developed or providing a commercial benefit was inconsistent with the purpose of the policy to provide support for undeveloped land. However, the submission from Ngā Pōtiki noted a significant amount of land returned to Ngā Pōtiki as commercial redress will be used for housing Ngā Pōtiki whānau. Excluding this land from the policy might be inconsistent with the policy purpose (and relevant legislation).
12. There are three options the Committee could consider in addressing this issue.
 - Option 1.1 – clause 2.3 remains as in the draft meaning commercial redress properties are not explicitly eligible for remission or postponement under the policy. (However, the use of generally suggests there may be circumstances where such land would be eligible).
 - Option 1.2 – clause 2.3 is deleted and commercial redress land becomes eligible for rates remission.
 - Option 1.3 – clause 2.3 remains but notes that such land may be eligible for a rates postponement. Postponed rates would only become due if the land use changed from community housing to a different purpose. Postponed rates will be waived once the development is complete, noting that rates would become liable when the development is complete or persons are residing in the home.

Option	Advantages	Disadvantages
1.1 Retain clause as in draft policy as consulted – no explicit provision allowing rates remission for commercial redress land	<ul style="list-style-type: none"> • Mitigates any risk of remitting rates on land reserved for housing later being used for a commercial purpose • The use of “generally” suggests there may be incidences where commercial redress land is eligible for remission under the 	<ul style="list-style-type: none"> • Does not recognise that commercial redress treaty settlement land may be used for housing whānau (similar to Māori freehold land). • Potentially inconsistent with principles in Preamble to TTWMA 93 to support the development of Māori land and the intent and

Option		Advantages	Disadvantages
		policy	<p>purpose of the draft policy</p> <ul style="list-style-type: none"> Does not recognise broader outcomes to be achieved through developing Māori land Use of “generally” makes it unclear in what circumstances commercial redress land would be eligible
1.2	Provide for rates remission on commercial redress land and delete clause 2.3	<ul style="list-style-type: none"> Consistent approach to Māori land in the policy 	<ul style="list-style-type: none"> Potentially inconsistent with intent and purpose of draft policy to provide for development of land that would otherwise be unused or have no income earning potential Potential risk to council of remitting rates on land later used for a commercial purpose
1.3	Provide for rates postponement on commercial redress land retained for housing with the postponed rates wiped upon development. If land used for non-housing will be required to pay postponed rates (recommended)	<ul style="list-style-type: none"> Recognises that some commercial redress land may be used for housing whānau Consistent with the principles in the Preamble and criteria at schedule 11 to LGA 02 to support the development of Māori land Consistent with the intent of the outcomes at s114A to <i>inter alia</i> provide housing and employment opportunities Mitigates any risk of council remitting rates on land later used for a commercial purpose 	<ul style="list-style-type: none"> Nil

13. The recommended option is highlighted at clause 6.7.1 of the draft policy.

Issues outside of scope

14. Ngā Pōtiki noted in its submission that the current policy to provide grants for development of papakāinga or community housing does not apply to undeveloped treaty settlement land. While outside the scope of this policy, this feedback has been noted for consideration as part of the next review of the Grants for Development Contributions on Papakāinga Housing Policy.

STRATEGIC / STATUTORY CONTEXT

15. 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. These criteria are listed at schedule 11 to LGA 02 – Matters relating to the relief of rates on Māori freehold land. This is in addition to the recent requirement noted above that those policies must also support the principles contained within the Preamble to TTWMA 93.

16. 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.

FINANCIAL CONSIDERATIONS

17. There are 442 Māori freehold land rating units (and 152 separate occupied portions) 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. Should the committee accept the draft policy, an initial assessment of the impact concluded that it is less than 0.02% of the annual rates budget (approximately \$50,000).
18. 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

19. The draft policy meets council's legislative requirement to review the draft policy by 1 July 2022 and to show support for the principles in the Preamble to Te Ture Whenua Māori Act 1993.

