



AGENDA

Strategy, Finance and Risk Committee meeting Monday, 14 November 2022

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

Date: Monday, 14 November 2022

Time: 9.30am

**Location: BoP Regional Council Chambers
Regional House
1 Elizabeth Street
Tauranga**

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

**Marty Grenfell
Chief Executive**

Terms of reference – Strategy, Finance & Risk Committee

Membership

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

Role

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

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

Membership

The Committee will consist of:

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

Voting Rights

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

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

Committee's Scope and Responsibilities

A. STRATEGIC ISSUES

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

A1 – Strategic Issues

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

- Adopt an annual work programme of significant strategic issues and projects to be addressed. The work programme will be reviewed on a six-monthly basis.
- In respect of each issue/project on the work programme, and any additional matters as determined by the Committee:
 1. Consider existing and future strategic context
 2. Consider opportunities and possible options
 3. 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:

4. Health and safety.
5. Risk management.
6. Significant projects and programmes of work focussing on the appropriate management of risk.
7. Internal and external audit and assurance.
8. Fraud, integrity and investigations.
9. Monitoring of compliance with laws and regulations.
10. Oversight of preparation of the Annual Report and other external financial reports required by statute.
11. Oversee the relationship with the Council's Investment Advisors and Fund Managers.
12. Oversee the relationship between the Council and its external auditor.
13. 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:

1. 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.
2. 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:

1. Review, approve and monitor the implementation of the Risk Management Policy, Framework and Strategy including the Corporate Risk Register.
2. Review and approve the Council's "risk appetite" statement.
3. 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.
4. 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:

5. 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.
6. Review and approve annually and monitor the implementation of the Internal Audit Plan.
7. 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.

8. Review the reports of the Internal Audit functions dealing with findings, conclusions and recommendations.
9. 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:

10. Review with the external auditor, before the audit commences, the areas of audit focus and audit plan.
11. Review with the external auditors, representations required by commissioners and senior management, including representations as to the fraud and integrity control environment.
12. Recommend adoption of external accountability documents (LTP and annual report) to the Council.
13. Review the external auditors, management letter and management responses and inquire into reasons for any recommendations not acted upon.
14. 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.
15. 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:

16. Review and provide advice on the Fraud Prevention and Management Policy.
17. Review, adopt and monitor the Protected Disclosures Policy.
18. 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.
19. Review reports from Internal Audit, external audit and management related to protected disclosures, ethics, bribery and fraud related incidents.
20. 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:

21. Compliance with, and the appropriate application of, relevant accounting policies, practices and accounting standards.
22. Compliance with applicable legal requirements relevant to statutory reporting.
23. The consistency of application of accounting policies, across reporting periods.
24. Changes to accounting policies and practices that may affect the way that accounts are presented.
25. Any decisions involving significant judgement, estimation or uncertainty.
26. The extent to which financial statements are affected by any unusual transactions and the manner in which they are disclosed.

27. The disclosure of contingent liabilities and contingent assets.
28. The basis for the adoption of the going concern assumption.
29. 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:
 - make a rate;
 - make a bylaw;
 - borrow money, or purchase or dispose of assets, other than in accordance with the Long-Term Plan (LTP);
 - adopt the LTP or Annual Plan;
 - adopt the Annual Report;
 - 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;
 - adopt a remuneration and employment policy;
 - appoint a chief executive.

Power to Recommend

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

Order of Business

1	Opening karakia	11
2	Apologies	11
3	Public forum	11
4	Acceptance of late items	11
5	Confidential business to be transferred into the open	11
6	Change to order of business	11
7	Confirmation of minutes	12
7.1	Minutes of the Strategy, Finance and Risk Committee meeting held on 3 October 2022	12
8	Declaration of conflicts of interest	20
9	Business	21
9.1	Priority One - Annual Report 2021/22.....	21
9.2	Delivering Better Outcomes - City Waters Enhanced Procurement	41
9.3	Draft Annual Plan 2023/24 - Approach and Key Financials	45
9.4	Annual Report - Update with Consolidation and Final Asset Revaluations	61
9.5	Open Space Level of Service Policy Hearings	66
9.6	Use of Council Land Policy Hearings Report.....	69
9.7	First Quarter Financial and Non-Financial Monitoring report to 30 September 2022.....	72
9.8	Credit rating from Standard and Poors Global Ratings	109
9.9	Review of the Grants for development contributions on Papakāinga Housing and Community Housing Policies.....	119
9.10	Tauranga's Community Carbon Footprint.....	144
9.11	Q1 Report 2022/23 LGOIMA and Privacy Requests.....	185
9.12	2023 Q1 Jul-Sep Health and Safety Report.....	188
10	Discussion of late items	197
11	Public excluded session	197
11.1	Public Excluded Minutes of the Strategy, Finance and Risk Committee meeting held on 3 October 2022	197
11.2	Litigation Report.....	197
11.3	Internal Audit & Assurance - Quarterly Update.....	198
11.4	Corporate Risk Register - Quarterly Update	198
12	Closing karakia	198

- 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 3 October 2022

File Number: A14194774

Author: Robyn Garrett, Team Leader: Governance Services

Authoriser: Robyn Garrett, Team Leader: Governance Services

RECOMMENDATIONS

That the Minutes of the Strategy, Finance and Risk Committee meeting held on 3 October 2022 be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of the Strategy, Finance and Risk Committee meeting held on 3 October 2022



MINUTES

Strategy, Finance and Risk Committee Meeting

Monday, 3 October 2022

Order of Business

1	Opening karakia.....	3
2	Apologies	3
	2.1 Apologies	3
3	Public forum.....	3
4	Acceptance of late items	3
5	Confidential business to be transferred into the open.....	3
6	Change to order of business.....	4
7	Confirmation of minutes.....	5
	7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 12 September 2022.....	5
8	Declaration of conflicts of interest	6
9	Business.....	6
	9.1 Adoption of Ōtūmoetai Spatial Plan.....	6
	9.2 Transport Emissions Projection Tool	7
10	Discussion of late items	9

**MINUTES OF TAURANGA CITY COUNCIL
STRATEGY, FINANCE AND RISK COMMITTEE MEETING
HELD AT THE BOP REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE,
1 ELIZABETH STREET, TAURANGA
ON MONDAY, 3 OCTOBER 2022 AT 9.30AM**

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

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Gareth Wallis (General Manager: City Development & Partnerships), Sarah Omundsen (General Manager: Regulatory and Compliance), Corinne Frischknecht (Senior Urban Planner), Alistair Talbot, (Team Leader: Structure Planning & Strategic Transport), Andrew Mead (Manager: City Planning & Growth), Ceilidh Dunphy (Community Relations Manager), Coral Hair (Manager: Democracy & Governance Services), Robyn Garrett (Team Leader: Governance Services), Anahera Dinsdale (Governance Advisor), Janie Storey (Governance Advisor)

1 OPENING KARAKIA

Te Pio Kawe opened the meeting with a karakia.

2 APOLOGIES

2.1 Apologies

COMMITTEE RESOLUTION SFR10/22/1

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the apology for absence from Ms Matire Duncan be received.

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 CONFIRMATION OF MINUTES

7.1 Minutes of the Strategy, Finance and Risk Committee meeting held on 12 September 2022

COMMITTEE RESOLUTION SFR10/22/2

Moved: Commissioner Stephen Selwood

Seconded: Dr Wayne Beilby

That the open and public excluded minutes of the Strategy, Finance and Risk Committee meeting held on 12 September 2022 be confirmed as a true and correct record.

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Nil

9 BUSINESS

9.1 Adoption of Ōtūmoetai Spatial Plan

Staff Christine Jones, General Manager: Strategy, Growth and Governance
Corinne Frischknecht, Senior Urban Planner
Carl Lucca, Team Leader: Urban Communities

Key points

Sets out the vision for how and where growth would occur between 2022 and 2050 in the Ōtūmoetai peninsula.

Inclusive process in partnership with mana whenua and key stakeholders.

Two rounds of public consultation had been held including a successful social media pinpoint active tool receiving 1,200 comments.

The second round of engagement included 60 projects, with respondents able to share and comment on those projects.

Three Pou established to recognise the cultural significance through future growth - Mana Rangatiratanga, Mana Taiao, Mana Tangata.

Four key strategic outcomes to achieve - unique neighbourhoods, liveable neighbourhoods, connected neighbourhoods, healthy neighbourhoods.

Key centre plans provided an overview of expectations for planning and improvement with the key directions and actions to be taken.

The action plan outlined how to deliver the actions; some were funded, and others would need to be funded with project partners and future Long-term Plans.

Partnership with mana whenua would be essential.

Ongoing implementation would be tested through modelling etc to ensure actions continued to meet the plan and outcomes.

In response to questions

The overview should be changed to provide a stronger emphasis on the well-being of the people that currently lived there.

It was agreed that the area was growing and focus would be on it being a great place to live. Need to consider how to support the wellbeing of the community now and into the future through connected neighbourhoods, parks fit for purpose and used, safe ways to travel etc. Another stage to the project was to package and prioritise actions with funding requirements and whether they included external funding partners.

Adopting the plan did not commit the Council to implementation, it provided a direction of travel to achieve the plan's outcomes. Staff were looking for guidance on what items were considered priorities and would then look at the impact and could refine or remove as required. The plan needed to be finalised for the works to flow into the Long-term Plan (LTP).

Recommendation (c) was changed to - *Endorses in principle the intention and direction of the Ōtūmoetai Spatial Plan.*

The plan would need clear guidance and framework and the three Pou were an important part of that. Prioritisation would sit alongside other citywide discussions.

Consideration of the protection of marae with the growth in the area was being addressed by working closely with Ngai Tamarāwaho with the intensification around Brookfield. It would include how initiatives could be provided around the marae to improve the amenities and public transport links. It was noted that the ability for dwellings to be able to be built up to three stories was out of Council's control but there were view shaft provisions which would remain.

Discussion points raised

More emphasis to be given to the community already living in the area.

Looking into the future - with an anticipated 5,000 more people and 2,200 dwellings - funding required would be substantial, with limited funding in the current LTP. Some of the facilities serviced the city-wide area not just the local community and were a destination for the city.

The meeting congratulated staff on the plan, noting that the community consultation and engagement processes were innovative and good.

The consideration of the Action and Investment Plan would need to be extensively workshopped signalling what items would need to be included into the LTP, the implications of ability to fund through the LTP, which items were on a wish list to possibly be funded into the future and where the accountability lay to measure achievement over a long period of time.

There were items in the plan which could result in tangible change benefits/quick wins within the community.

COMMITTEE RESOLUTION SFR10/22/3

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

That the Strategy, Finance and Risk Committee:

1. Receives the 'Ōtūmoetai Spatial Plan' report.
2. Acknowledges the contribution from the community through the engagement process and notes that this input has been reflected within the Ōtūmoetai Spatial Plan presented for consideration.
3. Endorses in principle the intention and direction of the Ōtūmoetai Spatial Plan.
4. Notes that a further Strategy, Finance and Risk Committee discussion is required to address the issue of prioritisation and funding of actions within the proposed Plan.

CARRIED

9.2 Transport Emissions Projection Tool

Staff Alistair Talbot, Team Leader: Structure Planning & Strategic Transport

External Craig Richards and Rick Lomax - BECA

Key points

A power point presentation outlined the purpose of the projection tool, which was to aid Council's understanding of potential for specific interventions or levers needed to achieve emissions reduction targets.

National decarbonisation level to reduce 41% by 2035 on the 2019 emissions level was set but how this would be achieved was still being engaged on.

The Ministry of Transport had determined a target for Tauranga City Council (TCC) of 21%.

Bay of Plenty Regional Council had provided a community carbon footprint assessment setting out greenhouse gas levels for TCC for three years – the assessment's broader emissions included marine and airport as well as land transport.

The projection tool developed covered all different modes of road transport, how people and goods were carted around, the type of vehicles and fuel used.

Model hierarchy noted the different variables included kilometres travelled, travel avoidance measures, mode shift, fuels to give outputs and changes in vehicle kms travelled 2035 and 2050 horizons.

Scenarios included working from home and the limited impact this had on emissions.

Scenario C noted that improving the way freight moved from road to rail with a greater shift to hybrid and electric vehicles would have a considerable impact on emissions.

Council was able to influence some levers more than others.

In response to questions

Queried how significant behaviour change proposed could be achieved without being given an understanding of why the changes in behaviour were needed.

It was suggested it would be interesting to compare the during and post Covid vehicle use with today's vehicle use, and whether there was an increase in people working from home, trips avoided, percentage of car sharing etc.

The tool showed the size of the challenges within a growing city that had a car dependency.

The government fundability was high on aspiration and low on funding with a suggestion that the TCC share would be around \$15m. This was not considered anywhere near enough and no rigour seemed to be given around the feasibility of that by the government.

Ongoing conversations were being held with the Ministry of Transport about confirming national targets and sharing the tool with them. Engagement would continue with key partners.

Waka Kotahi was developing guidance which would apply to a number of workstreams and business cases.

The Climate Change Action and Investment plan visions were already set and were working towards 2050 emissions.

Nationally there was no agreement for who was responsible for marine freight around the country, therefore there was currently no requirement to include marine freight. This may need to be integrated going forward.

The transference of mode from road to marine transport had pros and cons, it included the amount of freight and how it moved to and from the port. Air freight was more carbon intensive than other forms. There were opportunities at a national level to consider this.

Everyday use of vehicles was one of the areas that could not easily be addressed. Different land use patterns including intensification etc were not addressed. There may be other methods outside of the tool to assist with those.

Discussion points raised

Congratulations was passed on to the team for developing the tool, it was leading edge, and it was noted that the Ministry of Transport had expressed an interest in using the tool.

COMMITTEE RESOLUTION SFR10/22/4

Moved: Commissioner Stephen Selwood

Seconded: Mr Bruce Robertson

That the Strategy, Finance and Risk Committee:

- Receives the report "Transport Emissions Projection Tool".

CARRIED

Attachments

- 1 Transport Emissions Projection Tool Presentation PDF

10 DISCUSSION OF LATE ITEMS

Nil

The closing karakia would take place at the end of the Council meeting to follow this meeting.

Resolutions transferred into the open section of the meeting after discussion

Nil

The meeting closed at 10.48 am.

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

.....
CHAIRPERSON

8 DECLARATION OF CONFLICTS OF INTEREST

9 BUSINESS

9.1 Priority One - Annual Report 2021/22

File Number: A13875256

Author: Lisa Gilmour, City Partnership Specialist

Authoriser: Gareth Wallis, General Manager: City Development & Partnerships

PURPOSE OF THE REPORT

1. That Council receives Priority One's Annual Report for 2021/22, in accordance with the terms of the joint service delivery contract between Priority One and the two councils.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Priority One - Annual Report 2021/22".

EXECUTIVE SUMMARY

1. Priority One's Annual Report for 2021/22 covers the key outputs of their work during that period.
2. The report, provided at Attachment 1, addresses the requirements under the partnership agreement with Tauranga City Council and Western Bay of Plenty District Council to report annually to Council on actions taken.
3. Priority One align their agreed priorities set out in the partnership agreement with those of their board and membership base through their strategic plan.
4. The contract with Priority One is in accordance with the status and powers of local government as set out in section 12 of the Local Government Act 2002.

BACKGROUND

5. The Annual Report is provided by the economic development agency to Council as part of its role to ensure the organisation's performance is consistent with Council's partnership agreement with them.
6. Priority One is the Western Bay of Plenty's economic development organisation, established in 2001 by the business community in partnership with the sub-region's local authorities. Priority One's role is to grow the economy of the region. They work with local authorities to ensure local government and business needs and aspirations are aligned.
7. Key achievements outlined in the report include:
 - Ara Rau skills and employment hub have supported over 200 people into sustainable employment or training to work pathways in 2021/22. In addition, Ara Rau and Toi Kai Rawa (the region's Māori economic development agency) have worked actively to support Māori economic development and worked closely with local iwi to support their training and employment initiatives.
 - Priority One, in collaboration with member businesses, held a Future of Work Forum with Deputy Prime Minister, Grant Robertson, in February and are now developing a series of activations supporting the development, retention, and attraction of talent to the region.

- Priority One have been collaborating closely with the University of Waikato to support several initiatives to grow Tauranga's reputation as a tertiary destination, with the goal of attracting 5,000 students to study here.
- New scholarships and degree offerings have been announced and the first R&D lab has been opened specifically focussed on engineering and technology for primary industries. The lab offers students the opportunity to work on projects including automation, robotics, artificial intelligence, aquaculture, and marine biotechnology. It is another step on our collaborative journey to establish Tauranga as a global destination for innovation.
- Priority One has led the development of Tauranga's CBD Blueprint, which identifies \$1.5 billion in private sector investment into the city centre. This is the result of fostering relationships with key developers and city stakeholders, and promotes the reinstatement of Tauranga's city centre as the civic, commercial and cultural capital of the Bay of Plenty.
- A group called Hydrogen X has been set up to find alternative ways to fuel transport sectors across heavy machinery, port infrastructure, material handling, freight, and public transport. One of the many initiatives includes the establishment of Aotearoa New Zealand's first hydrogen education and training facility, through Te Pukenga – Toi Ohomai, and commencing late 2023.
- Priority One have led the collaboration to undertake a feasibility study investigating a community stadium. A business case is now being completed and due before the end of 2022.
- The Western Bay of Plenty Infrastructure Forum was established in early 2022 as a platform to highlight the infrastructure needs of the region. The group exists to actively discuss key challenges and advocate for the infrastructure needs critical for business success.

STRATEGIC / STATUTORY CONTEXT

8. Council's partnership with Priority One helps us deliver our community outcomes and contribute to a city that is well planned, with a variety of successful and thriving compact centres and resilient infrastructure.
9. A successful economic development organisation plays a key role in making a significant contribution to the social, economic, cultural, and environmental well-being of the region.
10. Tauranga is a city that attracts and supports a range of businesses and education opportunities, creating jobs, and a skilled workforce.

OPTIONS ANALYSIS

11. There are no options as Council is only receiving Priority One's Annual Report for 2021/22.

FINANCIAL CONSIDERATIONS

12. The financial considerations are outlined in the main body of the report.

LEGAL IMPLICATIONS / RISKS

13. The Annual Report meets the legislative requirements for the economic development agency to provide Council with an overview of performance.

CONSULTATION / ENGAGEMENT

14. No consultation or engagement is required or planned.

SIGNIFICANCE

15. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and

Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.

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

ENGAGEMENT

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

NEXT STEPS

19. Priority One will have an opportunity to present their Annual Report and answer any questions during the Committee's consideration of this paper on 14 November.
20. The report will be published on Priority One's website.

ATTACHMENTS

1. **Priority One - Annual Report 2021/22 - A14141184** [↓](#) 



Priority One
Tauranga
Moana

**PRIORITY ONE
WESTERN BAY OF PLENTY
INCORPORATED**

Annual Report 2021/22



TE PAI ME TE WHAI RAWA O TAURANGA MOANA KI TE AO

The prosperity and splendour
of Tauranga Moana to the world

**Enabling
business success**
Championing
business success.

Fostering innovation
Creating an ecosystem
where new ideas
can flourish.

WHAT WE DO
Creating a
prosperous and
sustainable
region

**Attracting talent
and investment**
Enticing the
best people and
businesses to
our region.

Focusing on education
Developing the skills
and talent to drive us
forward. Strengthening
opportunities for
Māori success.

Priority One is supported by businesses
and the following strategic partners:



CONTENTS

Ngā Rārangī Upoko

01

CEO/CHAIR REPORT

Te Pūrongo o te Tāhūhū Rangapū/Tiamana

03

WESTERN BAY OF PLENTY METRICS

Ngā ngahuru ohaoha o Te Tai Hauauru o te Moana o Toi

05

ACHIEVEMENTS

Ngā paetae

09

WORTHY MENTIONS

Ngā kōrero whaitake

12

FINANCIAL STATEMENTS

Ngā tauākī pūtea

16

INDEPENDENT AUDITOR'S REPORT

Te Pūrongo a te Kaitātari Kaute Motuhake

CEO / CHAIR REPORT

Te Pūrongo o te Tāhūhū
Rangapū/Tiamana




Simon Clarke Chair




Nigel Tutt Chief Executive

2021/22 has seen a continuance of the uncertain economic conditions that we have become accustomed to during the past two years, with the impact of COVID restrictions gradually replaced by labour challenges as the primary cause for concern in the economy. Despite this, the Western BOP economy has continued to perform strongly, evidenced by GDP, jobs, and income growth.

What has become clear over the past year is that our region is in a time of exciting ‘step change’ transition as we catch up on desperately needed infrastructure and build a region that will deliver higher living standards. This step change is caused by several factors coming together at once:

- Strong and stable governance in the form of Tauranga City Council’s commission has helped to accelerate progress through a willingness to address core infrastructure growth issues and a delivery-based mindset.
- The continued popularity of the Western Bay of Plenty as an attractive place to do business, led by the Port of Tauranga, Aotearoa’s main import / export hub. Migration to the area remains strong, with the population continuing to grow as people seek better lifestyles and meaningful employment.
- A healthy and diversified business sector that continues to achieve market success, particularly in exports. While challenged by staff availability, horticulture remains a strong sector with excellent growth prospects; likewise, our manufacturing and technology exporters are in good shape.
- The transition of TECT to a community trust, which allows them to contribute even more to our community. In particular, the ability to invest in partnership with other entities benefits social and economic wellbeing.
- The continued growth of the University of Waikato’s footprint in the CBD and the courses it offers. This is only the beginning, and we expect that continued expansion in the coming years will dramatically change our city’s vibrancy alongside better business outcomes.
- The rejuvenation of Tauranga’s CBD as a place to live, work and study is led by twenty catalyst developments. Our CBD Blueprint details these, including Thirty-Eight Elizabeth, Latitude Apartments, High Court, and the Civic Precinct. The Blueprint, at the time of printing, outlined \$1.5 billion worth of investment in the city, which we continue to build on and now is estimated at over \$2 billion worth of investment over the next decade.
- A strong and engaged business community willing to invest (through rate increases) and support the significant infrastructure investments.
- A willingness to work collaboratively with local Iwi /hapu and trusts to both address previous grievances and proactively work together for the future to strengthen our cultural heritage and the Māori economy.

This time of transition means that Priority One’s role in understanding our region’s future needs and helping to deliver economic outcomes and projects is more important than ever. Our work to strengthen Priority One over the past two years, including our new membership structure, longer-term funding agreements with councils and strengthened management, means that we are well placed to play a significant role in this transition.

The willingness to engage and invest in broadening the economic benefit to our community has been admirable. We are proud of the success of our members, in particular, the growth of the start-up community and the resilience shown in challenging times across our industries.

Access to talent for businesses is the most significant economic barrier that we must address now, with extremely low unemployment rates presenting capacity barriers for employers to grow.

Ensuring that our region remains an attractive place for talent in the future and addressing this with employers collaboratively and intelligently, will form a major component of Priority One’s work plan over the next year.

WE ARE PROUD OF THE
SUCCESS OF OUR MEMBERS





WESTERN BAY OF PLENTY METRICS

Ngā ngahuru ohaoaha o Te Tai
Hauauru o te Moana o Toi



Unemployment

3.9%

vs NZ 4.7%



Māori unemployment

5.3%

vs NZ 8.3%



Rental affordability

26.6%

mean weekly rent /
mean household income

vs NZ 22.1%

Source: Infometrics (2021 figures).



Housing affordability

10.8x

mean household income

vs NZ 8.8 x mean household income



Mean annual income

\$59,461

vs NZ \$65,910



Māori mean
annual income

\$54,414

vs NZ \$58,343

priorityone.co.nz



Population

213,300

up 2% in 2021

vs NZ 5,122,600 up 0.6%



Filled jobs

104,227

up 1.7% in 2021



Emissions

43%

of WBOP gross total carbon emissions
are from transportation* (2020/21)

*excluding forestry

2021/22 ACHIEVEMENTS

Ngā paetae

Talent

- Ara Rau skills and employment hub has directly and indirectly supported over 200 people during the 2021/22 year into sustainable employment or training-to-work pathways. This work included three industry open days to support people into construction and infrastructure careers. The success of Ara Rau emphasises the importance of supporting people at risk of long-term disengagement from the labour market by appropriate intervention and help from supportive employers.
- Priority One, in collaboration with member businesses, is focused on bridging the existing skills gap in our workforce and preparing for the Future of Work (FOW). We held a FOW forum with Deputy Prime Minister, Grant Robertson in February and have worked with members to develop a series of activations supporting the development, retention, and attraction of talent to the region. During 2021/22, we consulted over 25 technology and professional services businesses to understand their challenges and are now working to implement key initiatives as part of a collaborative Sector Talent Plan (STP).



- In 2021, Priority One delivered a national student insights study which found Tauranga ranked highly as a destination where young people would choose to work. To take advantage of this, we have developed and are delivering the Tauranga Tertiary Destination 'UniverCity' Action Plan alongside the University of Waikato and Tauranga City Council. This plan is set to grow Tauranga's reputation as a tertiary destination, with a goal of attracting over 5000 students to study in Tauranga, and position the city as a study-to-work destination. The agreed plan covers:
 - Accessible transport and accommodation
 - Creation of a unique atmosphere and urban culture
 - Certainty of career pathway
 - Developing a strong city identity and attraction brand.
- Priority One has delivered several initiatives in collaboration with the University of Waikato around scholarships and degree offerings to further support a pipeline of talent for the region's businesses. These initiatives include the design of a new scholarship pilot which links students with local employment areas of importance within our region. The first of a range of initiatives is a Tauranga City Council Scholarship, which has been planned and will be delivered for summer 2022 with a focus on civil engineering, environmental science, and planning. Priority One and the University of Waikato have also been working together during 2021/22 to establish a platform to launch a fourth-year engineering offering with a strategic focus on mechatronics, mechanical engineering, and civil engineering, to support the demand for talent in this space. The fourth-year offering has been confirmed and will be delivered from early 2023.
- We must position Tauranga as a global destination for talent, business, and tourism. The recent reopening of borders has meant we can reconnect with the world, bringing in international delegates with the Heads of Mission Tour in June 2022. Hosted by Priority One on behalf of Tauranga City Council and supported by the Ministry of Foreign Affairs and Trade, the delegation consisted of Aotearoa New Zealand and Australian-based Heads of Mission, Ambassadors and High Commissioners from 37 countries - the largest domestic delegation of foreign diplomats in recent history. Hosting the diplomats was invaluable for enhancing important international relationships, connecting local businesses to offshore opportunities, and proactively re-engaging with overseas markets after a challenging period.

Innovation

- The University of Waikato, with support from Priority One, has opened the first research and development (R&D) lab specifically focused on engineering and technology for the primary industries. The lab, located in Mount Maunganui, offers industry the opportunity to work with University of Waikato staff and students on R&D projects involving automation, robotics, artificial intelligence, aquaculture, and marine biotechnology and is another step on our collaborative journey as a region toward establishing Tauranga as a global destination for innovation. The lab is home to a number of key research projects.



City Centre

- Priority One has led the development of Tauranga's CBD Blueprint, which identifies over \$1.5 billion in private sector investment into the city centre and key developments happening in the CBD over the next eight years. The Blueprint, the first of its kind for Tauranga, is the result of fostering relationships with key developers and city stakeholders and captures the magnitude of committed development in the CBD while promoting the reinstatement of Tauranga's city centre as a civic, commercial, and cultural capital of the Bay of Plenty. The Blueprint lays the foundation for further development. It will be used to update and encourage additional private and commercial developments and residential accommodation in the city centre, to ensure we are building a city that meets the needs of residents for today, and tomorrow.

Sustainability

- Throughout the Western Bay of Plenty, transportation contributes 43% of all carbon emissions, the most of any sector. Therefore, we must look for alternative ways to fuel our transport sectors across heavy machinery, port infrastructure, material handling, freight, and public transport. Priority One has led the facilitation of 15 stakeholders to form a group called Hydrogen X – Aotearoa New Zealand's first hydrogen ecosystem. Over the past 12 months, many of the stakeholders have established a solid commercial position across several major platforms. These include the production and delivery of hydrogen, the conversion of existing diesel vehicles through electrification and the integration of hydrogen technologies and the establishment of Aotearoa New Zealand's first hydrogen education and training facility, through Te Pukenga, based here in the Western Bay of Plenty and commencing late 2023.



2021/22 ACHIEVEMENTS

Ngā paetae



Māori Economic Development

- Priority One and Toi Kai Rawa (our region’s Māori economic development agency), continue to actively support Māori economic development. In the last financial year, we have delivered several workshops through Ara Rau to support the capability of Māori and Pacifica business owners and increase employment opportunities for Māori. Ara Rau has also worked closely with local Iwi to support their training and employment initiatives. Toi Kai Rawa continues to implement its STEAM (science, technology, engineering, arts, and mathematics) strategy, improving Māori education outcomes and creating pathways into skilled employment.

Infrastructure

- A lack of investment has seen a shortage of quality facilities in Tauranga city. Priority One, in collaboration with Tauranga City Council, Bay of Plenty Regional Council and Sport New Zealand, undertook the latest phase of a feasibility study investigating a community stadium for the benefit of Tauranga and the wider region. The concept of a multi-use boutique stadium on the Tauranga Domain was found to be feasible and the next phase, including a business case, is due to be completed by the end of 2022.
- The Western Bay of Plenty Infrastructure Forum was established in early 2022 in partnership with the EMA, Tauranga Business Chamber, Port of Tauranga, Ballance Agri-nutrients, Urban Task Force, Tauranga Māori Business Association, Tranzliquid and Zespri as a platform to highlight the infrastructure needs of this region. The group exists to actively discuss key challenges and advocate for the infrastructure needs critical for business success.





Image credit: Love Kiwis
9 Priority One Annual Report 2021/22

**WORTHY MENTIONS
ACROSS THE REGION**
Ngā kōrero whaitake

Kiwifruit Breeding Centre

Horticulture plays a vital role in the Western Bay of Plenty economy, and the recent establishment of the Kiwifruit Breeding Centre, a 50/50 joint venture between Zespri and Plant & Food Research, is pivotal for the industry. The centre exists to boost innovation to create healthier, better tasting and more sustainability-focused varieties and to extend our position as the world's leading innovator in kiwifruit.

Priority One acknowledges and thanks all members and funding partners for their ongoing support.

**TAURANGA CONTINUES TO BE A
PLACE OF INTEREST FOR BUSINESSES
LOOKING TO RELOCATE**

City in transition

Tauranga City Council has recently approved the city's long-term plan, setting the foundation for investment into the infrastructure that the city has been lacking, a pivotal time for the city. The Civic Precinct, Cameron Road upgrade and waterfront developments are all examples of crucial public sector investment needed to support the private investment into the city centre and the work alongside the Priority One CBD Blueprint.



Business attraction

Tauranga continues to perform well from a business growth and attraction perspective. Winstone Wallboards, part of Fletcher Building, worked with Priority One to identify Tauranga as the suitable location for their \$400 million GIB manufacturing plant. This forms part of the rapidly developing Tauriko Business Estate.

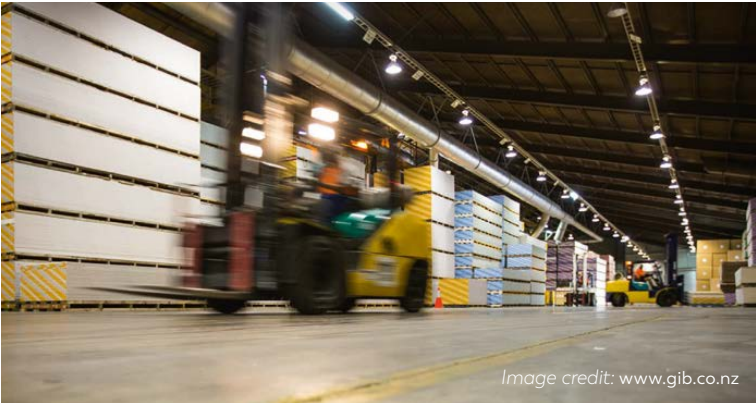


Image credit: www.gib.co.nz

priorityone.co.nz



Strong membership support

Priority One has revised and strengthened our membership structure during the past year. This is needed to ensure future sustainability and impact. Priority One's structure is unique within Aotearoa New Zealand and allows us to be an independent voice for business and have a strong and productive relationship with councils. We acknowledge and express gratitude to all our members for your support and feedback as we undertook this process and thank you all for your ongoing support.

10



Report contents

	Page
Directory	3
Financial statements	
Statement of Comprehensive Revenue and Expense	4
Statement of Changes in Net Assets	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 15
Auditors report	
Auditors report	16 - 18



Directory
as at 30 June 2022

Purpose	Priority One Western Bay of Plenty Incorporated ('the Society') is incorporated under the Incorporated Societies Act 1908. Its purpose is to develop the economy of the Western Bay of Plenty region by building a vibrant economy that retains and attracts talented, skilled and creative people and the businesses that need them.
Chair	Simon Clarke (re-elected 1 January 2022)
Deputy Chair	Te Horipo Karaitiana (appointed 1 November 2021) Kylie Boyd (retired 22 October 2021)
Executive Board	As at 30 June 2022: Marty Grenfell Scott McKenzie Fiona McTavish Steven Saunders Kevin Palmer Peter Tinholt Dan Kneebone Richard Hopkins Wayne Beilby Jon Murie John Holyoake Chistina Finlayson Laura Murphy Resigned/retired during the year ended 30 June 2022: Miriam Taris Matire Duncan
Auditors	Baker Tilly Staples Rodway Audit Limited Level 1, 247 Cameron Road Tauranga 3110
Bankers	ANZ SBS
Business Address	Ground Floor, 29 Grey Street Tauranga 3110
Registered Office	Holland Beckett Lawyers The Hub on Cameron 525 Cameron Road Tauranga 3110



Statement of Comprehensive Revenue and Expense
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Membership Fees	3	470,623	303,805
Funding Revenue	3	2,856,437	2,641,489
Interest Received		3,605	2,489
Dividend income		41,867	-
Other Income		5,698	27,779
Total Revenue		3,378,229	2,975,562
Operating and Project Expenses		1,566,439	1,446,193
Employee Benefits Expense	4	1,209,779	1,005,504
Administration Expenses	5	488,709	368,632
Total Expenses		3,264,927	2,820,330
Net Surplus/(Deficit)		113,301	155,232
Other Comprehensive Revenue and Expense for the Year			
Gain/(loss) in fair value movement of investment in WNT Ventures	8	(24,439)	155,747
		(24,439)	155,747
Total comprehensive revenue and expense		88,862	310,979



Priority One Western Bay of Plenty Incorporated
Financial statements for the year ended 30 June 2022

Statement of Changes in Net Assets

For the year ended 30 June 2022

	Investment fair value reserve	Accumulated Funds	Total Equity
Balance at 1 July 2020	143,096	568,325	711,421
Total Comprehensive Revenue and Expense			
Surplus/(Deficit) for the year	-	155,232	155,232
Other Comprehensive Revenue	155,747	-	155,747
Total Comprehensive Revenue and Expense	155,747	155,232	310,979
Balance at 30 June 2021	298,843	723,557	1,022,400
Total Comprehensive Revenue and Expense			
Surplus/(Deficit) for the year	-	113,301	113,301
Other Comprehensive Revenue	(24,439)	-	(24,439)
Total Comprehensive Revenue and Expense	(24,439)	113,301	88,862
Balance at 30 June 2022	274,404	836,858	1,111,262



Priority One Western Bay of Plenty Incorporated
Financial statements for the year ended 30 June 2022

Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
Current Assets			
Cash and Cash Equivalents	6	772,004	1,084,378
Short term deposits	6	70,856	70,205
Trade and Other Receivables	7	501,794	163,681
		1,344,654	1,318,264
Non-current Assets			
Investments	8	347,788	372,327
Property, Plant and Equipment	9	54,907	75,119
		402,694	447,445
Total Assets		1,747,349	1,765,709
Current Liabilities			
Accounts Payable	10	229,843	277,634
Employee Entitlements	11	51,367	55,442
Deferred Revenue		354,876	377,734
Provisions	12	-	32,500
		636,086	743,310
Total Liabilities		636,086	743,310
Net Assets		1,111,262	1,022,399
Equity		1,111,262	1,022,399

Chair
19 September 2022

Chief Executive
19 September 2022



Priority One Western Bay of Plenty Incorporated
Financial statements for the year ended 30 June 2022

Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
<i>Cash was provided from:</i>			
Membership receipts		374,890	324,788
Funding received		2,577,900	2,541,908
Interest		3,376	3,039
Dividends		41,867	588
Other operating receipts		5,698	27,192
		3,003,729	2,897,514
<i>Cash was applied to:</i>			
Employee and Supplier Payments		(3,270,411)	(2,670,509)
		(3,270,411)	(2,670,509)
Net cash flow - operating activities		(266,682)	227,005
Cash flows from investing activities			
<i>Cash was provided from:</i>			
Capital proceeds from investment distribution		-	133,000
Proceeds from sale of investments		-	15,000
		-	148,000
<i>Cash was applied to:</i>			
Purchase of investments		(32,500)	-
Purchase of short term deposits		(651)	(1,504)
Purchase of property, plant and equipment		(12,541)	(13,267)
Payments to finance leases		-	(4,364)
		(45,692)	(19,135)
Net cash flow - investing activities		(45,692)	128,865
Net cash flow for the year from all activities		(312,374)	355,870
Cash at beginning of year		1,084,378	728,508
Cash at end of year		772,004	1,084,378
<i>Represented by:</i>			
Cash on hand and at bank	6	772,004	1,084,378

The accompanying notes form part of these financial statements

7



Priority One Western Bay of Plenty Incorporated
Financial statements for the year ended 30 June 2022

Notes to the Financial Statements

For the year ended 30 June 2022

1 Reporting Entity

Priority One Western Bay of Plenty Inc. ('the Society') is incorporated under the Incorporated Society's Act 1908. Its mission is to develop the economy of the Western Bay of Plenty region. It was incorporated on 20th April 2001.

The Society is considered a public benefit entity for the purposes of financial reporting in accordance with External Reporting Standard A1 *Application of the Accounting Standards Framework*.

Its purpose is to develop the economy of the Western Bay of Plenty region by building a vibrant economy that retains and attracts talented, skilled and creative people and the businesses that need them.

2 Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

(a) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Principles ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities. The entity has elected to report in accordance with the Tier 2 standards, taking advantage of all disclosure concessions as it is not publicly accountable and has expenses less than \$30 million.

These financial statements were authorised for issue by the Executive Board on 19 September 2022.

(b) Measurement Basis

The financial statements have been prepared on the basis of historical cost, apart from investments which are carried at fair value.

(c) Functional Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar (\$).

(d) Goods and Services Tax

All balances are presented net of goods and services tax (GST), except for receivables and payables which are presented inclusive of GST.

(e) Income tax

Priority One is exempt from income tax under CW 40(1) of the Income Tax Act 2007.

8



Priority One Western Bay of Plenty Incorporated
Financial statements for the year ended 30 June 2022

Notes to the Financial Statements

For the year ended 30 June 2022

3 Revenue

	2022	2021
Membership Fees	\$	\$
<i>Exchange Revenue</i>		

Membership Fees	470,623	303,805
	470,623	303,805

	2022	2021
Funding Revenue	\$	\$
<i>Non Exchange Revenue</i>		

Local Authority Funding	1,665,244	1,874,089
INSTEP Funding	141,525	126,500
Project Funding	1,049,668	640,900
	2,856,437	2,641,489

In the year, the Society received a grant of \$45,000 for the INSTEP programme from BayTrust. As there was no spending on the programme in line with the grant conditions during the year, the full amount has been included in the deferred revenue current liability, with the expectation the funds are to be spent in the next 12 months.

Policies

Membership fees are recognised when invoiced, which is on the date of the member's joining anniversary. Membership fees in-kind are recognised at the end of the year in which the corresponding expenditure has been incurred.

Local Authority Funding - Funding income is recognised as income when it becomes receivable, at the fair value of the amount receivable, unless the Society is required to repay the funding income if requirements are not met. A liability is recognised to the extent that such milestones in the contract are unfulfilled at the end of the reporting period.

Grants - Grant income is only able to be deferred when there is a use or return obligation and the conditions have not yet been met. Included within INSTEP funding and project funding are grants which are recognised initially as deferred income (at the fair value of the consideration received) and then recognised as income when there is reasonable assurance that they will be received and that Priority One will comply with the conditions associated with the grant.



Priority One Western Bay of Plenty Incorporated
Financial statements for the year ended 30 June 2022

Notes to the Financial Statements

For the year ended 30 June 2022

4 Employee Benefits

	2022	2021
	\$	\$

Wages and Salaries	1,136,495	978,057
Other employee benefits	73,284	27,447
	1,209,779	1,005,504

5 Administration Expenses

	2022	2021
	\$	\$

Included within Administration expenses are the following:

Audit Fees	15,000	13,700
Depreciation	21,388	22,264
Rent & Car park lease payments	133,963	134,708

6 Cash and Cash Equivalents

	2022	2021
	\$	\$

Cash and Bank Balances	772,004	1,084,378
	772,004	1,084,378

Policies

Cash and cash equivalents are cash balances that are short term in nature (with an original maturity of three months or less) for the purposes of the Statement of Cash Flows, and are classified as a Loans and Receivables financial asset.

Short Term Deposits have maturities between 90 days and 1 year and are shown as current assets, and are not included as cash and cash equivalents.

7 Trade and Other Receivables

	2022	2021
	\$	\$

Accounts Receivable (Exchange transactions)	463,164	114,653
Accrued interest	538	309
GST Refund	-	4,464
Prepayments	38,092	44,255
	501,794	163,681

Accounts receivable are shown net of allowances for bad and doubtful debts of \$nil (2021: \$nil).

Policy

Accounts receivable are initially measured at fair value, then adjusted for any impairment. Accounts receivable are classified as a Loan and Receivables financial asset.


Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2022

Notes to the Financial Statements

For the year ended 30 June 2022

8 Investments

	2022 \$	2021 \$
Shares - PlantTech Research Institute Limited	-	100
WNT Ventures Limited Partnership	347,788	372,227
	347,788	372,327

Priority One sold its shares in PlantTech Research Institute Limited during the 2022 financial year to PlantTech Research Institute Incorporated, of which Priority One is a member (2021: a share of 10% is held in PlantTech Research Institute Limited).

In March 2022 the shareholders of PlantTech Research Institute Limited resolved to transfer all shares to PlantTech Research Institute Incorporated, of which Priority One is a member. Prior to the transfer a dividend was declared, Priority One received a net dividend of \$40,687. Under the restructure agreement all dividends were then to be immediately paid to the newly set up Society by way of a member's contribution. PlantTech Research Institute Limited is now 100% owned by PlantTech Research Institute Incorporated.

Priority One has entered into an agreement to invest up to \$350,000 over a period of one to five years in WNT Ventures Limited Partnership.

At balance date a share of 10% is held in WNT Ventures Limited Partnership (2021: 10%).

The fair value for WNT Ventures Limited Partnership is based on 10% of the net assets per unaudited financial statements prepared by WNT Ventures Limited Partnership, previously adjusted for calls not yet made. The final call was made in the current financial year.

Previously management has based their assessment of the fair value of the investment in the WNT Ventures Limited Partnership at balance date on information provided in audited financial statements of WNT Ventures Limited Partnership. In 2020, WNT Ventures Limited Partnership changed their reporting basis and no longer include fair value assessments in their audited financial statements. As with 2021, the estimate of fair value has been based on unaudited WNT Management estimates.

PlantTech Research Institute Limited and WNT Ventures Limited Partnership are both considered related parties. Refer Note 14.

Policy

Investments classified as "Available-for-sale financial assets" are designated at initial recognition at fair value through other comprehensive revenue and expense. They are initially measured at fair value plus transaction costs. They are subsequently measured at their fair value with gains and losses recognised in other comprehensive revenue and expense. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred within equity to accumulated surplus/(deficit).

Key sources of estimation uncertainty

Key sources of estimation uncertainty as at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include venture capital in start ups and fair value based on WNT Venture Limited Partnership's assessment of future expectations.


Priority One Western Bay of Plenty Incorporated

Financial statements for the year ended 30 June 2022

Notes to the Financial Statements

For the year ended 30 June 2022

9 Property, Plant and Equipment

	Computer and Office Equipment	Leasehold Improvements	Total
Cost			
Balance at 1 July 2020	133,406	135,084	268,490
Additions	13,267	-	13,267
Balance at 30 June 2021	146,673	135,084	281,757
Balance at 1 July 2021	146,673	135,084	281,757
Additions	12,534	-	12,534
Disposals	(16,690)	(54,595)	(71,285)
Balance at 30 June 2022	142,517	80,489	223,006
Depreciation			
Balance at 1 July 2020	(84,187)	(100,188)	(184,375)
Depreciation	(13,472)	(8,792)	(22,264)
Balance at 30 June 2021	(97,659)	(108,980)	(206,639)
Balance at 1 July 2021	(97,659)	(108,980)	(206,639)
Depreciation	(14,612)	(6,776)	(21,388)
Disposals	15,471	44,457	59,928
Balance at 30 June 2022	(96,800)	(71,299)	(168,099)
Carrying Amounts			
Balance at 30 June 2020	49,220	34,896	84,115
Balance at 30 June 2021	49,014	26,104	75,119
Balance at 30 June 2022	45,717	9,190	54,907

Policies

Measurement

All property plant and equipment are stated at cost less accumulated depreciation.

Depreciation

Depreciation is allocated over the estimated useful life of the asset. The following methods are used in the calculation of depreciation:

Leasehold Improvements	Straight line over remaining expected lease term
Computer & Office Equipment	1.5-12 years Straight Line



Priority One Western Bay of Plenty Incorporated
Financial statements for the year ended 30 June 2022

Notes to the Financial Statements

For the year ended 30 June 2022

10 Accounts Payable	2022	2021
	\$	\$
Accounts Payable	188,980	216,658
Related Party Payable	13 7,100	41,961
GST payable	22,764	-
Accrued expenses	10,999	19,015
	229,843	277,634

Policy

Accounts payable are recognised at cost when the Society becomes obliged to make future payments resulting from the purchases of goods and services. Accounts payable are classed as an 'other amortised cost financial liability'.

11 Employee Entitlements	2022	2021
	\$	\$
Short Term		
Accrued Wages, Salaries and Holiday Pay	51,367	55,442
	51,367	55,442

Policy

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

12 Provisions	2022	2021
	\$	\$
Opening balance 1 July	32,500	57,000
Provisions made during the year	-	-
Provisions used during the year	(32,500)	(24,500)
Unused provisions reversed during the period	-	-
Closing balance 30 June	-	32,500
	2022	2021
	\$	\$
Current	-	32,500
Non-current	-	-
	-	32,500

Capital Call

Priority One had an agreement to commit \$350,000 to WNT Ventures Limited Partnership over 5 years as part of a capital call agreement. The contributions were made when requested by the Limited Partnership dependant on business needs. The final capital call was made during the current financial year.

Policy

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.



Priority One Western Bay of Plenty Incorporated
Financial statements for the year ended 30 June 2022

Notes to the Financial Statements

For the year ended 30 June 2022

13 Related Party Transactions

(i) Key Management & Governance Personnel Remuneration

Priority One classifies its key management personnel in to the following categories:

- Directors
- Executives

Priority One had 18 directors during the year ended 30 June 2022 (2021: 20). Other than the Independent Chair, the directors did not receive any remuneration for their services.

The annual Independent Chair fee is determined by the Board and is currently set at \$30,000 (plus GST) per annum. Simon Clarke was reappointed by the Board with effect from 1 January 2022 and was paid Chair fees of \$30,000 (plus GST) in the financial year. All other Board members provided their services for free.

Executives are employees and are on standard employment contracts. Priority One had four Officers in this category during the year ended 30 June 2022 (2021: two). Remuneration of these Officers and the Independent Chair during the period amounted to \$613,173 (2021: \$412,038).

(ii) Transactions with other related parties

Priority One transacts with other related parties in the normal course of their business. Such entities include those related by virtue of common governance and management personnel.

During the year, Priority One made the following purchases from related parties and at year end, the following balances remained owing:

	Purchases 2022 \$	Payable 2022 \$	Purchases 2021 \$	Payable 2021 \$
Toi Kai Rawa (Operating and Project Expenses)	71,400	-	175,751	39,029
Bay Venues Limited	15,061	4,225	-	-
Matua Governance Limited	30,000	2,875	7,175	2,875
	116,461	7,100	189,376	41,961

WNT Ventures Management Limited is considered a related party due to Steven Saunders (Director) also being a director of WNT Ventures Management Limited. Other than the investment of capital and receipt of distributions, there have been no transactions during the year (Refer Note 8).

PlantTech Research Institute Limited is considered a related party due to Steven Saunders (Director) and Nigel Tutt (Chief Executive) also being directors of PlantTech Research Institute Limited. Transactions relating to low value assets purchased, total \$300 (2021: \$Nil). PlantTech Research Institute Limited shares were transferred to PlantTech Research Institute Incorporated during the year. Refer to Note 8 for further details.

Toi Kai Rawa is considered a related party due to Priority One Director, Te Horipo Karaitiana also being on the board of Toi Kai Rawa.

Bay Venues Limited is considered a related party due to Priority One Chair, Simon Clarke also being the Chair of Bay Venues Limited (appointed July 2021).



Priority One Western Bay of Plenty Incorporated
Financial statements for the year ended 30 June 2022

Baker Tilly Staples Rodway Audit Limited
Level 1, 247 Cameron Road
PO Box 743, Tauranga 3144
New Zealand

T: +64 7 578 2989
F: +64 7 577 6030
E: tauranga@bakertillysr.nz
W: www.bakertillysr.nz



Notes to the Financial Statements

For the year ended 30 June 2022

14 Commitments

An operating lease exists for ground floor of the property at 29 Grey Street Tauranga, with the current lease term expiring on 30 June 2023.

A number of operating leases are also held for office equipment and motor vehicles with periods up to three years.

Immaterial finance leases have been accounted for as operating leases and included in lease commitments disclosure.

Operating Lease Commitments	2022 \$	2021 \$
No later than one year	164,221	68,236
More than one year	17,433	61,272
	181,654	129,508

15 Contingent Liabilities

There were no contingent liabilities as at 30 June 2022 (2021: nil).

16 Subsequent events

There are no subsequent events to disclose.

INDEPENDENT AUDITOR'S REPORT

To the Members of Priority One Western Bay of Plenty

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Priority One Western Bay of Plenty ('the Society') on pages 4 to 15, which comprise the statement of financial position as at 30 June 2022, and the statement of comprehensive revenue and expense, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR').

Our report is made solely to the Members of the Society. Our audit work has been undertaken so that we might state to the Members of the Society those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Members of the Society as a body, for our audit work, for our report or for the opinions we have formed.

Basis for Qualified Opinion

As described in Note 8 to the financial statements, the Society bases their assessment of the fair value of the investment in the WNT Ventures Limited Partnership ('WNT') at balance date on unaudited WNT Management estimates. Accordingly, there is insufficient appropriate audit evidence available to enable us to form an opinion on whether the carrying value of investment in WNT amounting to \$347,788 and the consequent impact on Other Comprehensive Income is materially correct.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 (Revised) *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Priority One Western Bay of Plenty.

Baker Tilly Staples Rodway Audit Limited, incorporating the audit practices of Christchurch, Hawkes Bay, Taranaki, Tauranga, Waikato and Wellington.

Baker Tilly Staples Rodway Audit Limited is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



Other Information

The Executive Board is responsible for the other information. The other information comprises the information included in the Society's annual report for the year ended 30 June 2022 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Board for the Financial Statements

The Executive Board is responsible on behalf of the Society for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Executive Board determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Board is responsible on behalf of the Society for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Board either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:
<https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of Priority One Western Bay of Plenty for the year ended 30 June 2022 included on Priority One Western Bay of Plenty's website. The Executive Board of Priority One Western Bay of Plenty is responsible for the maintenance and integrity of Priority One Western Bay of Plenty's website. We have not been engaged to report on the integrity of



Priority One Western Bay of Plenty's website. We accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The audit report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyper linked to or from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and related audit report dated 19 September 2022 to confirm the information included in the audited financial statements presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Baker Tilly Staples Rodway

BAKER TILLY STAPLES RODWAY AUDIT LIMITED

Tauranga, New Zealand

19 September 2022



Priority One
Tauranga
Moana

Ground Floor, Rydal House, 29 Grey Street, Tauranga
PO Box 13057, Tauranga 3141

07 571 1401 | info@priorityone.co.nz | priorityone.co.nz

9.2 Delivering Better Outcomes - City Waters Enhanced Procurement

File Number: A14113786

Author: Kelvin Hill, **Manager:** Water Infrastructure Outcomes

Authoriser: Nic Johansson, **General Manager:** Infrastructure

PURPOSE OF THE REPORT

1. To inform the Committee on a new approach to enhance the procurement for City Waters; Planning, Design and Physical Works of the capital programme.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Delivering Better Outcomes - City Waters Enhanced Procurement".
- (b) Endorses two procurement activities leading to new panels for:
 - (i) Detailed design services for water supply and wastewater network
 - (ii) Construction services for defined scope areas for City Waters.

EXECUTIVE SUMMARY

2. The City Waters team have determined the preferred procurement approach for delivering the next five years of the long-term plan which involves the establishment of two new panels.
3. This approach takes consideration of feedback from the supply chain, current procurement arrangements in place and the required design and construction activities over the next five years.
4. An Integrated Programme Approach is being developed in order to increase collaboration with the panel members to assist in delivering on the 9 outcomes.

BACKGROUND

5. Following a review of the current state of procurement across Council last year, and the development of 9 benefits and outcomes that Council aim to achieve, Arup was engaged to assist with the procurement strategy and executing delivery models for delivering the Long-Term Plan.

What does success look like for TCC?



Efficient LTP Delivery through new delivery model(s)



Easier Procurement for both TCC and suppliers (winwin)



Reduced Construction Costs with more transparent/open book commercial arrangements



Improved Project Delivery through collaboration and innovation



Reliable Supply Chain through longer term contracts & certainty



Workforce Security where key resources can be sought, and suppliers can invest in plant and people



Improved Safety & Wellbeing by collaboration and early engagement



Stronger Relationships and confidence to foster innovation and drive continuous improvement



Enhanced Sustainability & Community Support targeting zero carbon outcomes, leveraging relationships with local business and encouraging regional investment

Tauranga City Council

6. Initially the intent had been for one procurement strategy to cover the whole of the Long-Term Plan and any procurement model(s) adopted to be suitable for all procurement streams.
7. Following internal engagement, it was determined that City Waters should be the focus and that any procurement models put in place could then be scalable for the other areas at a later date.
8. As part of the engagement process key stake holders across the consultant and construction fields have provided feedback to Council on the potential benefits and outcomes a revised procurement process could deliver. The last update to the sector was provided at the yearly gathering of suppliers evening hosted by TCC in August 2022.
9. Following a detailed review with the City Waters team to look at current panels in place, the next five years of capital works required, works already contracted (or where no procurement is required e.g. developer payments, land purchase etc) and the forward spend profile, the procurement model outlined below was determined as achieving a balance between achieving the 9 outcomes, making best use of current panels and consideration for suitability for upcoming water reform. The impact on organisational change was also a key consideration to continue to allow the team to deliver the current annual spend targets.
10. Approximate spend per annum for the next 5 years is \$110M with an anticipated split of 90% construction, 5% detailed design and 5% modelling, planning and studies.
11. In order to meet the pace of required spend and delivery programme, early packages of works that could fall outside of the scope of the procurement model are being considered in the shorter term. However, the procurement model will be scalable to expand in the longer term and be in place to provide continuity during the potential changes that eventuate from water reform.

STRATEGIC / STATUTORY CONTEXT

12. Three Waters Reform has been considered in developing the procurement approach and the proposed panels ensure that delivery of the capital programme can continue unhindered while any transitions occur but will also be scalable to allow the addition of other packages of work should this be required under Entity B.

OPTIONS ANALYSIS

13. Multiple options have been considered taking into account the current panels in place and the upcoming program of works for City Waters. These included models such as delivery partnership, alliance, bundling packages of works, staged 'traditional' approach and fixed price D&C. However, based on the level of expected spend and the type of work required to be delivered over the next five years, each of these options were not considered to best leverage off the existing models in place and continue to enable the team to deliver good performance.
14. The City Waters team will create a new detailed design panel through a single stage RFT process which will consider financial and non-financial aspects. It is anticipated that there will be 3 to 4 suppliers on this panel.
15. The length of the new detailed design panel will align with the planning panels with a longer-term view that one planning and design panel could be established in the future.
16. The City Waters team will create of a new Construction panel through a 2-stage procurement process. The initial ROI phase will be based on non-financial aspects only. The second stage RFT will consider financial components through either example project pricing or rates and margin assessment.
17. The construction panel members will deliver allocated packages of work suited to their track record, capability and capacity which would be established through the procurement process. The number of panel members is still to be determined depending on how the packages are split but it is expected to be around 5 or 6.
18. Methodology for agreeing the pricing of the packages and ensuring value for money is still being finalised. This will include an element of open book style approach and independent review of the estimates.
19. The existing panels and new panels will be brought together under an integrated programme approach which will see improved collaboration between Council and the supply chain and this will evolve over time as relationships develops and collective capability increase.
20. Performance measurements to stay on the panel and keep delivering for TCC will be imbedded within the panel delivery documentation.

FINANCIAL CONSIDERATIONS

21. The proposed panels deliver for the City Waters elements of the long term plan. There are no further financial commitments required.
22. The proposed procurement models and the way in which the work packages would be allocated is intended to deliver in a more efficient manner.

LEGAL IMPLICATIONS / RISKS

23. As the panels are proposed for a duration of five years there could be some dissatisfaction from the supply chain that are not successful in securing a place on the new panels. Any risks associated with this will be mitigated through a number of measures including the engagement of a probity advisor, following the Council procurement rules and having a clear and approved procurement plan and having legal review of the contracts.
24. There will be consideration of the appropriate terms and conditions for including in the contracts to allow for the uncertainty of Three Waters Reform.
25. By grouping the works into packages and having earlier engagement with the supplier chain should reduce the delivery risk as any risks will be visible earlier and therefore allow time for suitable changes to be made or mitigations to be put in place.

CONSULTATION / ENGAGEMENT

26. There has been extensive engagement with the supply chain not only to get their feedback on the current procurement models but also ensuring they are aware of the status and program for new procurement activities.

SIGNIFICANCE

27. 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.
28. 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 .
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
29. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of medium significance.

ENGAGEMENT

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

Click here to view the [TCC Significance and Engagement Policy](#)

NEXT STEPS

31. The procurement plan will be finalised, and the procurement activities carried out as per our draft programme.
- December 2022 Registration of interest sent out
 - February 2023 Submissions received, and procurement process undertaken
 - May 2023 Outcome of Procurement process completed

ATTACHMENTS

Nil

9.3 Draft Annual Plan 2023/24 - Approach and Key Financials

File Number: A14091423

Author: Kathryn Sharplin, Manager: Finance
Tracey Hughes, Financial Insights & Reporting Manager

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. In accordance with the Local Government Act 2002, Council is required to produce and adopt an annual plan, by 30 June 2023.
2. The purpose of this report is to discuss the high-level financials for the 2023-24 Annual Plan, outlining some of the key risks and challenges and shows some early benchmarking of operational expenditure.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Draft Annual Plan 2023/24 - Approach and Key Financials"
- (b) Notes high-level initial benchmarking data for transportation, three waters and spaces and places against other councils
- (c) Agrees the proposed approach to budgeting for the 2023-24 Annual Plan targeting key financials of year 3 of the LTP, but noting inflationary and interest rate pressures

EXECUTIVE SUMMARY

3. The Annual Plan for 2023-24 continues the priority expenditure of the 2022-23 year and is broadly consistent with the ten-year programme of work set out in the amended 2021-31 Long-term Plan (LTP). The 2023-24 Annual Plan is compared with year 3 of the LTP.
4. The overall financials in the draft annual plan remain broadly consistent with year three of the LTPA, which is now the new LTP. There is an overall rates requirement increase of approximately 7.5% after growth (estimated at 1.5%) and including water by meter. However, excluding water by meter revenue which is declining, the rates increase is 10%.
5. This has been achieved by a number of measures to reduce the impacts of increasing costs which are being experienced across the business. CPI has come in at about 5% above LTP assumptions. Interest rates have also risen significantly above budgeted levels. In addition, large cost increases have occurred across key service delivery areas including transportation and aspects of parks maintenance where budgets and contracts had been insufficient to meet service level requirements. There have been a number of proposals to keep cost increases and rates requirement down including greater use of debt, phasing in some costs and initiatives e.g. fully funding depreciation from revaluations.
6. The capital programme budget and work programme is proposed to remain close to the LTPA programme of \$434m for 2023/24 including vested assets. With rising costs of delivery this does indicate a slower rate of delivery of projects, noting that there is expected to be capital projects carried forward from 2022-23 to also be completed later than budgeted.
7. Further consideration and advice is being sought on requirements to consult on the annual plan, which will be addressed in December reports to Council.

BACKGROUND

8. The Annual Plan for 2023-24 continues the priority expenditure of the 2022-23 year and is broadly consistent with the ten-year programme of work set out in the amended 2021-31 Long-term Plan (LTP). The required comparator for the Annual Plan 2023/24 is the budgets for year three of the LTP. After considering estimated population growth and higher than expected inflation levels the total rates requirement is comparable to that in year 3 of the LTP.
9. The expenditure on level of service and capital investment in the LTP, which is reflected in the 2023-24 Annual Plan aims to improve outcomes across:
 - (a) transportation,
 - (b) housing supply,
 - (c) civic and community facilities,
 - (d) three waters expenditure
 - (e) resilience arising from climate change.
10. The Long-term Plan was amended in 2022 to include:
 - (a) a civic investment programme of \$303m including library, museum exhibition centre and community space, with \$150m of this expenditure funded by asset sales or grants. This investment is continuing as planned in 2023-24 subject to external funding.
 - (b) alternative funding for specific work programmes, including Infrastructure Funding and Financing (IFF) for the Transport System Plan (TSP) and Tauriko West. The alternative IFF funding for TSP has remained in the draft 2023-24 annual plan but the Tauriko West funding and capital has been amended to Waka Kotahi delivery with payment of a share made by TCC, which is partially offset by grant payments made by other entities, including developers and central government.
11. After allowing for much higher inflation than assumed in the LTP, the overall financials in the draft annual plan remain broadly consistent with year three of the LTPA, which is now the new LTP. There is an overall rates requirement increase at 7.5% after growth and including water by meter. Excluding water, the rates increase is 10%. This has been achieved by measures to reduce the impacts of increasing costs which are being experienced across the business. General price increases are about 5% above assumptions used in the LTP (CPI 7.3% to end of June 2022) against the LTP assumptions of about 3% per annum. In addition, large cost increases have occurred across key service delivery areas including transportation and aspects of parks maintenance where budgets and contracts had been insufficient to meet service level requirements. These additional pressures have meant we have had to look at other ways to address budgets than simply increasing rates and user fees. Proposals to keep cost increases down include:
 - (a) loan funded opex across planning and design expenditure that has longer term benefit e.g. intensification and growth area structure planning,
 - (b) phasing in of rate funding of additional depreciation arising from asset revaluations across transportation and buildings,
 - (c) application of the rates surplus from 2022 to interest rate risk reserve to fund part of the interest rate increases in 2023-24,
 - (d) reductions across some areas of expenditure primarily achieved by not applying CPI to costs,
 - (e) phasing in more slowly some new initiatives and expenditure.

12. The following table shows the comparison of key financials between the LTP and the annual plan 2024.

Key Financials	LTP 2023/24	Draft Annual Plan 2023/24
Total Rates Increase from 2023 including water by meter	6% after growth	Approx. 7.5% after estimated population growth of 1.5%
Rates excluding water by meter	6.5% after growth	Approx. 10% after estimated population growth, 8.4% residential and 19% commercial
Target to achieve a further 2% reduction in residential rates		Approx. \$5m reduction in rates funded expenditure
Total Capex \$m	434	400* (350 TCC delivered)
Total Debt \$m	1,038	Approx. 1,100

*Capex delivered by TCC plus vested and including Tauriko West now delivered by Waka Kotahi, excluding carry forwards from 2022-23

CAPITAL

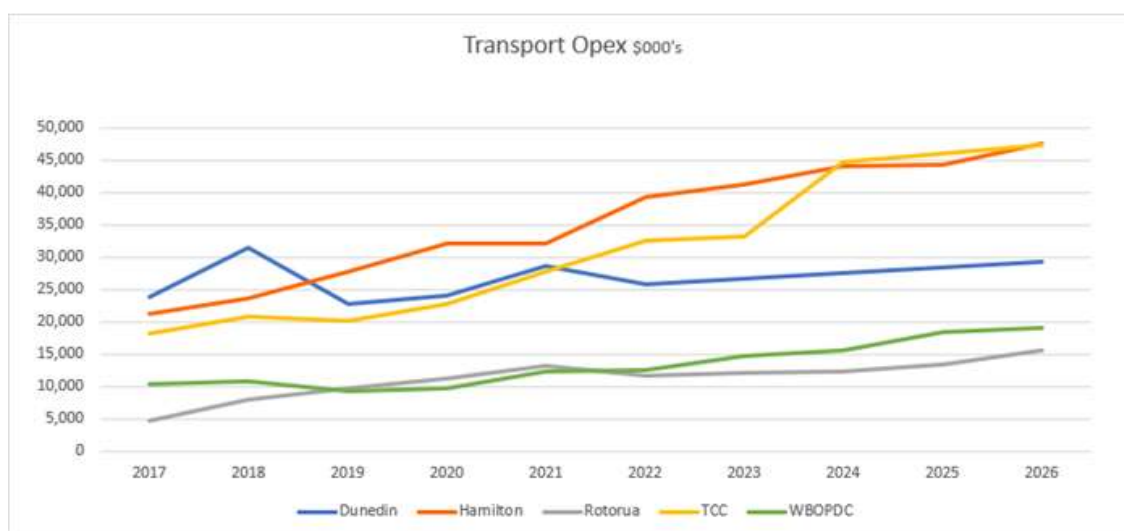
13. Overall, the capital programme is not significantly different to the LTP. The \$434m LTP budget included vested assets and \$50m Tauriko West expenditure. Tauriko West is now being delivered by Waka Kotahi with TCC's share of expenditure now recognised as operational costs and contributions from third parties are recognised as grant revenue. The other key changes to capital reflect timing and cost adjustments for projects. A capital delivery adjustment of \$44m is also included to give a total budget of \$350m.
14. There is additional funding proposed for strategic land purchase. To recognise the increasing cost of land, the budget has been increased by 40% to \$7.4m for the year in 2024. Budgets will also be included in activities to purchase land from the strategic acquisition fund and the funds made available to future strategic land purchase.

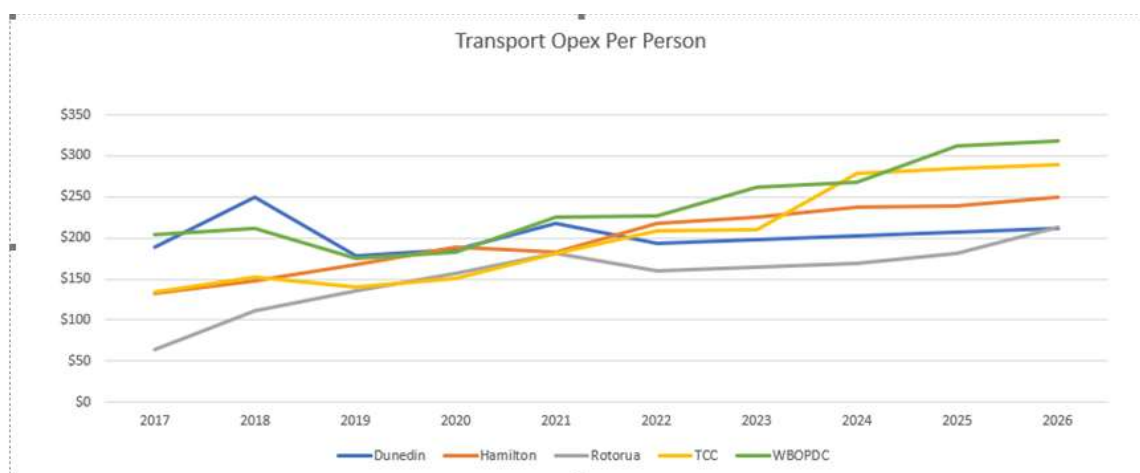
SIGNIFICANT OPERATIONAL DIFFERENCES BETWEEN ANNUAL PLAN AND LTP

15. Some operational revenue and expenditure has changed significantly from the LTP in key areas including:
- (a) Interest expense from rapidly increasing interest rates
 - (b) Transportation costs from large maintenance contract budget adjustments
 - (c) Spaces and Places more realistic cost of maintenance is now reflected in budgets
 - (d) Salary costs have increased reflecting
 - (i) in-housing of some spaces and places contracts with a redistribution of budget from other operating costs
 - (ii) other staffing requirements to achieve higher delivery across the capital programme and other priority areas including transportation
 - (e) Civic group with programme and delivery costs capitalised or proposed to be loan funded as part of the wider programme
 - (f) Civic governance changes proposed which may be delivered through a CCO subject to consultation, with costs loan funded along with delivery costs of the civic programme

that are not capitalised. Approval for this will be sought through the annual plan report to council in December.

- (g) Depreciation expense arising from substantial asset revaluations across buildings and infrastructure
 - (h) Volume consumption of water has decreased relative to forecast level, generating a reduction in water by meter revenue despite a 7% increase in the cubic metre charge.
16. The interest-rate environment has undergone a huge shock over the last 12 months. Budgeted interest is now \$11m higher than in the LTP for year 3.
 17. During 2023 there has been a focus on improving service delivery across the core areas of transportation and spaces and places. In previous year's budgets, and including year 3 of the LTP, budgets were held artificially low by existing maintenance contracts that under-priced the cost of maintenance and had resulted in inadequate service delivery across TCC's assets. In addressing these issues, the true cost of adequate maintenance has been reflected in 2024 budgets leading to a significant increase in cost compared with the LTP year 3 in both spaces and places and transportation. Some of this increase has been offset by lower cost increases across other areas of Council.
 18. The following benchmarking charts confirm that TCC has underfunded transportation maintenance relative to peer councils such as Hamilton. Data has come from annual reports for the years up to 2021 and the latest LTP for the years from 2022. For TCC only, the LTP base for 2024 has been adjusted to reflect the draft annual plan budget for 2023-24. Hamilton is considered the best comparator for transport total costs given it is also an urban network and is a city of a similar size to Tauranga. The expenditure per person opex result shows Tauranga at the higher end of peers, noting that none of the comparative data has been adjusted for higher costs since the LTP was set in 2021 where TCC was at the midpoint of comparators.
 19. Attachment 2 includes benchmarking data for transportation stormwater, wastewater, water supply (three waters) and parks. The results for transportation and all three waters activities show that TCC costs are generally favourable to peers. The parks data is less complete with inconsistent measurement approaches and performance outcomes across councils. Therefore, it is currently not possible to draw conclusions around our cost and quality of parks delivery relative to our peers. Further work is proposed in this area.





20. Changes to operating cost structures have also been included in the 2024 annual plan to reflect the in-housing of a number of maintenance contracts in order to better control quality of delivery. Increases in employment costs will offset decreases in other operating expenditure.
21. Staff resource required to support the delivery of the work programme continues to be a challenge to both anticipate and to recruit.
22. Asset revaluations for roading, land and buildings in 2021/22 were significantly higher than that anticipated in the LTP. This has in turn caused an increase to rates-funded depreciation that is difficult to absorb in a single year (alongside other factors). Recent forecasts indicate that current inflationary pressures will ease within the 2023/24 financial year and the core inflation for that year will be 4.2%. However, base costs in the 2023 budget had been adjusted in the LTP by 3% but actual inflation has been over 7%. The difference has required a catch up in costs across capital and some operational expenditure.

Mitigations

23. Staff have identified areas where expenditure can be minimised or delayed without significant impact on the work programme. However, it is noted that where this uses debt to fund some operational costs or phases in funding such as with depreciation there will be ongoing pressure on rates increases into the future as this debt funding and phasing unwinds.
24. Budgets have been set at a realistic level, with a proposal to bring forward additional budget if delivery of priority areas exceeds budget across both capital and operational projects and service areas.
25. The broad mitigations to control cost pressures include:
 - (a) Forecast vacancy levels and the general difficulty recruiting in some areas has justified an increase in temporary reductions of salary budgets for the year, which would be removed in the following year as recruitment is phased in.
 - (b) Increasing the capitalisation of staff time after a thorough review of how this is calculated.
 - (c) Deferral of some new FTE requested to be considered within the priority of the next 2024-34 LTP.
 - (d) Phasing in of additional depreciation resulting from 2021/22 revaluation over the early years of the 2024-34 LTP.
 - (e) Not applying an inflation increase across the board (as would be normal practice), recognising that there were notable operating underspends against budget in 2021/22.

Expenditure in the current year is also being monitored with slow expenditure in some areas informing adjustment to next year's budget.

- (f) Reducing the cash balances carried in some activities.
- (g) Loan funding operational expenditure (by resolution) where it is directly attributable to a programme of capital works or offers longer term benefit (e.g. structure planning for Keenan Road and transportation planning). Items for loan funding will be specifically identified for Council approval consistent with the revenue and financing policy.
- (h) Reduction in targeted rates for debt retirement in:
 - (i) community infrastructure reflecting the slower delivery of capital
 - (ii) wastewater to avoid increasing rates in these areas above LTP levels.
- (i) Recognising further revenue to offset or subsidise further expenditure where it is likely this might eventuate.
- (j) Defer or phase in some new initiatives over the 2023-24 financial year and into late 2024.

Requirement for Consultation

26. Further consideration is being given to whether and what consultation is required as part of the Annual Plan. While the target budgets are close to LTP budgets and therefore may not require consultation, there are issues that are included in the annual plan that may require further consultation. The approach to these items will be presented to a December Council meeting.

Proposed timeframe for the Annual Plan

27. The following table outlines the proposed timeline for the Annual plan 2023/24 from now until adoption. A report will be presented to Council in December updating this timeline based on a full assessment and programme of consultation requirements:

Type	Date
Council meeting – indicative draft annual plan	12 December 2022
Present update collating any outstanding issues and options for Council consideration.	7 February 2023
Consider Draft Annual Plan for adoption or consultation if required	27 Feb 2023
Consideration of consultation document, if required	20 March 2023
Consultation, if required	23 March-26 April 2023
Hearings, if required	8-11 May 2023
Deliberations, if required	22-24 May 2023
Consideration of Annual Plan for adoption, if required	26 June 2023

STRATEGIC / STATUTORY CONTEXT

28. The preparation of an annual plan is required under the Local Government Act 2002. Where areas of expenditure and budgets are in line with year 3 of the LTP consultation may not be required or could be limited to specific items of difference.

OPTIONS ANALYSIS

29. This information presents broad areas to address in order to stay close to LTP financial parameters. The committee may provide feedback on various initiatives proposed to limit rates increases.

FINANCIAL CONSIDERATIONS

30. This report covers the issues and approach to developing the draft Annual Plan 2023/24. The initial financials for the development of the draft annual plan will be presented to the 12 December 2022 Council meeting.

LEGAL IMPLICATIONS / RISKS

31. The process of preparing and adopting an Annual Plan is set out under the Local Government Act 2002.

CONSULTATION / ENGAGEMENT

32. While there is no requirement to consult on each Annual Plan where it is consistent with the operational Long-term Plan, staff are doing further work to support consideration as to whether consultation is appropriate.

SIGNIFICANCE

33. The matter considered by this report, the draft Annual Plan 2023/24, is considered of high significance in terms of council's Significance and Engagement Policy. This is because it affects all residents, ratepayers and businesses in, and visitors to, the city, and because it involves council's resource allocation decisions and rating decisions for the next year.
34. However, the decisions to be made in response to this report are considered of low significance as they are just one interim step in the process of developing the draft annual plan.

ENGAGEMENT

35. Taking into consideration the above assessment, that the decision in this report is of low significance, staff are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

36. The indicative draft annual plan financials will be reported to Council on 12 December 2022.

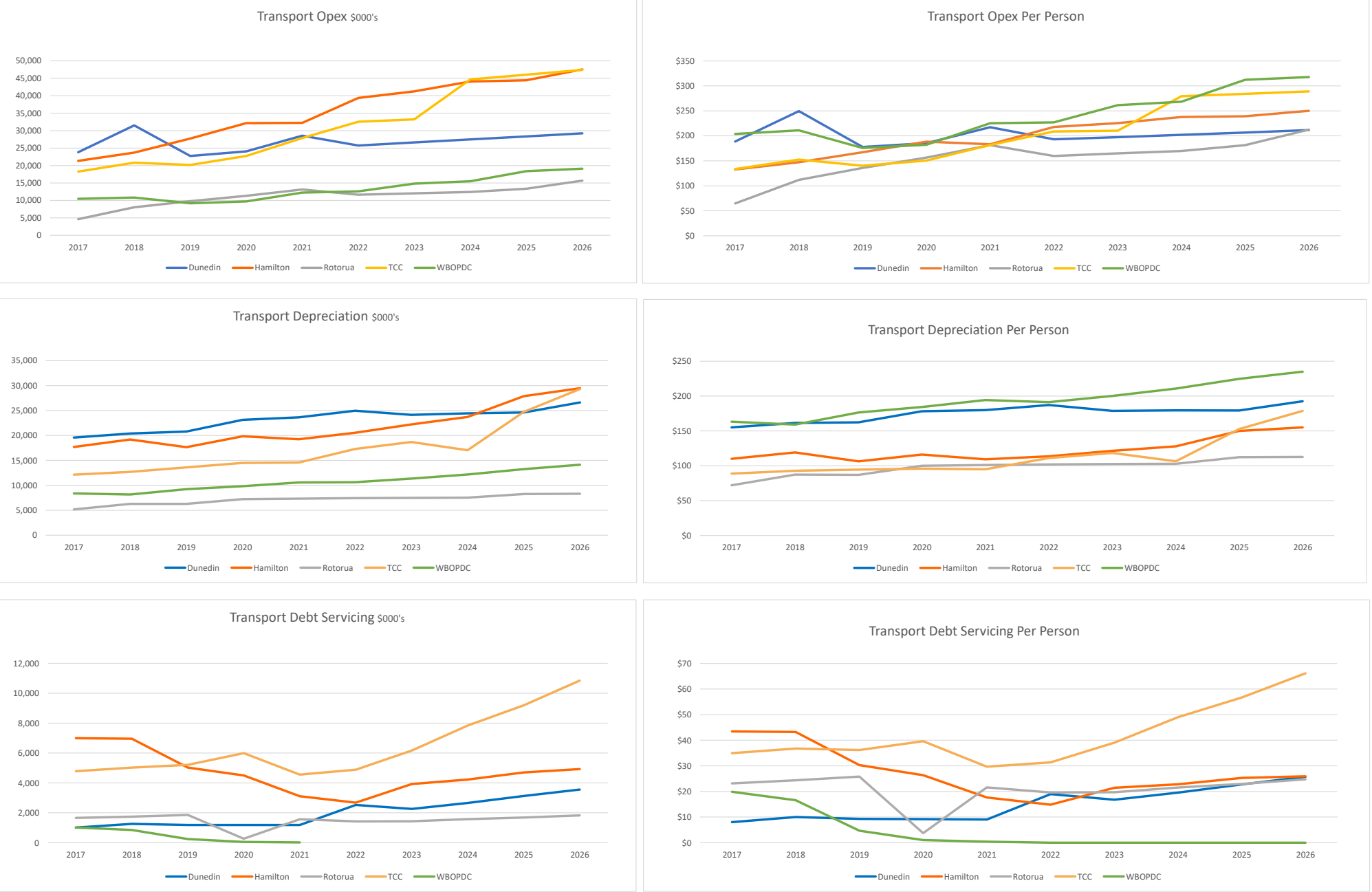
ATTACHMENTS

1. **Benchmarking by activity for Annual Plan - A14178755** [↓](#) 

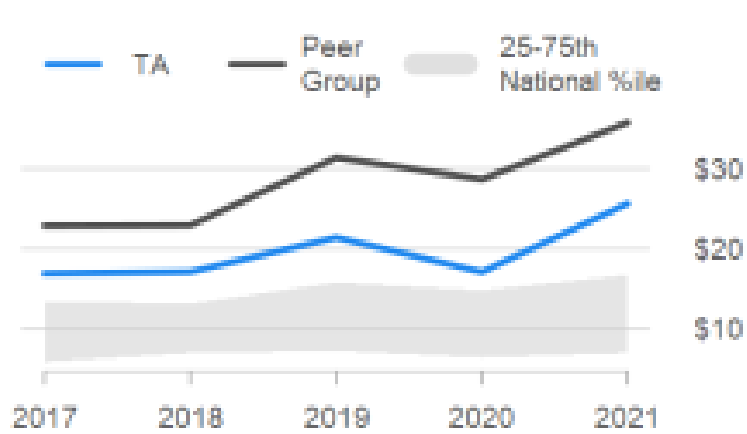
TCC Transport Benchmarking

We will provide a well-maintained and fit-for-purpose road and footpath network											
Level of service	Performance measure	Actual	TCC 2023/24 Target	Actual	Hamilton 2023/24 Target	Actual	WBDC 2023/24 Target	Actual	Rotorua 2023/24 Target	Actual	Dunedin 2023/24 Target
Road condition	The average quality of ride on a sealed local road network, measured by smooth travel exposure.	90%	91-92%	85%	≥80%	≥95%	≥90%		≥75%	78.70%	≥80%
Road maintenance	The percentage of the sealed local road network that is resurfaced.	2%	4%	3.60%	≥3.5%	17.90%	≥4%		≥8%	4.20%	6%
Footpaths	The percentage of footpaths that are condition four (4) or better	95%	98-100%	78%	92%	100%	≥95%		≥98%	18%	≥85%
Response to service requests	The percentage of customer service requests relating to roads and footpaths which are responded to within five (5) working days.	93%	90%	95.70%	≥96%	85% (10 days)	≥90% (10 days)		≥90%	93%	≥90%

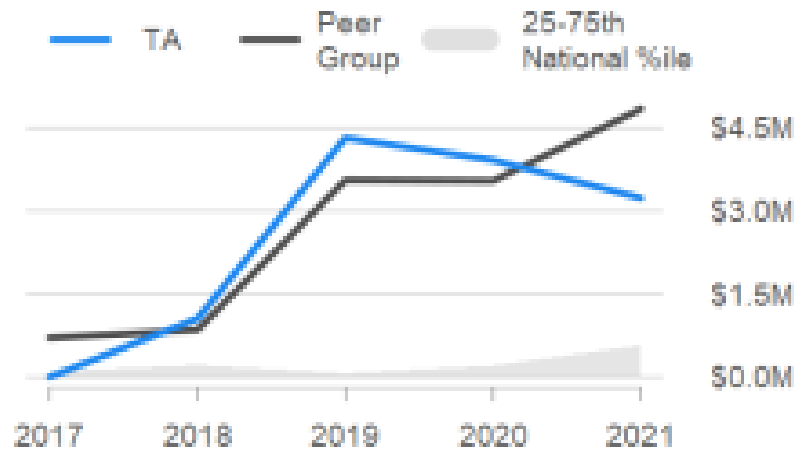
Data extracted from Annual Reports 2017 - 2021 and Long Term Plans from 2022 - 2023. Adjusted 2025 & 2026 figure based on 2024 Annual Plan



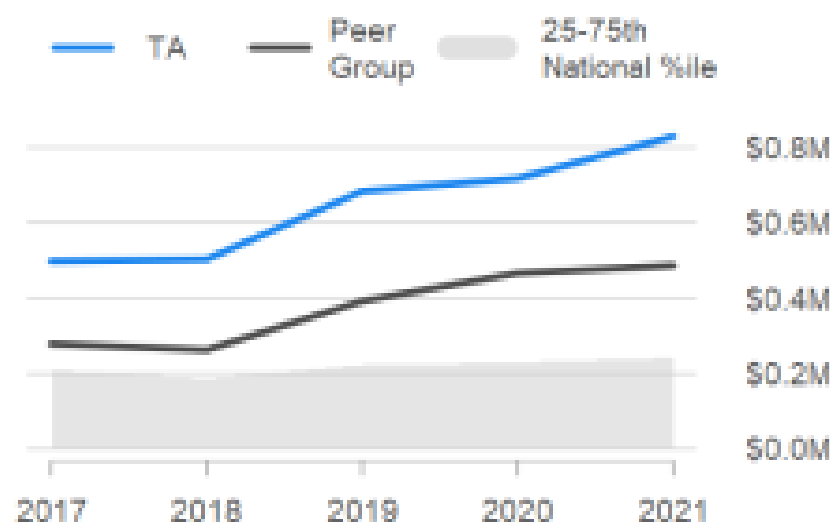
Maintenance, operations and renewals expenditure / length (\$1,000 / km)



New and improved walking and cycling facilities (excl. low cost <\$1M, low risk)

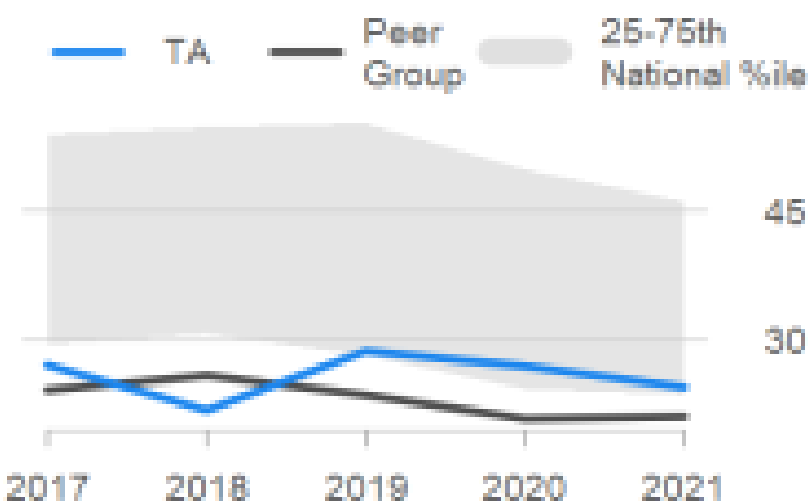


Road safety promotion



Fatal or Serious Injuries

Total per 100,000 population



TCC Parks Benchmarking

We will provide safe, well-maintained and accessible open spaces for everyone											
Level of service	Performance measure	Actual	TCC 2023/24 Target	Actual	Hamilton 2023/24 Target	Actual	WBDC 2023/24 Target	Actual	Rotorua 2023/24 Target	Actual	Dunedin 2023/24 Target
Accessibility	Percentage of residential households that are within 500m of an open space (or survey/other KPI measurement)	91%	90%	79%	≥79%				80%	75%	≥80%
Accessibility	Percentage of residential households that are within 500m of a playground (or survey/other KPI measurement)	60%	64-70%	79%	≥79%				80%	75%	≥80%

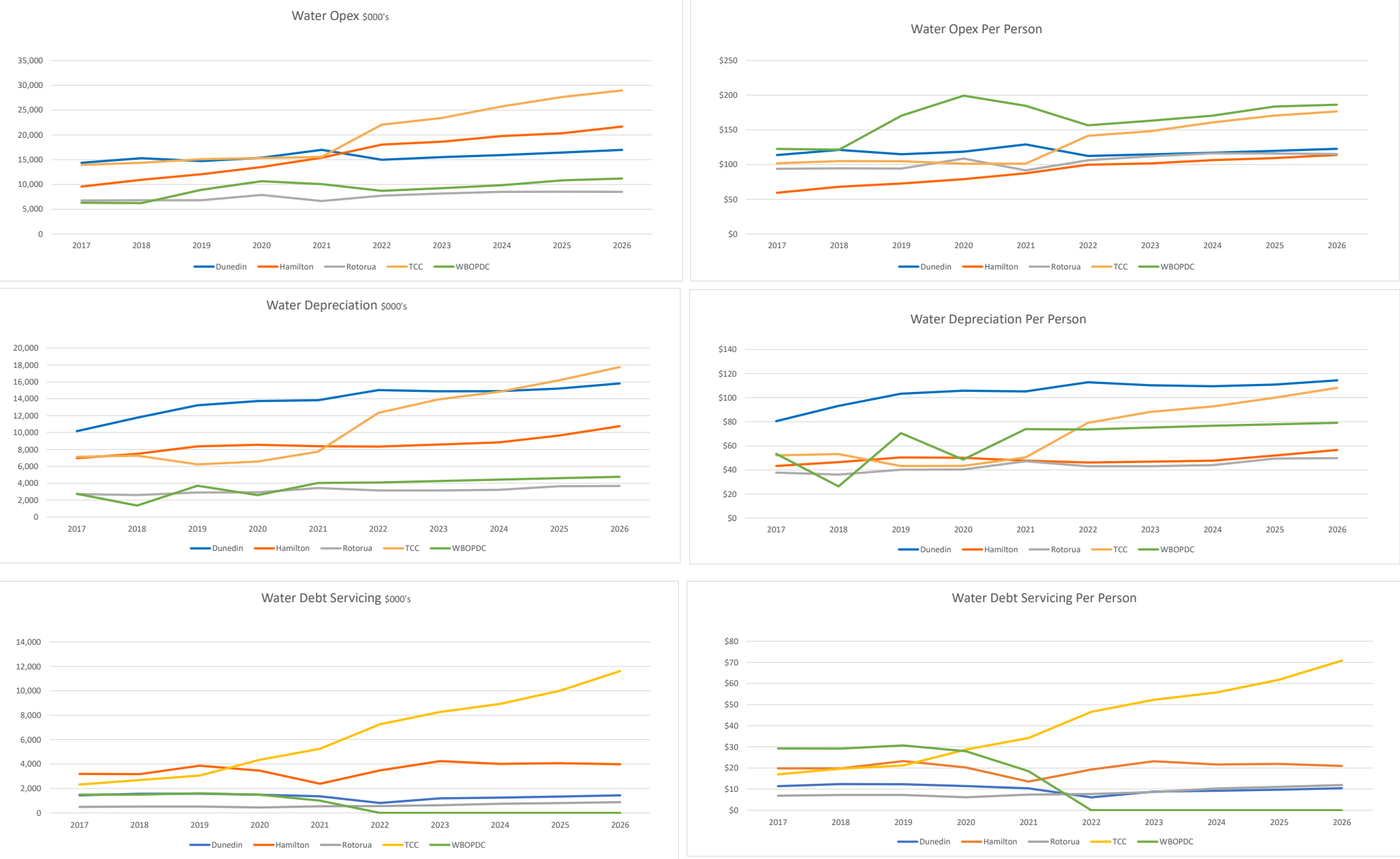
Data extracted from Annual Reports 2017 - 2021 and Long Term Plans from 2022 - 2026 - Spaces and Places and Bay Venue Hire only



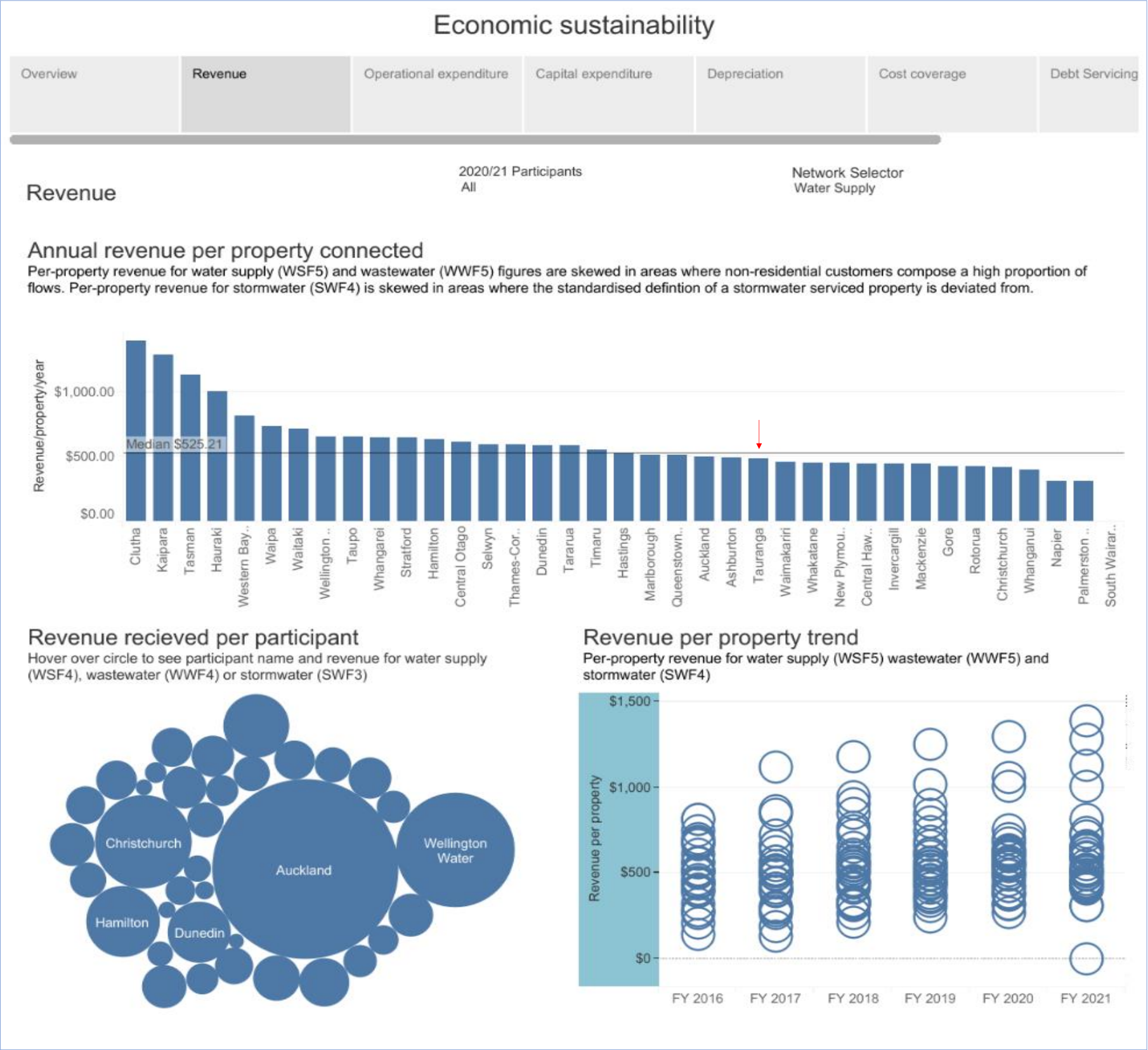
TCC Water Benchmarking

Provide a high quality, efficient and reliable water supply system		TCC		Hamilton		WBDC		Rotorua		Dunedin	
Level of service	Performance measure	Actual	2020/21 Target	Actual	2020/21 Target	Actual	2020/21 Target	Actual	2020/21 Target	Actual	2020/21 Target
Drinking water standards (Bacteria)	Bacteriological compliance - 100% compliance	100%	100%	100%	100%	50.0%	≥99%	100%	100%	96%	100%
Drinking water standards (Protoza)	Protoza compliance - 100% compliance	100%	100%	100%	100%			100%	100%	98%	100%
Resources used efficiently & sustainably	Percentage of real water loss from the networked reticulation system	16.0%	≤16%	15.2%	≤16%	21.2%	≤22%	26.0%	≤25%	19%	≤20%
Response to service requests	Total complaints per 1,000 connections in relation all things water (clarity, taste, colour, pressure, flow, continuity)	4.4	≤10	4.1	≤5	13.8	≤30	5.2	≤10%	13.7	<15

Data extracted from Annual Reports 2017 - 2021 and Long Term Plans from 2022 - 2026
Large Opex increase in costs in the year 2022-23, includes staff transferred from growth infrastructure planning team & the commissioning of the Waiari Water treatment plant.