CONSULTATION / ENGAGEMENT

20. Staff met with Te Rangapū on three occasions prior to the adoption of the draft policy.
21. Staff contacted the owners of Māori freehold land inviting submissions on the draft policy.
22. Submissions on the draft policy were invited from 26 April to 16 May. A total of six submissions were received with one being heard by the Committee at the 8 June hearing.

SIGNIFICANCE

23. 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.
24. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
25. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.

ENGAGEMENT

26. Taking into consideration the above assessment, engagement already undertaken and that the decision is of medium significance, staff are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

27. The policy will be made available on the website and circulated to owners of Māori freehold land. Staff can set aside time to work with owners to apply for any applicable remission. Remissions will be available from 1 July 2022.

28. Ngāi Tukairangi suggested an early review of the policy to understand how iwi and hapū found the application process and indeed if they were aware of the policy. The policy is required to be reviewed every six years, however, an earlier review is an option should either council or applicants identify a need to do so.

ATTACHMENTS

1. **Draft Remission and Postponement of Rates on Māori Freehold Land Policy for adoption - A13545721** [↓](#) 

9.5 Adoption of the draft Rates Remission Policy and the draft Rates Postponement Policy

File Number: A13335909

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

Authoriser: Paul Davidson, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. To deliberate on and adopt the draft Rates Remission Policy (attachment one) and the draft Rates Postponement Policy (attachment two) (the draft policies).

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Adopt the draft Rates Remission Policy.
- (b) Adopt the draft Rates Postponement Policy.

EXECUTIVE SUMMARY

2. The Strategy, Finance and Risk Committee (the Committee) adopted the draft policies for consultation at its March 2022 meeting. Submissions were invited from 27 April to 18 May 2022. A total of nine submissions were received on the draft Rates Postponement Policy and five submissions the draft Rates Remission Policy
3. This report provides an opportunity for the Committee to deliberate on issues arising from the submissions prior to adopting final policies.

BACKGROUND

4. In general, all ratepayers are expected to pay rates. However, rates postponement and remission policies allow Council to recognise financial or other special circumstances where ratepayers may require support to manage their rates payments. 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.
5. 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).

Rates Remission Policy

6. The rating valuation of gold kiwifruit orchards now includes the value of the gold kiwifruit (G3) licence. As this may result in significant rates increase for owners of such orchards, council proposed a new temporary rates remission for gold orchards. The remission would apply to the portion of rates increase attributed to the capital value of the gold kiwifruit with 100% remission in year one and two thirds remission in year two.
7. This approach also recognises that inclusion of the G3 license in rating valuations is subject to further review in the High Court following a decision of the Land Valuation Tribunal that it should not be included in the rating valuation.
8. Correspondence was received (including one submission) commenting on the inclusion of the G3 licence in the rating valuation and possible legal action. Staff have noted these comments, however, they cannot be addressed through this policy. The proposed remission

would mean that the G3 licence would not impact the 2022/2023 rates on gold kiwifruit orchards.

9. The following matters were raised in submissions with respect to the Rates Remission Policy:
 - Not having the remission for gold kiwifruit orchards
 - Extending rates remission for green kiwifruit orchards
10. As noted above, the rates remission recognises the likely increase in rates for gold kiwifruit orchards should the G3 licence be included in the rating valuation. This increase would not be seen by green kiwifruit orchards. Green kiwifruit orchards subject to a boundary adjustment would be eligible for a rates postponement (should the draft postponement policy be adopted).
11. Staff do not recommend any amendments to the draft policy on the issues noted above. The submissions do not raise matters that were not already discussed as part of the development of, and consultation on, the draft policy. No further decision-making is required regarding the Rates Remission Policy.

Rates Postponement Policy

12. Council is committed to fair and equitable rates. Providing for postponement of rates where the ratepayer is experiencing financial hardship recognises that there may be circumstances where a ratepayer requires additional support to manage their rates payments. As such, the draft Rates Postponement Policy reduced the criteria for accessing postponement to ensuring the ratepayer had at least 25% equity in the property and was unable to access support from private sector financial institutions. An additional criterion was added noting that applications for postponement must only be for the property the ratepayer was currently residing in. The draft Rates Postponement Policy also committed staff to work with ratepayers to access the Government rates rebate scheme prior to seeking postponement on the ground of financial hardship.
13. The draft Rates Postponement Policy also extended the current provision for postponement of rates on farmland to properties recently moved into the Tauranga City Council area and subject to a potential future rezoning from rural to urban uses. This postponement acknowledges that a rezoning may increase the capital value of a property but that owners may not be able to realise the benefits of that rezoning for some time. Staff contacted submitters five and six to clarify that the financial hardship criteria do not apply to the boundary adjustment properties.
14. Of the nine submissions on the Rates Postponement Policy, four were in support and five opposed. Most submissions were in respect of the postponement for boundary adjustment properties.

Rates postponement on ground of financial hardship

15. With regards to postponement for financial hardship, one submitter suggested setting rates based on the income of ratepayers. Rates are assessed on the capital value of a property. This means that some ratepayers on limited or fixed incomes may pay high rates due to the value of their property. However, the Rating Act only allows councils to set rates based on property value and not on the income of the ratepayer.
16. A submitter suggested Council 'top up' the Government rates rebate scheme. This is discussed at issue one below.

Rates postponement for boundary adjustment properties

17. One submitter suggested in respect of boundary adjustment properties that the rates should not be assessed on highest and best use. Staff met with this submitter to confirm that rates would not be assessed on the basis his land was fully developed (post future rezoning).
18. Other matters raised by submitters who are ratepayers of boundary adjustment properties are as follows;

- Requiring only two years of postponed rates to be paid for the boundary adjustment properties (issue two)
- Providing for rates remission for boundary adjustment properties (rather than postponement) (issue three).

OPTIONS ANALYSIS

Issue 1: Top up of Government rates rebate

19. At present, eligible ratepayers can get a rebate of up to \$665 through the Government Rates Rebate Scheme. The draft policy as consulted noted that staff would support ratepayers to access that scheme before applying for rates postponement. The Committee could consider “topping up” the rebate scheme to provide a further refund of rates for ratepayers on low or fixed incomes.

Issue		Advantages	Disadvantages
1.1	Council tops up the Government rates rebate scheme	<ul style="list-style-type: none"> • Recognises the impact of rates on those with fixed incomes (such as New Zealand superannuation) 	<ul style="list-style-type: none"> • Potential impact on rates income and burden on other ratepayers to fund the “top up” • Inconsistent with principle that those who benefit from rates should contribute to them • In general, income redistribution such as rates rebates and top ups are the responsibility of central government not local government
1.2	Council supports ratepayers to access Government rates rebate scheme (as in draft policy) (recommended)	<ul style="list-style-type: none"> • Recognises the impact of rates on those with fixed incomes • Consistent with principle that those who benefit from rates should contribute to them • No impact on Council books or requirement for other ratepayers to fund the “top up” 	<ul style="list-style-type: none"> • Government rates rebate is only a partial refund of rates

Issue 2 – Length of rates postponement for boundary adjustment properties

Issue		Advantages	Disadvantages
2.1	Requiring six years of postponed rates be paid when property sold or developed (as in draft policy) (recommended)	<ul style="list-style-type: none"> • Consistent with treatment of farmland • Consistent with legislation regarding recovery of postponed rates • Council forgoes less rates income 	<ul style="list-style-type: none"> • Nil
2.2	Require only two years of postponed rates be paid when property sold or developed	<ul style="list-style-type: none"> • Acknowledges that payment of six years of postponed rates could be a significant cost when property sold or development 	<ul style="list-style-type: none"> • Inconsistent with treatment of other farmland under the policy and legislation regarding recovery of postponed rates • Council forgoes more rates income

Issue 3 – Providing for rates remission (rather than postponement) for boundary adjustment properties