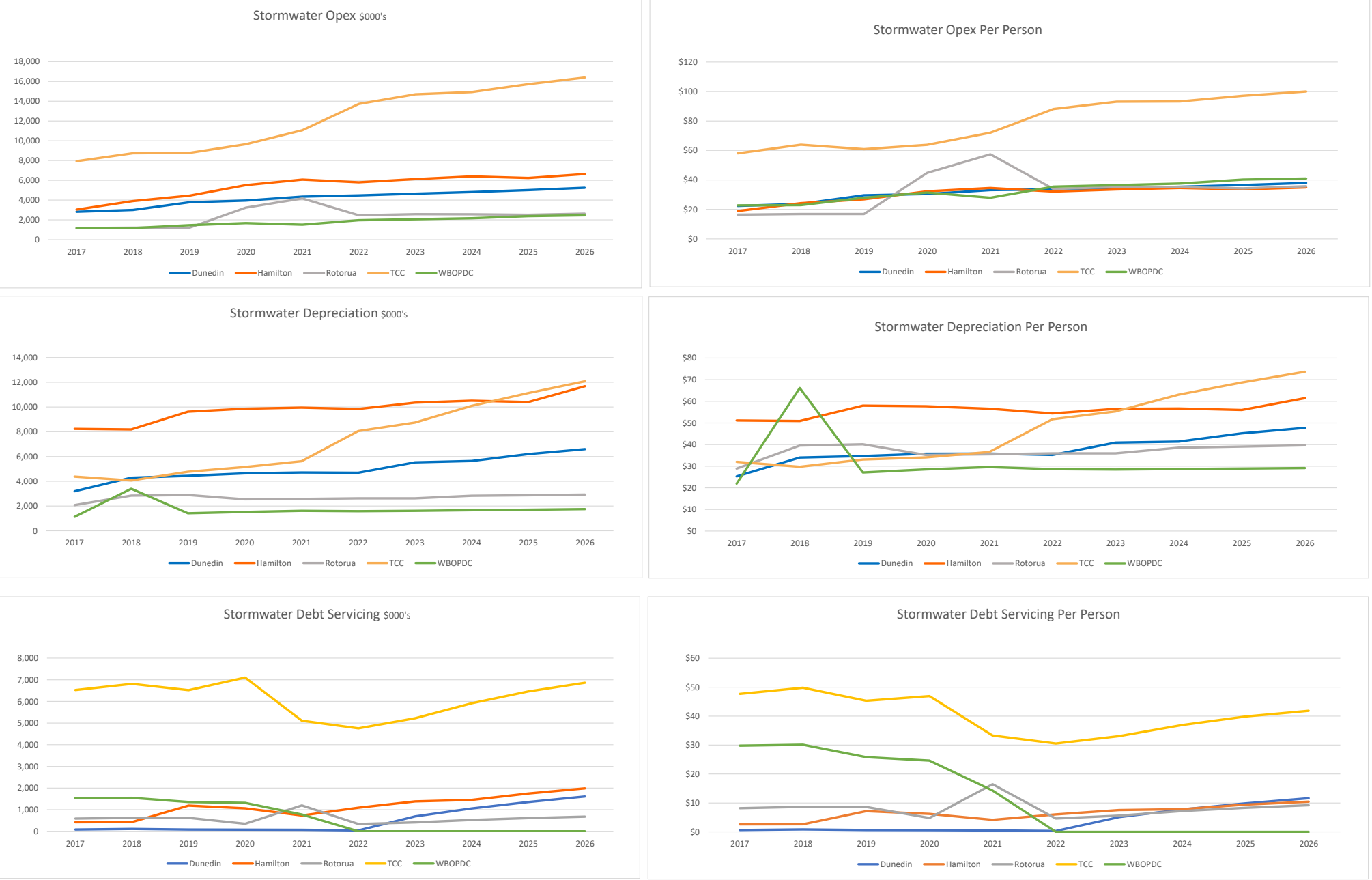
This data comes from Water NZ 2020/21



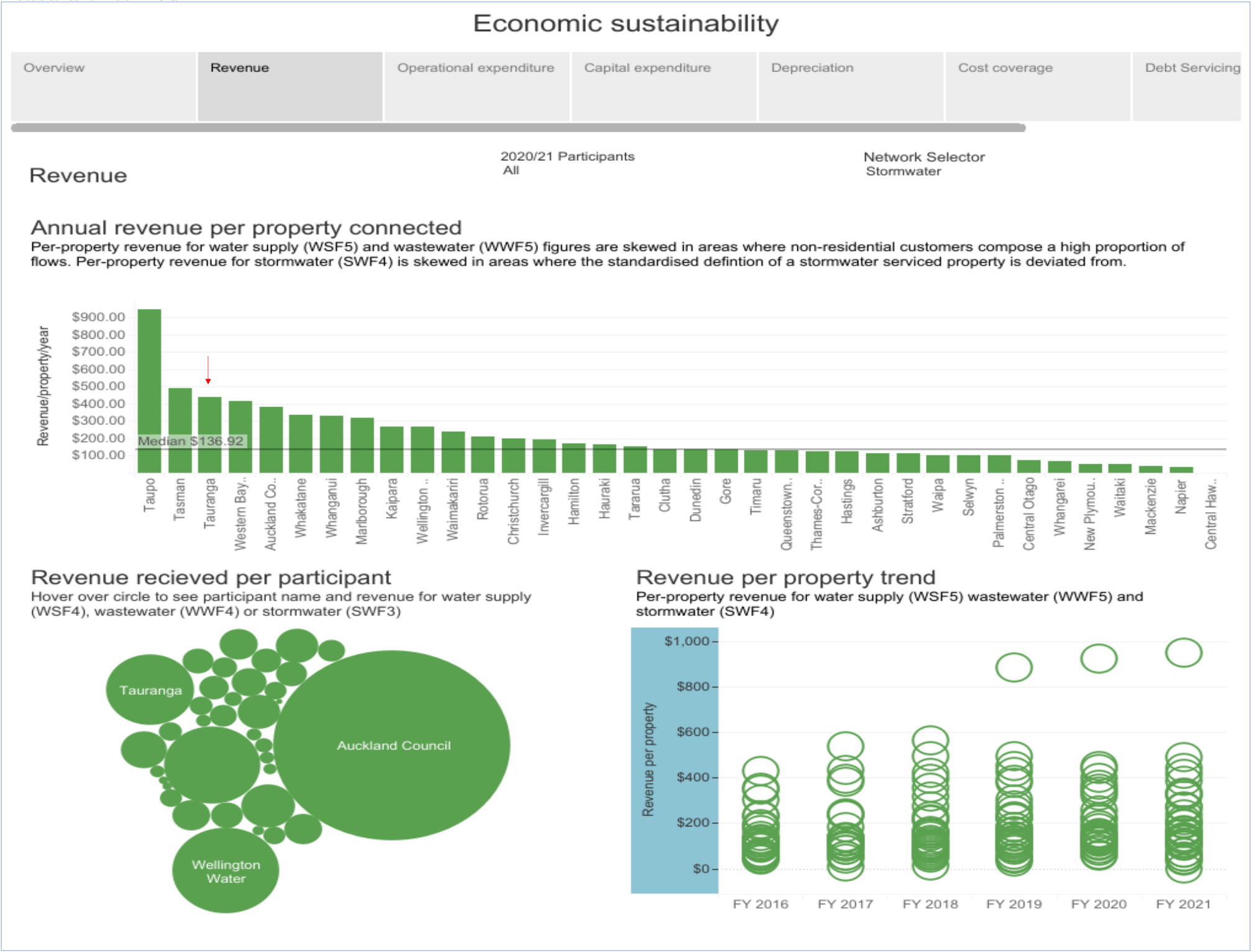
TCC Stormwater Benchmarking

We will provide a stormwater system that protects public health and safely disposes stormwater in an environmentally acceptable way		TCC		Hamilton		WBDC		Rotorua		Dunedin	
Level of service	Performance measure	Actual	2020/21 Target	Actual	2020/21 Target	Actual	2020/21 Target	Actual	2020/21 Target	Actual	2020/21 Target
System management	The number of habitable floors that were affected by flooding events per 1,000 properties	0.0	≤1	0.0	≤1	0.0	≤28	0.0	≤.5	0.0	≤0
Compliance	The number of abatement, infringement, enforcement and convictions received by Council in relation to the RMA	0	0	0	≤1	0	0	0	0	0	0
Flooding event response	Response time to (median) resolution to attending a flooding event.	1 hr, 33 min	≤8 hr	0 hr, 00 min	≤1 hr	0 hr, 00 min	≤2 hr	0 hr, 00 min	≤1 hr	0 hr, 49 min	≤1 hr
Customer satisfaction	The number of complaints per 1,000 properties	1.9	≤2	14.2	≤10	8.7	≤30	1.6	≤20	0.6	≤1

Data extracted from Annual Reports 2017 - 2021 and Long Term Plans from 2022 - 2026
Focus on the stormwater network increasing pipe size and replacing pipes after the 2005 floods has resulted in larger comparative costs



This data comes from Water NZ 2020/21



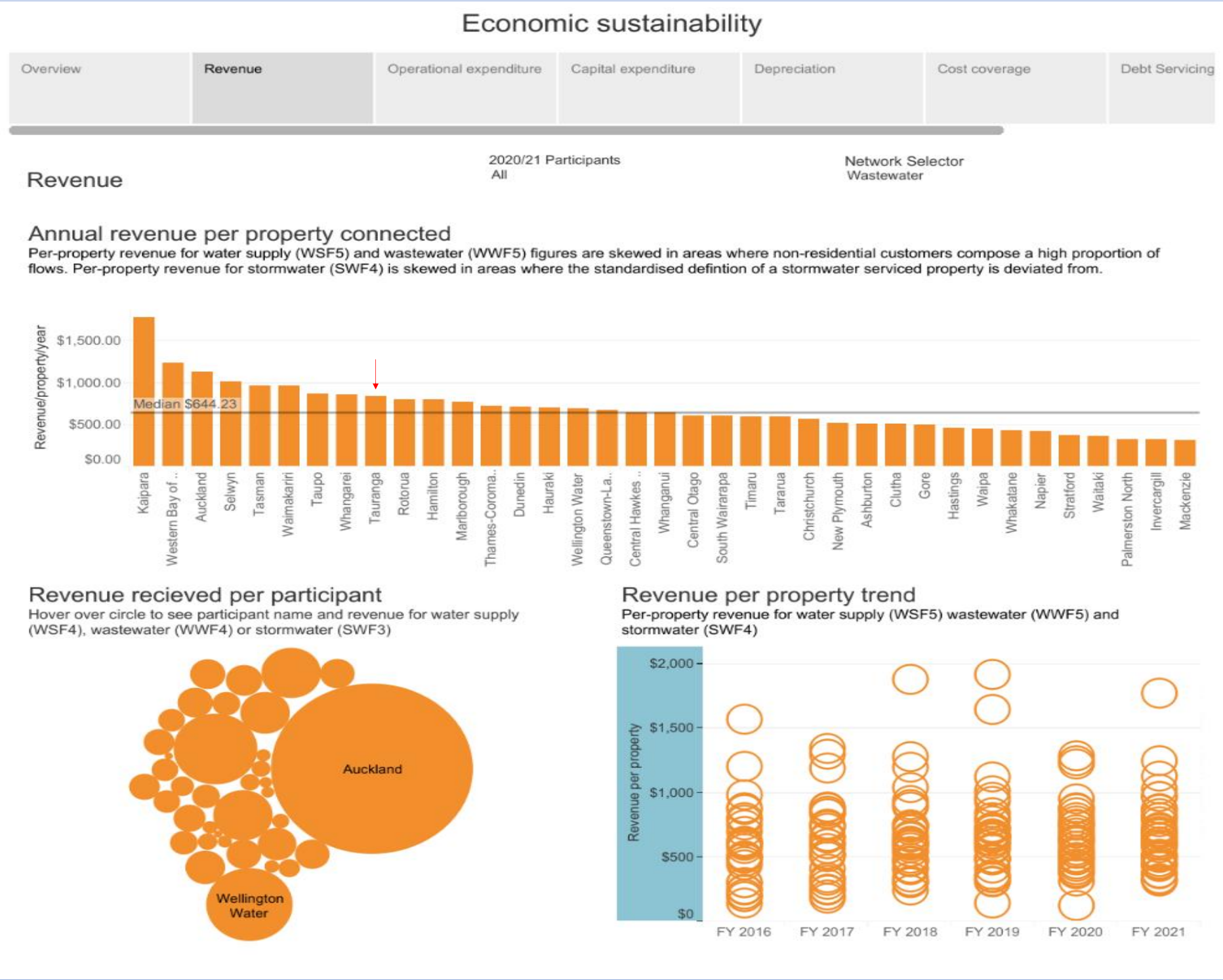
TCC Wastewater Benchmarking

We will provide a network of infrastructure to manage sewerage and protect public health and the natural environment		TCC		Hamilton		WBDC		Rotorua		Dunedin	
Level of service	Performance measure	Actual	2020/21 Target	Actual	2020/21 Target	Actual	2020/21 Target	Actual	2020/21 Target	Actual	2020/21 Target
System management	The number of dry weather sewerage overflows from Council's sewerage system per 1,000 connections	1.0	≤2	0.9	≤5	3.6	≤2	2.2	≤5	0.0	≤2
Compliance	The number of abatement, infringement, enforcement and convictions received by Council in relation to the RMA	1	0	1	≤1	0	0	0	0	0	0
Fault response	Sewerage overflow (median) resolution time. From the time notification is received to the time the issue is resolved.	3 hr, 08 min	≤8 hr	2 hr, 24 min	≤5 hr	6 hr, 04 min	≤8 hr	1 hr, 45 min	≤3 hr	2 hr, 05 min	≤4 hr
Customer satisfaction	The number of complaints per 1,000 connections	3.6	≤10	12.4	≤25	6	≤40	25.9	≤10	5.3	≤5

Data extracted from Annual Reports 2017 - 2021 and Long Term Plans from 2022 - 2026



This data comes from Water NZ 2020/21



9.4 Annual Report - Update with Consolidation and Final Asset Revaluations

File Number: A13762389

Author: Sheree Covell, Treasury & Financial Compliance Manager
Kathryn Sharplin, Manager: Finance
Jolene Nelson, Team Leader: Corporate Planning

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The purpose of this report is to provide the committee with an update of the year-end financial and non-financial results of the annual report. This update includes the consolidated financial accounts and amendments to the introductory sections of the report as requested by Strategy Finance and Risk at the meeting on 12 September 2022. It is noted that the report is still subject to final audit changes so the final consolidated accounts are subject to final audit adjustments.
2. The secondary purpose of this report is to provide an update on the status of three waters revaluation.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report - Tauranga City Council Draft Consolidated Annual Report 2021/22
- (b) Agrees the transfer of \$1.5m from rates surplus to either
 - (i) the interest rate contingency reserve (or)
 - (ii) the risk reserve

EXECUTIVE SUMMARY

3. The annual report is the key document for Tauranga City Council (TCC) to report back to the community on its achievements for the year. The report provides background information on the operations of council, its governance and the year in review by major activity. It provides comparisons against its non-financial performance targets and financial budgets as set out in year one of the 2021-31 Long-term Plan.
4. The consolidated annual report includes the results for TCC's council-controlled organisations Bay Venues Limited BVL, and Tauranga Art Gallery Trust.
5. The updated annual report reflects changes from the report presented on 12 September 2022, this included the draft financial statements and notes to accounts which were not consolidated and did not include the revaluation of land and buildings assets.
6. The financial statements and notes are now progressing through to completion including consolidated CCOs and are currently going through the audit process.
7. A three waters revaluation is being progressed with external valuers and will be included in the 2022/23 Annual Report as an out of cycle revaluation. This revaluation will form the basis for waters assets and depreciation in the 2024 -2034 Long Term Plan.
8. Non-financial performance currently remains unchanged from those presented on 12 September, however eight measures relating to Transportation, Building Services and Water Supply are still being investigated by audit.

9. There are currently two matters relating to drinking water and rainfall measurement that audit have highlighted and staff are working to resolve. These are outlined in detail in the non financial performance section of this report. Staff have engaged external resource to investigate and resolve. This will mean that the adoption of the annual report will likely be delayed to mid December.
10. The draft result for the full financial year is currently 60% achieved (60 measures), 37% not achieved (37 measures) and 3% not measured (3 measures).

BACKGROUND

Financials

11. The key financial results for TCC (unconsolidated are as follows)

Key metric	12 September 2022	14 November 2022
Total operating revenue	\$303m	\$303m
Total operating expenditure	\$306m	\$308m
Capital & operating subsidies	\$52m	\$51m
Net debt	\$701m	\$701m
Capital Expenditure	\$208m	\$208m
Debt to revenue ratio	205%	204%
Total Assets	\$6.0bn	\$6.4bn

12. The noteworthy changes that have occurred since the draft financial statements were presented in September 2022 are:
 - Land & Building revaluation is now included. This resulted is a \$417m increase to assets
 - Consolidation of CCOs is now included. The CCO Annual Reports were presented to the committee on 3 October and summaries of the year's performance are included in section 06.
13. The financial statements and notes to accounts remain in draft form and could change as a result of final tax calculations and final audit adjustments.
14. In this draft the rates surplus of \$1.5m has been transferred to the interest rate contingency reserve to minimise the impact of increasing interest costs for the 2022/23 and 2023/24 financial year. This is the recommended treatment for the surplus as it has the most beneficial rates impact.

Revaluations

15. Council's assets total \$6.4bn of which \$5.9bn are Property Plant & Equipment which is subject to independent revaluations of its major asset classes on a three-year rolling cycle.
16. The asset classes due for revaluation in the 2022 financial year are marine and roading. These revaluations have been completed and resulted in a reduction in marine assets of \$7m and an increase in roading assets of \$404m.
17. Due to the significant valuation increases in the property market and cost escalation in the construction industry a fair value assessment of waters, land and buildings assets was completed in order to determine whether a formal revaluation would be required in order to report the most accurate asset values and comply with appropriate accounting standards.

18. The fair value assessment of land and buildings resulted in significant increases to asset values which required a formal revaluation. This revaluation has been completed resulting in an increase to land and building assets of \$417m.
19. A fair value assessment was carried out on the three waters asset by GHD which came back with a movement of 11% increase overall. After discussions with Audit NZ this was considered not material and the financial statements were not adjusted. An out of cycle revaluation will be completed for the 2022/23 financial year.

Non- financial

20. Of the 100 non-financial performance measures, 97 have been measured during the financial year.
21. The draft result is currently 60% achieved (60 measures), 37% not achieved (37 measures) and 3% not measured (3 measures).
22. Measures relating to Transportation, Building Services and Water Supply are still being investigated by audit.
23. Of the Water measures, there are currently two matters highlighted by audit which staff are working to resolve. The following two matters have meant that the final adoption of the annual report will be delayed to mid December in order to engage the appropriate expertise and allow time for audit to review:
 - (a) Independent review of TCC's drinking water testing. All councils have been requested to provide proof of independent testing of their drinking water. TCC carry out their own testing via their laboratory. From Audits perspective our laboratory is not deemed independent. TCC has employed an independent water testing expert called Wai Comply to carry out an independent assessment.
 - (b) Audit have identified from their testing sample on the non financial measures for Wastewater that there is some discrepancy in dry weather days recorded which will need to be investigated further and if this is not resolved could result in a potential modified audit. Further work will be carried out by staff to provide comfort to Audit that we are carrying out the ground testing of rainfall correctly.
24. As a result of the feedback received at Strategy Finance and Risk Committee on 12 September, the following changes were made to the presentation and content of the front sections:
 - Section one
 - infographics have been updated to include iwi and hapū, marae and two universities.
 - Section two
 - text for *Cameron Road, Te Papa* updated to include housing choice.
 - amended text to Ātea-ā-Rangi to align with other sections.
 - Section three
 - commissioners' attendance at council and committee meetings recalculated
 - corrected text to Public Transport Committee: Alternate: Commissioner Wasley.
 - Section five
 - updates to whole of council funding impact statements.
 - minor text updates to non-financial performance measures commentary in accordance with audit discussions.

- Section 6
 - financial performance for CCOs updated
 - performance measure tables updated to include results that had not been entirely available for the last Strategy, Finance and Risk Committee meeting.

STRATEGIC / STATUTORY CONTEXT

25. The annual report is prepared consistent with requirements of the Local Government Act 2022 and International Public Sector Accounting Standards.

OPTIONS ANALYSIS

26. The option of treatment of the \$1.5m rating surplus is presented below:

	Option	Advantages	Disadvantages
1	Transfer rates surplus to the interest rate contingency reserve (Recommended)	<ul style="list-style-type: none"> • \$1:\$1 rating benefit • Minimises impact of increasing interest costs • Allows buffer for unplanned borrowing costs associated with unbudgeted expenditure and cost escalation 	<ul style="list-style-type: none"> • Risk reserve surplus remains low • Can only be used to offset interest costs
2	Transfer rates to the general risk reserve	<ul style="list-style-type: none"> • Flexibility to be utilised for a range of matters 	<ul style="list-style-type: none"> • Approx \$1:\$0.7 rating benefit

FINANCIAL CONSIDERATIONS

27. The financial statements and information presented is for the financial year ended 30 June 2022. The presentation of the financials section is guided by the requirements of the Local Government Act 2002, accounting standards (International Public Sector Accounting Standards (IPSAS)) and generally agreed accounting policies. It is audited by Audit New Zealand. The financial statements and note to accounts are prepared on a going concern basis and any incidence or allegations of fraud, non compliance or misstatement should be disclosed.

LEGAL IMPLICATIONS / RISKS

28. The Local Government Act 2002 requires the annual report to be adopted within four months of balance date. However, for the years ended 30 June 2021 and 2022 there is a legislative extension of time allowing adoption no later than 31 December 2022.

CONSULTATION / ENGAGEMENT

29. The annual report will be made publicly available after adoption. The 2021-31 Long Term Plan which the years results are measured against were consulted on before being adopted. There is no consultation on the annual report itself.

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 matter.
 - (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 matter is of medium significance.


ENGAGEMENT

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

NEXT STEPS

34. The final designed annual report will be presented to Council / the Committee for adoption on 28 November 2022.
35. A summary annual report will be prepared.

ATTACHMENTS

1. **Annual Report Update - Attachment 1 - A14178599 (Separate Attachments 1)** 

9.5 Open Space Level of Service Policy Hearings

File Number: A13868678

Author: Sharon Herbst, Policy Analyst
Clare Abbiss, Open Space & Community Facilities Planner

Authoriser: Barbara Dempsey, General Manager: Community Services

PURPOSE OF THE REPORT

1. To receive submissions on the draft Open Space Level of Service Policy.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Open Space Level of Service Policy Hearings
- (b) Receives the written submissions on the draft Open Space Level of Service Policy
- (c) Receives the verbal submissions from those submitters who wish to speak to their submission.

EXECUTIVE SUMMARY

2. On 1 August 2022, the Strategy, Finance and Risk Committee (committee) approved a minor change to the Open Space Level of Service Policy, and approved a draft Open Space Level of Service Policy (draft policy) for community consultation.
3. Submissions were sought from 12 September to 30 September 2022.
4. 14 submissions were received and are attached in **Attachment 2**. Five of the submitters wish to speak to the committee at the hearings today.

BACKGROUND

5. The Open Space Level of Service Policy (the policy) was adopted in 2009 and aims to ensure existing and new communities in Tauranga have open spaces (parks and reserves) that are accessible, high quality, and deliver a range of functions. This ensures all residents can access a variety of experiences within certain distances from their home.
6. To achieve this, the policy prescribes standards for accessibility, quality, function and quantity. Application of these standards results in the provision of a network of open space across the city.
7. While planning for open space provision in new greenfield areas it has become clear that applying the existing quantity standard created practicality issues, mainly because the current policy assumed a housing density of 15 dwellings per hectare and new developments are now seeking much higher densities. Application of the current policy would not support good urban design and would not support the provision of more housing.
8. On 1 August 2022, the committee considered a minor amendment to the policy to provide more flexibility in the provision of open space in new greenfield developments. The recommended amendment is to change the quantity standard for neighbourhood reserves, provided that the accessibility standard can still be achieved. A refresh of the policy format was also proposed to align with the Tauranga City Council (council) current policy template, and to update definitions and cross references. Early feedback from key stakeholders suggested general support for the proposed change.

9. The committee approved the draft policy for community consultation. Consultation ran from 12 September to 30 September 2022. The consultation document, which includes the submission form and draft policy, is attached to this report (**Attachment 1**).
10. 14 Submissions were received and are attached in **Attachment 2**. Five of the submitters wished to speak to the committee at the hearings today. Table one below provides a list of submitters speaking to the committee. An updated schedule will be provided at the hearings.

Table One

Submission number	Submitter name or organisation
004	Mary Dillon
008	Jason Wright
010	Nathan York (Bluehaven Group)
011	Jeff Fletcher (Ford Land Holdings Pty Ltd)
012	Jeff Fletcher (Tumu Kaituna 14 Trust)

11. The consultation was advertised widely on the council website, through social media and advertisements in the Weekend Sun and Bay of Plenty Times Newspapers. A copy of the comments received through social media can be found in **Attachment 2**.
12. Copies of the draft policy and submission form were available at the Customer Service Centre, at libraries and on the council website.
13. The community was specifically asked:
- *Do you agree or disagree that the suggested change to our Open Space Level of Service Policy is an acceptable approach in new greenfield urban development areas?*
 - *Why did you agree/disagree?*
 - *How else do you think council could provide acceptable access to a range of open spaces in new greenfield urban development areas?*
14. Targeted consultation was carried out with developers (Te Tumu, Tauriko West, SmartGrowth- Property Developers Forum), Te Kauae a Roopu, Te Rangapū Mana Whenua o Tauranga Moana, and Sport BOP to seek feedback prior to the policy coming to the committee for approval in August for consultation. These stakeholders were also advised the consultation had opened and encouraged to make a submission.
15. Public pre-consultation on the suggested revised quantity standard was also undertaken in May and June 2022 in conjunction with pre-consultation on the Tauriko West plan change. People who responded to this engagement were also contacted via email and encouraged to make a submission.
16. Council newsletters were also used to engage particular interest groups: the City News e-newsletter and the Tauranga Toolbox (Building Services) e-newsletter.

STRATEGIC/STATUTORY CONTEXT

17. Currently Council is refreshing its strategic framework, and has recently adopted the Vision for Tauranga 'Tauranga, together we can', which has three pillars of prioritising the environment, lifting up our communities, and fuelling opportunities. Council's strategic framework outlines Council's response to the vision for Tauranga. The framework will allow both the organisation and the community to see how the council's day to day operations deliver on strategic outcomes for the city.
18. Policies, such as the open space provision policy, are an intrinsic part of the chain, ensuring that higher level strategic goals are operationalised in a consistent and transparent manner.

19. The proposed policy amendment aligns with the direction of Urban Form and Transport Initiative (UFTI) to ensure residents can access local social/community opportunities within a 15-minute journey time.
20. This proposed policy amendment is consistent with the strategic direction provided by SmartGrowth as it facilitates practical planning in greenfield developments and takes into account the need for open space to provide for those future communities.
21. When the strategic framework and associated strategies and action and investment plans are completed, a review of the entire policy may be needed to ensure it continues to align with the new strategies.

FINANCIAL CONSIDERATIONS

22. There are no financial considerations in receiving and listening to the submissions.

LEGAL IMPLICATIONS / RISKS

23. There are no legal implications arising from receiving and listening to the submissions.

SIGNIFICANCE

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



ENGAGEMENT

27. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to the committee receiving the submissions.

NEXT STEPS

28. The committee will deliberate on the issues raised by submitters on 5 December 2022.

ATTACHMENTS

1. **Open Space Level of Service -Consultation document and draft policy - A14025126 (Separate Attachments 2)** 
2. **Open Space Level of Service Consultation- All Submissions (PDF)) - A14137837 (Separate Attachments 2)** 

9.6 Use of Council Land Policy Hearings Report

File Number: A13781817

Author: Vicky Grant-Ussher, Policy Analyst

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

PURPOSE OF THE REPORT

1. To receive submissions on the draft use of council land policy.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the written submissions on the draft use of council land policy (Attachment 1)
- (b) Receives the results of the two pop-up consultation sessions (Attachment 2)
- (c) Receives the summary of feedback from the three sessions with commercial operators (Attachment 3)
- (d) Receives the verbal submissions from those submitters who wish to speak to their submission.

EXECUTIVE SUMMARY

2. On 1 August 2022, the Strategy, Finance and Risk Committee (the committee) approved a draft use of council land policy for community consultation.
3. Submissions were sought from 12 September to 12 October 2022.
4. 59 online submissions were received and are attached in Attachment 1. Twelve submitters want to speak to the committee at the hearings. The results of two pop-up consultation sessions are provided in Attachment 2. We ran three sessions for commercial operators on council land and a summary of feedback is provided in Attachment 3.

BACKGROUND

5. The draft use of council land policy combines 10 existing policies related to land use into one consolidated policy. The policy aims to provide a single, easy to use policy to cover the use of council land.
6. On 13 December 2021, 14 February 2022, and 1 August 2022 the committee considered options to change or clarify policy positions from the 10 existing policies. The options selected were included in the draft policy for community consultation. This included matters relating too:
 - the principles of the policy
 - commercial activities on council land (including quality standards)
 - activities that need to book or hold a licence or permit
 - lease provisions
 - high performance sport
 - other matters such as stormwater, memorials, playcentres, and community gardens.
7. The committee approved the draft policy for community consultation on 1 August 2022. The council agreed to engage with Sport Bay of Plenty, High Performance Sport New Zealand and Bay Venues Limited on the provisions related to high performance sport ahead of the

wider community consultation. Feedback from these organisations supported consulting on the draft provisions, and the wider community consultation proceeded.

8. The community consultation ran from 12 September to 12 October 2022. The consultation document, which includes the submission form and draft policy, is attached to this report (Attachment 4).
9. Licence holders, leaseholders, and those who had booked council land in the last year were notified of the consultation. Sport Bay of Plenty also notified sports clubs of the consultation through their newsletter. Stakeholders such as the main street associations, Bay Trust, TECT, Tourism Bay of Plenty, Department of Conservation, and Bay of Plenty Regional Council were also notified of the consultation. Two print media advertisements were run, one in the Bay of Plenty Times and one in the Weekend Sun.
10. The community consultation included two pop-up consultation sessions requesting feedback on activities within the draft use of council land policy and raising awareness of the policy review. Attachment 2 provides more detail on the engagement and the feedback received.
11. We also ran three sessions aimed at commercial operators on council land: two drop-in sessions at Mount Maunganui Library and one session directly with surf schools and Surfing New Zealand. Feedback from those sessions is provided in Attachment 3.
12. 59 submissions were received and are attached in Attachment 1. Twelve of the submitters wanted to speak to the committee at the hearings today. Table one below provides a list of submitters speaking to the committee. An updated schedule will be provided at the hearings.
13. Table one: Verbal submitters

Submission number	Submitter name and organisation
4	Ian Waite
10	Angela Smith
22	Barry Scott
31	Nevan Lancaster – Mt Cats and Yaks
34	Porina Mcleod – Mauao Adventures
38	Peter Monteith – Inspired Kindergartens
39	Ellen White
40	Koenraad Groot
47	Matthew King
54	Roydon Lowe
55	Mac O'Brein
58	Renee McMillan – Mount Maunganui Playcentre

STRATEGIC / STATUTORY CONTEXT

14. Policies, such as those which guide use of council's land, are an intrinsic part of ensuring that higher level strategic goals are operationalised in a consistent and transparent manner and providing staff with delegated authority where appropriate. The principles in this policy link closely with the themes from the City Vision and the implementation of this policy will support the future direction for the city of Tauranga.

FINANCIAL CONSIDERATIONS

15. There are no financial considerations in receiving and listening to the submissions.

LEGAL IMPLICATIONS / RISKS

16. There are no legal considerations in receiving and listening to the submissions.

SIGNIFICANCE

17. 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.
18. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the issue
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
19. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of medium significance.





ENGAGEMENT

20. 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 making a decision.

NEXT STEPS

21. The committee will deliberate on the issues raised by submitters on 5 December 2022.

ATTACHMENTS

1. **Attachment 1: Written submissions - A14160370 (Separate Attachments 2)** 
2. **Attachment 2: Results of pop-up consultation - A14160343 (Separate Attachments 2)** 
3. **Attachment 3: Feedback from sessions with commercial operators - A14160193 (Separate Attachments 2)** 
4. **Attachment 4: Consultation documents - A14141347 (Separate Attachments 2)** 

9.7 First Quarter Financial and Non-Financial Monitoring report to 30 September 2022

File Number: A14114696

Author: Kathryn Sharplin, Manager: Finance
Tracey Hughes, Financial Insights & Reporting Manager
Jolene Nelson, Team Leader: Corporate Planning
James Woodward, Finance Lead Projects Assurance

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The purpose of this report is to provide information of council's performance for the first quarter of the 2022-23 financial year and identify key variances risks and implications for the performance for the year. This report also provides an overview of the results from the resident perceptions survey for the first quarter.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "First Quarter Financial and Non-Financial Monitoring report to 30 September 2022".

EXECUTIVE SUMMARY

2. The financial results for the first quarter are presented in **Attachment 1**. The results are favourable to budget overall with a first quarter surplus for operational budgets, primarily because of slower than budgeted expenditure across a number of activities in the first quarter. At this stage there has been no adjustment to forecasts for the full year, but slower spend across consultants and other operational expenditure is being monitored and may be reflected in lower forecasts in this report for the second quarter. The operating surplus (including Asset Development Revenue) is \$5.7m at the end of the first quarter, \$17m favourable to year to date budget. Capital Expenditure is currently tracking under budget, however expenditure has been increasing over the first quarter closing in on the required monthly spend required for to reach the full year budget. The forecast year end expenditure is currently forecasting just under budget, however it is likely the forecast will be revised down as the year progresses.
3. **Attachment 2** presents how Council and the community are tracking towards achieving Council's non-financial performance measures and levels of service.
4. Of the 100 non-financial performance measures, two measures (2%) have achieved the annual target, 60 measures (60%) are on track and 21 measures (21%) are off track. Data is not yet available for 17 (17%) of measures.
5. **Attachment 3** presents a high-level summary of the wave one results of the Annual Residents Survey.

BACKGROUND

6. This report is for monitoring and reporting purposes showing Council's financial and non-financial quarterly performance in delivering services to the community.
7. The operational budgets were set during the annual plan process with some changes to year two of the Long-term Plan (LTP) to deliver on agreed service levels and capital investment. In an LTP, the level of service that the council will deliver along with operational budgets and

capital investment programme are agreed upon by the council in consultation with the public. Rates and user charges are set based on these budgets.

8. The Local Government Act 2002 stipulates that local authorities are required to report on how well they are performing in delivering these levels of service to their communities as measured by the non-financial performance indicators.
9. In the 2021-31 LTPA there were 100 KPIs that were agreed upon, 23 of which are mandatory measures as per section 261B of the Local Government Act.

STRATEGIC / STATUTORY CONTEXT

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

DISCUSSION

Part 1: Financial Performance

12. The budgets for 2022-23 included were a significant increase from the 2021-22 financial year as summarised in the table below:

Budget component	Current year budget \$m	Increase from previous year budget \$m
Operating Revenue	344	43
Operating Expenditure	386	60
Rates Requirement	270	36 (13%)
Capital Subsidies	105	47
Capital Programme & Other Capital* (including carry forward of \$19m from 2021/22)	354	68
Debt	853	209

*Other Capital includes net land sales and capital delivered by other (developers including vested assets, WBoPDC, BoPRC, BVL and Waka Kotahi). Also includes carryforwards from 2021-22.

13. The rationale for the substantial increase in budgets and rates requirement was to acknowledge increasing workload and costs to meet existing levels of service and to increase expenditure and focus in a number of key operational areas including:
 - (a) Infrastructure planning
 - (b) Grants and support for community initiatives
 - (c) Core services and contracts
 - (d) Civic centre and 90 Devonport Road
14. Attachment 1 shows that the financial result for the first quarter is favourable to budget overall with a first quarter surplus for operational budgets. This result is primarily because of slower than budgeted expenditure across consultants, community contributions and grants and other operational costs. Capital expenditure is under budget for the first quarter, primarily in the Transport and Spaces & Places activities. Spaces & Places are still forecasting to deliver close to budget, however Transport has revised down their forecast, which has been impacted mainly by the Tauriko West Network project, which has \$32m now phased for delivery in FY24 to reflect the current delivery programme. Transport are also

experiencing internal and external resource constraint, these are being mitigated backfill of resource and providing early visibility of the pipeline to the market.

15. Attachment 1 also includes the High Strategic Programmes and Projects for 2022/23, these make up 75% of this years total capital programme, representing high profile and significant projects in this years capital programme.
16. At this stage there has been no adjustment to forecasts for the full year. The report on the 6-month result will update expenditure on the above areas and provide revisions to full year forecasts where appropriate. Areas of slower expenditure are being closely looked at as part of the 2023-24 annual plan. The total capital programme is forecasting to be very close to budget, however there are some variances within projects already referenced as part of Attachment 1.

Part 2: Non-Financial Performance

17. **Attachment 2** presents how Council and the community are tracking towards achieving Council's non-financial performance measures and levels of service.
18. Of the 100 non-financial performance measures, two measures (2%) have achieved the annual target, 60 measures (60%) are on track and 21 measures (21%) are off track. Data is not yet available for 17 (17%) measures.
19. Where data is not available, the majority relate to annual measures which are only surveyed at one point through the year.
20. Of the 21 measures off track, across eight activity groups, 57% relate to Regulatory and Compliance (43% or nine measures) and Community Services (14% or three measures). Transportation, Water Supply and Community, People and Relationships each have two measures off track (10%), with City and Infrastructure Planning and Emergency Management accounting for one measure each (5%).
21. We will continue monitoring any measures that are off track and report on the likelihood of these achieving target over the next three quarters.

Part 4: Residents Survey

22. The Annual Residents' Survey supports non-financial reporting by measuring the perceptions of residents regarding various aspects of services that Council provides.
23. The survey is conducted in four waves across the year. Each wave's mail out quotas are applied according to age, gender and ward, to ensure that a representative sample of Tauranga City's population is achieved. The data is weighted to account for variances in the achieved quotas and to ensure that the sample reflects the population profile achieved.
24. The overall results have an anticipated margin of error of +/- 4.6% at the 95% confidence level. Scores for the reporting periods exclude 'Don't know' responses.
25. A summary of the highlights is attached at **Attachment 3**. The summary helps provide an insight into how different elements of Council's core service deliverables, reputation and the perception of value for money contribute to respondents' perception of Council's overall performance.
26. Under overall performance, the wave one result is that 38% of respondents are satisfied or very satisfied with Tauranga City Council in general, which is greater than the results from 2021/22.
27. Reputation measures the community's perception of four key areas – leadership, faith and trust, financial management and quality of services/facilities. Under reputation, the wave one result is that 30% of respondents are satisfied or very satisfied, up from the full year result for 2021/22 which was 23%.

28. Within reputation, there is the measure in terms of respondent's faith and trust in Council, the wave one result is that 31% of respondents are satisfied or very satisfied, up from the full year result for 2021/22 which was 24%.
29. A summary of the rest of the high-level survey results of the 2021/22 full year and the comparative wave for 2021/22 and their trend is summarised in the table below:

Measure	2021/22 full year result	2021/22 wave 1	2022/23 wave 1	Trend (compared to wave 1 2021/22)
Overall performance	32%	32%	38%	▲
Overall image and reputation	23%	27%	30%	▲
Overall value for money	36%	41%	36%	▼
Overall core services deliverables	56%	61%	66%	▲
Overall water management	55%	55%	60%	▲
Overall road and footpaths	44%	48%	33%	▼
Overall waste management	63%	65%	76%	▲
Overall outdoor spaces	73%	78%	71%	▼
Overall public facilities	70%	73%	72%	▼

30. The next wave is due to be collected predominantly during December 2022 with the results scheduled to be reported to this committee in early 2023.

OPTIONS ANALYSIS

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

FINANCIAL CONSIDERATIONS

32. This report monitors performance to budget to ensure council delivers on proposed expenditure within allocated budgets to ensure financial sustainability and accountability.

LEGAL IMPLICATIONS / RISKS

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

CONSULTATION / ENGAGEMENT

34. This report is made public.

SIGNIFICANCE

35. 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.
36. 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.

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




ENGAGEMENT

38. 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

39. This report ensures monitoring of Council performance to ensure compliance with Council's budgets, policies and delegations. The non-financial monitoring report summary will be presented on the Council website.

ATTACHMENTS

1. **September 2022 Financial Report - A14160270** [↓](#) 
2. **Non Financial Performance Measures - A14146002** [↓](#) 
3. **Annual Residents Survey 2022_23 - Wave 1 - Performance Report PDF - A14163638** [↓](#) 

Financial Statements

Year to 30 September 2022

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Favourable
(Unfavourable)

FULL YEAR

	\$'000	Actual YTD	Budget YTD	Variance	Variance %	Forecast	Total Budget	Variance
OPERATING REVENUE								
Rates		67,420	66,544	876	1%	269,883	269,883	0
Subsidies & Grants		3,804	2,273	1,531	67%	9,153	9,153	0
Other Revenue		14,735	15,855	(1,120)	-7%	61,374	61,374	0
Finance Revenue		1,389	901	488	54%	3,604	3,604	0
Total Operating Revenue		87,348	85,573	1,775	2%	344,014	344,014	0
ASSET DEVELOPMENT REVENUE & OTHER GAINS								
Development Contributions		9,676	8,748	927	11%	34,993	34,993	0
Other Gains/(Losses)		1,806	345	1,461	423%	1,380	1,380	0
Subsidies & Grants Capital Expenditure Contributions		10,228	19,413	(9,185)	-47%	104,668	104,668	0
Assets vested to Tauranga City Council		3,858	5,949	(2,090)	-35%	23,795	23,795	0
Total Asset Development Revenue & Other Gains		25,568	34,455	(8,887)	-26%	164,837	164,837	0
TOTAL REVENUE		112,916	120,028	(7,113)	-6%	508,851	508,851	0
OPERATING EXPENDITURE								
Personnel Expense		22,403	22,641	237	1%	90,667	90,667	0
Depreciation & Amortisation Expense		18,803	18,803	0	0%	75,213	75,213	0
Finance Expense		6,976	7,806	830	11%	31,225	31,225	0
Consultants & Contractors		5,953	8,691	2,738	32%	34,431	34,431	0
Other Expense		27,477	38,822	11,345	29%	154,677	154,677	0
Total Operating Expenditure		81,613	96,764	15,151	16%	386,213	386,213	0
OTHER EXPENSES								
Total Other Expenses		0	0	0	0%	1,200	1,200	0
TOTAL EXPENDITURE		81,613	96,764	15,151	16%	387,413	387,413	0
SURPLUS/(DEFICIT)		31,303	23,264	8,039	35%	121,437	121,437	0
OPERATING SURPLUS/(DEFICIT)		5,736	(11,191)	16,926	151%	(42,199)	(42,199)	0

Overall Comments on Year to Date Balances

Rates revenue is in line with budget.

Subsidies & Grants revenue mainly comprises the NZTA subsidy, but includes other grants (including government grants for waters reforms) and donations for this period.

Other Revenue, primarily user fees, is tracking below budget. Details of variances can be found in the user fees and expenditure variance by activity report, attached.

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

Development Contributions are ahead of budget. Primarily from city-wide development contributions and Papamoa East local development contributions.

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

- an unbudgeted gain recognised from the Housing Infrastructure Fund loan (\$131m loan for Waiari and Te Maunga), which recognises a zero percent interest rate as a gain over market, and
- a budgeted gain relating to the Totara Farm (Te Tumu) land transaction.

Subsidies & Grants Capital Expenditure Contributions are primarily related to NZTA funding and Crown Infrastructure Partnership (CIP) subsidies for the Cameron Road upgrade project. Revenue is claimed as works are undertaken. The budget shortfall is mainly for NZTA capital project funding, relating to the slower capital programme delivery.

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

Personnel Expense underspend reflects a significant number of unfilled positions, partially offset by lower than budget capitalisation credits.

Depreciation has been recorded to equal budget, until the audit is completed and final depreciable asset values recognised.

Finance Expense costs will increase as loans are renegotiated at the higher prevailing interest rates.

Consultants and Contractors costs are tracking below budget at this stage of the year with some projects yet to get underway.

Other Expenditure is below budget across a number of activities. Details of variances can be found in the user fees and expenditure variance by activity report, attached.