Issue		Advantages	Disadvantages
3.1	Providing for rates <u>remission</u> for boundary adjustment properties	<ul style="list-style-type: none"> No impact on rates for boundary adjustment properties following rezoning and potential valuation increase 	<ul style="list-style-type: none"> Council forgoes all rates income from eligible properties for an indefinite period May not acknowledge impact on other ratepayers who experience value increase from re-zoning Inconsistent with treatment of farmland similarly impacted by rezoning and development
3.2	Provide for rates <u>postponement</u> on boundary adjustment properties (as in draft policy) (recommended)	<ul style="list-style-type: none"> Council recovers some rates when property is sold or developed Consistent with treatment of farmland 	<ul style="list-style-type: none"> Nil

20. The attached draft policies reflect the recommended options (i.e. no changes from the drafts consulted on). Should the Committee decide not to approve the recommended options, amendments to the draft policies can be recorded as part of the resolution. Amendments would be added to the draft policy prior to uploading to the website as a final adopted version.

STRATEGIC / STATUTORY CONTEXT

21. Section 102 of the Local Government Act 2002 allows councils to adopt policies on the remission and postponement of rates. Where councils have adopted such policies, they must be reviewed prior to 1 July 2024 to confirm that they support the principles in TTWMA 93.

FINANCIAL CONSIDERATIONS

22. There are no financial considerations with the recommended options. As noted in the substantive commentary above, any remission of rates for boundary adjustment properties would have an impact on council rates income.

LEGAL IMPLICATIONS / RISKS

23. While we await the decision of the High Court on including the value of the G3 licence in the rating valuation, the proposed remission will have the same effect as if the value was not included. If the Gisborne Land Valuation Tribunal decision is upheld, the rating valuations will be corrected and the provisions in the draft Rates Remissions Policy will not need to take effect.
24. Correspondence from New Zealand Kiwifruit Growers Incorporated (NZKGI) noted the above legal implications. This correspondence has been circulated to the Committee for their information.

CONSULTATION / ENGAGEMENT

25. Staff contacted all ratepayers of gold kiwifruit orchards, Zespri and NZKGI for feedback on the draft Rates Remission Policy.
26. Staff provided information on the proposed rates postponement policy to properties moved into Tauranga and subject to a potential future rezoning. This included attending a meeting of Redwood Lane, Tauriko ratepayers in mid-May 2022.

27. Copies of the consultation material were placed in the council libraries and service centre. An advertisement was also placed in the 6 May 2022 Weekend Sun.
28. Staff noted any submissions on rates postponement received through the recent long-term plan amendment / annual plan consultation process. As such, staff had a phone conversation with Age Concern Tauranga to answer questions on the proposed changes to the postponement scheme. Age Concern noted their comments on the rates postponement scheme as part of their verbal submission to the annual plan.
29. A total of 14 submissions were received on the draft policies during the consultation period from 27 April to 18 May 2022. A total of three persons spoke to their submissions at the hearing on 8 June 2022.

SIGNIFICANCE

30. 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.
31. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
32. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of medium significance.

ENGAGEMENT

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

NEXT STEPS

34. Subject to any amendments made at this meeting, the final adopted policies will be made available on the Council website. Eligible ratepayers will be able to apply for applicable remissions or postponements from 1 July 2022.

ATTACHMENTS

1. **Draft Rates Remission Policy 2022 (for adoption) - A13556969**  
2. **Draft Rates Postponement Policy 2022 (for adoption) - A13556957**  

9.6 Tauranga Events Action and Investment Plan

File Number: A13251136

Author: Nelita Byrne, **Manager: Venues & Events**

Authoriser: Barbara Dempsey, **Acting General Manager: Community Services**

PURPOSE OF THE REPORT

1. This report presents the Tauranga Events Action and Investment Plan for adoption.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report titled 'Tauranga Events Action and Investment Plan'.
- (b) Adopts the Tauranga Events Action and Investment Plan (Attachment A) to guide event priorities, work programmes and ongoing investment in events in Tauranga.
- (c) Recognises a priority action is resourcing the involvement of iwi and hapū of Tauranga Moana in Wānanga to determine how Manaakitanga can be embedded within the aspiration to be the best host city in Aotearoa.
- (d) Authorises minor amendments to ensure accuracy and correct drafting errors if required prior to publication.