Revenue and Expense Variance - September 2022

USER FEES						EXPENDITURE			
	Activity	Main Revenue Stream	YTD Variance	Full Budget	Full Forecast	YTD Variance Commentary	YTD Variance	Full Budget	Full Forecast
	Chief Financial Officer								
101	Corporate Treasury	Rates and water penalties	119,181	(823,200)	(823,200)	Revenue: Rates penalties timing variance. Expenditure: Minor variance.	4,424	1,014,902	1,014,902
102	Head Office - TCC					Expenditure: Minor variance.	3,814	7,628	7,628
104	Strategic Properties					Expense: Rates expense on strategic properties above budget.	(40,713)	56,934	56,934
10	Finance	Payments/contributions from Regional Council	(39,273)	(166,698)	(166,698)	Revenue: Timing variances with valuation data recoveries. Expenditure: Timing variances for consultants, rates database maintenance, training and travel.	197,752	6,825,706	6,825,706
12	Executive Team		0			Expenditure: Over budget on administration and consultants costs.	(162,799)	7,121	7,121
19	Insurance	Insurance recovery	250			Revenue: Minor variance. Expenditure: Minor variance.	(235)	50	50
57	Marine Precinct	Leasing & Berthage	(12,599)	(1,337,874)	(1,337,874)	Revenue: Lower hardstand revenue due to shorter boat stays. Expenditure: Timing variance for demolition of two abandoned vessels and harbour dredging costs.	230,773	2,581,199	2,581,199
81	Airport	Landing & parking fees / Leasing	(529,043)	(9,800,605)	(9,800,605)	Revenue: Below budget as passenger numbers are not yet back to budgeted levels and some rents have not been increase as soon as expected. Expenditure: Above budget as a result of additional ytd costs for Fire Rescue and Safety Management. R&M is also above budget due to the change to contracted services for grounds maintenance. This is partly offset by an underspend in employee costs due to a lesser number of staff.	(65,368)	3,530,418	3,530,418
95	Strategic Investment & Commerce	Rates				Expenditure: Lower than budget across consultants and valuation fees.	106,414	1,290,516	1,290,516
	TOTAL CHIEF FINANCIAL OFFICER		(461,484)	(12,128,377)	(12,128,377)		274,063	15,314,474	15,314,474
	Corporate Services								
11	Human Resources		1,250			Revenue: No material variance. Expenditure: Timing of life insurance premiums and operational project expenses yet to be utilised.	132,138	2,657,925	2,657,925
13	Digital Services	Metro network lease	(11,653)	(165,084)	(165,084)	Revenue: Slightly lower than budgeted due to lower recoveries from metro fibre network leases. Expenditure: Employee costs are behind budget due to difficulties filling specialised roles in the current market leaving vacancies in the team. Administrative and other operating expenses are behind budget in this first quarter, with the expectation that full budget will be expended by year end.	1,360,746	20,698,754	20,698,754
20	Communications & Engagement					Expenditure: Underspend across marketing and advertising, public information and engagement expenses (as business is incurring these costs directly on specific projects). Expected to be inline with budget at year end as specific projects come online.	197,021	3,455,447	3,455,447
55	Legal & Risk					Expenditure: Credits from capitalisation of salaries, for legal, procurement & risk input on capital projects are running below budget due to advice regarding capitalisation criteria. Business continuity consultancy costs lower than expected.	3,764	2,758,599	2,758,599
83	Fleet Management					Expenditure: Timing of Custom Fleet lease payment recharges.	(3,939)	(10,224)	(10,224)
	TOTAL CORPORATE SERVICES		(10,403)	-165,084	-165,084		1,689,730	29,560,501	29,560,501
	Community Services								
15	Civic Complex	Leasing	318	(10,290)	(10,290)	Revenue: Minor variance. Expenditure: Lower than budget consultancy costs (re new civic admin building) and reduced cleaning costs .	104,830	5,233,231	5,233,231
44	Emergency Management					Expenditure: Tracking behind budget due to underspend on employee related costs, education expenses and other operating expenses, but expected to be on budget at year end.	188,814	1,326,252	1,326,252
54	City Events		87			Expenditure: Tracking behind budget due to timing of event fund payments and consultancy costs, but expected to be fully spent by year end.	167,272	3,586,552	3,586,552
56	Community Partnerships	Grant funding, partnership agreements and WBOPDC contributions	145			Expenditure: Behind budget due to timing of the community housing grant and expenditure across community funding portfolios tracking slightly behind budget, but expected to be fully expended by year end.	536,114	4,984,992	4,984,992
59	Spaces & Places	Reserve and property rentals, McLaren Falls	(21,250)	(445,813)	(445,813)	Revenue: Rental reserves tracking behind budget. Expenditure: Tracking under budget due to timing of Bay Oval grant funding that was carried forward from FY22 to construct the Stage 2 Pavilion and complete other minor capital projects, and timing of grounds repairs and maintenance expenditure.	1,704,594	29,910,259	29,910,259

USER FEES						EXPENDITURE			
	Activity	Main Revenue Stream	YTD Variance	Full Budget	Full Forecast	YTD Variance Commentary	YTD Variance	Full Budget	Full Forecast
64	Baycourt Community & Arts Cen	Sales & Hireage Fees	(15,513)	(671,247)	(671,247)	Revenue: Anticipated to meet full budget by year end. Expenditure: Tracking behind budget due to the timing of planning and artist fees for Baycourt birthday celebrations, but expected to be fully spent by year end.	144,887	1,949,229	1,949,229
65	Arts & Culture					Expenditure: Tracking behind budget due to timing of community contract payments, but expected to be fully spent by year end.	530,939	3,567,571	3,567,571
67	Marine Facilities	Leases	(30,065)	(625,934)	(625,934)	Revenue: Lower commercial rents and operating expense recoveries . Expenditure: Lower than budget consultancy fees on the Marine Facilities Strategy and internal charges, partially offset by additional waterfront R&M.	140,650	1,251,669	1,251,669
68	Beachside	Accommodation	(32,567)	(2,461,586)	(2,461,586)	Revenue: Tracking slightly below budget due to lower occupancy rates than budgeted for the winter months. Expenditure: Tracking behind budget due to timing of repairs and maintenance and other expenses. Expected to be on budget at year end.	32,455	1,606,473	1,606,473
75	Customer Services	Property Files & Information	(42,314)	(1,350,330)	(1,350,330)	Revenue: Lower than expected volumes for LIMs and property files. Market indications are that this trend will continue. Expenditure: Employee costs tracking ahead of budget. Full year spend expected to be inline with budget.	(41,929)	3,531,411	3,531,411
77	Libraries	User Fees	(1,829)	(259,653)	(259,653)	Revenue: Minor Variance. Expenditure: Minor variance.	(3,502)	8,215,764	8,215,764
84	Cemeteries	Product sales	159,811	(1,257,116)	(1,257,116)	Revenue: Income from cremations tracking above budget as a result of the competitors cremator breaking (not expected to be replaced for 12-18 months.) Expenditure: Other expenses such as gas and fuel costs associated with cremations are tracking slightly below budget.	26,652	709,746	709,746
90	Property Management	Leasing Income	(124,096)	(5,007,893)	(5,007,893)	Revenue: Lower commercial rental income, operating expense recoveries and commissions. Expenditure: Reduced costs for repairs and maintenance, consultants and less investigation activity (seismic and asbestos surveys).	168,281	5,577,451	5,577,451
92	Historic Village	Leasing Income	(55,987)	(865,314)	(865,314)	Revenue: Lease revenue and overhead recoveries tracking behind budget due to resourcing delays in invoicing and tenant management. Expected to be caught up in October. Expenditure: Behind budget due to timing of building maintenance and overheads but expected to be fully spent by year end.	71,570	1,500,507	1,500,507
94	Elder Housing	Rental Income	26,585	(720,000)	(720,000)	Revenue: Occupancy rates higher than conservative budget. Expenditure: Above budget rates expense and repairs and maintenance requirements.	(44,417)	713,962	713,962
	TOTAL COMMUNITY SERVICES		(136,676)	(13,675,176)	(13,675,176)		3,727,209	73,665,069	73,665,069
	Infrastructure Services								
26	Stormwater	Leasing, Operational cost recovery	(2,706)	(10,830)	(10,830)	Revenue: Minor Variance. Expenditure: Mainly due to R&M tracking behind budget, due to a change in contract and a system change which has created a large WIP backlog, which should be corrected to normal levels by year end. Consultancy expenses are running behind budget due to timing differences relating to recruitment of planners, thereby pushing some of the budgeted modelling work back.	758,234	11,236,567	11,236,567
27	Wastewater	Trade Waste and Omokoroa metered income	(244,202)	(2,088,822)	(2,088,822)	Revenue: Some high value customers in Tradewaste categories have either moved their processing location or taken active measures to reduce the discharge resulting in less income against budget. Expenditure: Mainly driven by reduced R&M activity, there is a trend of increasing WIP backlog which are being worked to reduce. Bio solid costs are running slightly behind budget, year end forecast adjusted to reflect the revised programme	2,002,405	24,818,164	23,218,164
29	Water Supply	Water operation fees/forestry	(75,328)	(868,500)	(868,500)	Revenue: Extended engagement with stakeholders, along with widely reported international supply chain issues means that the forestry income (\$660k) budgeted this year, is postponed until next year. Expenditure: Related variable forestry costs will be delayed (\$490k). Consulting costs in waters planning is behind budget year to date, with projects picking up later in the financial year.	1,291,815	20,502,752	20,502,752
30	City Waters (Support Services)	Laboratory fees	22,658	(822,772)	(822,772)	Revenue: Higher external cost recoveries from the joint asset management system and additional external recoveries in lab testing due to additional compliance requirements. Expenditure: All external operating costs running on budgeted levels. Internal cost recovery is running behind generating the negative variance.	(58,250)	780,377	780,377
32	Sustainability & Waste	User Fees - from operations & contract	(45,469)	(377,978)	(377,978)	Revenue: Staffing issues have resulted in invoices not being sent out. Revenue is expected to be received later in the year. Expenditure: Operational contracts expense and operational project expense under budget also due to accruals not being completed.	508,936	13,077,807	13,077,807

USER FEES						EXPENDITURE			
	Activity	Main Revenue Stream	YTD Variance	Full Budget	Full Forecast	YTD Variance Commentary	YTD Variance	Full Budget	Full Forecast
38	Transportation	Road Zones & Other Fees	209,044	(639,646)	(639,646)	Revenue: Exceeded budget due to fines relating to the new traffic system implemented for Links Avenue. Expenditure: Majority of variance relates to contract establishment and administration due to the budget being prepared prior to the road maintenance contract being awarded. Transport team is currently requesting a budget amendment in this regard.	(1,344,383)	19,255,982	19,255,982
47	Infrastructure Delivery (Asset Delivery)					Expenditure: Variance due to increased consultancy costs to cover position vacancies.	(96,182)	130,534	130,534
69	Asset & Infrastructure Planning	Consent & Planning Fees	114,926	(847,200)	(847,200)	Revenue: Ahead of budget due to increased market demand. Expenditure: External operating costs are within budget, with the expectation that expense will be realised to budget by year end.	138,906	1,002,819	1,002,819
85	Parking Management	Parking Fees	(170,876)	(5,324,774)	(5,324,774)	Revenue: On street parking revenue behind budget as it was assumed free parking trial would end on 30 June 2022 (rather than the recently agreed 30 Nov). Expenditure: Behind budget due to timing of Mount Maunganui Parking Management Plan implementation.	141,434	3,460,396	3,460,396
TOTAL INFRASTRUCTURE SERVICES			(191,953)	(10,980,522)	(10,980,522)		3,342,916	94,265,398	94,265,398
City Development & Partnerships									
58	Bay Venues Limited & CCO's	Depreciation - trsfr to TCC Depreciation Reserve / External Recoveries	56,222	(865,592)	(865,592)	Revenue: Tracking ahead of budget due to timing of depreciation transfer from Bay Venues and operating expense recoveries. Expenditure: Renewals claim in the first quarter tracking behind budget due to timing of the Greerton pool project, however expected to be fully paid out by year end. Additional operational grant funding of \$320k to be paid out this FY in response to living wage remuneration decisions.	2,541,036	16,297,410	16,297,410
61	Civic Precinct Support					Expenditure: Tracking ahead of budget due to undercapitalised salaries, partly offset by delayed timing of consultancy and business case costs.	(180,563)	3,169,963	3,169,963
76	Economic Development	Targeted Rate Funding				Expenditure: Under spend due to the timing of community contract payments.	224,925	5,696,825	5,696,826
TOTAL City Development & Partnerships			56,222	-865,592	-865,592		2,585,398	25,164,198	25,164,199
Regulatory and Compliance									
46	Environmental Planning	Consent fees	(479,941)	(4,282,468)	(4,282,468)	Revenue: Resource consents revenue is under budget. Volumes forecast were higher than actuals due to expected growth not occurring and volumes being inline with 2021. Expenditure: Salaries under budget due to unfilled positions, partially offset by additional consultancy costs.	57,943	5,263,971	5,263,971
48	Environmental Regulation	Monitoring Fees	9,896	(1,012,552)	(1,012,552)	Revenue: Variance not material. Expenditure: Variance not material.	(9,857)	1,712,077	1,712,077
50	Animal Services	Dog Registration Fees/ court recoveries/ impounding	(150,422)	(1,524,189)	(1,524,189)	Revenue: Majority of variance is due to lower dog registrations revenue. Expenditure: motor vehicle lease under budget.	26,998	1,260,026	1,260,026
52	Building Services	Consenting & Inspection Fees	(170,135)	(15,251,299)	(15,251,299)	Revenue: BCA levy is under due to budget being too optimistic, partly offset by higher consents revenue and other user charges. Expenditure: Not material.	598	11,244,257	11,244,257
74	Regulatory Services	Permit Fees, Premises registrations	(18,731)	(114,637)	(114,637)	Revenue: Revenue under budget, but will increase when freedom camping fines increase over summer. Expenditure: Lower filing fees, partially offset by increase in salaries.	46,792	(64,003)	(64,003)
TOTAL REGULATORY & COMPLIANCE			(809,332)	(22,185,145)	(22,185,145)		122,473	19,416,328	19,416,328
Strategy and Growth									
16	Democracy Services		605			Revenue: Citizenship revenue received that is not budgeted for. Expenditure: Remuneration costs for the commissioners is less than the budget set for the elected members. Tangata Whenua representative expenses also lower than budget along with consultancy costs.	200,878	2,986,984	2,986,984
18	Strategy & Corporate Planning					Expenditure: Consulting expenses, employee costs (vacancies) and operational project expenses tracking under budget.	168,499	2,769,954	2,769,954
21	Te Pou Takawaenga Maori Unit					Expenditure: Underspend relates to timing of payments for the Papakianga grant.	196,872	1,846,811	1,846,811
51	City & Infrastructure Planning	Recoveries (external)	(3,019)			Revenue: Minor variance. Expenditure: Combination of more work being done in-house than originally anticipated, an inability to progress some projects as much as originally intended due to delays in the release of government guidance, and some projects not going ahead as originally anticipated due to changes in legislation.	1,917,993	13,411,182	13,411,182
72	SmartGrowth Implementation	Partner Contributions - WBOPDC/BOPRC	435,477	(1,373,787)	(1,373,787)	Revenue: Ahead because of carried forward unspent funds from prior year. Expenditure: Expected to be on budget at year end.	95,839	1,373,568	1,373,568

USER FEES						EXPENDITURE			
	Activity	Main Revenue Stream	YTD Variance	Full Budget	Full Forecast	YTD Variance Commentary	YTD Variance	Full Budget	Full Forecast
TOTAL STRATEGY AND GROWTH			433,063	(1,373,787)	(1,373,787)		2,580,081	22,388,499	22,388,499
TOTAL			(1,120,564)	(61,373,683)	(61,373,683)		14,321,871	279,774,467	279,774,468

green font = favourable to budget

red font = unfavourable to budget

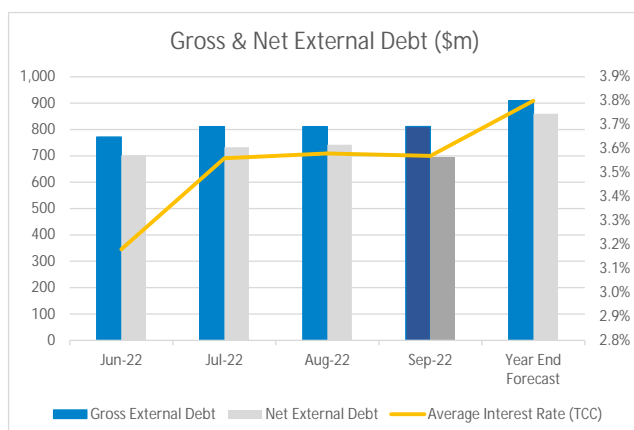
Treasury Policy Compliance

Monthly Report to SFR

As at 30 September 2022



Debt



Current:

Gross debt as at 30 September 2022 was \$811.4m and net debt is \$794.4m. New long-term debt of \$40m has been issued since the beginning of the financial year, all with LGFA. A further \$30m will be issued in October bringing the total to date of \$70m.

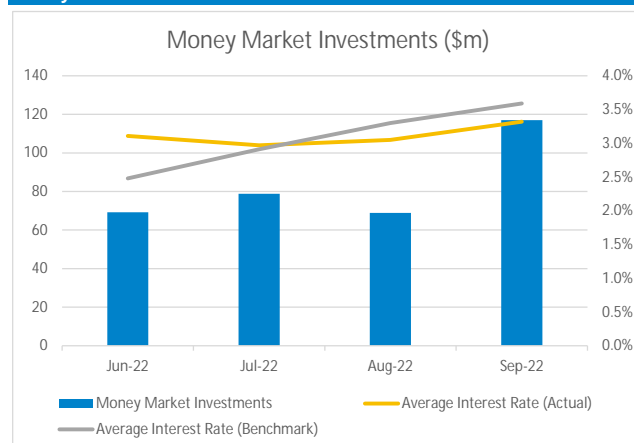
Forecast:

The overall capital expenditure is 20% of the full year revised budget. Planned net debt for 30 June 2023 is \$853m as budgeted.

Borrowing Resolution:

No change required to the borrowing resolution. Treasury will continue to monitor and align with capital cashflows.

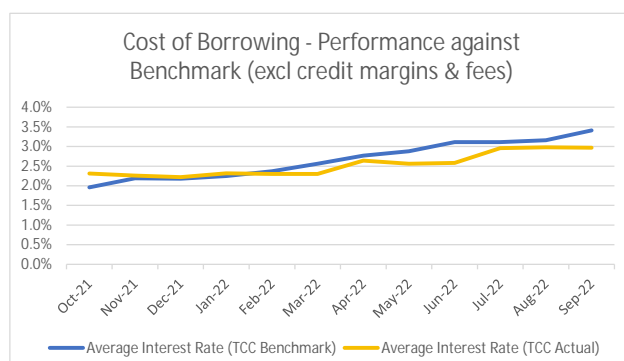
Money Market Investments



Money market investments and bank balances are at \$116.8m. The high balance on deposit reflects a significant portion of rates being paid in August which has been put on short term deposit.

Average Interest Rate 3.32%

Interest



Both interest rate hedging and debt maturity levels are within recommended levels. \$518m of total debt (65%) is at fixed interest rates as at 30 September 2022.

The Official Cash Rate ("OCR") is currently 3.5% following a 50bp increase in October. There will be another announcement from RBNZ on 23 November 2022.

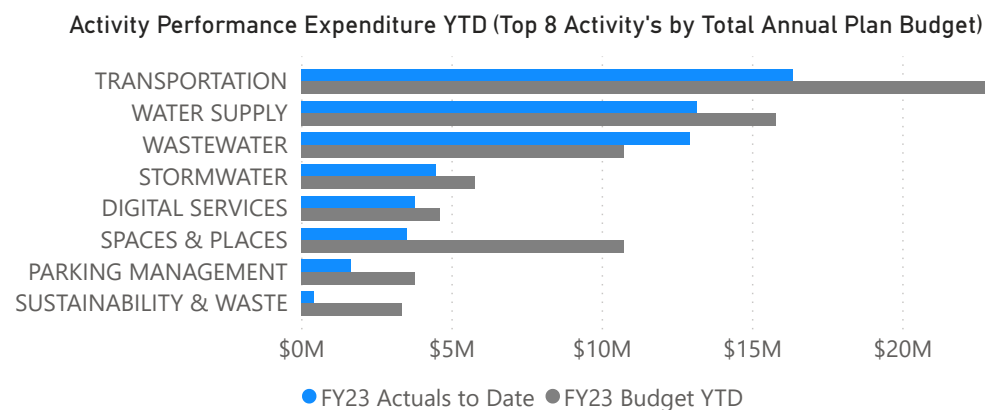
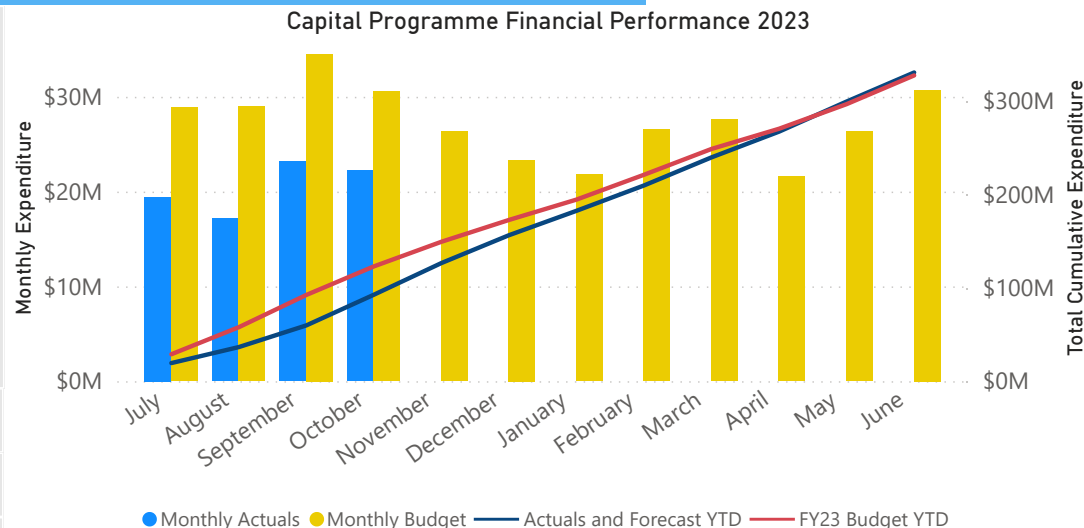
Average Interest Rate 2.97%

Capital Programme - 2023 Financial Year - September 2022

Month Fiscal Year

The first quarter of the year has been slower than expected, partly due to significantly higher rainfall through July and September (double historical averages). The largest variances to date is within the Transport and Spaces & Places activities. However total expenditure has been increasing month on month as the year progresses into the busier construction season. The end of year forecast at this stage of the year is still very close to budget and will be monitored closely to ensure council remains with its borrowing limits.

Actuals Current Month	\$23.2M
Budget Current Month	\$34.5M
Variance Current Month	-\$11.3M
FY23 Actuals to Date	\$59.8M
FY23 Budget to Date	\$92.3M
FY23 Variance to Date	-\$32.6M
FY23 Annual Plan Budget	\$327.2M
FY23 Forecast	\$330.4M
FY23 Variance	\$3.1M



Capital Programme - 2023 Financial Year - September 2022

Month Fiscal Year

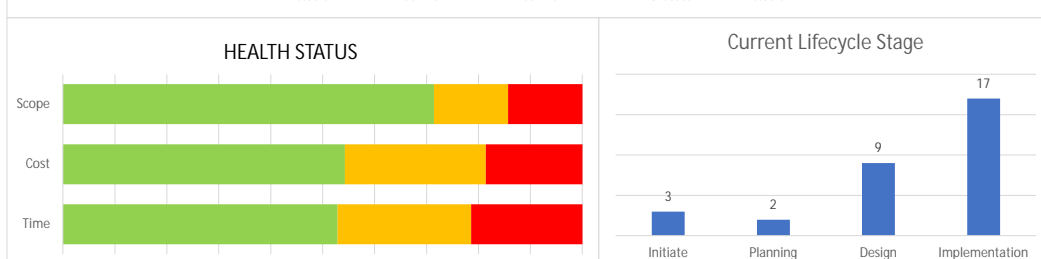
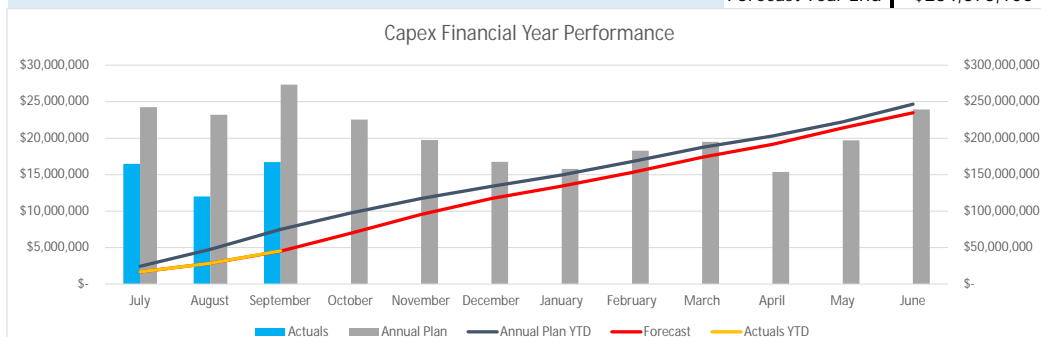
Project Category	FY22 Budget	FY22 Forecast	FY22 Variance	Commentary
High Strategic Impact Projects	\$246.5M	\$234.7M	-\$11.8M	See attached high strategic impact projects for more detail
Balance of Growth Projects	\$39.8M	\$17.6M	-\$22.2M	Forecasting lower than planned expenditure due to negotiations ongoing for land purchases and delays in expenditure on some projects in the western growth corridor.
Capital Delivery Adjustment Growth Projects	-\$45.0M	\$0.0M	\$45.0M	
Balance of Level of Service Projects	\$55.8M	\$41.9M	-\$13.9M	Level of Service programme forecasting to deliver 75% of budget, main variance within Transport low cost low risk programme and other minor works, these projects are however still expected to be delivered within the 3 year Waka Kotahi funding period.
Capital Delivery Adjustment Level of Service Projects	-\$10.0M	\$0.0M	\$10.0M	
Renewal Projects	\$40.1M	\$36.2M	-\$3.9M	Renewals programme forecasting very close to budget at this stage, some minor variances across activities, but generally on track.
Total Capital Programme	\$327.2M	\$330.4M	\$3.1M	Total capital programme is currently forecasting close to budget at this stage, but it is likely this number will reduce over the year, particularly as most projects are forecasting full expenditure with only minor expenditure to date.
Other Capital (Land Sales and capital delivered by third parties)	\$27.0M	\$12.6M	-\$14.4M	Forecasting to be significantly under budget due to delays with the Waka Kotahi led delivery of the Tauriko West Network Connection Project, and timing of the realisation of the Elder Housing portfolio sale.
Total Capital Programme and Other	\$354.3M	\$343.0M	-\$11.3M	

Budget Adjustments 2022-23 Financial Year

Category	Project	Activity	Movement from Annual Plan	Commentary	Approved by
Bring Forward of Budget	Sands Avenue - Boulevard to Te Okuroa Drive	Transport	100,000	To support planning and valuation work for Wairakei town Centre	GM Strategy, Growth & Governance
Bring Forward of Budget	Harrisons Cut Bank Stabilisation	Stormwater	600,000	Additional scope/extension of the retaining wall	CE
Total Bring Forward of Budget			700,000		
Total Carryforwards from 2021-22			18,896,558	Final washup of unspent budget from 2021-22 after adoption of Annual Plan 2022-23. Approval under CE delegation	CE
New Projects	Airport Expansion	Airport	1,850,000	Airport expansion new expenditure as approved through council in September 2022	Council
Total New Projects			1,850,000		
Overspends	Airport Carpark Design and Consent	Airport	696,698	Airport expansion as approved through council in September 2022	Council
Overspends	Wharf Street Streetscape	Spaces & Places	51,067	Additional costs to deliver Kiosk	GM - Community Services
Overspends	Hastings Rd Upgrade Construction	Transport	494,431	Increase in project costs based on latest engineers estimate prior to tender	CE
Total Overspends			1,242,196		
Other Adjustments (reclassification of expenditure to capital from operational expenditure, reduction in capital budgets)			898,207		No approvals required
Total Movements from Annual Plan 2022-23			23,586,961		

High Strategic Impact Programmes September 2022

FY23 Budget	\$246,494,350
Budget YTD	\$74,800,146
Actuals YTD	\$45,203,346
Forecast Year End	\$234,673,106



High Strategic Impact Project	Overall Project Status	FY23 Budget	Actuals YTD	Forecast Year End	Variance Forecast against Budget
Cameron Road Stage 1	●	\$ 31,391,955	\$ 5,709,111	\$ 34,677,188	\$ 3,285,233
Cameron Road Stage 2	●	\$ 2,559,535	\$ 392,253	\$ 1,183,179	\$ -1,376,356
Te Manawataki o Te Papa (Civic Redevelopment)	●	\$ 26,109,511	\$ 2,887,585	\$ 20,200,702	\$ -5,908,809
Te Maunga Waste Water Treatment Plant	●	\$ 20,813,081	\$ 4,145,517	\$ 29,076,913	\$ 8,263,832
Waiari Water Treatment Plant	●	\$ 19,260,797	\$ 11,082,870	\$ 19,050,504	\$ -210,293
Papamoa East Interchange	●	\$ 18,010,516	\$ 2,556,954	\$ 20,826,333	\$ 2,815,817
Digital Programme	●	\$ 16,331,406	\$ 1,893,829	\$ 16,171,301	\$ -160,105
Local Road Rehabilitation and Resurfacing	●	\$ 15,618,480	\$ 1,539,185	\$ 17,157,664	\$ 1,539,184
Area B (Otumoetai loop)	●	\$ 3,665,899	\$ 117,218	\$ 2,331,449	\$ -1,334,450
Totara Street Improvements	●	\$ 3,518,570	\$ 3,770,823	\$ 4,420,244	\$ 901,674
Dive Crescent & Strand Waterfront	●	\$ 9,998,279	\$ 734,775	\$ 5,314,469	\$ -4,683,810
Te Maunga Transfer Station Redevelopment	●	\$ 9,931,884	\$ 387,930	\$ 3,849,507	\$ -6,082,377
Carpark Seismic Strengthening	●	\$ 6,631,849	\$ 1,776,400	\$ 7,226,402	\$ 594,553
Transportation Safety Programme (LCLR)	●	\$ 6,203,668	\$ 206,768	\$ 4,489,628	\$ -1,714,040
Western Corridor Stage 1A (Waste Water)	●	\$ 6,040,000	\$ 1,021,509	\$ 6,022,046	\$ -17,954
Opal Drive Wastewater Programme	●	\$ 5,989,825	\$ 2,019,336	\$ 5,221,411	\$ -768,414
Maunganui Road Safety Improvements	●	\$ 6,414,707	\$ 2,545,400	\$ 6,963,677	\$ 548,970
Marine Parade Boardwalk	●	\$ 5,211,761	\$ 58,138	\$ 4,447,649	\$ -764,112
Elizabeth St Streetscape	●	\$ 1,661,032	\$ -	\$ 2,343,142	\$ 682,110
Strand Extension	●	\$ 3,600,000	\$ 84,824	\$ 79,041	\$ -3,520,959
Omanawa Falls	●	\$ 4,910,890	\$ 756,652	\$ 5,812,812	\$ 901,922
Marine Precinct - Offloading Wharf	●	\$ 3,702,718	\$ 6,748	\$ 2,527,032	\$ -1,175,686
Arataki Safety Improvements	●	\$ 2,326,990	\$ 79,041	\$ 2,066,656	\$ -260,334
Memorial Park Aquatics Facility	●	\$ 2,359,059	\$ 25,103	\$ 900,000	\$ -1,459,059
Turret Rd & 15th Ave Corridor	●	\$ 1,354,870	\$ 615,344	\$ 2,331,412	\$ 976,542
Skatepark Facility	●	\$ 1,029,677	\$ -	\$ 1,806,749	\$ 777,072
Infrastructure Resilience	●	\$ 781,983	\$ 120,105	\$ 642,218	\$ -139,765
Kopurererua Valley Development	●	\$ 3,214,796	\$ 459,584	\$ 3,065,347	\$ -149,449
Community Centre Development	●	\$ 1,301,177	\$ 52,649	\$ 385,103	\$ -916,074
Active Reserve Development Programme	●	\$ 4,278,300	\$ 29,011	\$ 3,329,011	\$ -949,289
Wairakei Stream Landscaping	●	\$ 2,320,587	\$ 129,317	\$ 754,317	\$ -1,566,270

High Strategic Impact Programmes September 2022		
High Strategic Impact Project	Overall Project Status	Comments
Cameron Road Stage 1	Amber	Overrun of time and increased scope creep is going to impact budget. At this stage there is not enough evidence to suggest that this can be bought back into budget constraints. Acceleration approach being reviewed.
Cameron Road Stage 2	Amber	This project is amber as there have been some delays in development of the Waka Kotahi NZTA business case and some additional costs which are being closely monitored (noting this project is subject to co-funding from Waka Kotahi). Overall the business case is programmed to identify a preferred option in early 2023 and be complete by mid 2023. Risks: There remains a risk of meeting aspirations of all stakeholders as part of the preferred option within the constrained corridor.
Te Manawataki o Te Papa (Civic Redevelopment)	Green	Programme progressing well with some key milestones imminent. In relation to Site A, preliminary designs and revised costings will be presented to Council in early December.
Te Maunga Waste Water Treatment Plant	Amber	The programme is progressing steadily with the landward outfall pipeline and Chapel St rising main expected to be completed December. Clarifier foundation works to begin in April. Ongoing difficulties with the bioreactor ground improvements works have extended project completion date by 9 months to September 2024
Waiari Water Treatment Plant	Green	The Waiari plant commissioning is progressing well. Supply date end of October and majority of works completed December. Watermains to Mangatawa and Mount Maunganui in planning.
Papamoa East Interchange	Green	Early works of PEI are underway and tracking slightly ahead of programme. Detailed design for Stage 2 is finalised, with some delays due to pavement cost decisions. Stage 2 tender still on track for release to market in November. Stage 3 detailed design progressing well with tender planned to go out to market for May 2023.
Digital Programme	Green	The Digital programme made good progress against plan in September. The build phase of the Customer data initiative commenced (to enable the migration of Customer data from the legacy Ozone system to the new SAP platform). In Regulatory & Compliance, a Pilot for an initial Resource Consenting prototype in SAP commenced. A number of initiatives also moved into a kick-off phase including modernising TCC's HR Information Systems, implementation of Property Leasing management capability, development of Transportation Insights and enhancing capability for Project Financial reporting. Other focus areas include training support for Contracts register, visual story telling animations to support project engagement & supporting the City Beautification initiative. CAPEX spend to date is in line with plan and will continue to be monitored closely as we continue to ramp up programme delivery in Q2 and Q3. The digital labour market is however proving to be challenging in both the FTE and contractor space, both in terms of labour rates and availability, especially in specialist roles. This continues to threaten delivery capacity
Local Road Rehabilitation and Resurfacing	Green	Work is on track with 30% of the road resurfacing programme completed and chip sealing to begin in November. Turret Road rehab at 70%, Welcome Bay Road in design. Turakua roundabouts planned for April. Budget risk with material cost inflation - 46% for bitumen.
Area B (Otumoetai loop)	Green	Following first stage public consultation a preferred option has now been identified, as endorsed by commissioners in early November 2022. Design work is progressing with the Waka Kotahi NZTA Business Case anticipated to be complete in April 2023.

High Strategic Impact Programmes September 2022		
High Strategic Impact Project	Overall Project Status	Comments
Totara Street Improvements	Green	Overall this project has been a success with the off road cycle way almost complete (signal power to go) and already being utilised by the public. The project has had some recent impacts due to wet weather affecting curbing construction and water tables/drainage, which has impacted time and cost as drainage work is being delayed to avoid the busy cruise ship season. The new set up time may also impact a slight budget overrun.
Dive Crescent & Strand Waterfront	Amber	Some budget and timing risks has been identified in respect of the Dive Crescent Carpark and Beacon Wharf Development. Mitigations currently being assessed and implemented.
Te Maunga Transfer Station Redevelopment	Amber	Detailed design due November. Construction to begin mid-2023, contractor yet to be confirmed.
Carpark Seismic Strengthening	Green	Elizabeth Street carpark will be completed first week of November.
Transportation Safety Programme (LCLR)	Amber	There have been multiple projects with scope changes due to stakeholder consultation and ensuring Waka Kotahi funding requirements. In general the programme is tracking well towards delivery within the 3 year delivery window. the second quarter of the year will see a large number of projects start design delivery.
Western Corridor Stage 1A (Waste Water)	Green	This western corridor project is progressing well with the TCC led portions due to be completed mid 2023.
Opal Drive Wastewater Programme	Green	Eastern Corridor is progressing well. The Opal Drive Rising Main is due to be completed early in 2023. A tender is currently in the market for the construction of the Opal Drive Pump Station, which should see a contractor on site early to mid 2023.
Maunganui Road Safety Improvements	Red	Safety issues with the design has meant construction impacts and stakeholder management challenges. These are all being addressed and managed closely. This has impacted on scope, time and project costs. The main focus is to get the road fully operational before Christmas and minimise impacts to key businesses/stakeholders. Communication is being prioritised and senior management involved with key stakeholders.
Marine Parade Boardwalk	Green	Contract for construction has been tendered and issued. Playground construction to begin upon issue of resource consent, expected end of November. Path connection construction to begin January.
Elizabeth St Streetscape	Red	Project remains on hold, as contingent on completion of EPL building. Current forecasts see streetscape work to recommence in Mareanui Lane and completed in February 2023, with remaining streetscape work is currently forecast to be completed by August 2023, however this is dependant on scaffolding and crane being removed from EPL site.
Strand Extension	Green	Detailed design is on track and the tender for construction is expected to be released before the end of 2022

High Strategic Impact Programmes September 2022		
High Strategic Impact Project	Overall Project Status	Comments
Omanawa Falls	Amber	Construction began 15 August and has made good progress with approximately 40% of the track built. Key risk around the cliff wall and stabilisation cost. Cliff stabilisation areas have degraded, testing to date inconclusive. Project expected completion date is late 2023.
Marine Precinct - Offloading Wharf	Green	Consent is in progress. When issued the tender will go to market. Works expected to start early 2023.
Arataki Safety Improvements	Red	Staff have met with the Arataki community liaison group (ACLG) who understand the rationale behind why the St Johns site is not feasible and that improvements on Farm Street are the preferred option - including accessibility and amenity improvements along the Farm Street corridor. ACLG are intending to make a submission to the Public Transport Committee in early 2023 to remove bus services from Farm Street. The project status is red as the development of the Waka Kotahi NZTA business case is currently on hold pending ACLGs submission to the PT Committee and noting that reconsideration of options has resulted in some additional costs to the project business case.
Memorial Park Aquatics Facility	Green	The project manager is in now in place and is working through onboarding and project discovery.
Turret Rd & 15th Ave Corridor	Amber	This project is amber due to some programme delays with development of the Waka Kotahi NZTA business case which are being closely monitored. Development of the business case is ongoing and overall progressing well, however there remains a risk that costs to deliver the preferred option from the Business Case may exceed current LTP budget allocations for implementation.
Skatepark Facility	Green	The skate park project has undergone option and costing analysis. The project is now well into the design phase with Civil engineers and planners working with the skate park designers to ensure enabling work can be progressed to meet the March 2023 construction date.
Infrastructure Resilience	Green	Planning currently in progress for Oropi outlet mains and Cambridge Rd trunk main relocations, updated costings will be reflected in next LTP
Kopurererua Valley Development	Green	Project is ahead of schedule. Work will be managed concurrently on the Northern and Southern alignment. Project on track for completion May 2024.
Community Centre Development	Green	Scope for Gate Pa community centre has been well defined and a concept plan completed, costings currently being developed, on track for delivery in 2024. Merivale community centre scope has also been drafted with concept plan and estimate to be developed
Active Reserve Development Programme	Green	Works in FY23 include improvements to Moreland Fox, Links Ave, Waipuna Parks and the facilities at Gordon Spratt reserve. Contracts for physical works have been let, work to commence when consents issued.
Wairakei Stream Landscaping	Green	Area 2 largely complete with shift to operational maintenance of plantings. Area 4/5 (east of Golden Sands) concept plan completed to be consulted on with community before before christmas, planting forecast to be carried out over the next two planting seasons

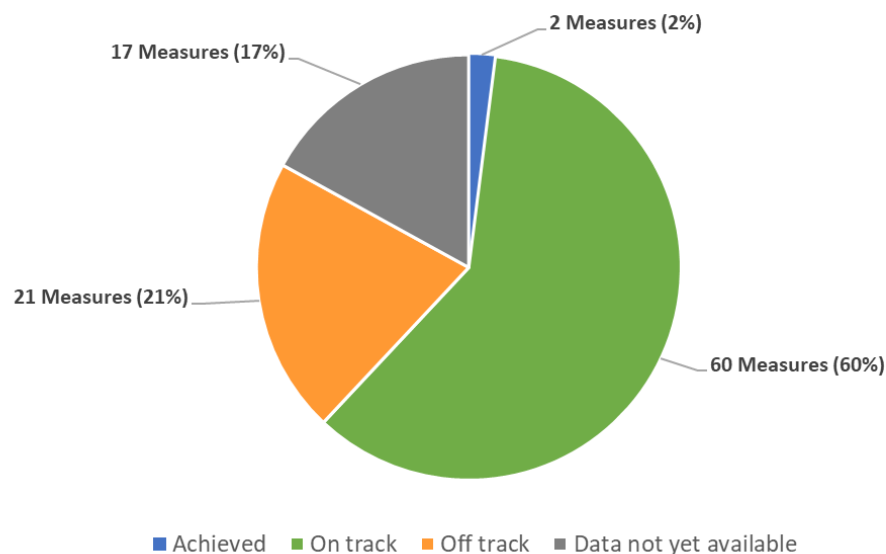
Non-financial performance measures monitoring report

Q1 01 July – 30 September 2022

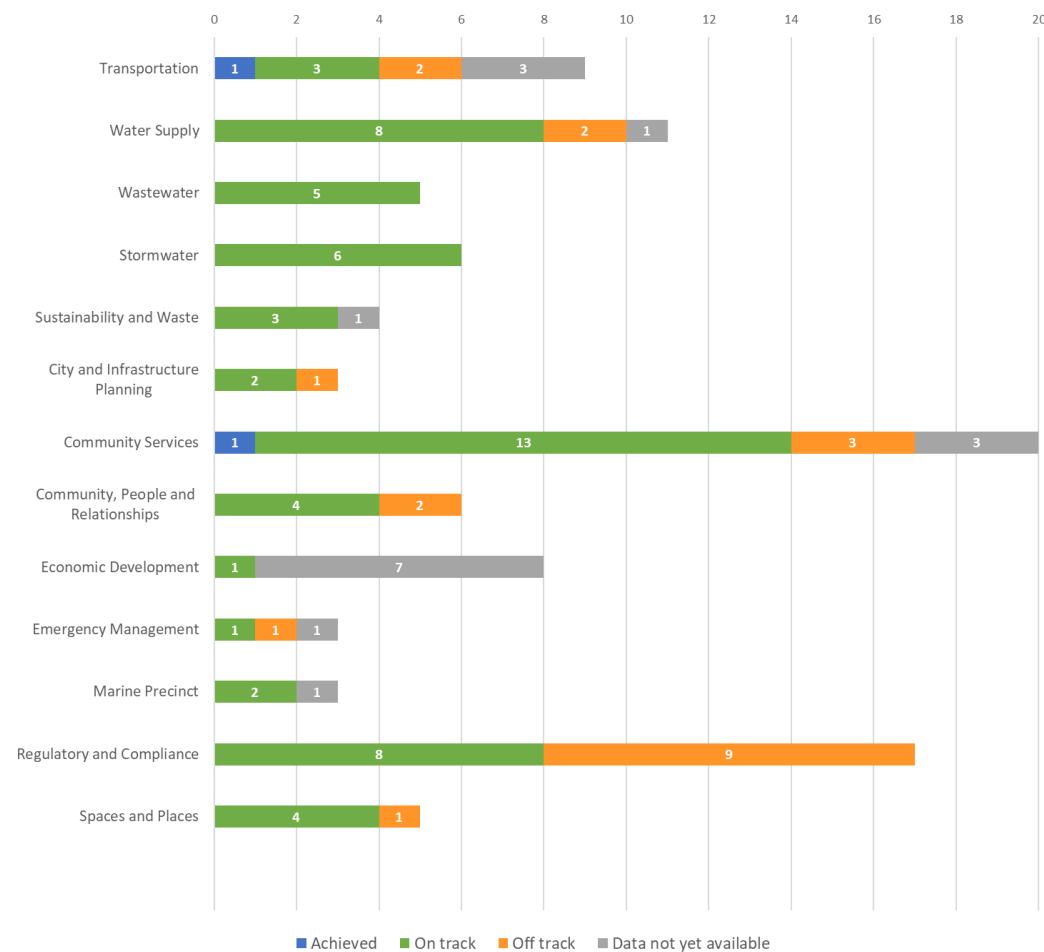
Overview

- Performance measures report on service performance against targets (KPIs) which are set for the full financial year
- An overview is provided below which tracks performance measures across council for the first three months of the financial year 2022/23. The current reporting period is Q1 (01 July – 30 September 2022)
- Performance is grouped by the number of measures that are on track to achieve, those that have already been achieved, and measures that are off track. The term 'off track' represents measures that are behind target and need attention in order to be achieved by financial year-end, or at a minimum bring them closer to target. Rather than presenting the results of all 100 measures, this report is exception based and presents those measures that are deemed off track.
- In some cases, performance data may not be available, due to the required information being reported on an annual basis.