EXECUTIVE SUMMARY

2. The Tauranga Events Action and Investment Plan reflects Council's commitment to supporting and developing events. It was developed in partnership with Tourism Bay of Plenty, Bay Venues and Priority One, who are integral to the successful delivery of this plan. Developing the plan together was intentional to set the scene for ongoing collaboration in the events space.
3. The process to develop the plan reinforces that Tauranga is heading in the right direction in the events space. It has helped to understand where we have come from, where we are now and where we need to head in the future.
4. Many things are being done well and need to continue to be supported. There are also significant gaps and opportunities, such as the need for fit for purpose venues and a proactive and coordinated approach to attracting major events and business events. Given the significant benefits that events bring to Tauranga and the region, it is important to continue supporting and investing in events for the city.
5. This plan sets out what we want to achieve for events in Tauranga, goals and an action plan to be implemented over the next ten years. It provides a starting point in signalling the aspiration to be the **best host city in Aotearoa** where we will establish a hosting standard reflective of our people and our places that is not seen anywhere else in the country. Tangata Whenua are integral to this aspiration and Wānanga with iwi and hapū of Tauranga Moana will provide an authentic process to determine how best to embed Manaakitanga within this aspiration.

BACKGROUND

Where we have come from

6. Tauranga has gone from strength to strength in the events space over the last 10-15 years. From the 2000's where there was minimal investment in Council staff, funding and event infrastructure through to today, where increased investment in people and funding for the

delivery of events has paid off with a thriving events scene and good reputation as an event friendly and enabling city.

7. Now there is a need for clear direction, actions and priorities to guide the next 10 years.

Why this plan was developed

8. This is the first plan developed for events in Tauranga and has therefore helped to achieve:
- One consolidated document that helps us all to be on the same page about what we want to achieve for events in Tauranga and the actions we need to focus on.
 - Identification of key partners and relationships to ensure successful delivery.
 - Clarification of responsibilities between the key partners in delivery of the plan.
 - An understanding of community expectations of events in Tauranga (eg. more events, range of genres, free local community events through to large scale entertainment).
 - An understanding of the event industry needs in this space (eg. fit for purpose venues, support, collaboration, funding).
 - An understanding of the value and benefits of events to the city (economic, social, cultural, environmental).
 - The ability to align events with the city's strategic direction (city vision, community outcomes, Tourism BOP DNA, Priority One objectives).
 - Identification of goals and actions required to maximise the benefits of events for our city.
 - Provided the ability to get a little bit aspirational!

How the plan was developed

9. Development of the plan built on feedback received through engagement with tangata whenua, key stakeholders including BOPRC, WBOPDC, Waka Kotahi, emergency service providers and the events industry, and general community feedback received through a survey in July 2021 and from other processes such as Vital Update.
10. The process commenced in early 2021 and has taken longer than planned due to COVID delays. It is not considered necessary to consult on a draft plan as it very much reflects and responds to the outcomes of this engagement. Also staff are keen to progress the actions particularly regarding development of the major events and business events frameworks and facilitating Wānanga to inform the best host city aspiration.
11. A draft plan was shared with the boards of Bay Venues and Tourism BOP in May 2022 and feedback incorporated into the final plan attached.

Goals for events

12. The plan identifies six goals and the actions required to achieve each goal. The majority of actions are prioritised to be delivered over the next 3 years subject to resourcing.