Q1 performance summary




Non-financial performance by group of activity



Off track measures report

Groups of Activities	% achievement of targets				KPI off track	Discussion and action taken to improve result																																								
	Achieved	On Track	Off Track	No Data																																										
Transportation	<div><div></div><div></div><div></div><div></div></div> <div>11%33%22%33%</div> <div>2 of 9 measures off track</div>				<div><div>We will provide an efficient transport network, minimising all-day congestion</div><table><tr><td></td><td>Target</td><td>Q1</td></tr><tr><td></td><td>Year 2</td><td>Result</td></tr><tr><td>Duration of peak across the transport network* (where traffic is travelling at 50% of freeflow speed of 59k/hr)</td><td>330min</td><td>445min</td></tr></table><div>* Hewletts Road (between Aerodrome Road and Totara Street); Turret Road/15th Avenue (between Hairini Bridge and Fraser Street); Cameron Road (between 15th Avenue and Elizabeth Street); Totara Street (between Hull Road and Hewletts Road).</div></div>		Target	Q1		Year 2	Result	Duration of peak across the transport network* (where traffic is travelling at 50% of freeflow speed of 59k/hr)	330min	445min	<div><div>We will provide opportunities for walking, cycling and bus travel, and encourage increasing awareness of sustainable transport initiatives, including school walking/cycling programmes</div><table><tr><td></td><td>Target</td><td>Q1</td></tr><tr><td></td><td>Year 2</td><td>Result</td></tr><tr><td>Proportion of people journey to work via:</td><td></td><td></td></tr><tr><td>1) a vehicle as the driver</td><td>54%</td><td>61%</td></tr><tr><td>2) a vehicle as a passenger</td><td>2-3%</td><td>1%</td></tr><tr><td>3) walking/jogging</td><td>3%</td><td>6%</td></tr><tr><td>4) cycling</td><td>8%</td><td>0%</td></tr><tr><td>5) bus</td><td>10%</td><td>1%</td></tr><tr><td>6) didn't go to work or not stated</td><td>23-25%</td><td>22%</td></tr><tr><td>7) Worked from home</td><td>5-6%</td><td>9%</td></tr></table></div>		Target	Q1		Year 2	Result	Proportion of people journey to work via:			1) a vehicle as the driver	54%	61%	2) a vehicle as a passenger	2-3%	1%	3) walking/jogging	3%	6%	4) cycling	8%	0%	5) bus	10%	1%	6) didn't go to work or not stated	23-25%	22%	7) Worked from home	5-6%	9%	<div><div><div>The duration of peak across the transport network* was 445 min.</div><div>Major roading projects contributed to extended periods of traffic congestion. Projects included Baypark to Bayfair Link upgrade, Cameron Rd Multi-modal, and Totara Street safety upgrade.</div></div><div>We take this data from our annual residents survey:<div><div>1) vehicle as the driver – not achieved – with 7% more than the targeted proportion travelling to work as the driver</div><div>2) vehicle as a passenger – not achieved – the target of 2-3% was not met with 1% of those travelling to work as a vehicle passenger</div><div>4) cycling – not achieved – the target of 8% was not met, with 0% cycling to work.</div><div>5) bus – not achieved – the target of 10% was not met with only 1% of individuals travelling to work by bus</div><div>6) didn't go to work or not stated – 22% of individuals did not travel to work or did not state their mode of transport, which was 1% less than targeted</div><div>7) worked from home – achieved– 9% of individuals worked from home, which was 3% more than the target.</div></div><div>The proportion of people driving vehicles to work increased 13% on the previous year's first quarter result (48%). The current number of people using buses (1%) or cycling (0%) decreased on 2021/22 (2% for each), whereas the number of people working from home remained constant at 9%.</div></div></div>
		Target	Q1																																											
	Year 2	Result																																												
Duration of peak across the transport network* (where traffic is travelling at 50% of freeflow speed of 59k/hr)	330min	445min																																												
	Target	Q1																																												
	Year 2	Result																																												
Proportion of people journey to work via:																																														
1) a vehicle as the driver	54%	61%																																												
2) a vehicle as a passenger	2-3%	1%																																												
3) walking/jogging	3%	6%																																												
4) cycling	8%	0%																																												
5) bus	10%	1%																																												
6) didn't go to work or not stated	23-25%	22%																																												
7) Worked from home	5-6%	9%																																												

Groups of Activities	% achievement of targets		KPI off track		Discussion and action taken to improve result
	Achieved	On Track	Off Track	No Data	
Water Supply	 2 of 11 measures off track		We will manage the average consumption of drinkable water		<ul style="list-style-type: none"> • <u>Attendance</u>: The median response time to attend urgent call-outs was 1 hour, 11 minutes. Of the 133 call-outs, 60 (45%) were attended to within targeted timeframe • <u>Resolution</u>: Of the 133 call-outs, 47 (35%) were resolved within 5 hours. The median response time to resolve urgent call-outs was 12 hours and 47 minutes • Integrating a new contract with new business systems, in addition to staff turnover and training has created numerous challenges in adhering to targeted response times. It is hoped that a new field solution launching by the end of Q2 will assist by providing better data parameters.
			Target Year 2	Q1 Result	
			<60 min	1hr 11min	
			<5hr	12hr 47min	

Groups of Activities	% achievement of targets ■ Achieved ■ On Track ■ Off Track ■ No Data	KPI off track			Discussion and action taken to improve result
City and Infrastructure	<div><div>67%</div><div>33%</div></div> <div>1 of 3 measures off track</div>	<div><div>We will deliver and monitor a planning framework for the city that provides sufficient development capacity to accommodate ongoing growth</div><div>Compliance with the National Policy Statement for Urban Development Capacity which require 3, 10 and 30 years of development capacity and infrastructure capacity to be provided/identified along with additional buffers</div><div>Target Year 2</div><div>Q1 Result</div><div>Short term compliance achieved</div><div>Not Achieved</div></div>			<ul style="list-style-type: none">•The 2021 Housing and Business Assessment (HBA) identified a short-term (next three years) housing shortfall for Tauranga City as at 30 June 2020 of 400 dwellings, rising to a 1,120 dwelling shortfall when the required NPS-UD competitiveness margin of (20%) was applied.• In Q1, 258 dwellings were issued consents.• Recent work reported to the SFR Committee on 12 September 2022 shows a further increase in the housing shortfall.• In the last 30 months to 30 September 2022, around 298 more dwelling consents were issued than projected for this period (i.e., 2,990 dwelling consents issued vs 2,692 consents projected). This reduced the remaining forward development capacity faster than expected. As a result, short-term non-compliance over the next three years from 1 October 2022 will likely increase due to this reduced forward supply. It is noted that the NPS-UD short-term compliance is a moving target.
Community Services	<div><div>5%</div><div>65%</div><div>15%</div><div>15%</div></div> <div>3 of 20 measures off track</div>	<div><div>We will provide a well maintained and managed Historic Village as a community facility, available for commercial and community tenancies and as a function and events venue</div><div>Number of annual visitors to Historic Village</div><div>Occupancy rate of Historic Village <u>leasable</u> village space</div><div>Occupancy rate of Historic Village <u>hireable</u> venue space</div><div>Target Year 2</div><div>Q1 Result</div><div>225,000</div><div>50,349</div><div>95%</div><div>83%</div><div>25%</div><div>11%</div></div>			<ul style="list-style-type: none">• <u>Visitors</u>: slightly behind the 56,250 visitor target for the quarter, with 50,349 visitors to date- however, numbers are up 9% (or 4,112 visitors) on the same period last year. Result is expected to improve with larger events such as Diwali Festival taking place in Q2.• <u>Leasable</u> occupancy was 12% below target (95%), with 17% of leasable village space vacant in Q1. Tenancies included 62% community, 13% retail, and 8% commercial.• <u>Hireable</u> venue occupancy for Q1 was 11%, up from 5% in Q1 2021/22. A total of 909 hours were recorded across the six hireable venue spaces. Despite being below target, 21% occupancy was achieved in September for The Secret Keeper three-week exhibition.• A marketing campaign will be launched in October 2022 to increase occupancy rates.
Activities include:					
Arts and Culture					
Community Partnerships					
Libraries					
Venues and Events					

Groups of Activities	% achievement of targets		KPI off track		Discussion and action taken to improve result
	Achieved	On Track	Off Track	No Data	
Community, People and Relationships	<div><div>67%</div><div>33%</div></div> <div>2 of 6 measures off track</div>		<div>We will provide a Land Information Memoranda (LIM) service</div>		<div>• Of the 799 LIM issued, 768 (96%) were within the 10 day statutory timeframe.</div> <div>• High staff turnover, absenteeism due to sickness, and continued high LIM application numbers contributed to an inability to meet the required statutory time.</div>
			10 Day Statutory timeframes are met	<div>Target Year 2</div> <div>Q1 Result</div> <div>100%</div> <div>96%</div>	
			<div>We provide opportunities for the community to participate in decision making.</div>		
			Percentage of residents who are satisfied or neutral with the way the Council involves the public in decision-making processes.	<div>Target Year 2</div> <div>Q1 Result</div> <div>60%</div> <div>52%</div>	
Activities include:					<div>• The latest result from wave one of the annual residents' survey was 52%, down 1% from wave one 2021/22 (53%).</div> <div>• Verbatim responses for those dissatisfied can be widely attributed to criticism relating to the postponement of the October 2022 elections, until July 2024.</div> <div>• Council is currently trialling new ways of direct community participation in decision making e.g., the Links Ave Community Panel</div> <div>• Work is also underway to find ways for the community to engage with council more easily through investigating digital panels and reference groups.</div>
Community Relations					
Customer Service					
Democracy Services					
Te Pou Takawaenga					
Emergency Management	<div><div>33%</div><div>33%</div><div>33%</div></div> <div>1 of 3 measures off track</div>		<div>We will provide community education initiatives to increase public awareness and preparedness</div>		<div>• The latest result from wave one of the annual residents' survey was 84%, up 4% from wave one 2021/22 (80%).</div>
			Percentage of residents that know they need to be self-reliant in the event of a major civil defence emergency	<div>Target Year 2</div> <div>Q1 Result</div> <div>95%</div> <div>84%</div>	

Groups of Activities	% achievement of targets	KPI off track			Discussion and action taken to improve result
	<div><div>Achieved</div><div>On Track</div><div>Off Track</div><div>No Data</div></div>				
Regulatory and Compliance	<div><div>47%</div><div>53%</div></div> <p>9 of 17 measures off track</p>	We will provide a prompt response time to animal behavioural issues			• Of the nine complaints that posed an ongoing risk, two (22%) were outside the targeted timeframe due to an internal processing error. These errors have since been addressed and resolved.
			Target Year 2	Q1 Result	
		All urgent animal requests are responded to within 60 minutes where there is an ongoing risk to safety	100%	78%	
		We will provide technical advice and consent decisions within statutory timeframes			
	Target Year 2	Q1 Result			
Percentage of <u>building consent applications</u> processed within legal timeframes	98%	63%			
Ensure Building warrant of fitness are current and compliant.				• Of the 418 building warrant of fitness due, 359 (86%) were renewed on time and were compliant. • Of the 30 Notices to Fix issued, reasons for remediation work delays were due to product or contractor delays or staff shortages.	
	Target Year 2	Q1 Result			
Ensure Building warrant of fitness are renewed on time and are compliant with the building compliance schedule	94%	86%			
We will undertake audits of all food premises registered with Tauranga City Council				• Of the 163 verified food premises requiring inspection, 83 (50%) were inspected, with one requiring enforcement action. • Staff absence due to injury, staff turnover and training resulted in the inability to meet the target. • Results are expected to improve with two vacancies recently filled.	
	Target Year 2	Q1 Result			
Percentage of TCC verified food premises that have been inspected and had appropriate enforcement action taken	100%	50%			

Groups of Activities	% achievement of targets		KPI off track	Discussion and action taken to improve result											
	Achieved	On Track			Off Track	No Data									
Regulatory and Compliance			Council will aim to reduce alcohol-related harm by annually inspecting alcohol licensed premises to ensure compliance with the Sale and Supply of Alcohol Act 2012 and licensing conditions in general.	<ul style="list-style-type: none">Of the 186 new and renewed licensed premises requiring inspection, 38 (20%) were completed without enforcement action.High inspection volumes, staff turnover and training resulted in the inability to reach the target.											
			<table><tr><td></td><td>Target Year 2</td><td>Q1 Result</td></tr><tr><td>Percentage of new and renewed licensed premises inspected and appropriate enforcement action taken</td><td>100%</td><td>20%</td></tr></table>			Target Year 2	Q1 Result	Percentage of new and renewed licensed premises inspected and appropriate enforcement action taken	100%	20%					
		Target Year 2	Q1 Result												
	Percentage of new and renewed licensed premises inspected and appropriate enforcement action taken	100%	20%												
		We will meet the community's expectations through making informed decisions, delivering fit for purpose vested infrastructure through robust engineering assessments and by taking an education first approach to compliance.	<ul style="list-style-type: none">29 of the 33 (73%) resource consent applications were processed within statutory timeframes. The complexity of the City Plan and subsequent plan changes have made it difficult to process high consent volumes on time. Staff vacancies continue to be advertised despite little uptake.Feedback was received from 1% of applicants (2 responses), with 50% satisfied and 50% neutral. Low response rates hindered the overall satisfaction result, despite ongoing efforts to promote survey uptake.Of the 728 consent applications received, a total of 616 (85%) were assessed. These included 160 resource consents, with 48 (30%) assessed and 568 building consents, with all applications assessed (100%).The backlog of resource consents will continue to be addressed in Q2.No service connection assessments were required.The current result is negatively impacted by an increase in the number of complex building consents, which require additional resource to process. In addition, building consents also take priority due to the need to invoice on assessment, whereas resource consents are invoiced at s224.The number of requests for deferral has also increased following the recent rise in development contribution fees, and as such requires further resource to process ahead of review by the Waiver Panel												
		<table><tr><td></td><td>Target Year 2</td><td>Q1 Result</td></tr><tr><td>Percentage of new resource consent applications processed within statutory timeframes</td><td>95%</td><td>73%</td></tr><tr><td>Percentage of overall satisfaction with level of advice given, response times and clarity of communication</td><td>75%</td><td>50%</td></tr><tr><td>Percentage of building consent, resource consent and service connection applications assessed for development contributions as well as invoiced and collected as appropriate.</td><td>100%</td><td>85%</td></tr></table>			Target Year 2	Q1 Result	Percentage of new resource consent applications processed within statutory timeframes	95%	73%	Percentage of overall satisfaction with level of advice given, response times and clarity of communication	75%	50%	Percentage of building consent, resource consent and service connection applications assessed for development contributions as well as invoiced and collected as appropriate.	100%	85%
	Target Year 2	Q1 Result													
Percentage of new resource consent applications processed within statutory timeframes	95%	73%													
Percentage of overall satisfaction with level of advice given, response times and clarity of communication	75%	50%													
Percentage of building consent, resource consent and service connection applications assessed for development contributions as well as invoiced and collected as appropriate.	100%	85%													

Groups of Activities	% achievement of targets ■ Achieved ■ On Track ■ Off Track ■ No Data	KPI off track			Discussion and action taken to improve result
		We will monitor traffic and parking bylaw and related legislation, taking an education approach to raise awareness in the community, or enforcement where appropriate.	Target Year 2	Q1 Result	<ul style="list-style-type: none">• Of the 524 parking complaints received, 490 (93%) were responded to within 24 hours.• Staff vacancies continue to be advertised despite little uptake, which has impacted the level of service able to be provided for on weekends. A small percentage of complaints not attended to within the designated time can be attributed to issues with the data management system.
		Respond to all parking complaints within 24 hours	100%	93%	
Spaces and Places	<div><div>80%</div><div>20%</div></div> <p>1 of 5 measure off track</p>	We will provide high quality coastal and reserve land and structures, including	Target Year 2	Q1 Results	<ul style="list-style-type: none">• Two newly occurring encroachments were addressed in Brookfield and Pyes Pa this quarter.• The results of the Welcome Bay Community Reserves Review will provide direction on the next steps for large scale encroachment removals such as Forrester Drive.
Activities include:		Removal of 20 coastal encroachments from public land each year.	20	2	
Cemeteries					
Mount Beachside Holiday Park					
Marine Facilities					
Spaces and Places					

Annual Residents Survey

Wave One: 2022/23



Introduction

The Annual Residents Survey measures the perceptions of residents regarding various aspects of services that Council provides. The results of this survey feed into the Tauranga City Council Long-term Plan reporting process and allow Council to assess the performance of the Council against a set of pre-determined actions and performance levels.

What does this report show?

This report summarises the responses received from the first wave of Tauranga City Council's 2022/23 annual residents' survey. In the first wave, 152 people responded. Three further waves will be undertaken in 2022/23 with a goal of a minimum of receiving feedback from at least 600 responses.

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

Research Objectives:

- To determine residents' satisfaction with various Council services and facilities.
- To determine residents' perceptions about aspects of living, working and playing in Tauranga.
- To identify progress towards Key Performance Indicators (KPIs) in Council's Annual Report.
- To assess trends in perceptions and satisfaction through comparisons with previous survey results.

Methodology:

The 2022/23 annual study will target 600 responses from the residents in the Tauranga City Council area, with approximately 150 per wave.

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

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

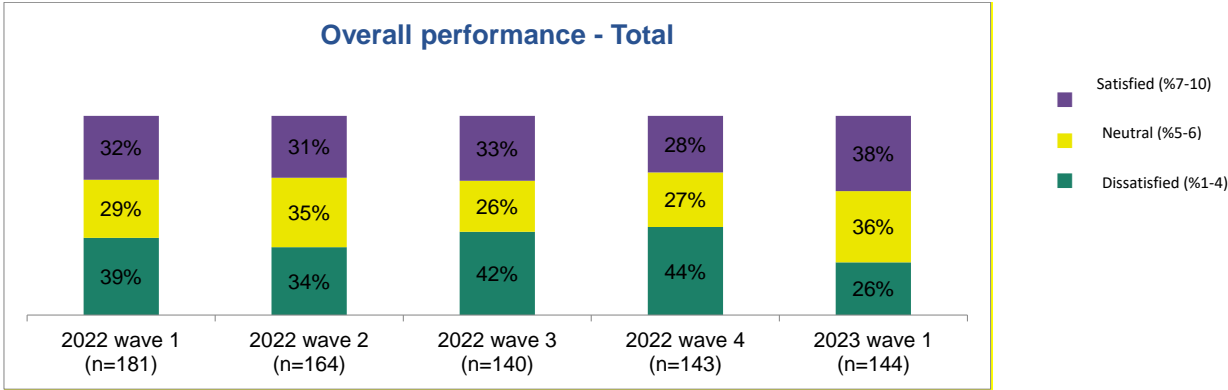
Data collection is taking place in four waves between September 2022 and May 2023 in order to align with the quarterly reporting of the non-financial performance targets.

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

▲ Overall Performance

Overall Performance – wave one 2022/23 = 38%

Results



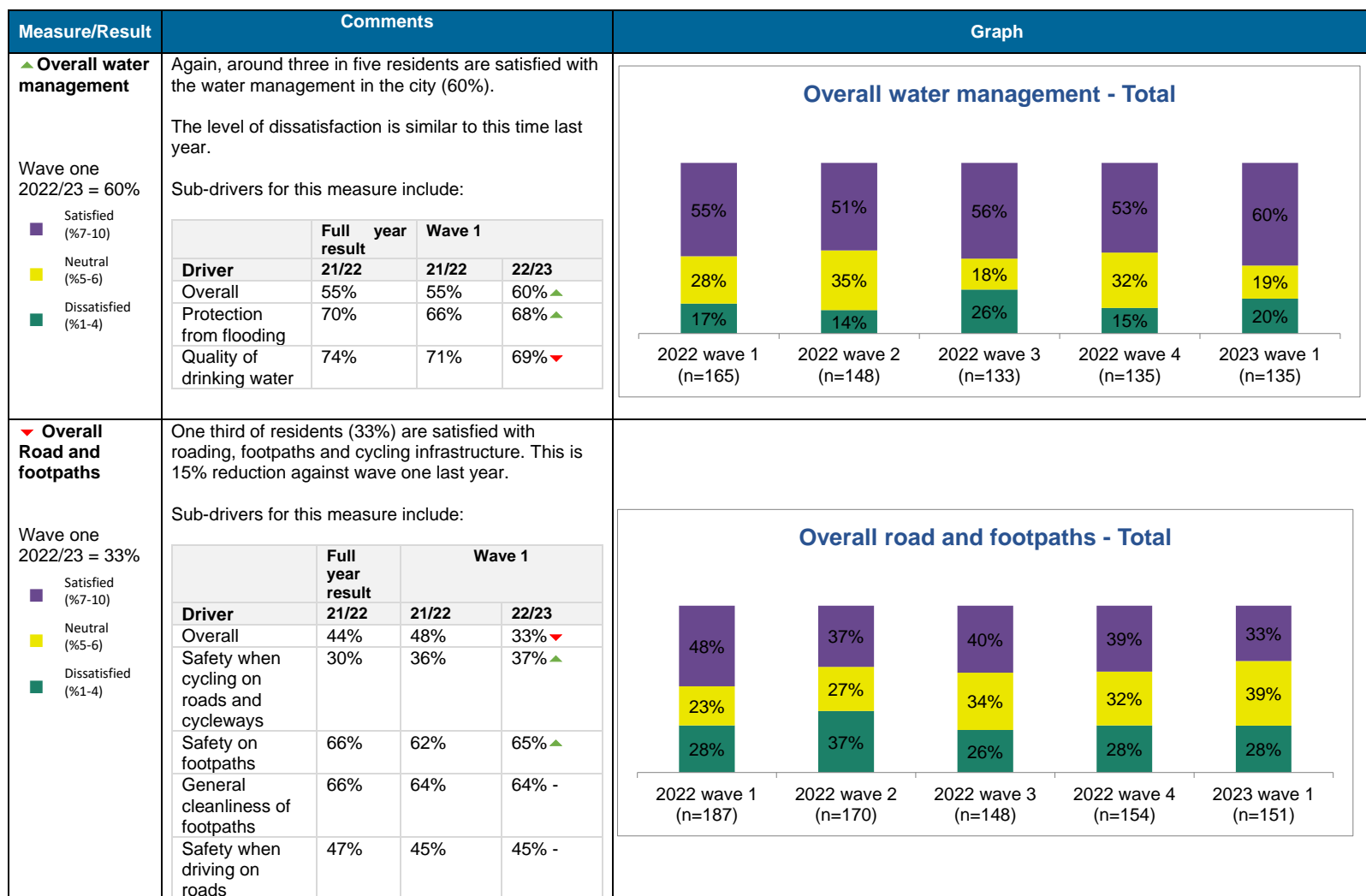
Summary of key measures

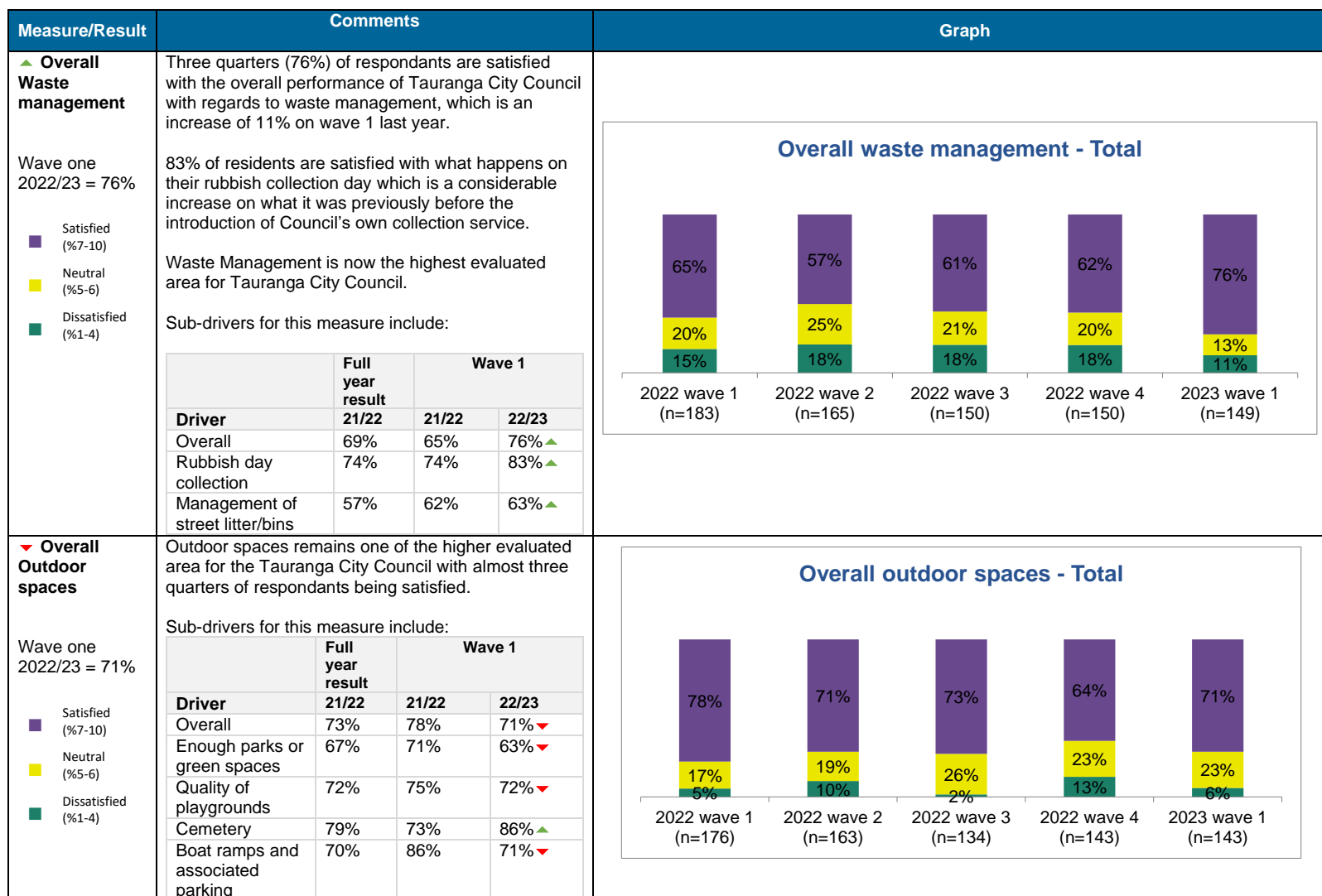
▼ Trending down ▲ Trending up = No Change

Compared against wave one of 2021/22

Measure/Result	Comments			Graph																																																										
<div>▲ Overall image and reputation</div> <div>Wave one 2022/23 = 30%</div> <div><div><div></div>Satisfied (%7-10)</div><div><div></div>Neutral (%5-6)</div><div><div></div>Dissatisfied (%1-4)</div></div>	<p>The first wave result shows a small increase in the overall image and reputation of Council from wave one in 2021/22, however these wave one results show a reasonable increase from waves two to four for 2021/22.</p> <p>Sub-drivers for this measure include:</p> <table><tr><th></th><th>Full year result</th><th colspan="2">Wave 1</th></tr><tr><th>Driver</th><th>21/22</th><th>21/22</th><th>22/23</th></tr><tr><td>Overall</td><td>32%</td><td>27%</td><td>30%▲</td></tr><tr><td>Leadership</td><td>29%</td><td>33%</td><td>31%▼</td></tr><tr><td>Trust</td><td>24%</td><td>27%</td><td>29%▲</td></tr><tr><td>Financial Management</td><td>19%</td><td>22%</td><td>22% -</td></tr><tr><td>Quality of services</td><td>40%</td><td>45%</td><td>42%▼</td></tr></table>				Full year result	Wave 1		Driver	21/22	21/22	22/23	Overall	32%	27%	30%▲	Leadership	29%	33%	31%▼	Trust	24%	27%	29%▲	Financial Management	19%	22%	22% -	Quality of services	40%	45%	42%▼	<div>Overall image and reputation - Total</div> <table><thead><tr><th>Wave</th><th>n</th><th>Dissatisfied (%)</th><th>Neutral (%)</th><th>Satisfied (%)</th></tr></thead><tbody><tr><td>2022 wave 1</td><td>174</td><td>50%</td><td>22%</td><td>27%</td></tr><tr><td>2022 wave 2</td><td>157</td><td>55%</td><td>26%</td><td>19%</td></tr><tr><td>2022 wave 3</td><td>142</td><td>49%</td><td>29%</td><td>22%</td></tr><tr><td>2022 wave 4</td><td>143</td><td>55%</td><td>27%</td><td>18%</td></tr><tr><td>2023 wave 1</td><td>134</td><td>56%</td><td>14%</td><td>30%</td></tr></tbody></table>	Wave	n	Dissatisfied (%)	Neutral (%)	Satisfied (%)	2022 wave 1	174	50%	22%	27%	2022 wave 2	157	55%	26%	19%	2022 wave 3	142	49%	29%	22%	2022 wave 4	143	55%	27%	18%	2023 wave 1	134	56%	14%	30%
	Full year result	Wave 1																																																												
Driver	21/22	21/22	22/23																																																											
Overall	32%	27%	30%▲																																																											
Leadership	29%	33%	31%▼																																																											
Trust	24%	27%	29%▲																																																											
Financial Management	19%	22%	22% -																																																											
Quality of services	40%	45%	42%▼																																																											
Wave	n	Dissatisfied (%)	Neutral (%)	Satisfied (%)																																																										
2022 wave 1	174	50%	22%	27%																																																										
2022 wave 2	157	55%	26%	19%																																																										
2022 wave 3	142	49%	29%	22%																																																										
2022 wave 4	143	55%	27%	18%																																																										
2023 wave 1	134	56%	14%	30%																																																										

Measure/Result	Comments	Graph																																																				
<div>▼ Overall value for money</div> <div>Wave one 2022/23 = 36%</div> <div><div>Satisfied (%7-10)</div><div>Neutral (%5-6)</div><div>Dissatisfied (%1-4)</div></div>	<p>The first wave result shows a small decrease in the perception of Council providing value for money against wave one from last year, however a 10% increase in satisfaction from wave four of 2021/22.</p> <p>Sub-drivers for this measure include:</p> <table><thead><tr><th></th><th>Full year result</th><th colspan="2">Wave 1</th></tr><tr><th>Driver</th><th>21/22</th><th>21/22</th><th>22/23</th></tr></thead><tbody><tr><td>Overall</td><td>36%</td><td>41%</td><td>36% ▼</td></tr><tr><td>Annual rates fair and reasonable</td><td>28%</td><td>30%</td><td>24% ▼</td></tr><tr><td>Water rates fair and reasonable</td><td>41%</td><td>44%</td><td>37% ▼</td></tr><tr><td>Invoicing clear and correct</td><td>73%</td><td>70%</td><td>75% ▲</td></tr><tr><td>Payment arrangements fair and reasonable</td><td>72%</td><td>73%</td><td>80% ▲</td></tr></tbody></table>		Full year result	Wave 1		Driver	21/22	21/22	22/23	Overall	36%	41%	36% ▼	Annual rates fair and reasonable	28%	30%	24% ▼	Water rates fair and reasonable	41%	44%	37% ▼	Invoicing clear and correct	73%	70%	75% ▲	Payment arrangements fair and reasonable	72%	73%	80% ▲	<div>Overall value for money - Total</div> <table><thead><tr><th>Wave</th><th>Satisfied</th><th>Neutral</th><th>Dissatisfied</th></tr></thead><tbody><tr><td>2022 wave 1 (n=162)</td><td>41%</td><td>23%</td><td>36%</td></tr><tr><td>2022 wave 2 (n=150)</td><td>35%</td><td>25%</td><td>40%</td></tr><tr><td>2022 wave 3 (n=137)</td><td>36%</td><td>28%</td><td>36%</td></tr><tr><td>2022 wave 4 (n=140)</td><td>26%</td><td>30%</td><td>44%</td></tr><tr><td>2023 wave 1 (n=129)</td><td>36%</td><td>22%</td><td>42%</td></tr></tbody></table>	Wave	Satisfied	Neutral	Dissatisfied	2022 wave 1 (n=162)	41%	23%	36%	2022 wave 2 (n=150)	35%	25%	40%	2022 wave 3 (n=137)	36%	28%	36%	2022 wave 4 (n=140)	26%	30%	44%	2023 wave 1 (n=129)	36%	22%	42%
	Full year result	Wave 1																																																				
Driver	21/22	21/22	22/23																																																			
Overall	36%	41%	36% ▼																																																			
Annual rates fair and reasonable	28%	30%	24% ▼																																																			
Water rates fair and reasonable	41%	44%	37% ▼																																																			
Invoicing clear and correct	73%	70%	75% ▲																																																			
Payment arrangements fair and reasonable	72%	73%	80% ▲																																																			
Wave	Satisfied	Neutral	Dissatisfied																																																			
2022 wave 1 (n=162)	41%	23%	36%																																																			
2022 wave 2 (n=150)	35%	25%	40%																																																			
2022 wave 3 (n=137)	36%	28%	36%																																																			
2022 wave 4 (n=140)	26%	30%	44%																																																			
2023 wave 1 (n=129)	36%	22%	42%																																																			
<div>▲ Overall core service deliverables</div> <div>Wave one 2022/23 = 66%</div> <div><div>Satisfied (%7-10)</div><div>Neutral (%5-6)</div><div>Dissatisfied (%1-4)</div></div>	<p>Around three in five residents (66%) are satisfied with core service deliverables.</p> <p>Satisfaction had been decreasing over the past 12 months, but has made a reasonable increase this last wave.</p>	<div>Core service deliverables - Total</div> <table><thead><tr><th>Wave</th><th>Satisfied</th><th>Neutral</th><th>Dissatisfied</th></tr></thead><tbody><tr><td>2022 wave 1 (n=174)</td><td>61%</td><td>23%</td><td>16%</td></tr><tr><td>2022 wave 2 (n=161)</td><td>54%</td><td>36%</td><td>10%</td></tr><tr><td>2022 wave 3 (n=140)</td><td>53%</td><td>25%</td><td>21%</td></tr><tr><td>2022 wave 4 (n=151)</td><td>46%</td><td>38%</td><td>15%</td></tr><tr><td>2023 wave 1 (n=146)</td><td>66%</td><td>23%</td><td>10%</td></tr></tbody></table>	Wave	Satisfied	Neutral	Dissatisfied	2022 wave 1 (n=174)	61%	23%	16%	2022 wave 2 (n=161)	54%	36%	10%	2022 wave 3 (n=140)	53%	25%	21%	2022 wave 4 (n=151)	46%	38%	15%	2023 wave 1 (n=146)	66%	23%	10%																												
Wave	Satisfied	Neutral	Dissatisfied																																																			
2022 wave 1 (n=174)	61%	23%	16%																																																			
2022 wave 2 (n=161)	54%	36%	10%																																																			
2022 wave 3 (n=140)	53%	25%	21%																																																			
2022 wave 4 (n=151)	46%	38%	15%																																																			
2023 wave 1 (n=146)	66%	23%	10%																																																			





Measure/Result	Comments	Graph																														
<div>▼ Overall Public facilities</div> <div>Wave one 2022/23 = 72%</div> <div><div>Satisfied (%7-10)</div><div>Neutral (%5-6)</div><div>Dissatisfied (%1-4)</div></div>	Satisfaction with the public facilities provided by the Council remains reasonably consistent.	<div>Overall public facilities - Total</div> <table><tr><th>Wave</th><th>Satisfied (%)</th><th>Neutral (%)</th><th>Dissatisfied (%)</th><th>n</th></tr><tr><td>2022 wave 1</td><td>73%</td><td>23%</td><td>4%</td><td>156</td></tr><tr><td>2022 wave 2</td><td>70%</td><td>23%</td><td>7%</td><td>137</td></tr><tr><td>2022 wave 3</td><td>75%</td><td>23%</td><td>2%</td><td>122</td></tr><tr><td>2022 wave 4</td><td>66%</td><td>27%</td><td>7%</td><td>126</td></tr><tr><td>2023 wave 1</td><td>72%</td><td>21%</td><td>7%</td><td>134</td></tr></table>	Wave	Satisfied (%)	Neutral (%)	Dissatisfied (%)	n	2022 wave 1	73%	23%	4%	156	2022 wave 2	70%	23%	7%	137	2022 wave 3	75%	23%	2%	122	2022 wave 4	66%	27%	7%	126	2023 wave 1	72%	21%	7%	134
Wave	Satisfied (%)	Neutral (%)	Dissatisfied (%)	n																												
2022 wave 1	73%	23%	4%	156																												
2022 wave 2	70%	23%	7%	137																												
2022 wave 3	75%	23%	2%	122																												
2022 wave 4	66%	27%	7%	126																												
2023 wave 1	72%	21%	7%	134																												

Commissioner based questions

Measure/Result	Comments	Graph																														
<p>Were you aware that a Crown appointed Commission has taken over the governance responsibilities of Tauranga City Council until the next election in July 2024?</p> <p>Wave one 2022/23 = Total Aware 75% Unaware 25%</p> <p>■ Satisfied (%7-10) ■ Neutral (%5-6) ■ Dissatisfied (%1-4)</p>	<p>Age seems to be the biggest factor in awareness that a commission had been appointed, with high awareness in those 55 years and older.</p>	<div><p>Awareness by Ward</p><table><thead><tr><th>Ward</th><th>Awareness (%)</th></tr></thead><tbody><tr><td>Otumoetai-Bethlehem</td><td>75%</td></tr><tr><td>Te Papa-Welcome Bay</td><td>70%</td></tr><tr><td>Mt Maunganui-Papamoa</td><td>78%</td></tr></tbody></table></div>	Ward	Awareness (%)	Otumoetai-Bethlehem	75%	Te Papa-Welcome Bay	70%	Mt Maunganui-Papamoa	78%																						
Ward	Awareness (%)																															
Otumoetai-Bethlehem	75%																															
Te Papa-Welcome Bay	70%																															
Mt Maunganui-Papamoa	78%																															
<p>▼ Satisfaction with the leadership of the Commissioners</p> <p>Wave one 2022/23 = 52%</p> <p>■ Satisfied (%7-10) ■ Neutral (%5-6) ■ Dissatisfied (%1-4)</p>	<p>The results are slightly down on wave one last year as a comparative, however, are the highest result over the past four waves.</p> <p>Levels of dissatisfaction are remaining reasonably consistent.</p>	<div><p>Leadership of the Commissioners - Total</p><table><thead><tr><th>Wave</th><th>n</th><th>Satisfied (%)</th><th>Neutral (%)</th><th>Dissatisfied (%)</th></tr></thead><tbody><tr><td>2022 wave 1</td><td>124</td><td>58%</td><td>19%</td><td>23%</td></tr><tr><td>2022 wave 2</td><td>122</td><td>39%</td><td>33%</td><td>28%</td></tr><tr><td>2022 wave 3</td><td>108</td><td>47%</td><td>24%</td><td>29%</td></tr><tr><td>2022 wave 4</td><td>122</td><td>40%</td><td>29%</td><td>31%</td></tr><tr><td>2023 wave 1</td><td>115</td><td>52%</td><td>17%</td><td>31%</td></tr></tbody></table></div>	Wave	n	Satisfied (%)	Neutral (%)	Dissatisfied (%)	2022 wave 1	124	58%	19%	23%	2022 wave 2	122	39%	33%	28%	2022 wave 3	108	47%	24%	29%	2022 wave 4	122	40%	29%	31%	2023 wave 1	115	52%	17%	31%
Wave	n	Satisfied (%)	Neutral (%)	Dissatisfied (%)																												
2022 wave 1	124	58%	19%	23%																												
2022 wave 2	122	39%	33%	28%																												
2022 wave 3	108	47%	24%	29%																												
2022 wave 4	122	40%	29%	31%																												
2023 wave 1	115	52%	17%	31%																												

Verbatim Summary

This section of the survey includes a free text field in which respondents could comment further on their satisfaction score.

In summary, verbatim feedback themes included:

- Libraries services:
 - limited parking availability near libraries in the city restricts usage
 - declining preference for use because of digital competition
- Facilities:
 - preference for more at the historic village, including suggestions of more child activities, better shops, more restaurants and a place for night activities and wider promotion
 - the cost for swimming pool use is too high, some of the pools need upgrades and the Mount Hot Pools need more frequent cleaning schedules
- Water management,
 - further water storage is needed to reduce the need for restrictions and to accommodate the growth
 - frustrations over blocked drains
- Roading:
 - frustration over the city-wide extent of roadworks and potholes and the length of time taken for these to be completed/fixed
 - preference for both more and less attention to be focused on cycleways
- Waste Management:
 - park bins are often full and untidy
 - preference for more to be done to discourage street litter
- Outdoor spaces:
 - add more outdoor exercise equipment
 - cycleways connecting communities more would help
 - enforce the 'dog on a lead' rule more
- Safety:
 - Security guards have eliminated some anti-social and aggressive behaviour in CBD
 - Level of homelessness is unacceptable

9.8 Credit rating from Standard and Poors Global Ratings

File Number: A14158832

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

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. This report provides a copy of Standard and Poors Global Ratings (S&P) credit ratings for 2022 and summarises key factors raised in the report that affect the current rating and future upside and downside risk to this rating.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Credit rating from Standard and Poors Global Ratings".

EXECUTIVE SUMMARY

2. Standard & Poors (S&P) has confirmed it's A+/A-1 long and short term issuer credit ratings on Tauranga City Council (TCC). The report noted strength for TCC in relation to the economic outlook and New Zealand's robust institutional framework.
3. The outlook remains stable. S&P noted future rating has upside risk and downside risk.

BACKGROUND

4. S&P noted that their stable outlook for Tauranga City Council incorporates their expectation that commissioners will follow through with planned rates increases. Council's requirement to continue to borrow meet its new infrastructure requirements also affects the rating. S&P has adjusted the level of capital expenditure it expects to be achieved given current difficult conditions.
5. The strengths for TCC's credit rating include Tauranga's strong economy and liquidity and the countries robust institutional framework.
6. Upside risks, which are factors that could raise ratings include post-election that the council delivers on financial outcomes in line with S&P forecasts. Also, an upside opportunity would be stronger budgetary performance resulting in a lower ratio of debt to operating revenue, such as could occur for Tauranga City Council as a result of water reform (because of the high debt and capital requirements associated with three waters).
7. Downside risks, which are factors that could lead to a lowering of credit rating in the future, include a capital expenditure level above that forecast by S&P or if revenue growth, including rates and capital grants are lower than expectations.

STRATEGIC / STATUTORY CONTEXT

8. TCC chooses to have a credit rating to access lower interest margins and to support LGFA by ensuring the majority of its lending is to rated councils, which supports the LGFA credit rating of AA+ foreign currency and AAA local currency.

OPTIONS ANALYSIS

9. This report is for information only.

FINANCIAL CONSIDERATIONS

10. The confirmed rating for TCC means that we will continue to access borrowing at LGFA margins for A+ rated councils

LEGAL IMPLICATIONS / RISKS

11. There are no legal implications arising from this rating.

CONSULTATION / ENGAGEMENT

12. No engagement is required. S&P has published its rating report.

SIGNIFICANCE

13. 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.
14. 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.
15. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

16. 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

17. The discussion within the report is of relevance to the 2023-24 annual plan and the 2024-34 Long-term Plan. TCC maintains dialogue with S&P who will continue to monitor our governance decisions and budgetary performance through annual plans and the annual report. The credit rating is renewed each year.

ATTACHMENTS

1. **Credit rating from Standard and Poors Global Ratings Attachment 1 - A14160761** [↓](#) 



RatingsDirect®

Research Update:

Tauranga City Council Ratings Affirmed At 'A+/A-1'; Outlook Stable

October 27, 2022

Overview

- Tauranga City Council's pressing infrastructure needs mean its after-capital account deficits will remain large, and ensure debt levels are very high, despite the council's growing revenues.
- An extension of commissioners appointed by New Zealand's central government (the Crown) until July 2024 should see the council's credit profile remain stable.
- We affirmed our long- and short-term issuer credit ratings on Tauranga at 'A+/A-1'. The outlook is stable.
- Tauranga's strong economy and liquidity, and the country's robust institutional framework support our ratings.

PRIMARY CREDIT ANALYST

Anthony Walker
Melbourne
+ 61 3 9631 2019
anthony.walker
@spglobal.com

SECONDARY CONTACT

Deriek Pijls
Melbourne
+61 396312066
deriek.pijls
@spglobal.com

Rating Action

On Oct. 28, 2022, S&P Global Ratings affirmed its 'A+/A-1' long- and short-term issuer credit ratings on Tauranga City Council. The outlook remains stable.

Outlook

The stable outlook on Tauranga incorporates our expectation that Crown commissioners will follow through with planned rate increases, and that the council's budgetary performance will remain weak, given its considerable infrastructure requirements.

Downside scenario

We could lower our ratings if Tauranga's capital expenditure (capex) is more than we forecast, or if revenue growth, such as rates or capital grants, fails to meet our expectations. This could weaken Tauranga's liquidity position or result in after-capital account deficits averaging more than 25% of total revenues. While unlikely, this could occur as a result of the Crown's "Three Waters" reforms.

www.spglobal.com/ratingsdirect

October 27, 2022 1

Research Update: Tauranga City Council Ratings Affirmed At 'A+/A-1'; Outlook Stable**Upside scenario**

We could raise our ratings on Tauranga if, after elections, the council delivers financial outcomes broadly in line with our forecasts. This could improve our view of financial management. Alternatively, we could raise our ratings if budgetary performance was structurally stronger, resulting in a lower ratio of debt to operating revenue. This could occur, for instance, from the Crown's "Three Waters" reforms.

Rationale

Our updated analysis of Tauranga supports the existing ratings, following the reappointment of the panel of commissioners in April 2022. The Commissioners will remain in place until July 2024 and will oversee the development of the council's 2024-2034 long-term plan.

We expect Tauranga will incur large deficits and rising debt levels over the next few years as it pushes forward with its growing infrastructure pipeline. This is despite the council raising operating revenues, especially through rate increases, to support budgetary outcomes.

Tauranga's strong economic profile, New Zealand's excellent institutional settings, and the council's strong liquidity continue to support the council's credit profile.

Commissioners remain in place until 2024; Tauranga's strong economic profile support rating

The institutional framework within which New Zealand councils operate is a key strength supporting Tauranga's credit profile. The framework provides for early intervention by the Crown before issues become detrimental to the long-term viability of a council. The New Zealand local government system promotes a strong management culture, fiscal discipline, and high levels of financial disclosure among local councils. In addition, the framework is supportive of councils' rate-collection abilities. This system allows Tauranga to support higher debt levels than some of its international peers can tolerate at the current rating level.

An example of the institutional framework's strength was when the Crown appointed a commission to run Tauranga in February 2021. The commission's term was extended to July 2024 with local elections due in October 2022 canceled. The Crown commissioners have outlined a baseline for the council's operating and capex requirements, as well as its funding strategy.

We believe there are risks to the council achieving these objectives, particularly as the council transitions back to elected councilors in 2024. This is because elected officials may refrain from imposing large rate increases for political purposes. The reappointment of commissioners for another two years until July 2024 should help the transition back to elected officials and will allow commissioners to oversee the development of the 2024-2034 long-term plan. Like all councils, Tauranga prepares an annual plan yearly and a long-term plan every three years. The council's debt and liquidity management are sound.

Commissioners were appointed following an independent review of the council that identified significant governance problems among its elected members, and the mayor's resignation on Nov. 20, 2020. The Crown initiated the review after its Department of Internal Affairs requested evidence that the council was taking steps to "restore trust and confidence in its ability to meet the Crown's expectations of a high-performing council."

Research Update: Tauranga City Council Ratings Affirmed At 'A+/A-1'; Outlook Stable

The council has significant infrastructure needs on account of very strong growth pressures and its desire to limit rate increases in the past. Growth and previous rate decisions resulted in underinvestment and infrastructure backlogs. In addition, the council faced several financial settlements and cost overruns relating to building defects in projects such as the Bella Vista Homes development, Cayman Apartments, and the Harrington Street transport hub carpark. These issues have negatively affected the council's reputation and financial outcomes. Recognizing these issues, the council has taken steps to improve its policies, procedures, training, enforcement, and the consenting approval process.

Tauranga's economic performance has been resilient against the effects of the pandemic due to its limited exposure to international tourism and education, which were heavily affected by border closures. Tauranga is New Zealand's fifth-largest city, with a population of 155,200. It is one of the country's fastest growing cities, supported by its attractiveness as a location for retirement, construction, and the region's horticulture sector.

GDP per capita in Tauranga was NZ\$65,944 in the year to March 31, 2020, slightly higher than the national average of NZ\$63,556, according to the Ministry for Business, Innovation and Employment. The city's growing population has been one of the key drivers for its strong economic growth in recent years, with an increasing number of retirees moving to the region.

A total of 19.9% of Tauranga's population is older than 65, compared with a national average of 16.0%. While the Crown is responsible for most costs associated with retirees, such as pension and health, Tauranga's aging population could negatively influence the council's rate-setting decisions and weaken its financial profile.

Pressing infrastructure needs mean budgetary performance will remain weak and debt levels high, despite large rate increases; liquidity remains strong

Tauranga's budgetary performance is weaker than most domestic and international peers'. We expect the council to incur large after-capital-account deficits during 2021-2025, averaging about 18.8% of total revenue per year. This reflects the council's pressing infrastructure needs. We expect such deficits to peak at 38.0% in 2022, driven by growth in operating expenses and other temporary litigation costs. The deficit will shrink to 5.7% in 2023, supported by one-off asset sales, before returning to more than 15% of total revenues from 2024.

Tauranga expects to benefit from higher Crown grants, including funding for roading projects, parks and recreation projects, and infrastructure related to the central government's "Three Waters" reforms. If these capital grants aren't received, Tauranga's budgetary performance would be hit.

We forecast capital expenditure of NZ\$248 million in 2023, increasing to NZ\$349 million in 2025. This is 20%-30% lower than the council's budget because we believe ongoing supply chain disruptions and labor shortages will make it difficult for the council to deliver its entire budget. Therefore, Tauranga's capex will be elevated for the foreseeable future.

We estimate Tauranga's operating revenue will increase steadily over the next three years, given the implementation of rate rises. This means the council's operating balance should remain strong, averaging 18.8% of operating revenue from 2021-2025. Operating ratios were temporarily hit by the pandemic, averaging 14.2% from 2019-2021. This was mainly due to higher capital project-related operating costs, given the council delivered a larger capital program than in the past, as well as the pandemic's negative effect on the council's revenues in 2021.

We expect total tax-supported debt to be 253% of operating revenues in 2025. Gross debt will

Research Update: Tauranga City Council Ratings Affirmed At 'A+/A-1'; Outlook Stable

reach about NZ\$1.04 billion in this period, up from NZ\$781 million in 2022. All of the council's debt is sourced from the New Zealand Local Government Funding Agency (LGFA) and the central government's Housing Infrastructure Fund. Given our forecast of higher debt levels, we anticipate interest expenses will average about 6.8% of operating revenues for 2022-2024.

We view Tauranga's contingent liabilities to be limited, reflecting the likelihood of damage from natural disasters, insurance policies, and litigation. The council is well insured for material damage for above-ground assets, excluding roads and pipes, and about 40% covered for underground assets, with the remainder covered by the Crown. Outstanding contingent liabilities from past litigation have now been settled.

The council's liquidity position is strong and in line with most of its peers. We forecast the debt service coverage ratio with bank lines at 209% over the next 12 months, supported by NZ\$100 million in undrawn bank lines and NZ\$70 million in cash and term deposits. Liquidity coverage will fall over the next year or two as debt maturities increase, in our estimation, but should be supported by the council prefunding maturities up to 12 months in advance. The council does not have any commercial paper on issue.

Supporting the council's liquidity is its access to the LGFA. This provides Tauranga, along with most of its New Zealand peers, with strong access to a well-established source of external liquidity. In our view, the LGFA benefits from an extremely high likelihood of extraordinary Crown support, and it has helped Tauranga lengthen its maturity profile and reduce its interest expenses.

Key Statistics

Table 1

Selected Indicators - Tauranga City Council

(mil. NZ\$)	--Year ended June 30--				
	2021	2022e	2023bc	2024bc	2025bc
Operating revenues	286	315	350	372	409
Operating expenditures	241	272	280	298	307
Operating balance	45	42	70	74	102
Operating balance (% of operating revenues)	15.6	13.5	19.9	20.0	25.0
Capital revenues	86	77	158	136	173
Capital expenditures	202	269	257	294	363
Balance after capital accounts	(71)	(149)	(29)	(83)	(88)
Balance after capital accounts (% of total revenues)	(19.0)	(38.0)	(5.7)	(16.4)	(15.1)
Debt repaid	0	54	56	56	101
Gross borrowings	108	190	68	129	182
Balance after borrowings	37	(13)	(17)	(10)	(6)
Tax-supported debt (outstanding at year-end)	646	781	881	954	1,036
Tax-supported debt (% of consolidated operating revenues)	225.7	248.1	252.2	256.2	253.1
Interest (% of operating revenues)	7.2	6.8	6.5	7.0	7.0

Research Update: Tauranga City Council Ratings Affirmed At 'A+/A-1'; Outlook Stable

Table 1

Selected Indicators - Tauranga City Council (cont.)

(mil. NZ\$)

--Year ended June 30--

	2021	2022e	2023bc	2024bc	2025bc
National GDP per capita (single units)	67,000	70,196	75,468	78,785	82,214

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the timeliness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. bc--Base case reflects S&P Global Ratings' expectations of the most likely scenario. N/A--Not applicable. N.A.--Not available. N.M.--Not meaningful.

Ratings Score Snapshot

Key Rating Factors	Scores
Institutional framework	1
Economy	2
Financial management	3
Budgetary performance	4
Liquidity	2
Debt burden	5
Stand-alone credit profile	a+
Issuer credit rating	A+

S&P Global Ratings bases its ratings on non-U.S. local and regional governments (LRGs) on the six main rating factors in this table. In the "Methodology For Rating Local And Regional Governments Outside Of The U.S.," published on July 15, 2019, we explain the steps we follow to derive the global scale foreign currency rating on each LRG. The institutional framework is assessed on a six-point scale: 1 is the strongest and 6 the weakest score. Our assessments of economy, financial management, budgetary performance, liquidity, and debt burden are on a five-point scale, with 1 being the strongest score and 5 the weakest.

Key Sovereign Statistics

Sovereign Risk Indicators. An interactive version is available at <http://www.spratings.com/sri>

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Governments | International Public Finance: Methodology For Rating Local And Regional Governments Outside Of The U.S., July 15, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

www.spglobal.com/ratingsdirect

October 27, 2022 5

Research Update: Tauranga City Council Ratings Affirmed At 'A+/A-1'; Outlook Stable**Related Research**

- Credit FAQ: Lifting The Lid On New Zealand's "Three Waters" Reforms, Oct. 12, 2022
- Default, Transition, and Recovery: 2021 Annual International Public Finance Default And Rating Transition Study, Oct. 4, 2022
- Economic Research: Economic Outlook Asia-Pacific Q4 2022: Dealing With Higher Rates, Sept. 25, 2022
- Comparative Statistics: Local And Regional Government Risk Indicators: Asia-Pacific LRGs' Post-Pandemic Appetite For Capital Spending Is Strong, Sept. 22, 2022
- Institutional Framework Assessments For International Local And Regional Governments, Sept. 13, 2022
- Local And Regional Governments Outlook 2022: Life Without Central Government Crutches, July 13, 2022
- Global Ratings List: International Public Finance Entities 2022, June 3, 2022
- Institutional Framework Assessment: New Zealand Local Governments, April 28, 2022
- Local Government Debt 2022: Rising Risks Keep Global Borrowing High, April 12, 2022
- New Zealand Local Government Funding Agency Ltd., March 2, 2022
- 25 Ratings In 25 Years: New Zealand Councils Prove Their Staying Power, Feb. 1, 2022
- Ratings History List: Asia-Pacific Local And Regional Government Ratings Since 1975, May 29, 2020

In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see 'Related Criteria And Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Ratings Score Snapshot above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion. The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see 'Related Criteria And Research').

Research Update: Tauranga City Council Ratings Affirmed At 'A+/A-1'; Outlook Stable

Ratings List

Ratings Affirmed

Tauranga City Council

Issuer Credit Rating	A+/Stable/A-1
----------------------	---------------

Tauranga City Council

Commercial Paper	A-1
------------------	-----

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

S&P Global Ratings Australia Pty Ltd holds Australian financial services license number 337565 under the Corporations Act 2001. S&P Global Ratings' credit ratings and related research are not intended for and must not be distributed to any person in Australia other than a wholesale client (as defined in Chapter 7 of the Corporations Act).

www.spglobal.com/ratingsdirect

October 27, 2022 7

Research Update: Tauranga City Council Ratings Affirmed At 'A+/A-1'; Outlook Stable

Copyright © 2022 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.

9.9 Review of the Grants for development contributions on Papakāinga Housing and Community Housing Policies

File Number: A13885518

Author: Sharon Herbst, Policy Analyst

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

PURPOSE OF THE REPORT

1. To consider amendments to the Grants for Development Contributions on Papakāinga Housing Policy and Grants for Development Contributions on Community Housing Policy.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Review of the Grants for development contributions on Papakāinga Housing and Community Housing Policies.
- (b) Makes the following amendments to the Grants for Development Contributions on Papakāinga Housing Policy:
 - (i) Outline explicitly at 5.1.4 that any unused funds will roll over after the three-year timeframe has passed.
- (c) Make the following amendment to the Grants for Development Contributions on Community Housing Policy:
 - (i) Outline explicitly at 5.1.4 that any unused funds will roll over after the three-year timeframe has passed.
 - (ii) Remove 'emergency housing' from the definition of community housing at 3.1
 - (iii) Amend the scope at 2.2 to include 'transitional housing providers with Level 3 Ministry of Social Development Social Sector Accreditation and a Transitional Housing Services Agreement'. This will include amendments for consistency at 2.5, 3.1, 4.1, 4.2, 5.1.3, 5.2.1, 5.2.3, 5.3.1 and 5.5.2.
 - (iv) Amend the scope at 2.2 and funding eligibility at 5.2.1 to replace 'that are operating under a not-for-profit structure' with 'that are developing housing with a not-for-profit intent'. Add in the funding allocation process at 5.3.1 item 2 to notify TCC of.... 'and evidence to show the housing development has a not-for-profit intent'.

EXECUTIVE SUMMARY

2. The 2021-31 Long-term Plan Council established two housing grant funds of \$500,000 each per year for three years. The Community Housing Grant Fund is to assist registered community housing providers to increase and retain the stock of community housing in Tauranga city by fully or partially subsidising citywide development contributions. The Papakāinga Housing Grant Fund is to reduce the financial burden of citywide development contributions (DCs) on papakāinga housing developed for the benefit of shareholders and/or beneficial owners of Māori land.
3. The Grants for Development Contributions on Community Housing Policy (the community housing policy) and the Grants for Development Contributions on Papakāinga Housing Policy (the papakāinga housing policy) were adopted in October 2021 to set out a structured and transparent approach to the distribution of grant funds.

4. When the policies were adopted, they included a requirement to be reviewed annually.
5. Working with recipients and potential recipients of the grant fund, staff have reviewed the policies and made recommendations for amendments. Direction is sought from the committee before the amended policies are adopted and implemented. Those issues are presented in this report.

BACKGROUND

Development of the policies

6. On 15 March 2021, Council resolved that two new grant funds, each being \$250,000 per year, were to be included in years 1 to 3 of the draft Long-term Plan 2021-2031, funded from the proceeds of the Elder Housing portfolio sale.
7. The purpose of the two grant funds is to assist the development of community and papakāinga housing within the city. Council intended that the grant funds should be available to fully subsidise citywide DCs on papakāinga housing and on community housing developments by registered community housing providers (CHPs).
8. In response to public submissions to the draft Long-term Plan, both grant funds were subsequently doubled to \$500,000 per annum for years 1 to 3 of the Long-term Plan 2021-2031. Council directed policies be developed for the two grant funds.
9. In October 2021, the policies were adopted by Council and set out the eligibility criteria and the application, assessment, approval and distribution processes for the grant funds. They both included a requirement to be reviewed annually following completion of the grant payment process.
10. This paper reviews both these policies and provides recommendations on potential amendments.

Review of the papakāinga housing policy

11. A review of the papakāinga housing policy was conducted to determine whether the distribution policies are operating as intended.
12. The policy approach distributes grants on a first in, first served basis, where eligible developments have their DCs paid directly by the council at the time they fall due. This is done through in-house transfer processes at the time building consents are approved and requires streamlined internal processes and clear eligibility criteria to ensure consents are issued as soon as possible. The Takawaenga Unit took the lead and assigned a kaiarahi to manage the application assessment process.
13. In the first year, up until 30 June 2022, a total of five applications had been received and one grant distributed for \$10,615.47. This resulted in \$489,384.53 carried over into the next financial year, making \$989,384.53 available to distribute in the current year. At the date of writing, a further six applications have been received, with four grants distributed totalling \$92,413.09, and a further two grants for around \$36,000 approved but awaiting payment confirmation. In total \$103,028.56 has been distributed so far.
14. Council staff involved in establishing and operating the grant fund provided feedback on its implementation. Feedback was also sought and received from Te Rangapū Mana Whenua o Tauranga Moana, local Māori Land Trust representatives, Te Puni Kokiri (TPK), and parties that applied for a grant. Kainga Ora, Western Bay of Plenty District Council (WBoPDC) and Bay of Plenty Regional Council (BoPRC) were approached but did not provide any feedback.
15. Feedback showed that the grant has supported a small number of papakāinga housing to be developed.
16. The main issues raised by the council staff were about some complexities in the application and approval process, raising more awareness of the grant, the three-year term of the grant, and a suggestion that the scope and eligibility criteria could be extended to provide more of an incentive to build (such as including local DCs and Building Consent Fees).

17. External stakeholders noted a lack of uptake potentially being because there is a lack of awareness about the grant, confusion about the process to apply or that the amount available fails to impact the challenges of building on Māori land. Feedback emphasised that building on Māori land is a long process, taking years of planning, with difficulty accessing funding support and rural Māori land especially facing major infrastructure barriers compared to those in Urban Growth Areas. Suggestions were made to allocate the grant more equitably across the city, include local DCs, or to widen the eligibility to include applications for housing built before 1 July 2021 and Māori land returned as commercial redress. The fund could continue to rollover until it is spent. It was also suggested that more time is needed to see the impact of the grant before any changes are made.
18. Staff involved in promoting and managing the grant fund acknowledge there is a lack of awareness of the fund. A communication strategy is being put into place to explore opportunities to raise awareness, make the application process easy to understand, and provide ongoing support through avenues such as pānui, wananga and radio, and through key stakeholders (Māori Land Trusts, Te Puni Kokiri (TPK), Kainga Ora and Ministry for Housing and Urban Development (MHUD)).
19. As the affected parties have had the opportunity to input to the policy review process, and as the substantive decision to implement the grant funds was made as part of the Long-term Plan 2021-2031 process, staff consider that no further public consultation on the draft policies is required.

Review of the community housing policy

20. A review of the community housing policy was conducted to determine whether the distribution policies are operating as intended.
21. The community housing policy outlines a grant fund distribution process that occurs at the end of the financial year. Eligible developments receive a retrospective grant on a pro-rata basis according to the dollar value of citywide development contributions paid during the previous year.
22. In September 2022 all Community Housing Providers (CHPs) were contacted and asked to provide details of eligible developments. There were six eligible developments notified for the 2021/22 year, the applications are yet to be finalised but are estimated to be around \$120,000 in total. This will result in approximately \$380,000 carried over into the next financial year, making approximately \$880,000 available to distribute in the current year.
23. At the date of writing, four CHPs have confirmed 37 dwellings are being built this year and will be eligible for the grant in the 2022/23 year, and 43 dwellings planned for next year that will be eligible for the grant in the 2023/24 year, with an estimated total of around \$1.6 million in DCs for these dwellings.
24. Council staff involved in establishing and operating the grant fund provided feedback on its implementation. Feedback was also sought and received from registered CHPs and Community Housing Aotearoa. Community Housing Regulatory Authority (CHRA), Ministry of Social Development (MSD) and Ministry of Housing and Urban Development (MHUD) were also contacted but did not provide feedback.
25. Overall feedback showed there has been a lag in the uptake of this grant due to the time taken for developments to reach the building consent stage, not because the fund is inappropriate.
26. Council staff questioned the contradictory nature of the purpose, the scope of eligible recipients and the definition of community housing in the policy. In particular, the inclusion of progressive home ownership does not align with the stated purpose to increase the stock of community housing as the homes become privately owned. The inclusion of emergency housing in the definition is confusing as this housing is only intended for temporary housing (7 days). Transitional housing is included in the definition and provides support to individuals for around 3 – 18 months and so expansion would increase the stock of housing for individuals. However, the transitional housing providers are excluded from the scope as they

are not CHPs. There was also confusion about the scope being limited to CHPs with a not-for-profit structure, as two CHPS do not have a not-for-profit organisational structure. Other issues raised by stakeholders were the three-year term of the grant fund, whether other alternatives could support community housing, and whether the grant should be retrospective or first in first served.

27. As the affected parties have had the opportunity to input to the policy review process, and as the substantive decision to implement the grant funds was made as part of the Long-term Plan 2021-2031 process, staff consider that no further public consultation on the draft policy is required.

Approach of nearby councils

28. WBoPDC support papakāinga and community housing in three ways:
- (a) Ongoing funding in the [Long-term Plan](#) (page 186-187) to support papakāinga housing of \$55,000 for 2022, and then inflation adjusted each year across the 10 year plan.
 - (b) *Better Off Funding* applications, of which \$700,000 will be allocated to progress specific Māori housing aspirations. See the WBoPDC [Council report](#) (page 102) for more detail.
 - (c) As part of the [Schedule of Fees and Charges 2022/23](#) (page 38), papakāinga and community housing will receive a 100% reduction in financial contributions (FINCOS) for additional dwellings (over and above the base charge of one Household Equivalent), for applications up to a maximum of 10 dwellings, subject to specific criteria.
29. The waiving of FINCOS is a mechanism similar to the grants for development contributions that the TCC policies cover. The difference is that it applies only to additional dwellings, and has a limit up to 10 dwellings, compared to our policies which cover the full citywide DCs for all eligible applications from a maximum fund pool of \$500,000 per year.
30. WBoPDC are also investing in redeveloping and increasing their stock of elder housing.

STRATEGIC / STATUTORY CONTEXT

31. Housing supply across all sectors-of-need is a significant issue in Tauranga. Through the Long-Term Plan 2021-31 process, it was recognised that reducing the cost of developing new community and papakāinga housing by subsidising development contribution fees was a priority action that Council could take to assist these sectors.
32. Current research indicates the percentage of total social housing stock in the region is 1.7% in Tauranga and 2.6% in the WBOP against the national average of 4.7%. This is well below the ideal of between 7-9% of total housing stock. There is high demand locally for emergency and transitional housing.
33. Based on current housing register data, as at 30 June 2022 there were approximately 825 people on the register in Tauranga and 222 in the WBOP. Approximately 330 individuals/families on the register are currently housed in emergency and transitional housing.
34. Council has adopted the following principles to guide the reinvestment of the remaining proceeds from the sale of the elder housing villages and Pooles Road properties. Funds will be used in such a way as to:
- (i) deliver an increase in public, social, affordable and elder housing for Tauranga
 - (ii) minimise private individual profit
 - (iii) provide opportunity to leverage for additional external funds
 - (iv) ensure funds remain within non-profit entity control (i.e. if reinvestment does return a profit, the resulting profit will be reinvested to deliver further public and/or affordable housing and would not return to the council)
 - (v) result in community benefit being retained long term.

35. Council has signalled the potential of investing a minimum of \$20m of sale proceeds in a proposed Housing Equity Fund being established by BayTrust. Currently Council, alongside BayTrust and other likely investors, is participating in a co-design process for the fund, as well as completing independent due diligence investigations. The proposed Housing Equity Fund would cover the Bay of Plenty region and be focused on identifying and meeting housing needs of people across the region, through provision of housing options which are not being adequately delivered by the market. It may include working in partnership with CHPs and Iwi/Hapū. Council will consult with the community prior to making a decision on how the remaining proceeds of sale will be spent (i.e. before investing in the Housing Equity Fund or any other housing initiative).

OPTIONS ANALYSIS

36. The options for responding to the issues raised are set out below. The draft policies in **Attachment 1 and 2** show tracked changes based on the recommendations below. Should the Committee adopt other options, the appropriate clauses would need to be amended, with delegated authority to the General Manager Strategy, Growth & Governance to approve the final wording of the policy.

Overall Issues Raised

37. Three issues raised through consultation applied to both grant funds:

Issue 1: Allowing more time before making amendments

38. Due to the low uptake and low awareness of the grant funds, an option could be to consider making no changes to both policies until another year has passed. However, some issues have been raised and small changes may make the policies operate better.

	Option	Advantages	Disadvantages
1A	Make no changes to the policies until after a review in July 2023 • (Status quo)	<ul style="list-style-type: none"> • The papakāinga housing grant fund has only been open for applications since March 2022 (six months) • More time is needed to raise awareness of the papakāinga housing grant • There has been small uptake of the community housing grant fund, but dwellings are planned for the next two years • It is too early to know if the policies are working well or not 	<ul style="list-style-type: none"> • Potential risk that the funds will continue to be under-utilised for another year • If the grant funds remain under-utilised there may be pressure to redirect the funds to other projects
1B	Amend the policies to reflect feedback received (Recommended)	<ul style="list-style-type: none"> • Provides opportunity to consider the feedback and make the policies operate better 	<ul style="list-style-type: none"> • Potential risk that not enough information is available to make an informed decision.

Issue 2: Long-term commitment of the grant funds

39. The process for preparing to build papakāinga housing can be lengthy, with at least two years of planning before building commences. This may include whānau planning (12 months), information gathering and research (6 months), project planning and feasibility (6 months).

months), due diligence (negotiating with funders) (3 months), and then building and project management (18 months).

40. Community housing providers also take time to plan and execute their developments. In some cases, a developer may build the house on behalf of the CHP with a turnkey agreement, however the CHP will only take ownership of the house when it is fully built. This can delay the time from lodging the building consent to taking ownership by about a year, creating a lag in eligibility for the grant.
41. Due to the time to plan developments, the short-term nature of the grant fund may make it hard to commit if the grant fund is not available when they are ready to build. Extending the grant fund beyond the three-year term would provide more surety for those planning developments. At the least, the policy could make explicit that funds that have rolled over after three years should be ring-fenced for this purpose until fully allocated.
42. The committee could consider extending the grant fund, rolling over any remaining funds after three years, or focus on a different strategy to support housing.

	Option	Advantages	Disadvantages
2A	No change to the timeframe for the grant (Status quo)	<ul style="list-style-type: none"> Continues with the current approach 	<ul style="list-style-type: none"> Does not recognise long-term planning and timeframe challenges of building
2B	Any unused funds will roll over after the three-year timeframe has passed (Recommended)	<ul style="list-style-type: none"> Shows commitment that the grant fund will not be repurposed for other projects (this was assumed at the time of original adoption but would benefit from being clarified) 	<ul style="list-style-type: none"> Partially recognises long-term planning and timeframe challenges of building

Papakāinga Housing Policy issues

Issue 3: Expand the fund to increase the costs covered and the eligibility criteria

43. Only \$103,028.56 has been distributed from the grant, leaving \$896,971.44 available for the current year.
44. The policy only funds citywide DCs on papakāinga housing developed or owned by shareholders and/or beneficial owners of Māori land where the purpose is not primarily to achieve a commercial benefit from that housing development.
45. As only a small portion of the fund has been allocated, feedback suggested expanding the scope of the policy to include other building related charges (such as local DCs and Building Consent Fees) and widening the eligibility criteria to include land returned to Māori ownership in general title.

Development Contributions

46. This grant fund was established to reduce the financial burden of citywide DCs but did not address the cost of feasibility studies (\$60-100k), infrastructure or other building related charges. TPK offers support for papakāinga developments by contributing to the cost of planning and feasibility assessment, as well as infrastructure and construction costs – typically for a site with more than one home. However, TPK have limited funds available currently. The council (sometimes in partnership with MHUD) has also supported some Māori Land Trusts with other grants in the past, supporting infrastructure and resource consent costs. The council also contracts a kaiarahi to support Māori Land Trusts to navigate the process of unlocking their land for building.

47. The two types of DCs are citywide and local. Citywide DCs are charged at the same rate across the city (around \$21,000 per lot for a two-bedroom dwelling) and cover the cost of citywide infrastructure (such as water, wastewater, community infrastructure). They are charged at the time of building consent and have a much closer nexus to the development of new housing. Local DCs, in contrast, cover specific location infrastructure, and the amount varies across the city (around \$4,000 to \$41,000 per lot). They are charged at the resource consent stage and may be several years prior to housing being provided. If the development is unable to connect to specific infrastructure, the DC for that activity is not payable, and the applicant must provide and fund their own infrastructure (e.g. septic tanks).
48. During the development of the policy there were mixed views as to whether the grant funds should be applied to both types of DCs or just to citywide DCs. The decision by Council was to only include citywide DCs in the policy.
49. Feedback noted that local DCs should be considered again to provide a larger grant amount and more incentive to build at the earlier stage. The five recipients of the DC grant were able to build because the Resource Consent for the land had been obtained by their Māori Land Trust several years ago with other funding from TCC supporting this process.
50. Consideration could be given to increasing the eligibility criteria to also include local DCs, or allocating some of the grant to support with the resource consent process and/or infrastructure costs to help prepare the land for building.

Rural versus Urban Land

51. During the review of the policy, two stakeholders raised the issue that building on rural land is harder than urban land and this is not currently addressed by the policy.
52. For example, a development on urban Māori land is likely to connect to all infrastructure and pay the full portion of the citywide DCs, and thereby access a higher grant payment. However, a development on rural Māori land might only connect to some infrastructure and thereby pay a lower portion of the citywide DCs and have access to a smaller grant payment. Additionally, they would still need to source alternative funding to develop their own infrastructure (e.g. septic tanks). The policy therefore disproportionately serves development on urban land compared to rural land.
53. Consideration could be given to supporting barriers to rural infrastructure costs through other funding avenues, as has been done in the past.

Land returned as commercial redress

54. The scope of the policy currently only includes Māori land where the purpose is not primarily to achieve a commercial benefit from that housing development.
55. Council has recently updated and adopted the “Remission and Postponement of Rates on Māori Freehold Land Policy” (the rates remission policy) which previously did not include land returned for commercial redress as eligible for remission. Land returned to Māori ownership in general title is not always immediately transferred to Māori freehold land. An overview of the difference between Māori Freehold Land and General Land can be found in the report to the March Committee.¹
56. A submission on the rates policy from Ngā Pōtiki noted a significant amount of land was returned as commercial redress and will be used for housing Ngā Pōtiki whānau and not for commercial gain. They noted excluding this land from the rates remission policy and the papakāinga housing policy might be inconsistent with the policy purpose (and relevant legislation).
57. The adopted rates remission policy now includes a special clause:

¹ https://infocouncil.tauranga.govt.nz/Open/2022/03/SFR_20220328_AGN_2415_AT.PDF

2.3 Land returned for commercial redress will not generally be eligible for remission under this policy. Such land may be eligible for rates postponement as per 6.7.1 below.

6.7.1 Rates may be postponed on land returned as commercial redress where a portion of the land will be retained and developed by iwi or hapū-owned entity for housing whānau. Rates will be postponed until such time as the development is complete or there are persons residing in the houses at which time all postponed rates will be waived. The postponed rates will only become payable when any portion of the land retained for housing is used for a non-housing, including commercial, purpose or sold on the open market.

58. This recognises the collective ownership by Māori of this land, despite not having the status of Māori freehold land, and recognises that land tagged for housing whānau should have rates postponed and waived until such time that housing is developed. If the principle was transferred into the papakāinga housing policy, it would acknowledge that the land has been set aside for papakāinga housing, and when these are developed, and DCs paid, they would be eligible for the DC grant.
59. Whilst this general land is tagged for papakāinga housing, the papakāinga housing policy aims to address the specific barriers to building on Māori land, including requiring whānau and trustee consensus, and challenges in securing funding, as the house will be owned under a licence to occupy. Building on general land does not have these barriers, and so including general land in the papakāinga housing policy would disadvantage those building on Māori land compared to general land.

60. Option Assessment

	Option	Advantages	Disadvantages
3A	<ul style="list-style-type: none"> Only citywide DCS are included in the policy (Status quo)	<ul style="list-style-type: none"> Maintains the status quo that was decided when the policy was developed 	<ul style="list-style-type: none"> Does not acknowledge the initial challenge of getting the land ready for building (i.e. resource consent)
3B	Extend the policy scope to also include local DCs (Not recommended)	<ul style="list-style-type: none"> All DCs have an impact on the cost of new housing and therefore potentially the supply of new housing May incentivise more building as a higher cost is covered by the grant at an earlier stage of the process 	<ul style="list-style-type: none"> The decision to exclude local DCs has already been considered and excluded by Council because the intention was to incentivise more housing to be quickly developed by supporting citywide DCs Local DCs, charged at the time of resource consent, may be several years prior to housing being provided
3C	Allocate some of the grant to support early planning (i.e. resource consent and infrastructure costs) (Not recommended)	<ul style="list-style-type: none"> Acknowledges the challenges in getting the land ready for building 	<ul style="list-style-type: none"> Moves away from the purpose of the policy to reduce the financial burden of DCs
3D	Only shareholders and/or beneficial owners of Māori land covered by the policy. (Status quo)	<ul style="list-style-type: none"> Mitigates any risk of distributing a grant toward papakāinga housing that may be later used for a 	<ul style="list-style-type: none"> Does not align with the principle of the recently adopted Remission and Postponement of Rates on Māori Freehold Land Policy. This recognised that some land

		commercial purpose <ul style="list-style-type: none"> Acknowledges that building on Māori land is more challenging compared to general land Where a CHP supplies papakāinga housing they could instead apply for a grant from the TCC community housing grant 	returned as commercial redress is developed by iwi or hapū-owned entities for housing whānau
3E	<ul style="list-style-type: none"> Include “<i>and land returned as commercial redress</i>” in policy scope (Not recommended) 	<ul style="list-style-type: none"> Recognises that some commercial redress land may be used for housing whānau (i.e. papakāinga housing) Aligns with the intent of the recently adopted Remission and Postponement of Rates on Māori Freehold Land Policy. Provides more opportunity for an underutilised grant to be accessed 	<ul style="list-style-type: none"> Does not acknowledge that building on Māori land is more challenging compared to general land Potential risk that the fund is all spent and individual whānau building on Māori land with more inherent challenges may miss out due to larger developments on general land

Issue 4: Applications for housing built before 1 July 2021

61. During the development of the draft policy a request was made for the grant fund to consider papakāinga housing built before 1 July 2021 under certain circumstances. These circumstances included where the matter had been formally raised with Council (e.g. via letter or LTP/AP submission), but the development had started before this grant fund was available.
62. During the review of the policy the issue was raised again by a stakeholder group.

	Option	Advantages	Disadvantages
4A	Confirm the policy is not to be applied before 1 July 2021 (Status quo)	<ul style="list-style-type: none"> Consistent with standard council approach that grant funds are not applied to activities that took place before the grant was established. Ensures that grant funds are allocated to the provision of new housing (not housing that has already been built) This option does not preclude separate consideration of such retrospective issues at a governance level, but it excludes them from what is otherwise a fairly simple, forward-focused 	<ul style="list-style-type: none"> Does not acknowledge the many years of advocating by a particular group to acquire funding support for papakāinga housing and the expectation that they would be eligible for the grant

		policy and grant fund	
4B	Amend the policy to include housing built before 1 July 2021 in specific circumstances. (Policy wording would need to provide clarity on the circumstances) (Not recommended)	<ul style="list-style-type: none"> Creates a formal route to revisit an issue that has been raised in the past but not resolved to the satisfaction of affected parties. May not directly affect the cost or viability of the provision of new housing. 	<ul style="list-style-type: none"> Could quickly exhaust the fund on retrospective applications and not be able to fund the main purpose of the policy to support new housing

Issue 5: More equitable split of grant funding across the city

63. Council could consider allocating the grant in a more equitable way across the city.

	Option	Advantages	Disadvantages
5A	No change to the way the grant is allocated • (Status quo)	<ul style="list-style-type: none"> Maintains a consistent approach First in first served was a conscious direction from stakeholders at the time the policy was first adopted. 	<ul style="list-style-type: none"> Does not recognise the inherent challenges of building on Māori land in some parts of the city, especially on rural land
5B	Allocate the grant in a more equitable way across the city. This could include an equal split across hapū, or an equal split across urban vs rural land. (Not recommended)	<ul style="list-style-type: none"> Provides a more equitable way of spreading the grant across the city 	<ul style="list-style-type: none"> Potential for grant funds to sit untouched if no housing is planned by certain hapū or in certain areas of the city Difficulty in deciding how to split the fund in an equitable manner

Community Housing Policy issues

Issue 6: Considerations of the purpose, scope and community housing definition

Lag in applications

64. There has been a lag in applications with six eligible developments (approximately \$120,000) due to be paid out for the 2021-22 year, and awareness of 80 further houses in the pipeline to be built in the next two years (around \$1.6 million assumed to be allocated). The lack of funds allocated thus far should not be seen as an indication that the fund is not meeting a need, but rather a reflection of how long it takes to plan and execute developments. Over the next two to three years, it is likely that the full grant fund of \$1.5 million will be allocated.
65. Although option 4E above is not recommended, if the committee did opt for this change (to include land returned as commercial redress in the papakāinga housing policy) it would impact on the community housing fund. In some circumstances, where a CHP also delivers papakāinga housing, there is potential to access either but not both funds. If 3E was accepted then we are aware that approximately \$600,000 could be applied for from the papakāinga fund, thereby freeing up funding in the community housing fund.

Contradictory nature of the purpose, scope and community housing definition

66. A number of issues were raised about the purpose, scope and definition of community housing being contradictory. The Committee could consider these issues which may include widening the scope or eligibility of the grant fund.
67. In 1.2, the policy outlines 'the purpose of the Grant Fund is to assist registered community housing providers to increase and retain the stock of community housing in Tauranga city.'
68. In 2.2, the scope of the policy outlines that 'the Grant Fund can only be used to fully or partially subsidise citywide development contributions on community housing developed and owned by registered community housing providers (registered CHPs) that are operating under a not-for-profit structure.'
69. In 3.1, the definition of community housing is 'non-market rate housing that may include progressive home ownership housing and/or one or more of the following categories of rental housing: social housing (including housing specifically for the elderly), affordable housing, transitional housing, emergency housing, or supported living housing.'
70. Tightening or loosening the policy could bring more clarity to the purpose of this grant fund.

Including or Excluding Progressive Home Ownership

71. The inclusion of progressive home ownership currently contradicts the purpose of the policy to increase and retaining the stock of community housing, as these homes become owned by individuals as private property. This issue was considered when the policy was first adopted and Council chose to include progressive home ownership.
72. At this stage, of the 86 proposed dwellings notified by CHPs, only 6 are for progressive home ownership and so it constitutes a very small percentage of eligible applications.

Excluding Emergency Housing

73. The inclusion of emergency housing is confusing because emergency housing is now typically provided by private/for-profit organisations. Emergency housing is only intended for immediate needs (7 days) although timeframes have been much longer over the last couple of years due to increasing demand and housing supply. For clarity's sake it would make sense to remove emergency housing from the policy definition of community housing.

Expanding the scope beyond registered CHPs to include transitional housing providers

74. Transitional housing is currently included in the definition, but some transitional housing providers are not CHPs, and therefore are not eligible for this grant. There is a great need for more transitional housing in Tauranga.
75. Transitional housing providers offer temporary accommodation for 12 weeks or more (currently around 18 months due to demand) and social support. They are supported by MSD with a Transitional Housing Services Agreement and Level 3 MSD social sector accreditation, which includes regular reporting and accountability. Including them in the eligibility scope would enable them to increase their capacity for transitional housing through building developments. We recognise the risk that transitional housing could become commercial housing in the future, however the risk is considered low because of the accountability required to become MSD accredited.

Making clearer what is meant by not-for-profit structure

76. The scope is currently limited to registered CHPs that are operating under a not-for-profit structure. This has been interpreted as being a registered charity. However, discussion with the original policy development team highlighted the intent was not for the entire organisation to be not-for-profit, but for the specific housing project to be not-for-profit.
77. A few of the registered CHPs do not operate under a not-for-profit structure, however their provision of community housing is not for commercial benefit. For example, Manawa Community Housing Trust does not operate under a not-for-profit structure but have notified their intent to build 30 community houses for whānau Māori. They have received conditional grant funding from MHUD who have confirmed these 30 homes will be affordable rentals

(maximum 80% median market rent) for whānau Māori. They have therefore been assessed as being eligible for the grant.

78. The policy wording could be tweaked to make its intent clearer.

Retrospective or First in First Served

79. One CHP suggested that the current retrospective application process is cumbersome. A first in first served model could enable funds to be released sooner. However, knowing that there are 80 dwellings in the pipeline, the current intent of splitting the fund pro-rata would ensure that the fund will be distributed fairly across the eligible dwellings, and not just to those who built their dwellings first. When the policy was developed, the majority of CHPs favoured the retrospective application process and so there is not a strong argument to change this.

80. The following table outlines the options to be considered:

	Option	Advantages	Disadvantages
6A	<ul style="list-style-type: none"> Make no changes to the purpose, scope and definition of community housing (Status quo) 	<ul style="list-style-type: none"> Maintains a consistent approach 	<ul style="list-style-type: none"> Does not address the current contradictions in the policy wording
6B	<ul style="list-style-type: none"> Remove 'emergency housing' from the definition of community housing at 3.1 <p>Recommended</p>	<ul style="list-style-type: none"> Removes confusion about why this is included in the definition 	
6C	<ul style="list-style-type: none"> Amend the scope at 2.2 to include 'transitional housing providers with Level 3 MSD Social Sector Accreditation and a Transitional Housing Services Agreement' <p>Recommended</p>	<ul style="list-style-type: none"> Supports transitional housing providers to increase the stock of transitional community housing 	<ul style="list-style-type: none"> Would include more providers alongside registered CHPs
6D	<ul style="list-style-type: none"> Amend the scope at 2.2 and funding eligibility at 5.2.1 to replace 'that are operating under a not-for-profit structure' with 'that are developing housing with a not-for-profit intent.' Add in the funding allocation process at 5.3.1 item 2 to notify TCC of.... "and evidence to show the housing development has a not-for-profit intent" <p>Recommended</p>	<ul style="list-style-type: none"> Makes the original intent of the policy more clear to interpret 	

FINANCIAL CONSIDERATIONS

81. Funding of \$500,000 per annum (for three years) was provided through the Long-term Plan 2021-2031 process. Other than staff time to assess and process the distribution of grant funds, there are no further costs associated with the development and application of the distribution policy.

LEGAL IMPLICATIONS / RISKS

82. There are no know legal or risk implications of amending the policies as recommended.

CONSULTATION / ENGAGEMENT

83. The substantive decision to create the new grant fund was made, and consulted on, as part of the Long-term Plan 2021-2031 development process.
84. The draft policies relate solely to the distribution (eligibility, application, assessment and approval) processes for the new grant fund. As there are only a small number of potential recipients for the grant funds, council staff worked directly with those parties to review the distribution policy to ensure it continued to best meet the intended purpose of the grant fund.
85. Feedback was sought on the papakāinga housing policy from Te Rangapū Mana Whenua o Tauranga Moana, local Māori Land Trust representatives, the Joint Agency Group (Kainga Ora, Te Puni Kokiri, WBOPDC, BOPRC), and parties that applied for a grant.
86. Feedback was sought on the community housing policy from registered CHPs, Community Housing Aotearoa, CHRA, MSD and MHUD.

SIGNIFICANCE

87. 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.
88. 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.
89. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter of the grant fund is of medium significance, however the decision proposed in this report to amend the policies are of low significance.

ENGAGEMENT

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

NEXT STEPS

91. If the Committee agrees to the minor amendments to the policy, stakeholders involved in the review of the policy will be informed of Council's decision and the adoption of the policy. The updated policy will be published on Council's website. Internal processes and communication will continue to be developed to raise awareness and enable simple implementation of the policies.
92. If the Committee requests further consideration of issues, these will be considered and brought back to the next committee meeting.

ATTACHMENTS

1. **Draft Grants for DCs on Papakainga Housing Policy 2022 - A14153087**  
2. **Draft Grants for DCs on Community Housing Policy 2022 - A14153106**  

DRAFT GRANTS FOR DEVELOPMENT CONTRIBUTION ON PAKĀINGA HOUSING POLICY



Policy type	City		
Authorised by	Council		
First adopted	4 October 2021	Minute reference	CO18/21/19
Revisions/amendments	N/A	Minute references	N/A
Review date/process	This policy is to be reviewed annually in partnership with affected parties.		

1. PURPOSE

- 1.1 The purpose of this policy is to ensure a structured and transparent approach to the fair distribution of the Grant Fund for Papakāinga Housing ("Grant Fund") to Shareholders and/or Beneficial Owners of Māori land.
- 1.2 The purpose of the Grant Fund is to reduce the financial burden of development contributions on the development of Papakāinga housing developed for the benefit of Shareholders and/or Beneficial Owners of Māori land.
- 1.3 The purpose of the Grant Fund is to support the aspirations of Shareholders and/or Beneficial Owners of Māori land to return to their whenua through the provision of affordable, safe and healthy homes.

2. SCOPE

- 2.1 The Grant Fund is available only for Papakāinga housing developments within the Tauranga City Council ("TCC") boundaries.
- 2.2 The Grant Fund can only be used to subsidise citywide development contributions on Papakāinga housing developed or owned by Shareholders and/or Beneficial Owners of Māori land where the purpose is not primarily to achieve a commercial benefit from that housing development.
- 2.3 New-build, extension of existing dwellings and relocation of buildings for Papakāinga housing are in-scope for this policy, to the extent that citywide development contributions are payable.
- 2.4 Only citywide development contribution fees are in scope for this policy. Local development contribution fees are out of scope for this policy.
- 2.5 Council fees other than development contribution fees are out of scope for this policy.

3. DEFINITIONS

- 3.1 For the purposes of this policy, the following terms and definitions apply:

Term	Definition
Council	The governing body of Tauranga City Council

Term	Definition
<p>Development contributions (DCs)</p> <p><i>Note: these are plain English definitions, please refer to TCC's Development Contributions Policy for technical definitions.</i></p>	<p>Enabled under the Local Government Act 2002, development contributions are effectively a partial cost-recovery mechanism to help Council fund the new or improved infrastructure required as a result of growth – like water and wastewater networks, roads, playgrounds and community facilities like BayWave.</p> <p>Development contribution fees are payable to TCC when developments are consented, e.g. subdivision, building (in some cases also altering, expanding or relocating existing buildings), connecting to TCC's water and/or wastewater networks.</p> <p>There are two types of development contributions (DCs) used by TCC, local DCs and citywide DCs.</p>
<p>1. Citywide development contributions (Citywide DCs)</p>	<p>Go toward infrastructure that services the entire city, e.g. a new wastewater treatment plant.</p> <p>Citywide DCs are charged <u>per dwelling (or housing unit equivalent)</u> and the rate is the same right across the city.</p> <p>Citywide DCs are usually payable on a <u>building consent or service connection</u>, but may be charged on a resource consent for land use.</p>
<p>2. Local development contributions (Local DCs)</p>	<p><i>Note: Local DCs are not covered by this policy and are included here for completeness only.</i></p> <p>Fund the infrastructure that services an area/catchment in which the development is taking place, e.g. small pipes, neighbourhood playgrounds.</p> <p>Local DCs are charged <u>per additional lot</u>, and the rate per lot is different for different parts of the city, depending on how much more infrastructure is needed in that area.</p> <p>Local DCs are usually payable on a <u>resource consent for subdivision or land use</u>, but may be paid on a building consent or service connection if it has not been charged earlier.</p>
<p>Grant Fund for Community Housing</p>	<p>A Council grant fund of \$500,000 per year for the three years from 1 July 2021 to 30 June 2024.</p> <p>Its purpose is to assist registered community housing providers* to increase and retain the stock of community housing in Tauranga city. The method to achieve this is to fully or partially subsidise development contributions for community housing developments by registered community housing providers.</p> <p>This grant fund has been funded from the proceeds of the sale of Council's Elder Housing portfolio.</p>
<p>Grant Fund for Papakāinga Housing</p>	<p>A Council grant fund of \$500,000 per year for the three years from 1 July 2021 to 30 June 2024.</p>

Term	Definition
	<p>Its purpose is to reduce the financial burden of development contributions on the development of Papakāinga housing on Māori land for the benefit of its Shareholders and/or Beneficial Owners. This is to support the aspirations of Māori Shareholders and/or Beneficial Owners to return to their whenua through the provision of affordable, safe and healthy homes.</p> <p>This grant fund has been funded from the proceeds of the sale of Council's Elder Housing portfolio.</p>
Hapū Partition	A division of Māori land granted in accordance with Te Ture Whenua Māori Act 1993.
Licence to Occupy	A licence granting the holder a personal right to occupy the land.
Māori land	Māori customary land and Māori freehold land as defined in Te Ture Whenua Māori Act 1993.
Māori land Beneficial Owner	The owner of a beneficial interest in Māori land.
Māori land Shareholder	The shareholder of an interest in Māori land.
Occupation Order	An Order granting a legal interest in Māori land in accordance with Te Ture Whenua Māori Act 1993.
Papakāinga housing	<p>Housing and related amenities located on Māori land for the benefit of its Shareholders and/or Beneficial Owners.</p> <p>Related amenities include shared facilities that might otherwise be located within individual dwellings, such as shared ablution areas or shared kitchen facilities.</p> <p>Related amenities do not include other Papakāinga activities such as kohanga reo, kura kaupapa, health clinic, horticulture or agriculture, sports and/or recreational areas, urupa and heritage sites.</p>
* Registered community housing provider (registered CHP)	A community housing provider registered with the Community Housing Regulatory Authority (CHRA). Registration with the CHRA requires the CHP to retain ownership of the community housing <u>and</u> to continue to operate it as community housing in the longer term.
TCC	Tauranga City Council
Year	1 July to 30 June in any particular year.

4. PRINCIPLES

- 4.1 The Grant Fund will operate on a 'first come first served' basis, applying any eligibility criteria identified in this policy.
- 4.2 The Grant Fund will be used to fully subsidise citywide development contributions payable for eligible Papakāinga housing in any Year.
- 4.3 It is recognised that one development may contain both community housing and Papakāinga housing. For each eligible dwelling or lot, Council will only approve funding from either the Grant Fund for Community Housing or the Grant Fund for Papakāinga Housing, i.e. one dwelling or lot may not attract funding from both grant funds.

5. POLICY STATEMENT

5.1 General

- 5.1.1 Council allocates the Grant Fund from a limited pool of money, which has a fixed life of three years from 1 July 2021 to 30 June 2024.
- 5.1.2 The Grant Fund is available to subsidise citywide development contribution fees payable on eligible developments.
- 5.1.3 TCC citywide development contributions are only payable for development within the Tauranga city boundaries, therefore only Papakāinga housing developments within the Tauranga city area are eligible for this grant.
- 5.1.4 Any budgeted funding unallocated in one year will be carried through to the following year, being added to that Year's funding pool. Any budgeted funding unallocated after the fixed life of the grant will remain in the funding pool to be used for this purpose until it has all been allocated.
- 5.1.5 For the avoidance of doubt, this policy is not retrospective. Only development contributions payable from 1 July 2021 will be eligible under this policy.

5.2 Funding eligibility

- 5.2.1 In general, Papakāinga housing that is developed for the benefit of Shareholders and/or Beneficial Owners of Māori land, with demonstrated appropriate approvals, are eligible for a grant from the Grant Fund.
- 5.2.2 Appropriate approvals include:
 - Hapū Partition or Occupation Order from the Māori Land Court, or
 - Licence to Occupy from the relevant Māori Land Trust.These are the approvals also required as part of a building consent application for development on Māori land.
- 5.2.3 Only Papakāinga housing developed or owned by Shareholders and/or Beneficial Owners of Māori land where the purpose is not primarily to achieve a commercial benefit from that housing development are eligible for a grant from the Grant Fund.

5.3 Funding allocation process

- 5.3.1 The Papakāinga housing grant distribution will be via an internal TCC transaction from the grant fund to directly 'pay' the citywide development contributions invoice for an eligible Papakāinga housing development. This will largely be an automatic process once grant eligibility has been established and grant fund availability has been confirmed.
- 5.3.2 A list of all successful grant applications will be reported to Council in an open meeting at least annually, within three months of the end of the Year.
- 5.3.3 The process is outlined in **Schedule 1**, with key steps being:

1. Papakāinga housing developer contacts TCC prior to lodging a building consent to discuss their intention to develop Papakāinga housing and/or refers to the 'Building on Māori land' page on TCC's website
 - Papakāinga housing developer gains awareness of the grant availability, eligibility criteria and application process.
2. Papakāinga housing developer applies to the Grant Fund for Development Contributions on Papakāinga Housing for their development.
3. TCC assesses the grant application for eligibility for a Papakāinga housing grant for citywide development contributions (refer section 5.2 above), and determines current grant fund availability.
 - TCC signals an in-principle decision to the grant applicant, to be confirmed when development contribution fees are finalised at building consent approval stage.
4. Applicant (or landowner) lodges a building consent application with TCC.
5. TCC assesses the consent application, including:
 - The building consent application itself, and
 - Calculating the development contribution fees incurred, and signalling these to the applicant (or landowner)
6. TCC approves *or does not approve* the consent application, advising the applicant (or landowner) of the outcome.