	Goals	Why it's important
1.	Develop a strategic and collaborative approach to priorities and investment in major events and business events.	Significant role of major events in delivering social and economic benefits. Business events are an untapped market with significant economic benefits for the city. No clear and coordinated approach in place to maximise outcomes.
2.	Support the development and sustainability of the events	Tauranga has built a reputation as an event friendly and enabling city and it is important this reputation continues to be

	industry in Tauranga.	maintained. However, the quantity, scale and complexity of events are growing, resulting in increased resourcing challenges to continue to provide this level of service. COVID-19 has created significant uncertainty for events and there is a need to continue to support the sector through these times.
3.	Support events that reflect and celebrate our people and our places.	Tauranga's strategic direction is helping to shape who we are as a city and what is important to us. Aligning events to this direction will help to attract, support and invest in events that deliver the best possible outcomes for the city.
4.	Improve the promotion and marketing of events to both local and national audiences.	The community gave us a clear message we need to do better in the way in which events are promoted and marketed. The main barrier preventing someone in Tauranga from attending an event is that they didn't know it was on and it was not easy to find out about events in our city. There is no clear and coordinated marketing strategy promoting what's happening in Tauranga. Nor do we regularly highlight our achievements in the events space.
5.	Become the best host city in Aotearoa.	We know we are already doing some great things in this space as we recognise it is the combination of an event and the experience of the destination that delivers the best rewards. We want to take this further and put in place a deliberate approach to do what we can to deliver exceptional experiences and enjoy the best of what Tauranga has to offer. Tangata Whenua are integral to us becoming the best host city in Aotearoa. It is also important that our community are on this journey so that together we provide experiences that are authentic and that build our pride and reputation.
6.	Plan for and develop fit for purpose event venues and infrastructure.	Tauranga lacks fit for purpose event venues that support the ability to grow across all sectors, including entertainment, sports, performing arts, cultural events and business events. Many venues require compromise, adeptness and innovative thinking to deliver quality events. Historical underinvestment in facilities is starting to be corrected. This presents an opportunity to develop fit for purpose, inclusive event venues and is critical to the success of events in Tauranga in the future.

OPTIONS ANALYSIS

Option One (recommended) - Adopt Tauranga Events Action and Investment Plan included in Attachment A

Advantages	Disadvantages
<ul style="list-style-type: none"> Provides clear direction on event outcomes and priorities for the next ten years. Recognises need for collaborative 	<ul style="list-style-type: none"> Will require additional resourcing primarily in terms of staff time, external consultants in some cases (eg delivery of the major events framework), and involvement of iwi and hapū in implementation of some of

<p>approach.</p> <ul style="list-style-type: none"> Identifies the benefit of events to the city and the role they have in delivering on the city's strategic direction. 	<p>the actions.</p>
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Option Two - Do not adopt Tauranga Events Action and Investment Plan included in Attachment A

Advantages	Disadvantages
<ul style="list-style-type: none"> No additional resourcing requirements (although likely that some actions will need to happen anyway). 	<ul style="list-style-type: none"> No clear direction on event outcomes and priorities for the next ten years. No document that recognises need for collaborative approach and outlines roles and responsibilities in achieving this or identifies the benefit of events to the city and the role they have in delivering on the city's strategic direction.

CONSULTATION / ENGAGEMENT

- Community engagement took place throughout 2021 and early 2022 to inform development of the plan, as referenced in the background section of this report.

SIGNIFICANCE

- 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.
- In making this assessment, consideration has been given to the likely impact, and likely consequences for any persons who are likely to be particularly affected by, or interested in, the decision. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.

NEXT STEPS

- Design and publish the plan and include on Council's and key partners websites, and within the strategic framework.
- Implementation of the actions identified in the plan.

ATTACHMENTS

- FINAL - Tauranga Events Action and Investment Plan (June 2022) - A13399675**  

10 DISCUSSION OF LATE ITEMS

11 PUBLIC EXCLUDED SESSION**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATIONS**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
11.1 - Public Excluded Minutes of the Strategy, Finance and Risk Committee meeting held on 14 February 2022	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities 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)	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 28 March 2022	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret s7(2)(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 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 s7(2)(d) - The withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of	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>the public</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>11.3 - Exemption to Open Competition: Mauao Placemaking Project – Professional Services & Physical Works for Cultural Interpretation</p>	<p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</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>

12 CLOSING KARAKIA