Where the consent application is approved:

7. TCC raises the consent fee invoice and the development contribution fee invoice(s) and payment is as follows:
 - The applicant pays the consent fee invoice, including any local development contribution fees that are incurred.
 - If grant eligibility and grant fund availability has been confirmed:
 - The citywide development contribution fee invoice is raised to TCC and is 'paid' directly by TCC from the grant fund.
 - If grant eligibility is confirmed but there is insufficient remaining in the grant fund to 'pay' the invoice:
 - The citywide development contribution fee invoice will be raised to the applicant (or landowner) and is payable by them.
 - TCC staff will also prepare a report to Council on the circumstances.
 - If grant eligibility is not confirmed:
 - the citywide development contribution fee invoice is raised to the applicant (or landowner) and is payable by them.
8. Once all invoices have been paid, consent is issued by TCC.

5.4 Transparency and accountability

- 5.4.1 TCC will ensure that all administrative and decision-making processes about the Grant Fund are presented in a way that can be easily understood by the community.
- 5.4.2 The extent of the due diligence undertaken by TCC staff and the amount of information requested in regard to this policy will be relative to the amount of grant funding received.
- 5.4.3 TCC is statutorily required to ensure the lawful, transparent and prudent expenditure of public funds. This applies to the distribution of grant funding under this policy.
- 5.4.4 A failure to meet all relevant terms and conditions associated with this Grant Fund may result in termination of funding or decline of future funding.
- 5.4.5 Conflicts of interest will be identified and appropriately managed.

- 5.4.6 TCC will ensure that adequate records are kept at each stage of the funding lifecycle to support internal and external audit requirements and evaluate the impact of the grants programme.
- 5.4.7 Any methods of monitoring undertaken or required will be proportional to the amount of funding and the funding recipient and not impose an unnecessary burden on recipients.

5.5 Policy review

- 5.5.1 As this is a new grant fund and a new funding allocation approach, this policy is to be reviewed annually.
- 5.5.2 The annual policy review is to be undertaken by TCC in partnership with affected parties. Affected parties include Te Rangapū Mana Whenua o Tauranga Moana and the group of Māori Land Trusts involved in developing this policy, as well as any other party or parties that have applied for a grant from the Grant Fund.

6. RELEVANT DELEGATIONS

- 6.1 The implementation of this policy is delegated to the Chief Executive and their sub-delegates.

7. REFERENCES AND RELEVANT LEGISLATION

- 7.1 Local Government Act 2002
- 7.2 Te Ture Whenua Māori Act 1993 (or the Māori Land Act 1993)

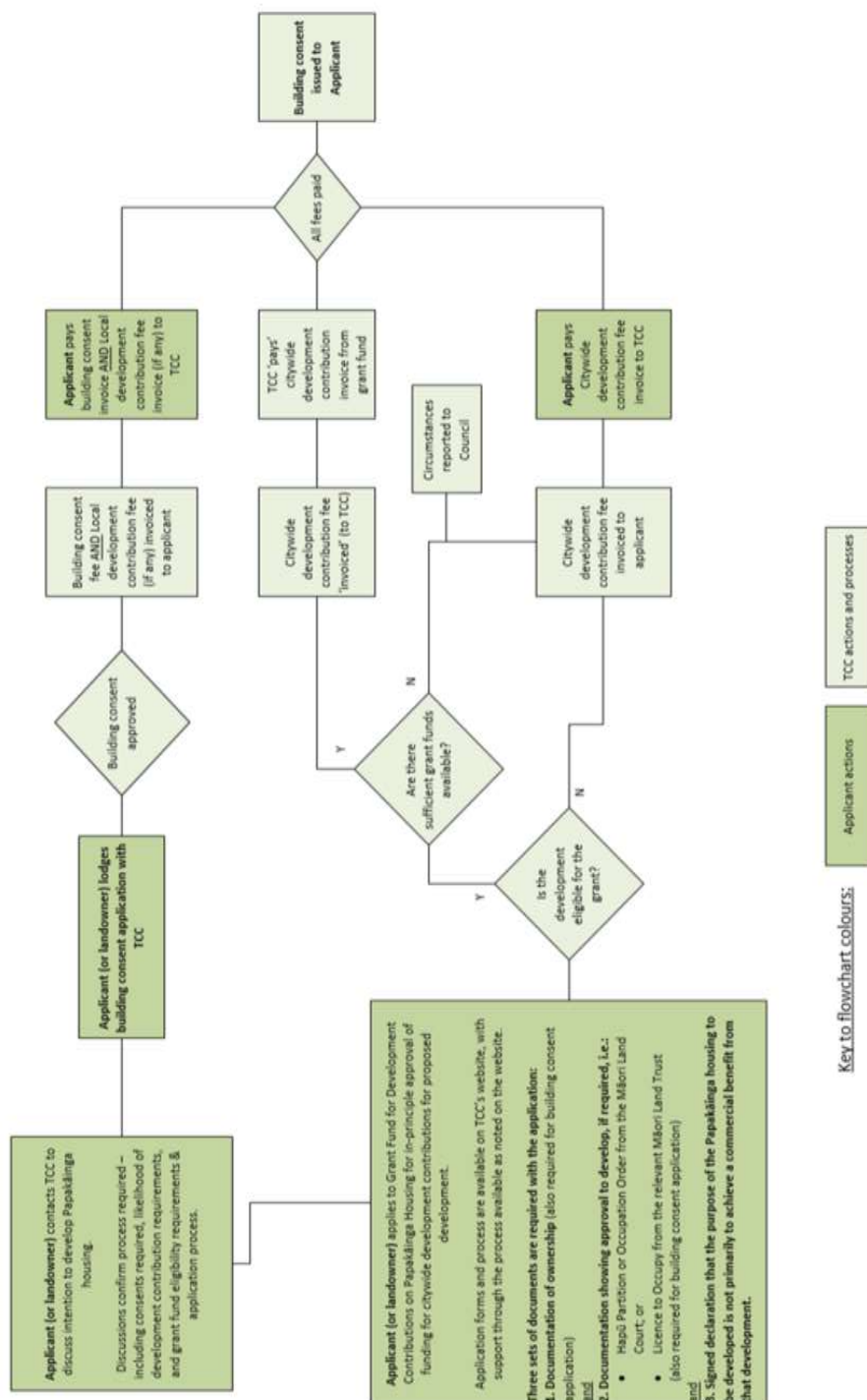
8. ASSOCIATED POLICIES/PROCEDURES

- 8.1 Grants for Development Contributions on Community Housing Policy
- 8.2 Development Contributions Policy

9. SCHEDULES

- 1. Simplified flowchart of grant process

Schedule 1: Simplified flowchart of grant process for BUILDING consents (citywide development contributions)



DRAFT GRANTS FOR DEVELOPMENT CONTRIBUTION ON COMMUNITY HOUSING POLICY



Policy type	City		
Authorised by	Council		
First adopted	4 October 2021	Minute reference	CO18/21/19
Revisions/amendments	N/A	Minute references	N/A
Review date/process	This policy is to be reviewed annually following completion of the grant payment process, in partnership with registered CHPs and other affected parties, including Community Housing Aotearoa.		

1. PURPOSE

- 1.1 The purpose of this policy is to ensure a structured and transparent approach to the fair distribution of the Grant Fund for Community Housing ("Grant Fund") to eligible entities.
- 1.2 The purpose of the Grant Fund is to assist registered community housing providers to increase and retain the stock of community housing in Tauranga city. The method to achieve this is to fully or partially subsidise citywide development contributions for community housing developments by registered community housing providers.

2. SCOPE

- 2.1 The Grant Fund is available only for community housing developments within the Tauranga City Council ("TCC") boundaries.
- 2.2 The Grant Fund can only be used to fully or partially subsidise citywide development contributions on community housing developed and owned by registered community housing providers (registered CHPs) and accredited transitional housing providers (accredited THPs) that are developing housing with a not-for-profit intent.
- 2.3 Only citywide development contributions fees are in scope for this policy, local development contributions are out of scope for this policy.
- 2.4 TCC fees other than development contribution fees are out of scope for this policy.
- 2.5 Community housing developed and owned by individuals or entities other than registered CHPs and accredited THPs are out of scope for this policy.

3. DEFINITIONS

- 3.1 For the purposes of this policy, the following terms and definitions apply:

Term	Definition
Community housing	Non-market rate housing that may include progressive home ownership housing and/or one or more of the following categories of rental housing: social housing (including housing specifically for the elderly), affordable housing, transitional housing, or supported living housing.
Community Housing Regulatory Authority (CHRA)	Registers and regulates community housing providers, to ensure that their tenants are appropriately housed; and support the growth of a fair, efficient and transparent community housing sector. The CHRA is a statutory body set up under the Ministry for Housing and Urban Development (MHUD).
Council	The governing body of Tauranga City Council
Development contributions (DCs) <i>Note: these are plain English definitions, please refer to TCC's Development Contributions Policy for technical definitions.</i>	Enabled under the Local Government Act 2002, development contributions are effectively a partial cost-recovery mechanism to help Council fund the new or improved infrastructure required as a result of growth – like water and wastewater networks, roads, playgrounds and community facilities like BayWave. Development contribution fees are payable to TCC when developments are consented, e.g. subdivision, building (in some cases also altering, expanding or relocating existing buildings), connecting to TCC's water and/or wastewater networks. There are two types of development contributions (DCs) used by TCC, local DCs and citywide DCs.
1. Citywide development contributions (Citywide DCs)	Go toward infrastructure that services the entire city, e.g. a new wastewater treatment plant. Citywide DCs are charged per dwelling (or housing unit equivalent) and the rate is the same right across the city. Citywide DCs are usually payable on a building consent or service connection, but may be charged on a resource consent for land use.
2. Local development contributions (Local DCs)	<i>Note: Local DCs are not covered by this policy and are included here for completeness only.</i> Fund the infrastructure that services an area/catchment in which the development is taking place, e.g. small pipes, neighbourhood playgrounds. Local DCs are charged per additional lot, and the rate per lot is different for different parts of the city, depending on how much more infrastructure is needed in that area. Local DCs are usually payable on a resource consent for subdivision or land use, but may be paid on a building consent or service connection if it has not been charged earlier.

Term	Definition
Grant Fund for Community Housing	<p>A Council grant fund of \$500,000 per year for the three years from 1 July 2021 to 30 June 2024.</p> <p>Its purpose is to assist registered community housing providers to increase and retain the stock of community housing in Tauranga city. The method to achieve this is to fully or partially subsidise development contributions for community housing developments by registered community housing providers and accredited THPs.</p> <p>This grant fund has been funded from the proceeds of the sale of Council's Elder Housing portfolio.</p>
Grant Fund for Papakāinga Housing	<p>A Council grant fund of \$500,000 per year for the three years from 1 July 2021 to 30 June 2024.</p> <p>Its purpose is to remove the barrier of development contributions on the development of Papakāinga housing on Māori land for the benefit of its Shareholders and/or Beneficial Owners. This is to support the aspirations of Māori Shareholders and/or Beneficial Owners to return to their whenua through the provision of affordable, safe and healthy homes.</p> <p>This grant fund has been funded from the proceeds of the sale of Council's Elder Housing portfolio.</p>
Registered community housing provider (registered CHP)	A community housing provider registered with the Community Housing Regulatory Authority (CHRA). Registration with the CHRA requires the CHP to retain ownership of the community housing <u>and</u> to continue to operate it as community housing in the longer term.
Accredited transitional housing providers (accredited THPs)	A transitional housing provider with Level 3 Ministry of Social Development (MSD) Social Sector Accreditation and a Transitional Housing Services Agreement. Accreditation with MSD requires regular reporting and accountability.
TCC	Tauranga City Council
Year	1 July to 30 June in any particular year.

4. PRINCIPLES

- 4.1 This policy recognises that fairness and equity across eligible CHPs, accredited THPs and community housing developments is critical.
- 4.2 This policy will not require eligible CHPs and accredited THPs to compete against each other for the grant funds.
- 4.3 The grant fund distribution process is retrospective, operating on a pro-rata basis according to the dollar value of citywide development contributions paid for eligible developments during the previous Year.
- 4.4 It is recognised that one development may contain both community housing and Papakāinga housing. For each eligible dwelling or lot, TCC will only approve funding from either the Grant Fund for Community Housing or the Grant Fund for Papakāinga Housing, i.e. one dwelling or lot may not attract funding from both grant funds.

5. POLICY STATEMENT

5.1 General

- 5.1.1 TCC allocates the Grant Fund from a limited pool of money, which has a fixed life of three years from 1 July 2021 to 30 June 2024.
- 5.1.2 The Grant Fund is available to fully or partially subsidise citywide development contribution fees payable on eligible developments.
- 5.1.3 In no circumstances will the grant payment to a registered CHP or accredited THP exceed the total citywide development contribution fees paid by that CHP or THP for eligible developments during the previous Year.
- 5.1.4 Any budgeted funding unallocated in one Year will be carried through to the following Year, being added to that Year's funding pool. Any budgeted funding unallocated after the fixed life of the grant will remain in the funding pool to be used for this purpose until it has all been allocated.
- 5.1.5 For the avoidance of doubt, this policy is not retrospective. Only development contributions payable from 1 July 2021 will be eligible under this policy.

5.2 Funding eligibility

- 5.2.1 In general, community housing developments by, or on behalf of, registered CHPs or accredited THPs that are developing housing with a not-for-profit intent are eligible for the grant.
- 5.2.2 Where an otherwise eligible development is wholly or partially owned by central government, that proportion of the development will not be eligible for the grant.
- 5.2.3 An agent, e.g. a building company, may submit a consent application to Council for a community housing development owned, or that will be owned at completion, by a registered CHP or accredited THP. To ensure eligibility for the grant, the registered CHP or accredited THP must confirm its ownership (or link to) the development as part of any consent application that may attract citywide development contributions.

5.3 Funding allocation process

- 5.3.1 The Grant Fund distribution process is retrospective, operating on a pro-rata basis according to the dollar value of citywide development contributions paid for eligible developments during the previous Year. The process is as follows:
 - 1. Registered CHPs, accredited THPs, or their agents, pay TCC any citywide development contributions as they fall due.
 - 2. After the Year end, registered CHPs or accredited THPs notify TCC of the citywide development contribution fees they (or their agents) have paid for eligible developments during that Year, including information such as payment dates and invoice reference numbers, **and evidence to show the housing development has a not-for-profit intent.**
 - 3. This information will be verified by TCC, and agreement reached with all registered CHPs and accredited THPs that have applied for the grant for that Year.
 - 4. The annual Grant Fund (currently \$500,000) will be allocated across eligible developments in proportion to the dollar value of citywide development contributions paid on those developments during that Year.
 - 5. TCC will then distribute grant payments directly to each registered CHP or accredited THPs that owns (or is linked to) each eligible development.
 - 6. This process should begin in late July or early August each year, with grant payments being made by 30 September.

7. A list of all successful grant applications will be reported to Council in an open meeting at least annually.

5.4 Transparency and accountability

- 5.4.1 TCC will ensure that all administrative and decision-making processes about the Grant Fund are presented in a way that can be easily understood by the community.
- 5.4.2 The extent of the due diligence undertaken by TCC staff and the amount of information requested regarding this policy will be relative to the amount of grant funding received.
- 5.4.3 TCC is statutorily required to ensure the lawful, transparent and prudent expenditure of public funds. This applies to the distribution of grant funding under this policy.
- 5.4.4 A failure to meet all relevant terms and conditions associated with this Grant Fund may result in termination of funding, decline of future funding and/or a requirement to repay all or part of the allocated funding.
- 5.4.5 Conflicts of interest will be identified and appropriately managed.
- 5.4.6 TCC will ensure that adequate records are kept at each stage of the funding lifecycle to support internal and external audit requirements and evaluate the impact of the grants programme.
- 5.4.7 Any methods of monitoring undertaken or required will be proportional to the amount of funding and not impose an unnecessary burden on recipients.

5.5 Policy review

- 5.5.1 As this is a new Grant Fund and a new funding allocation approach, this policy is to be reviewed annually following completion of the grant payment process.
- 5.5.2 The annual policy review is to be undertaken by TCC in partnership with registered CHPs and accredited THPs operating in the Tauranga city area and other interested parties, e.g. Community Housing Aotearoa.

6. RELEVANT DELEGATIONS

- 6.1 The implementation of this policy is delegated to the Chief Executive and their sub-delegates.

7. REFERENCES AND RELEVANT LEGISLATION

- 7.1 Local Government Act 2002
- 7.2 Public and Community Housing Management Act 1992

8. ASSOCIATED POLICIES/PROCEDURES

- 8.1 Grants for Development Contributions on Papakāinga Housing Policy
- 8.2 Development Contributions Policy

9. SCHEDULES

Not applicable.

9.10 Tauranga's Community Carbon Footprint

File Number: A14070029

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

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

PURPOSE OF THE REPORT

1. To provide the updated Tauranga community carbon footprint report to the Committee.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report "Tauranga's Community Carbon Footprint".

BACKGROUND

2. In late September 2022, the Bay of Plenty Regional Council ("BoPRC") released to this council a report prepared for them by AECOM titled 'Tauranga Community Carbon Footprint' (included as **Attachment 1** to this report and referred to hereinafter as "the 2022 AECOM report"). BoPRC commissioned this work as part of the development of community carbon footprints for each district within the region.
3. The 2022 AECOM report assesses Tauranga's community carbon footprint for the 2020/21 financial year (the latest completed year for which data was available when the project commenced). It is the first such study since a similar piece of work, also conducted by AECOM, relating to the 2015/16 financial year and reported in 2017 ("the 2017 report").
4. The 2022 AECOM report was referenced and quoted from in a report to the Committee's 3 October 2022 meeting titled 'Transport Emissions Projection Tool'. The finalised full report had not been received at the time that agenda closed and therefore it was not included. Instead, it is provided to this meeting for the Committee's consideration.

Approach

5. The methodology used to calculate emissions follows the Global Protocol for Community Scale Greenhouse Gas Emissions Inventory v1.1 ("GPC") published by the World Resources Institute 2021. The GPC methodology represents international best practice for city and regional level greenhouse gas emissions reporting.
6. The GPC approach includes emissions from Stationary Energy, Transport, Waste, Industrial Processes and Product Use, Agriculture, and Forestry activities.
7. All major assumptions made during data collection and analysis are detailed within Appendix A of the 2022 AECOM report. Of particular note to Tauranga are the following:
 - (a) Marine freight emissions are split evenly between origin and destination ports, and then all emissions attributable to the Port of Tauranga are split across the Bay of Plenty districts based on the population of those districts. This means that no emissions are allocated to districts outside of the Bay of Plenty for exports originating from those districts or imports being consumed in those districts.
 - (b) Land transport emissions are based on regional fuel sales figures apportioned to each district based on vehicle kilometres travelled ("VKT") figures provided by Waka Kotahi NZTA. This approach is not as granular as figures used within the western Bay of Plenty's sub-regional Transport Model which informed the Transport Emissions

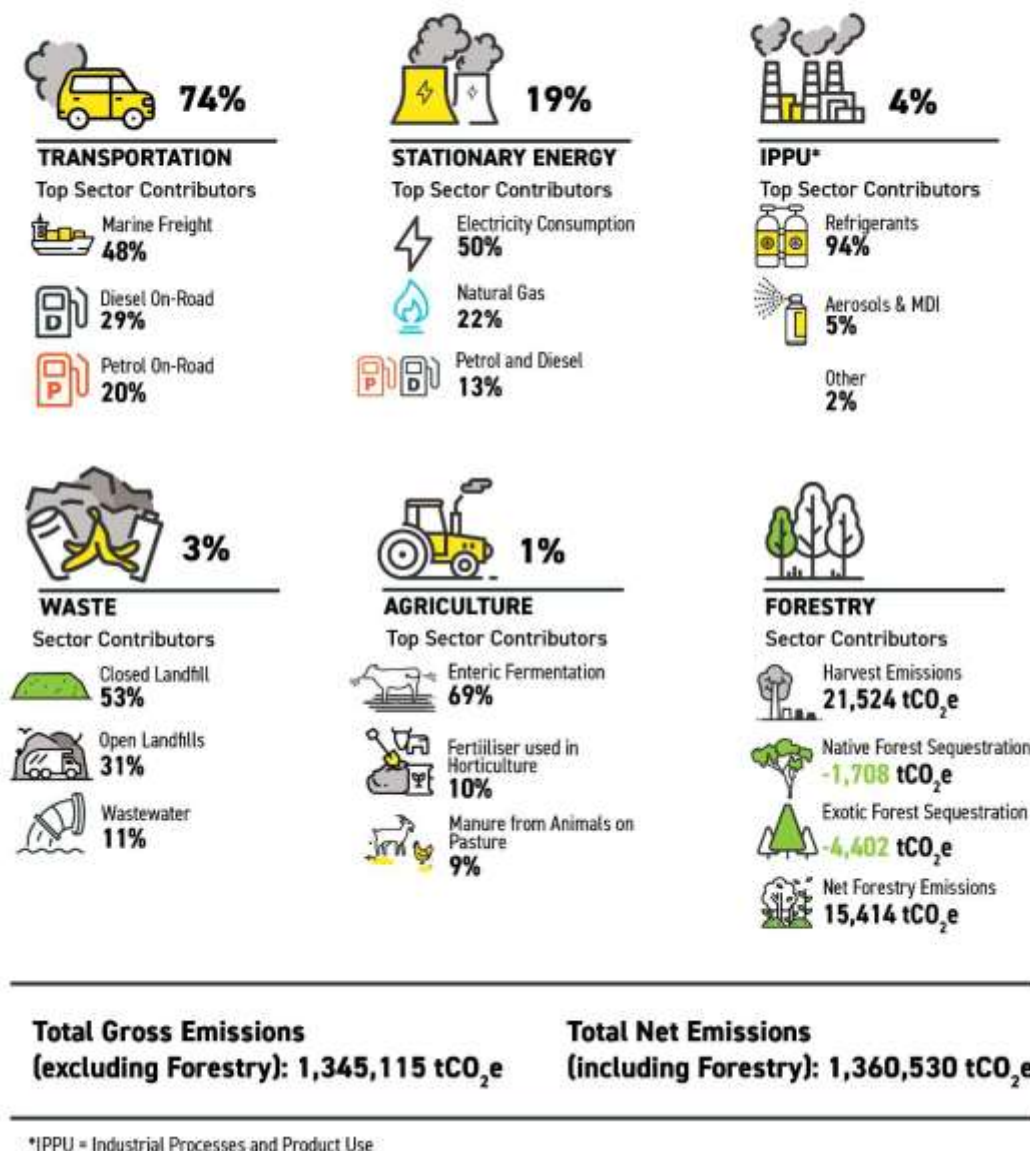
Projection Tool. Work is underway to understand the implications of the different methodologies on future VKT reduction and emissions reduction planning.

- (c) Electricity demand has been calculated using grid exit point (“GXP”) information sourced from the Electricity Authority’s website and apportioned between residential, commercial and industrial sectors based on national data from the Ministry for the Environment.
8. A full review of the assumptions in Appendix A to the 2022 AECOM report is recommended for the interested reader.

Major findings

9. The major findings of the study are included in the Executive Summary of the 2022 AECOM report, the most notable of which are:
- (a) In the 2020/21 reporting year (1st July 2020 to 30th June 2021), total gross emissions in Tauranga were 1,345,115 tonnes of carbon dioxide equivalent (“tCO₂e”).
 - (b) Transport (e.g. emissions from road and air travel) is the largest source of emissions in Tauranga, representing 74% of total gross emissions, with petrol and diesel consumption accounting for 36% of Tauranga’s total gross emissions and marine freight accounting for 35% of Tauranga’s total gross emissions.
 - (c) Stationary Energy (e.g. consumption of electricity and natural gas) is the second highest emitting sector in the region, producing 19% of total gross emissions. Electricity consumption accounts for 10% of Tauranga’s total gross emissions.
 - (d) Between 2015/16 and 2020/21, total gross emissions in Tauranga increased from 1,096,155 tCO₂e to 1,345,115 tCO₂e, an increase of 23%.
 - (e) Over this time the population of the district increased by 22%, with per capita gross emissions in Tauranga remaining stable with a slight increase of 1% between 2015/16 and 2020/21, from 8.7 to 8.8 tCO₂e per person per year.
10. The 2022 AECOM report summarises the greenhouse gas emissions under the six GPC categories as follows:

Tauranga Greenhouse Gas Emissions 2020/21



11. Section 3 of the 2022 AECOM report provides further detail on each category and the sub-categories within.

Changes since 2015/16

12. The pattern of city-wide emissions is broadly similar to that in 2015/16. However, the headline reports are slightly different.
13. The 2017 report included data that led to the oft-repeated statement that transport (and predominantly land transport) constituted 60% of the city's emissions. The 2022 AECOM report shows that transportation contributes 74% of the city's emissions, split evenly between marine freight and road transport.
14. The reason for the difference is that the 2017 report, undertaken using best practice methodology of the day, did not include marine freight.
15. Removing marine freight from the 2022 AECOM report results in transportation contributing 59% of remaining total emissions, very similar to the 60% in the 2017 report.

16. Similarly, retrospective inclusion of marine freight into the 2015/16 figures results in all transportation accounting for 68% of total emissions at that time which is broadly similar to the 74% in the 2022 AECOM report (the difference being that marine emissions have increased faster than other transport emissions for reasons set out in section 4.1 of the 2022 AECOM report).
17. Category-by-category changes in emissions in the five years between the two reports are set out in section 4 of the 2022 AECOM report. A same-methodology update to the 2015/16 figures in the 2017 report is included in section 7 of the 2022 AECOM report.

STRATEGIC / STATUTORY CONTEXT

18. Council's draft Environment Strategy includes as one of five goals for Tauranga to be a low emissions and climate resilient city. The document recognises that reducing emissions, and particularly transport emissions, is a key element in achieving the above goal.
19. Council is currently in the process of preparing its first climate plan. The 2022 AECOM report has been referred to that project and incorporated in the analysis currently underway.

SIGNIFICANCE

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

ENGAGEMENT

23. Taking into consideration the above assessment, engagement on the decision to receive this report is not considered necessary. Engagement with the community on the development of the climate plan is underway and further community consultation is planned in 2023 prior to that plan being adopted.

ATTACHMENTS

1. **2022-09-28 BOPRC Community Carbon Footprint 2022 Tauranga 220928 Final - A14155216**  



AECOM

Tauranga Community Carbon Footprint

Tauranga Community Carbon Footprint

Client: Bay of Plenty Regional Council

Co No.: N/A

Prepared by

AECOM New Zealand Limited

Level 19, 171 Featherston Street, Pōneke|Wellington 6011, PO Box 27277, Pōneke|Wellington 6141, New Zealand
T +64 4 896 6000 F +64 4 896 6001 www.aecom.com

28-Sep-2022

Job No.: 60671688

AECOM in Australia and New Zealand is certified to ISO9001, ISO14001 and ISO45001.

© AECOM New Zealand Limited (AECOM). All rights reserved.

AECOM has prepared this document for the sole use of the Client and for a specific purpose, each as expressly stated in the document. No other party should rely on this document without the prior written consent of AECOM. AECOM undertakes no duty, nor accepts any responsibility, to any third party who may rely upon or use this document. This document has been prepared based on the Client's description of its requirements and AECOM's experience, having regard to assumptions that AECOM can reasonably be expected to make in accordance with sound professional principles. AECOM may also have relied upon information provided by the Client and other third parties to prepare this document, some of which may not have been verified. Subject to the above conditions, this document may be transmitted, reproduced or disseminated only in its entirety.

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

Quality Information

Document Tauranga Community Carbon Footprint

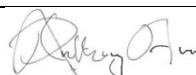
Ref 60671688

Date 28-Sep-2022

Prepared by Adam Swithinbank and Suzanne Lowe

Reviewed by Anthony Hume

Revision History

Rev	Revision Date	Details	Authorised	
			Name/Position	Signature
1	14-Sept-2022	Final	Anthony Hume Team Leader - Sustainability	
2	28-Sep-2022	Update to Table 3.4	Anthony Hume Team Leader - Sustainability	

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

Table of Contents

Executive Summary	5
1.0 Introduction	8
2.0 Approach and Limitations	8
3.0 Community Carbon Footprint for 2020/21	11
3.1 Transport	12
3.2 Stationary Energy	13
3.3 Industrial Processes and Product Use (IPPU)	14
3.4 Waste	15
3.5 Agriculture	16
3.6 Forestry	16
3.7 Total Gross Emissions by Greenhouse Gas	17
3.8 Biogenic emissions	18
3.9 Comparison with other Territorial Authorities in the Bay of Plenty Region	19
4.0 Emissions change from 2015/16 to 2020/21	21
4.1 Transport	23
4.2 Stationary Energy	24
4.3 Waste	25
4.4 Industrial Processes and Product Use (IPPU)	25
4.5 Agriculture	26
4.6 Forestry	26
5.0 Decoupling of GHG emissions from population growth and GDP	27
6.0 Impact of the COVID-19 pandemic on GHG Emissions	28
7.0 Update to the 2015/16 Emissions Footprint	29
8.0 Closing Statement	30
9.0 Limitations	31
Appendix A	
Assumptions	B

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

Executive Summary

Greenhouse Gas (GHG) emissions for the Tauranga District Territorial Area (that is covered by the Tauranga City Council) have been measured using the Global Protocol for Community Scale Greenhouse Gas Emissions Inventory (GPC) methodology. This approach includes emissions from Stationary Energy, Transport, Waste, Industrial Processes and Product Use (IPPU), Agriculture and Forestry sectors. This document reports greenhouse gas emissions produced in or resulting from activity or consumption within the geographic boundaries of the Tauranga District Territorial Area for the 2020/21 financial reporting year and examines greenhouse gas emissions produced from 2015/16 to 2020/21.

The Tauranga District Territorial Area is referred to hereafter as Tauranga for ease. Greenhouse gas emissions are generally reported in this document in units of Carbon Dioxide Equivalents (CO₂e) and are referred to as 'emissions'.

Major findings of the project include:

2020/21 Emissions Footprint

- In the 2020/21 reporting year (1st July 2020 to 30th June 2021), **total gross emissions** in Tauranga were 1,345,115 tCO₂e.
- **Transport** (e.g. emissions from road and air travel) is the largest source of emissions in Tauranga, representing 74% of total gross emissions, with petrol and diesel consumption accounting for 36% of Tauranga's total gross emissions and marine freight accounting for 35% of Tauranga's total gross emissions.
- **Stationary Energy** (e.g. consumption of electricity and natural gas) is the second highest emitting sector in the region, producing 19% of total gross emissions. Electricity consumption accounts for 10% of Tauranga's total gross emissions.
- After consideration of carbon sequestration (carbon captured and stored in plants or soil by forests) and harvesting emissions, **total net emissions** in Tauranga were 1,360,530 tCO₂e. This is larger than total gross emissions because carbon sequestration (6,110 tCO₂e) was less than emissions released following forest harvesting during this year (21,524 tCO₂e).

Changes in Emissions, 2015/16 to 2020/21

- Between 2015/16 and 2020/21, **total gross emissions** in Tauranga increased from 1,096,155 tCO₂e to 1,345,115 tCO₂e, an increase of 23% (248,961 tCO₂e).
- Over this time the population of the district increased by 22%, with **per capita gross emissions** in Tauranga remaining stable with a slight increase of 1% between 2015/16 and 2020/21, from 8.7 to 8.8 tCO₂e per person per year.
- **Transport** emissions increased by 33% between 2015/16 and 2020/21 (245,775 tCO₂e), driven by a 50% increase in marine freight emissions (157,853 tCO₂e) and a 21% increase in on-road fuel emissions (74,671 tCO₂e).
- Emissions from **Stationary Energy** increased by 32% between 2015/16 and 2020/21 (62,309 tCO₂e), driven by a 51% increase in electricity consumption emissions (44,016 tCO₂e). This increase in electricity consumption emissions was due to a 2% increase in electricity consumption coupled with a 48% increase in the emissions intensity of the national electricity grid (tCO₂e/kWh).
- Emissions from **Waste** decreased by 67% between 2015/16 and 2020/21 (70,511 tCO₂e) driven by improvements in landfill gas recovery at landfill sites.
- **IPPU** and **Agriculture** emissions increased between 2015/16 and 2020/21, by 26%, and 16% respectively (10,429 tCO₂e and 958 tCO₂e).
- **Forestry** emissions increased by 12,812 tCO₂e between 2015/16 and 2020/21. This increase was predominantly due to an increase in total harvest emissions (estimated based on regional harvesting data and the age of commercial forests in Tauranga).

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

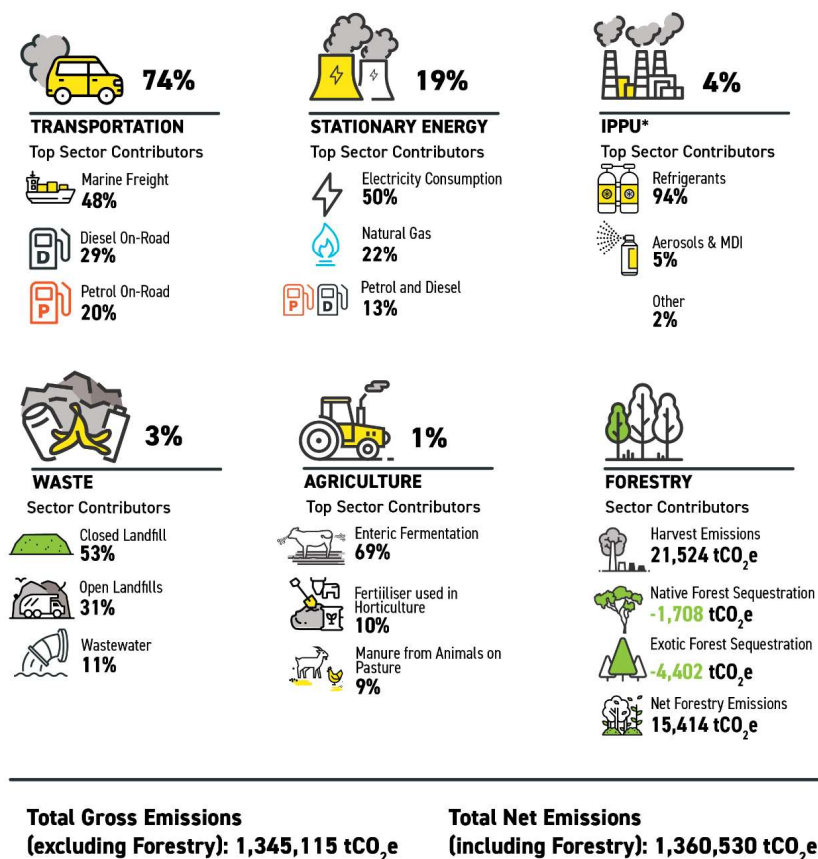
AECOM

Tauranga Community Carbon Footprint

6

Figure 1: Tauranga's 2020/21 Emissions Footprint

Tauranga Greenhouse Gas Emissions 2020/21



*IPPU = Industrial Processes and Product Use

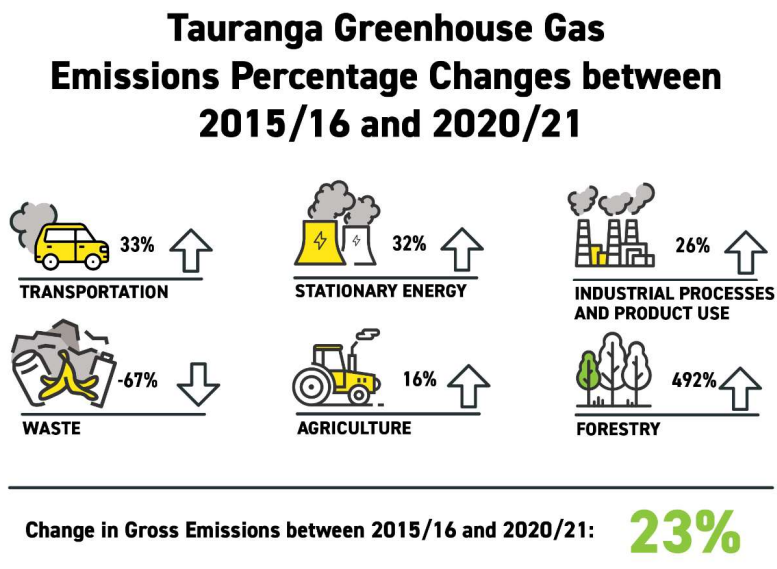
https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

7

Figure 2: Change in Tauranga's Emissions Footprint between 2015/16 and 2020/21



https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

1.0 Introduction

AECOM New Zealand Limited (AECOM) was commissioned by the Bay of Plenty Regional Council to assist in the development of community-scale greenhouse gas (GHG) footprints for Tauranga for the 2018/19, 2019/20, and 2020/21 financial years. This is part of a wider study to develop community carbon footprints for each district within the Bay of Plenty region. As part of this work, AECOM recalculated emissions for the footprint year (2015/16) previously calculated by AECOM, using current best-practice methodology and additional emissions sources to enable direct comparison to the other reported years. Emissions are reported for the period from 1 July to 30 June for the respective years. The study boundary reported in the following pages incorporates the jurisdiction of the Tauranga District Council.

The Tauranga District Territorial Area is referred to hereafter as Tauranga for ease. Greenhouse gas emissions are generally reported in this document in units of Carbon Dioxide Equivalents (CO₂e) and are referred to as 'emissions'.

2.0 Approach and Limitations

The methodological approach used to calculate emissions follows the Global Protocol for Community Scale Greenhouse Gas Emissions Inventory v1.1 (GPC) published by the World Resources Institute (WRI) 2021. The GPC includes emissions from Stationary Energy, Transport, Waste, Industrial Processes and Product Use (IPPU), Agriculture, and Forestry activities within the district's boundary. The sector calculations for Agriculture, Forestry and Waste are based on Intergovernmental Panel on Climate Change (IPCC) workbooks and guidance for emissions measurement. The sector calculators also use methods consistent with GHG Protocol standards published by the WRI for emissions measurement when needed.

The same methodology has been used for other community scale GHG footprints around New Zealand, (e.g. Wellington, Auckland, Christchurch, Dunedin and the Waikato region) and internationally. The GPC methodology¹ represents international best practice for city and regional level GHG emissions reporting.

This emissions footprint assesses both direct and indirect emissions sources. Direct emissions are production-based and occur within the geographic area (Scope 1 in the GPC reporting framework). Indirect emissions are produced outside the geographic boundary (Scope 2 and 3) but are allocated to the location of consumption. An example of indirect emissions is those associated with the consumption of electricity, which is supplied by the national grid (Scope 2). All other indirect emissions such as cross-boundary travel (e.g. flights) and energy transportation and distribution losses fit into Scope 3.

All major assumptions made during data collection and analysis have been detailed within **Appendix A – Assumptions**. The following aspects are worth noting in reviewing the emissions footprint:

- Emissions are expressed on a carbon dioxide-equivalent basis (CO₂e) including climate change feedback using the 100-year Global Warming Potential (GWP) values². Climate change feedbacks are the climate change impacts from GHGs that are increased as the climate changes. For example, once the Earth begins to warm, it triggers other processes on the surface and in the atmosphere. Current climate change feedback guidance is important to estimate the long-term impacts of GHGs.
- GPC reporting is predominately production-based (as opposed to consumption-based) but includes indirect emissions from energy consumption. Production-based emissions reporting is generally preferred by policy-makers due to robust established methodologies such as the GPC, which enables comparisons between different studies. Production-based approaches exclude globally produced emissions relating to consumption (e.g. embodied emissions relating to products produced elsewhere but consumed within the geographic area such as imported food products, cars, phones, clothes etc.).

¹ <http://www.ghgprotocol.org/greenhouse-gas-protocol-accounting-reporting-standard-cities>

² https://www.ipcc.ch/pdf/assessment-report/ar5/wg1/WG1AR5_Chapter08_FINAL.pdf (Table 8.7)

[https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx](https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared%20Documents/General/BoP%20CCF%2021/3.Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx)

Revision 1 – 28-Sep-2022

Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

9

- Total emissions are reported as both gross emissions (excluding Forestry) and net emissions (including Forestry).
- Emissions for individual main greenhouse gases for each emissions source are provided in the supplementary spreadsheet information supplied with this report.
- Where location specific data were not accessible, information was calculated based on national or regional level data.
- Transport emissions:
 - Transport emissions associated with air travel, rail, and marine fuel were calculated by working out the emissions relating to each journey arriving or departing the area based on data provided by the relevant operators. Emissions for these sources are then split equally between the destination and origin. Emissions relating to a particular point source (e.g. an airport or port) are allocated to the expected users of that source, not just the area that it is located in. For example, in the Bay of Plenty Region, it is expected that all territorial authorities will use the Port of Tauranga for imported and exported goods, emissions from this source have been allocated to all territorial authorities in the region based on population. It is understood that freight imports moving through the Port of Tauranga do not exclusively serve the Bay of Plenty Region, and freight exports do not exclusively originate from the Bay of Plenty Region, this should be considered when examining these emissions.
 - All other transport emissions are calculated using the fuel sold in the area (e.g. petrol, diesel, LPG).
- Solid waste emissions:
 - Solid waste emissions from landfill are measured using the IPCC First Order Decay method that covers landfill activity between 1950 and the present day.
 - Emissions are calculated for waste produced within the geographic boundary, even if they are transported outside the boundary to be entered into landfill. Much of the landfill waste originating in the Bay of Plenty is transported to landfill sites in the Waikato, this has been accounted for in these calculations.
 - An additional assessment of transport emissions related to the transport of landfill waste and recycled/diverted waste has been included in this assessment, outside of the GPC requirements for Community Carbon Footprints. Emissions were estimated based on the amount of material, distance transported from transfer station to next processing location, and the vehicles used. Any onward transport of materials post-processing have not been included.
- Wastewater emissions:
 - Emissions have been calculated based on the local data provided, following IPCC 2019 guidelines. Where data is missing, IPCC and Ministry for the Environment (MfE) figures have been used. Wastewater emissions from both wastewater treatment plants, and individual septic tanks have been calculated.
 - Wastewater emissions include those released directly from wastewater treatment, flaring of captured gas and from discharge onto land/water.
- Industrial Processes and Product Use (IPPU) emissions:
 - IPPU emissions are estimated based on data provided in the New Zealand Greenhouse Gas Emissions 1990-2019 report (MfE 2021). Emissions are estimated on a per capita basis applying a national average per person.
- Forestry emissions:
 - This emissions footprint accounts for forest carbon stock changes from afforestation, reforestation, deforestation, and forest management (i.e. it applies land-use accounting conventions under the United Nations Framework Convention on Climate Change rather than the Kyoto Protocol). It treats emissions from harvesting and deforestation as instantaneous

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

10

rather than accounting for the longer-term emission flows associated with harvested wood products.

- The emissions footprint considers regenerating (growing) forest areas only. Capture of carbon from the atmosphere is negligible for mature forests that have reached a steady state.

Overall sector data and results for the emissions footprint have been provided to Tauranga Council in calculation table spreadsheets. All assumptions made during data collection and analysis have been detailed within **Appendix A – Assumptions**.

It is important to consider the level of uncertainty associated with the results, particularly given the different datasets used. Depending on data availability, national, regional, and local datasets are used across the different calculators. At the national level, New Zealand's Greenhouse Gas Inventory shows that for 2018 (the most recent national level inventory) an estimate of gross emissions uncertainty was +/- 9%, whereas a net emissions uncertainty estimate was +/- 12%. These levels of uncertainty should be considered when interpreting the results of this community carbon footprint (MfE, 2020).

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

3.0 Community Carbon Footprint for 2020/21

The paragraphs, figures and tables below outline Tauranga's greenhouse gas emissions, referred to as 'emissions' in this assessment. This includes Tauranga's total emissions, emissions from each sector, and major emissions sources within each sector. The focus of emissions reporting is on gross emissions.

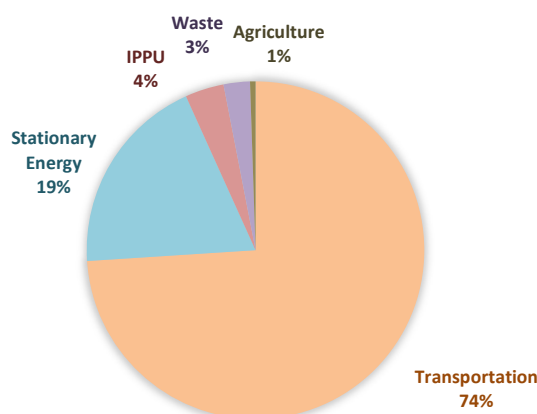
During the 2020/21 reporting period, Tauranga emitted **gross** 1,345,115 tCO₂e. Note that gross emissions do not account for Forestry. Transport is the largest contributor to total gross emissions for the district.

The population of Tauranga in 2020/21 was approximately 153,700 people, resulting in per capita gross emissions of 8.8 tCO₂e/person. Discussion of per capita emissions is limited to when it is useful for comparing emission figures against other territorial authorities. A breakdown of net emissions (i.e. including results from Forestry resources) is reported separately.

Table 1 Total net and gross emissions

Total emissions	tCO ₂ e
Total Net Emissions (including forestry)	1,360,530
Total Gross emissions (excluding forestry)	1,345,115

Figure 3: Tauranga District's total gross GHG emissions split by sector (tCO₂e).



During the 2020/21 reporting period, Tauranga emitted **net** 1,360,530 tCO₂e.

Net emissions differ from gross emissions because they include emissions related to forestry activity (harvesting and planting) within an area. Forestry emissions are influenced by the cyclical nature of harvesting and planting regimes. In addition, with each subsequent planting of harvestable trees, there is a decreasing ebb and flow of sequestration.

Carbon sequestered by forestry can be viewed as a liability/risk that needs careful consideration. For example, if plantations are not replanted or other land use change occurs to exotic forested areas, then net emissions may rise quickly. Equally, if native forest is not protected from removal, and removal does happen, then net emissions may rise.

The community carbon footprint comprises emissions from six different sectors, summarised below:

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

3.1 Transport

Transport was the highest emitting sector in Tauranga and produced 995,138 tCO₂e in 2020/21 (74% of Tauranga's gross total emissions). Table 2 provides the total emissions, percentage of the total gross emissions, and percentage of the sector total for each sector/emissions source.

Table 2 Transport energy by emission source

Sector / Emissions Source	tCO ₂ e	% of Total Gross Emissions	% of Sector Total
Marine Freight	473,045	35.2%	47.5%
Diesel	290,141	21.6%	29.2%
Petrol	194,145	14.4%	19.5%
Rail Emissions	21,479	1.6%	2.2%
Jet Kerosene	11,334	0.8%	1.1%
Marine Diesel (local)	2,822	0.2%	0.3%
LPG	1,316	0.1%	0.1%
Aviation Gas	856	0.1%	0.1%
Bioethanol	0.04	<0.1%	<0.01%
Total	995,138	74.0%	100.0%

Almost half of transport emissions can be attributed to diesel and petrol, which produced a total of 290,141 tCO₂e and 194,145 respectively (collectively 49% of the sector's emissions and 36% of total gross emissions). Diesel and petrol transport emissions are broken down into on-road and off-road use. On-road transport consists of all standard transportation vehicles used on roads (including cars, trucks, buses, etc.). Off-road transport consists of all fuel used for the movement of machinery and vehicles off roads (including agricultural tractors and vehicles, forklifts, etc.). On-road transport produced 430,316 tCO₂e (43.2% of Transport emissions). Off-road transport produced 55,287 tCO₂e (5.6% of Transport emissions).

The next largest emission source for Tauranga is marine freight, which contributed to 48% of the sectors emissions and 35% of total gross emissions (473,045 tCO₂e). Marine freight emissions are the result of freight movements to and from the Port of Tauranga. Emissions from this source have been divided between all territorial authorities in the Bay of Plenty region based on relative population sizes. It is understood that the imports and exports through this port are not exclusively related to activities in the Bay of Plenty region, however, to ensure that these emissions are reflected in community carbon footprints as per the GPC requirements this approach is appropriate.

The remaining transport emissions are attributed to air travel (jet kerosene and aviation gas), rail freight emissions, and LPG use for transport (e.g. forklifts).

One contributing element of transport emissions is from the movement of waste, recycling, and other diverted materials from transfer facilities to their end location. These transport emissions (displayed in Table 3) are included in the totals outlined above and are not additional to the totals above. These reported emissions are high-level estimations only based on the data available and fall outside of the GPC requirements for Community Carbon Footprinting. Transport of landfill waste is responsible for the largest proportion of these transport emissions with all waste transported to the sites in the Waikato Region.

AECOM

Tauranga Community Carbon Footprint

13

Table 3 Tauranga emissions from the transport of waste, recycling, and other diverted materials

	Total material (tonnes)	Total distance travelled (return) (km)	Emissions (tCO ₂ e)
Landfill Waste	113,102	1,771,931	1,091
Composting	10,449	202,019	124
Diverted/Recycled Materials	13,593	259,614	160
Total	137,144	2,233,564	1,375

3.2 Stationary Energy

Producing 259,044 tCO₂e in 2020/21, Stationary Energy was Tauranga's second highest emitting sector (19% of total gross emissions). Table 4 provides the total emissions, percentage of the total gross emissions, and percentage of the sector total for each sector/emissions source.

Table 4 Stationary energy emissions by emission source

Sector / Emissions Source	tCO ₂ e	% of Total Gross Emissions	% of Sector Total
Electricity Consumption	129,583	9.6%	50.0%
Natural Gas	55,863	4.2%	21.6%
Stationary Petrol & Diesel Use	32,612	2.4%	12.6%
Electricity transmission and distribution losses	11,902	0.9%	4.6%
LPG	10,434	0.8%	4.0%
Coal	9,536	0.7%	3.7%
Natural Gas transmission and distribution losses	4,516	0.3%	1.7%
Biofuel / Wood	4,498	0.3%	1.7%
Biogas	101	<0.1%	<0.1%
Total:	259,044	19.3%	100%

Electricity consumption was the cause of 50% of Stationary Energy emissions (129,583 tCO₂e), and 10% of Tauranga's total gross emissions. Electricity consumption emissions increase to 141,485 tCO₂e when including transmission and distribution losses related to that consumption.

Natural gas consumption accounted for 23% of the sector's emissions (60,379 tCO₂e) when including transmission and distribution losses. Stationary petrol and diesel consumption generated 13% of the sector's emissions (32,612 tCO₂e). Use of LPG, and the burning of coal, biofuels and biogas produced the remaining Stationary Energy emissions.

Stationary Energy demand can also be broken down by the sector in which it is consumed. Stationary Energy demand is reported for the following sectors: commercial; residential and industrial. Emissions from petrol and diesel used for Stationary Energy are not able to be broken down by sector.

- Industrial Stationary Energy consumption accounts for 48% of Stationary Energy emissions (123,433 tCO₂e) and 9% of total gross emissions. Industrial Stationary Energy is energy used within all industrial settings (including agriculture, forestry and fishing, mining, food processing, textiles, chemicals, metals, mechanical/electrical equipment and building and construction activities).

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

- Residential Stationary Energy consumption accounts for 23% of Stationary Energy emissions (59,723 tCO₂e) and 4% of total gross emissions. Residential Stationary Energy is energy used in homes (e.g. for heating, lighting, and cooking).
- Commercial Stationary Energy consumption accounts for 17% of Stationary Energy emissions (43,176 tCO₂e) and 3% of total gross emissions. Commercial Stationary Energy is energy used in all non-residential and non-industrial settings (e.g. in retail, hospitality, education, and healthcare).
- The remaining 13% of Stationary Energy emissions (32,713 tCO₂e) were produced by diesel and petrol, and the burning of biogas, which were not allocated to the above categories. Stationary Energy uses of diesel and petrol include stationary generators and motors and for heating.

3.3 Industrial Processes and Product Use (IPPU)

IPPU in Tauranga produced 49,896 tCO₂e in 2020/21, contributing 4% to Tauranga's total gross emissions. This sector includes emissions associated with the production of GHGs from refrigerants, foam blowing, fire extinguishers, aerosols, metered dose inhalers and Sulphur Hexafluoride for electrical insulation and equipment production. IPPU emissions do not include energy use for industrial manufacturing, which is included in the relevant Stationary Energy sub-category (e.g. coal, electricity and/or petrol and diesel). These emissions are based on nationally reported IPPU emissions and apportioned based on population due to the difficulty of allocating emissions to particular geographic locations. Addressing IPPU emissions is typically a national policy issue.

There are no known industrial processes (as defined in the GPC requirements) present in Tauranga (e.g. aluminium manufacture).

Table 5 provides the total emissions, percentage of the total gross emissions, and percentage of the sector total for each sector/emissions source. The most significant contributor to IPPU emissions is the use of refrigerants which produced 94% of IPPU emissions (46,739 tCO₂e).

Table 5 Industrial processes and product use emissions by emission source

Sector / Emissions Source	tCO ₂ e	% of Total Gross Emissions	% of Sector Total
Refrigerants and air conditioning	46,739	3.5%	93.7%
Aerosols	2,413	0.2%	4.8%
SF6 - Electrical Equipment	402	<0.1%	0.8%
Foam Blowing	187	<0.1%	0.4%
SF6 - Other	85	<0.1%	0.2%
Fire extinguishers	70	<0.1%	0.1%
Total	49,896	3.7%	100%

AECOM

Tauranga Community Carbon Footprint

15

3.4 Waste

Waste originating in Tauranga (solid waste and wastewater) produced 34,099 tCO₂e in 2020/21, which comprises 3% of Tauranga's total gross emissions. Table 6 provides the total emissions, percentage of the total gross emissions, and percentage of the sector total for each sector/emissions source.

Table 6 Waste emissions by emission source

Sector / Emissions Source	tCO ₂ e	% of Total Gross Emissions	% of Sector Total
Waste in closed landfill sites	18,240	1.4%	53.5%
Waste in open landfill sites	10,455	0.8%	30.7%
Individual septic tanks	3,183	0.2%	9.3%
Composting	1,797	0.1%	5.3%
Wastewater treatment plants	424	<0.1%	1.2%
Total:	34,099	2.5%	100%

Solid waste produced the bulk of Waste emissions (28,695 tCO₂e in 2020/21), making up 84% of total Waste emissions. Solid waste emissions include emissions from open landfills and closed landfills. Both open and closed landfills emit methane from the breakdown of organic materials disposed of in the landfill for many years after waste enters the landfill. It has been assumed that landfill waste in Tauranga has been transported to either Tirohia or Hampton Downs since 2001. Waste from Tauranga sent to these open landfill sites contributed 10,455 tCO₂e in 2020/21. Emissions from closed landfill sites produced 18,240 tCO₂e in 2020/21. Annual emissions from closed landfill sites will decrease over time as no new waste enters these sites.

Composting produced 1,797 tCO₂e making up 5% of total Waste emissions.

Wastewater (both treatment plants and individual septic tanks) produced 3,607 tCO₂e making up 11% of total Waste emissions. The majority of households in Tauranga are connected to wastewater treatments plants, which produced total emissions of 424 tCO₂e. Households connected to individual septic tanks produced 3,183 tCO₂e in wastewater emissions. Due to the production of methane, septic tanks have a higher emissions intensity compared to the wastewater treatments plants in Tauranga.

Wastewater treatment tends to be a relatively small emission source compared to solid waste as advanced treatment of wastewater produces low emissions. In contrast, solid waste generates methane gas over many years as organic material enters landfill and emissions depend on the efficiency and scale of landfill gas capture.

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

3.5 Agriculture

Agriculture emitted 6,938 tCO₂e in 2020/21 (1% of Tauranga's total gross emissions). Table 7 provides the total emissions, percentage of the total gross emissions, and percentage of the sector total for each sector/emissions source. Agricultural emissions are the result of both livestock and crop farming and do not include emissions relating to fuel or electricity consumption (reported in the Transport and Stationary Energy sectors). Enteric fermentation from livestock produced 67% of Tauranga's agricultural emissions (4,759 tCO₂e). Enteric fermentation GHG emissions are produced by methane (CH₄) released from the digestive process of ruminant animals (e.g. cattle and sheep).

Table 7 Agriculture emissions by emission source

Sector / Emissions Source	tCO ₂ e	% of Total Gross Emissions	% of Sector Total
Enteric Fermentation	4,759	0.4%	68.6%
Fertiliser used in Horticulture	691	0.1%	10.0%
Other Agriculture Emissions	628	<0.1%	9.0%
Manure from Grazing Animals on pasture	626	<0.1%	9.0%
Atmospheric Deposition	168	<0.1%	2.4%
Manure Management	66	<0.1%	1.0%
Total	6,938	0.5%	100%

3.6 Forestry

Planting of native forest (e.g. mānuka and kānuka) and exotic forest (e.g. pine), sequesters (captures) carbon from the atmosphere while the trees are growing to maturity. Harvesting of forest releases emissions via the release of carbon from plants and soils following harvesting. When sequestration by forests exceeds emissions from harvesting in a particular year, the extra quantity of carbon sequestered by forest reduces total gross emissions for that year. Conversely when emissions from harvesting exceed the amount of carbon sequestered by native and exotic forests, then total gross emissions will increase.

Sequestration in 2020/21 was 6,110 tCO₂e (which was mostly from exotic forestry) while harvesting emissions were 21,524 tCO₂e. This meant that Forestry in Tauranga was a net positive source of emissions in 2020/21 (rather than a negative source of emissions, where sequestration exceeds harvesting emissions). Total Forestry emissions in 2020/21 were 15,414 tCO₂e.

Table 8 Forestry emissions by emission source (including sequestration)

Sector / Emissions Source	tCO ₂ e
Total harvest emissions	21,524
Native forest sequestration	-1,708
Exotic forest sequestration	-4,402
Total	15,414

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

17

3.7 Total Gross Emissions by Greenhouse Gas

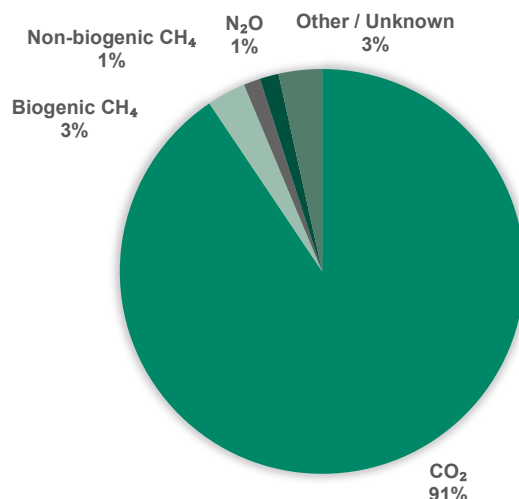
Each greenhouse gas has a different level of impact on climate change, this is accounted for when converting quantities of each gas into units of carbon dioxide equivalent (CO₂e).

Table 9: Tauranga's total gross emissions, by greenhouse gas

Greenhouse Gas	Tonnes	Tonnes of CO ₂ e
Carbon Dioxide (CO ₂)	1,218,422	1,218,422
Biogenic Methane (CH ₄)	1,232	41,894
Non-biogenic Methane (CH ₄)	529	17,976
Nitrous Oxide (N ₂ O)	68	20,129
Other / Unknown Gas (in CO ₂ e)	46,694	46,694
Total	1,266,945	1,345,115

Figure 4 illustrates Tauranga's total gross emissions by greenhouse gas in units of carbon dioxide equivalents (CO₂e).

Figure 4: Tauranga District's total gross emissions, by greenhouse gas (in tCO₂e)



By far the largest source of emissions in tonnes is carbon dioxide (CO₂) at 1,218,442 tonnes. Due to the greater global warming impact of methane, methane represents 0.1% of the total tonnage of GHG emissions from Tauranga but represents 3% of CO₂e. Nitrous oxide represents 0.005% of the total tonnage of GHG emissions from Tauranga but represents 1% of CO₂e.

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

3.8 Biogenic emissions

Biogenic carbon dioxide and methane emissions are stated in Table 10 and Table 11, respectively.

Biogenic CO₂ emissions are those that result from the combustion of biomass materials that store and sequester CO₂, including materials used to make biofuels (e.g. trees, crops, vegetable oils, or animal fats). Biogenic CO₂ emissions from plants and animals are excluded from gross and net emissions as they are part of the natural carbon cycle.

Table 10: Biogenic CO₂ in Tauranga (Excluded from gross emissions)

Biogenic Carbon Dioxide (CO ₂) (Excluded from gross emissions)		
Biofuel	147,287	t CO ₂
Combusted Landfill Gas	15,590	t CO ₂
Biodiesel	540	t CO ₂
Total Biogenic CO₂	163,417	t CO₂

Biogenic CH₄ emissions (e.g., produced by farmed cattle via enteric fermentation) are included in gross emissions due to their relatively large impact on global warming relative to biogenic CO₂. Biogenic methane represents <0.1% of the gross total tonnage of GHG emissions in Tauranga but represents 3% of total gross GHG emissions when expressed in CO₂e. This is caused by the higher global warming impact of methane per tonne, compared to carbon dioxide. The total tonnage of each GHG and the contribution of each GHG to total gross emissions when expressed in CO₂e is shown in Table 9.

The importance of biogenic CH₄ is highlighted in NZ's Climate Change Response (Zero Carbon) Amendment Act. The Act includes specific targets to reduce biogenic CH₄ by between 24% and 47% below 2017 levels by 2050, and by 10% below 2017 levels by 2030. More information on the Act is available here: <https://www.mfe.govt.nz/climate-change/zero-carbon-amendment-act>.

Table 11: Biogenic Methane in Tauranga (Included in gross emissions)

Biogenic Methane (CH ₄) (Included in gross emissions)		
Landfill Gas	844	t CH ₄
Enteric Fermentation	140	t CH ₄
Biofuel	118	t CH ₄
Wastewater Treatment	97	t CH ₄
Composting (Green Waste)	31	t CH ₄
Manure Management	2	t CH ₄
Total Biogenic CH₄	1,232	t CH₄

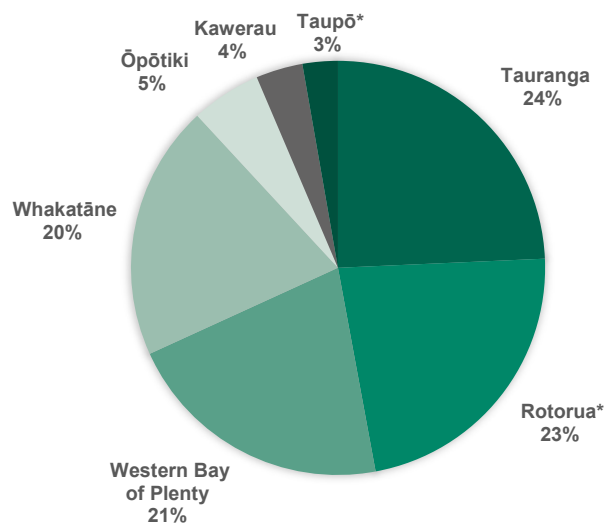
3.9 Comparison with other Territorial Authorities in the Bay of Plenty Region

The Bay of Plenty regional area contains several territorial authorities. Tauranga City, Western Bay of Plenty District, Whakatāne District, Ōpōtiki District, and Kawerau District are all exclusively within the boundaries of the Bay of Plenty region. However, areas of Rotorua District and Taupō District are also part of the Waikato region. We estimate that 93% of Rotorua's population and 62% of Rotorua's area, and 4% of Taupō's population and 14% of Taupō's area are within the Bay of Plenty region.

Figure 5 shows the Bay of Plenty's total gross emissions divided by territorial authority. The Bay of Plenty regional area contains several territorial authorities. Tauranga City, Western Bay of Plenty District, Whakatāne District, Ōpōtiki District, and Kawerau District are all exclusively within the boundaries of the Bay of Plenty region. However, areas of Rotorua District and Taupō District are also part of the Waikato region. We estimate that 93% of Rotorua's population and 62% of Rotorua's area, and 4% of Taupō's population and 14% of Taupō's area are within the Bay of Plenty region. Figure 6 shows total gross emissions for the territorial authorities in the Bay of Plenty Region, split by sector. Both figures only include the emissions produced within the Bay of Plenty region for Rotorua and Taupō.

Tauranga is the highest emitting territorial authority in the region, representing 24% of the Bay of Plenty's total gross emissions. Tauranga's emissions inventory is predominantly transport-related emissions while the next largest territorial authorities by; Rotorua, Western Bay of Plenty and Whakatāne, contain significant agricultural emissions. Ōpōtiki, Kawerau, and Taupō collectively represent just 12% of the Bay of Plenty's emissions.

Figure 5 Bay of Plenty's total gross emissions divided by territorial authority (tCO₂e). *Rotorua and Taupō totals only include emissions produced in the Bay of Plenty region.



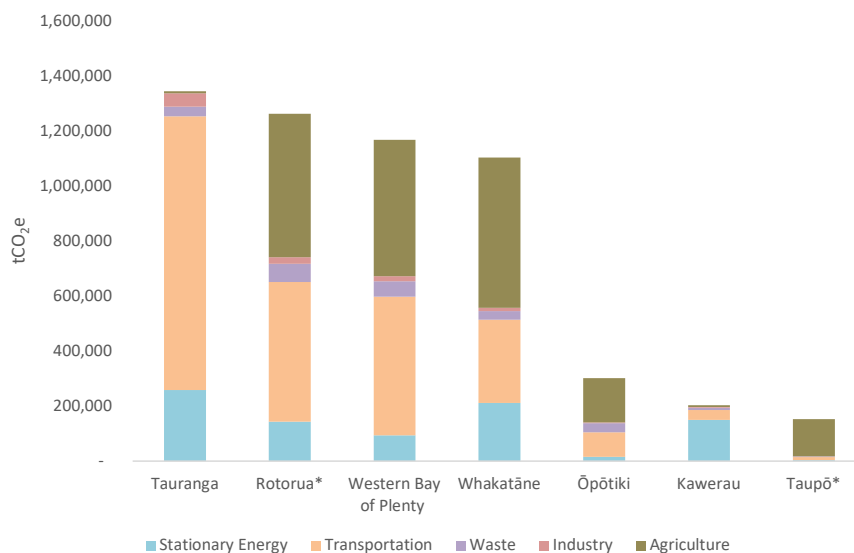
https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

20

Figure 6 Total gross emissions by territorial authority in the Bay of Plenty region (tCO₂e). *Rotorua and Taupō totals only include emissions produced in the Bay of Plenty region.



When comparing emissions inventories from different areas, a per capita figure can be useful because it provides a common reference point to understand the difference in emissions. Figure 7 shows emissions per capita for the region and territorial authorities within the region. Taupō is excluded from this figure due to the tiny population and large agriculture creating very large per capita emissions (this is not the case for the entire Taupō District).

The Bay of Plenty has a 16.2 tCO₂e/per capita figure for total gross emissions which is higher than the national value of 15.7 tCO₂e/per capita. Notably, Tauranga has the lowest per capita total emissions at 8.8 tCO₂e/per capita. Ōpōtiki and Whakatāne have the largest per capita total gross emissions at 29.5 tCO₂e/per capita and 28.9 tCO₂e/per capita respectively. Kawerau has the third highest per capita emissions at 26.6 tCO₂e/per capita, this is due to a small population and large industrial and manufacturing energy use in the area.

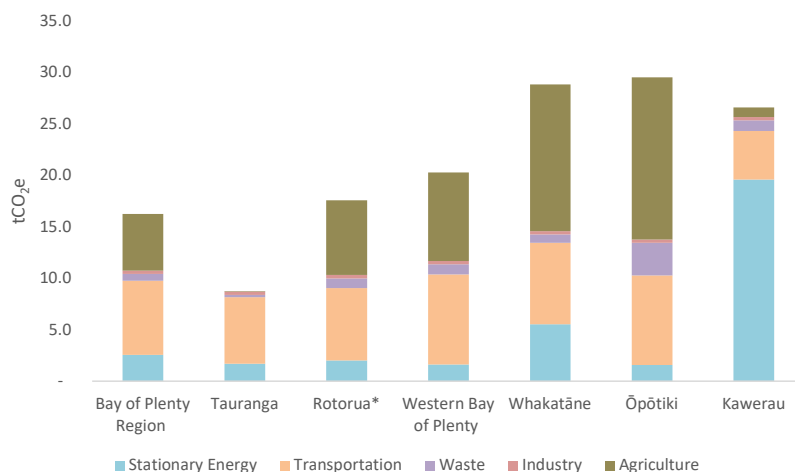
https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

21

Figure 7 Total gross emissions per capita for the region and territorial authorities within the region (tCO₂e). *Rotorua total only includes emissions produced in the Bay of Plenty region.



4.0 Emissions change from 2015/16 to 2020/21

Alongside calculating Tauranga's emissions footprint for 2020/21, we have calculated Tauranga's emissions footprint for 2018/19 and 2019/20. By calculating these three years we can assess the emissions footprint before the COVID pandemic caused disruptions, changes, and enforced restrictions, and assess the impact of the COVID pandemic on emissions in Tauranga. We have also recalculated Tauranga's most recent emissions footprint (2015/16) using the same methodology, data sources, and emission factors as for the other footprints reported here. This enables us to directly compare these emissions footprints. A discussion of the updated 2015/16 footprint and significant changes is found in section 7.0. For the years in between (2016/17 and 2017/18) we have calculated emissions from key sources (e.g. electricity consumption, petrol and diesel consumption, marine freight, livestock and air travel) and estimated all other emission sources as part of the agreed approach.

This section displays the results of the 2015/16, 2018/19, 2019/20, and 2020/21 emissions footprints with a focus on Gross emissions and examines the change in emissions from 2015/16 to 2020/21. An analysis of the impact of the COVID pandemic on Tauranga's emissions is found in section 6.0.

Table 12 Change in Tauranga's Total Gross and Net emissions from 2015/16 to 2020/21

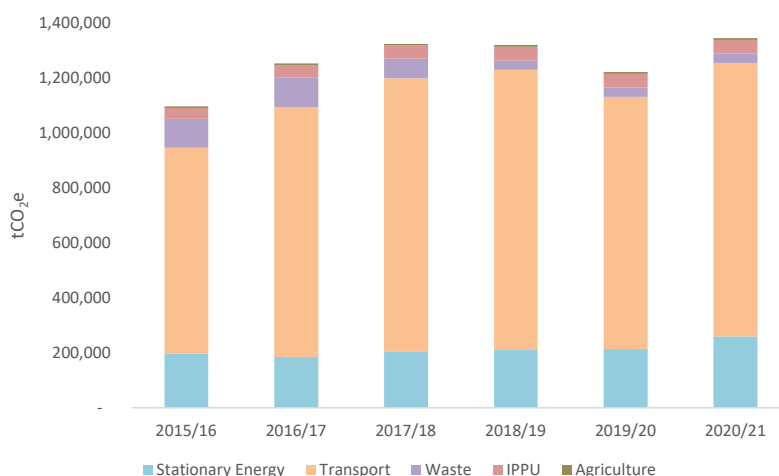
	2015/16 (tCO ₂ e)	2018/19 (tCO ₂ e)	2019/20 (tCO ₂ e)	2020/21 (tCO ₂ e)	% Change (2015/16 to 2020/21)
Total Net Emissions (including forestry)	1,098,757	1,322,459	1,226,290	1,360,530	24%
Total Gross Emissions (excluding forestry)	1,096,155	1,319,775	1,221,060	1,345,115	23%

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

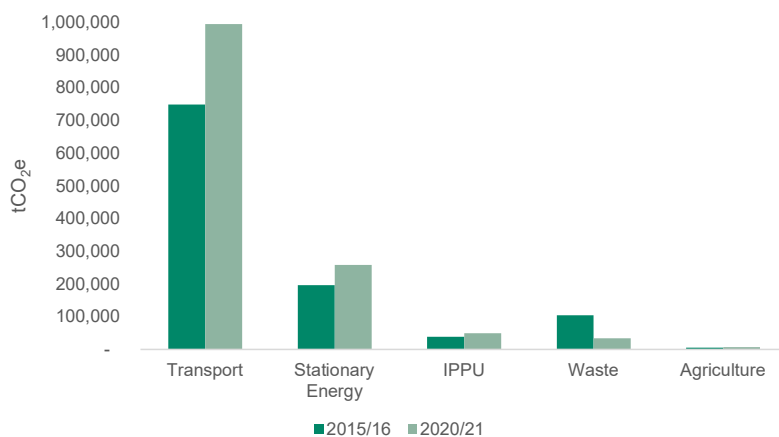
22

Figure 8 Change in Tauranga's total gross emissions from 2015/16 to 2020/21

Total gross emissions per year increased by 23% from 1,096,155 tCO₂e in 2015/16 to 1,345,115 tCO₂e in 2020/21. This is driven by increases in transport and stationary energy emissions. Emissions from all sectors with the exception of Waste have increased since 2015/16.

Per capita gross emissions in Tauranga remained steady between 2015/16 and 2020/21, changing from 8.7 to 8.8 tCO₂e per person per year. The population of Tauranga grew by 22% during this time which is almost the same as the growth in total gross emissions. A discussion of the decoupling of gross emissions from population growth and GDP is found in section 5.0.

The sections below outline the change in emissions between 2015/16 and 2020/21 for each sector and emissions source, highlighting the changes that have had the largest impact on total gross emissions.

Figure 9 Emissions for each sector of Tauranga's gross emissions footprint for 2015/16 and 2020/21

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

4.1 Transport

Table 13 Change in Tauranga's Transport emissions from 2015/16 to 2020/21

Sector / Emissions Source	2015/16 (tCO ₂ e)	2018/19 (tCO ₂ e)	2019/20 (tCO ₂ e)	2020/21 (tCO ₂ e)	% Change (2015/16 to 2020/21)
Marine Freight	315,457	518,431	461,563	473,045	50.0%
Diesel	218,978	270,253	252,749	290,141	32.5%
Petrol	177,367	188,471	168,404	194,145	9.5%
Rail	24,632	23,214	21,017	21,479	-12.8%
Jet Kerosene	8,627	11,685	8,794	11,334	31.4%
Marine Diesel (local)	2,556	3,214	3,059	2,822	10.4%
LPG	1,005	1,213	1,244	1,316	31.0%
Aviation Gas	741	843	641	856	15.5%
Bioethanol	0.03	0.03	0.03	0.04	32.6%
Total:	749,362	1,017,326	917,470	995,138	33%

Transport emissions increased by 33% between 2015/16 and 2020/21 (245,775 tCO₂e). This was driven by a 50% increase in marine freight emissions (245,775 tCO₂e) and a 21% increase in on-road fuel emissions (74,671 tCO₂e).

The largest annual increase in greenhouse gas emissions from marine freight transport occurred from 2016 to 2017. This is associated with an increase in average vessel size following the introduction of 9,500 Twenty-foot Equivalent Unit (TEU) vessels, which was over double the capacity of the previous largest container vessel visiting Tauranga. This shift occurred following shipping channel deepening and widening in the Tauranga Harbour. These largest vessels call directly and exclusively to the Bay of Plenty, whereas smaller vessels are likely to call at more than one New Zealand port/region. These larger vessels are generally more fuel efficient as they emit fewer greenhouse gases per unit of cargo (e.g. per container). In general, marine freight emissions have increased over the period from 2016 to 2021 due to an increase in import and export freight movements through Tauranga Port.

With the exception of rail, no transport emissions sources decreased between 2015/16 and 2020/21. Notably, the impact of the COVID pandemic can be seen in Transport emissions where emissions decreased by 11% between 2018/19 and 2019/20 before increasing again by 8% between 2019/20 and 2020/21.

4.2 Stationary Energy

Table 14 Change in Tauranga's Stationary Energy emissions from 2015/16 to 2020/21

Sector / Emissions Source	2015/16 (tCO ₂ e)	2018/19 (tCO ₂ e)	2019/20 (tCO ₂ e)	2020/21 (tCO ₂ e)	% Change (2015/16 to 2020/21)
Electricity Consumption	85,568	89,012	89,920	129,583	51%
Natural Gas	51,742	54,953	56,465	55,863	8%
Stationary Petrol & Diesel Use	24,800	30,483	28,468	32,612	31%
Coal	12,991	11,383	11,881	9,536	-27%
LPG	7,962	9,613	9,863	10,434	31%
Electricity Transmission and Distribution Losses	5,157	7,770	7,893	11,902	131%
Biofuel / Wood	4,333	4,498	4,498	4,498	4%
Natural Gas Transmission and Distribution Losses	4,183	4,442	4,565	4,516	8%
Biogas (landfill)	-	90	96	101	NA
Total:	196,735	212,244	213,648	259,044	32%

Emissions from Stationary Energy increased by 32% between 2015/16 and 2020/21 (62,309 tCO₂e). This was driven by a 51% increase in electricity consumption emissions (44,016 tCO₂e). This rise in electricity consumption emissions was caused by a 2% increase in electricity consumption in Tauranga coupled with a 48% increase in the emissions intensity of the national electricity grid (tCO₂e/kWh). The emissions intensity of the national grid has increased in recent years due to the increased use of fossil fuels during years with low hydro electricity generation.

AECOM

Tauranga Community Carbon Footprint

25

4.3 Waste

Table 15 Change in Tauranga's Waste emissions from 2015/16 to 2020/21

Sector / Emissions Source	2015/16 (tCO ₂ e)	2018/19 (tCO ₂ e)	2019/20 (tCO ₂ e)	2020/21 (tCO ₂ e)	% Change (2015/16 to 2020/21)
Waste in open landfill sites	77,412	9,356	9,922	10,455	-86%
Waste in closed landfill sites	24,742	20,542	19,348	18,240	-26%
Composting (Green Waste)	-	-	899	1,797	N/A
Wastewater treatment plants	526	531	458	424	-19%
Individual septic tanks	1,929	3,064	3,223	3,183	65%
Total	104,609	33,493	33,849	34,099	-67%

Waste emissions decreased between 2015/16 and 2020/21, by 67% (70,511 tCO₂e).

Total solid waste in landfill emissions decreased by 72%. Emissions from closed landfills decreased because as no extra waste is added, the existing waste in landfill releases fewer emissions over time. Emissions from open landfills decreased due to improvements in landfill gas capture at landfill sites.

Total wastewater emissions increased by 47%, this is based on an increase in the assumed number of people using septic tank systems. Data availability improvements in future years may improve the accuracy of this estimate.

4.4 Industrial Processes and Product Use (IPPU)

Table 16 Change in Tauranga's IPPU emissions from 2015/16 to 2020/21

Sector / Emissions Source	2015/16 (tCO ₂ e)	2018/19 (tCO ₂ e)	2019/20 (tCO ₂ e)	2020/21 (tCO ₂ e)	% Change (2015/16 to 2020/21)
Refrigerants and air conditioning	36,440	46,870	46,048	46,739	28.3%
Aerosols	2,384	2,408	2,378	2,413	1.2%
SF6 - Electrical Equipment	396	375	396	402	1.5%
Foam Blowing	110	168	184	187	69.7%
SF6 - Other	76	82	84	85	11.0%
Fire extinguishers	60	67	69	70	15.7%
Total	39,468	49,971	49,158	49,896	26%

IPPU emissions increased between 2015/16 and 2020/21, by 26% (10,429 tCO₂e). The increase in IPPU emissions is mainly caused by an increased use of refrigerant gases. Note that national level data is used for this sector and is portioned out using a population approach; exact emissions for the district are unknown.

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx

Revision 1 – 28-Sep-2022

Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

26

4.5 Agriculture

Table 17 Change in Tauranga's Agriculture emissions from 2015/16 to 2020/21

Sector / Emissions Source	2015/16 (tCO ₂ e)	2018/19 (tCO ₂ e)	2019/20 (tCO ₂ e)	2020/21 (tCO ₂ e)	% Change (2015/16 to 2020/21)
Enteric Fermentation	4,068	4,616	4,759	4,759	17.0%
Fertiliser used in Horticulture	675	685	688	691	2.4%
Manure from Grazing Animals	533	607	626	626	17.3%
Other Agriculture Emissions	505	607	628	628	24.4%
Atmospheric Deposition	144	163	168	168	17.3%
Manure Management	55	64	66	66	18.9%
Total	5,980	6,742	6,935	6,938	16%

Agriculture's emissions increased by 16% between 2015/16 and 2020/21 (958 tCO₂e). This increase is due to an increase in livestock numbers.

4.6 Forestry

Table 18 Change in Tauranga's Forestry emissions from 2015/16 to 2020/21

Sector / Emissions Source	2015/16 (tCO ₂ e)	2018/19 (tCO ₂ e)	2019/20 (tCO ₂ e)	2020/21 (tCO ₂ e)	% Change (2015/16 to 2020/21)
Total harvest emissions	8,657	8,788	11,334	21,524	148.6%
Native forest sequestration	-1,707	-1,708	-1,708	-1,708	<0.1%
Exotic forest sequestration	-4,348	-4,396	-4,396	-4,402	1.2%
Total	2,602	2,684	5,230	15,414	492%

Forestry emissions increased by 12,812 tCO₂e between 2015/16 and 2020/21. This increase was driven by an increase in total harvest emissions (12,867 tCO₂e) as more exotic forest is harvested. Sequestration by both exotic forest and native forest remained relatively stable during this time, increasing the net emissions from forestry.

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

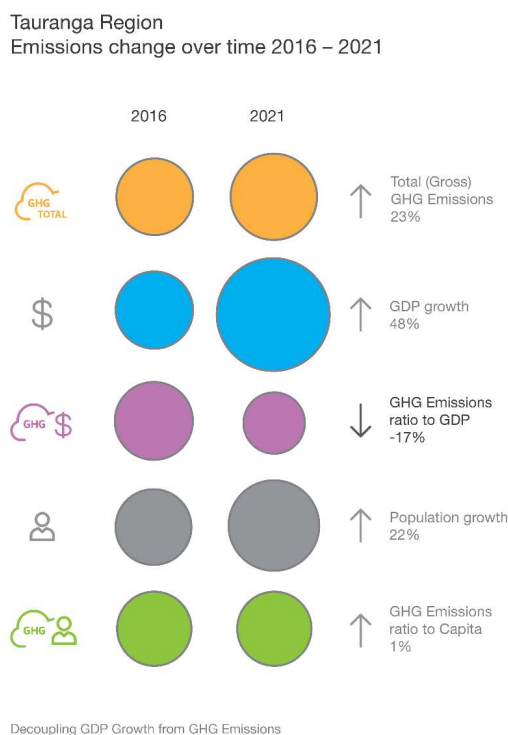
5.0 Decoupling of GHG emissions from population growth and GDP

Figure 10 shows the change in gross emissions when compared to changes in other metrics of interest between 2015/16 and 2020/21. In Tauranga during this period, total gross emissions growth (22%) has matched population growth (22%) resulting in a 1% increase in total gross emissions per capita.

When emissions grow less rapidly than Gross Domestic Product (GDP) as a measure of income then this process is known as decoupling. The term decoupling is an expression of the desire to mitigate emissions without harming economic wellbeing. A full discussion of decoupling of emissions is beyond the scope of this project. However, the changes in emissions and GDP illustrated in Figure 10 suggest at a high-level decoupling has occurred between 2015/16 and 2020/21. GDP increased by 48% while gross emissions increased by 23%, resulting in a 17% decrease in GHG emissions ratio to GDP.

The exact drivers for the decoupling of emissions from GDP are difficult to pinpoint. New policies, for restructuring the way to meet demand for energy, food, transportation and housing will all contribute. In this case, both direct local actions including reducing the emissions from landfill gas and indirect national trends e.g. reduction of emissions from electricity generation will have contributed to the trends noted.

Figure 10 Change in total gross emissions compared to other metrics of interest



https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

6.0 Impact of the COVID-19 pandemic on GHG Emissions

COVID-19 impacted New Zealand and the entire world during 2020 and 2021; causing widespread government-imposed restrictions on businesses and individuals and huge shifts in behaviours and economic markets. Restrictions in New Zealand relating to COVID-19 began in mid-March with many personal and business restrictions continuing past the end of 2019/20 and throughout 2020/21.³

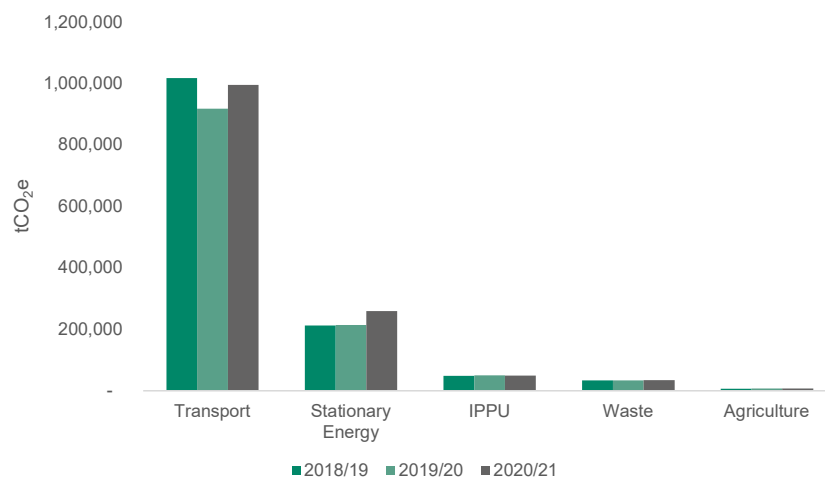
Globally, carbon dioxide emissions from fossil fuels (the largest contributor to greenhouse gas emissions) in 2020 decreased by 7% compared to 2019⁴. Emissions from the transportation sector account for the largest share of this decrease. Surface transport, e.g. car journeys, fell by approximately half at the peak of COVID-19 restrictions in April 2020 (when restrictions were at their maximum, particularly across Europe and the U.S. Globally, emissions recovered to near 2019 levels and are expected to continue to increase.

In New Zealand, national daily carbon dioxide emissions are estimated to have fell by up to 41% during the level 4 lockdown in April 2020⁵. National gross emissions decreased by 3% from 2018/19 to 2019/20, which was largely driven by a decrease in fuel use in road transport due to COVID-19 pandemic restrictions, a decrease in fuel use in manufacturing industries and construction due to COVID-19 restrictions, and a decrease in fuel use from domestic aviation also due to COVID-19 restrictions.

Total gross emissions in Tauranga decreased by 98,715 tCO₂e (8%) between 2018/19 and 2019/20. Total gross emissions then increased by 124,055 tCO₂e (9%) from 2019/20 to 2020/21 to above that of the pre-COVID-19 year.

The impact on emissions in different sectors varied. Notably, Transport emissions reduced by 11% between 2018/19 and 2019/20, driven by reduced transport fuel use across all transport emission sources. Despite changes in Stationary Energy, Agriculture, Waste, and IPPU emissions, these sectors are not judged to have been significantly affected by the COVID-19.

Figure 11 Tauranga emissions per sector for 2018/19, 2019/20, and 2020/21 (tCO₂e)



³ <https://covid19.govt.nz/alert-system/history-of-the-covid-19-alert-system/>

⁴ Pierre Friedlingstein et al. - Global Carbon Budget 2020 (2020)

⁵ Corinne Le Quere et al. - Temporary Reduction in Daily Global CO₂ Emissions During the COVID-19 Forced Confinement

[https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3.](https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared%20Documents/General/BoP%20CCF%2021/3.Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx)

Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx

Revision 1 – 28-Sep-2022

Prepared for – Bay of Plenty Regional Council – Co No.: N/A

7.0 Update to the 2015/16 Emissions Footprint

Improvements to the methodology, improvements in available data, and updates to emission factors since the 2015/16 Community Carbon Footprint was first published in 2017 have meant that the 2015/16 footprint results are required to be updated to allow direct comparison with the 2018/19, 2019/20, and 2020/21 footprints.

The previous 2015/16 inventory and updated 2015/16 inventory results are presented in Table 19

Key reasons for results changes between these footprints are outlined below:

- Stationary Energy emissions have been adjusted due to improvements in data and methodology changes, notably through the inclusion of emissions related to industry-specific natural gas connection points.
- Transportation emissions have been adjusted due to the inclusion of marine freight emissions relating to the Port of Tauranga which were not previously included. Data improvements and methodology changes have also impacted this sector.
- Waste emissions have been adjusted due to updates to IPCC guidance and improvements in data.
- IPPU emissions have been adjusted due to a change in emission factors provided by the Ministry for the Environment (MfE).
- Agriculture emissions have been adjusted due to improvements in data and changes in MfE emission factors.
- Forestry emissions have been adjusted due to improvements in published data.

Table 19 Reported GHG emissions in Tauranga for 2015/16, showing the change in emissions between those previously reported (2017) and the updated results (2022)

	2015/16 previous inventory (2017) – tCO ₂ e	2015/16 updated inventory (2022) – tCO ₂ e
Stationary Energy	177,341	196,735
Transportation	463,960	749,362
Waste	62,250	104,609
IPPU	40,336	39,468
Agriculture	16,042	5,980
Forestry	5,442	2,602
Total Net Emissions (incl. forestry)	765,371	1,098,757
Total Gross Emissions (excl. forestry)	759,929	1,096,155

Future community carbon footprints for Tauranga may also require adjustments to the emission results reported here due to improvements to the inventory process.

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
 Revision 1 – 28-Sep-2022
 Prepared for – Bay of Plenty Regional Council – Co No.: N/A

8.0 Closing Statement

Tauranga's GHG emissions footprint provides information for decision-making and action by the council, Tauranga stakeholders, and the wider community. We encourage the council to use the results of this study to update current climate actions plans and set emission reduction targets.

The emissions footprint developed for Tauranga covers emissions produced in the Stationary Energy, Transport, Waste, IPPU, Agriculture, and Forestry sectors using the GPC reporting framework. Sector-level data allows Tauranga to target and work with the sectors that contribute the most emissions to the footprint.

Understanding of the extensive and long-lasting effects of climate change is improving all the time. It is recommended that this emissions footprint be updated regularly (every two or three years) to inform ongoing positive decision making to address climate change issues.

The accuracy of any emissions footprint is limited by the availability, quality, and applicability of data. Solid waste and wastewater, marine freight emissions, IPPU, and on and off-road transport fuel use.

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

9.0 Limitations

Where this Report indicates that information has been provided to AECOM by third parties, AECOM has made no independent verification of this information except as expressly stated in the Report. AECOM assumes no liability for any inaccuracies in or omissions to that information. This Report was prepared between **December 2021 and September 2022** and is based on the information reviewed at the time of preparation. AECOM disclaims responsibility for any changes that may have occurred after this time. This Report should be read in full. No responsibility is accepted for use of any part of this report in any other context or for any other purpose or by third parties. This Report does not purport to give legal advice.

Legal advice can only be given by qualified legal practitioners. Except as required by law, no other party should rely on this document without the prior written consent of AECOM. Where such agreement is provided, AECOM will provide a letter of reliance to the agreed third party in the form required by AECOM. To the extent permitted by law, AECOM expressly disclaims and excludes liability for any loss, damage, cost, or expenses suffered by any third party relating to or resulting from the use of, or reliance on, any information contained in this Report. AECOM does not admit that any action, liability, or claim may exist or be available to any third party. It is the responsibility of third parties to independently make inquiries or seek advice in relation to their particular requirements and proposed use of the information.

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

Appendix A

Assumptions

AECOM

Tauranga Community Carbon Footprint

3

Sector / Category	Assumption and Exclusions
General	
Geographical Boundary	<p>LGNZ local council mapping boundaries have been applied.</p> <p>The emissions footprint for the Bay of Plenty Region covers the entirety of the Bay of Plenty Region (this excludes some of the Rotorua and Taupō territorial authorities).</p> <p>Emissions footprints for each territorial authority covers the entirety of the territorial authority area (for Rotorua and Taupō territorial authorities, this includes areas outside the Bay of Plenty Region).</p>
Population	<p>Population figures are provided by StatsNZ.</p> <p>Financial year populations have been used, these are based on the average population from the two calendar years (e.g. the average of 2018 and 2019 calendar year populations for FY19).</p> <p>The population of Rotorua and Taupō inside/outside the Bay of Plenty Region has been estimated by AECOM and approved by the Bay of Plenty Regional Council (BoPRC).</p>
Transport Emissions	
Petrol and Diesel:	<p>Bay of Plenty fuel sales figures (litres) provided by Rotorua Lakes District Council.</p> <p>Sales have been divided between territorial authorities based on the number of kilometres travelled by vehicles on roads (VKT) in each territorial authority. VKT data provided by Waka Kotahi.</p> <p>The division into transport and stationary energy end use (and within transport into on-road and off-road) has been calculated using fuel end use data provided by the Energy Efficiency and Conservation Authority (EECA) from the 2019 database.</p> <p>Biofuel sales information provided directly by the supplier.</p>
Rail Diesel	<p>Emissions from fuel use have been calculated and provided by Kiwi Rail. The following assumptions were made:</p> <ul style="list-style-type: none"> - Net Weight is product weight only and excludes container tare (the weight of an empty container) - The Net Tonne-Kilometres (NTK) measurement has been used. NTK is the sum of the tonnes carried multiplied by the distance travelled. - National fuel consumption rates have been used to derive litres of fuel for distance. - Type of locomotive engine used, and jurisdiction topography, have not been incorporated in the calculations. <p>The trans-boundary routes were determined, and the number of stops taken along the way derived. The total amount of litres of diesel consumed per route was then split between the</p>

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

4

	<p>departure district, arrival district and any district the freight stopped at along the way. If the freight travelled through but did not stop within a district, no emissions were allocated.</p> <p>This data is subject to commercial confidentiality.</p>
Jet Kerosene (Scheduled Flights)	<p>Calculated from information provided by Rotorua, Tauranga, Taupō, and Whakatāne airports.</p> <p>Emissions from scheduled flights are allocated equally between the origin and destination area emissions footprints.</p> <p>Flight emissions relating to each airport have been divided between territorial authorities based on the expected users of the airports:</p> <ul style="list-style-type: none"> - Rotorua Airport to Rotorua territorial authority only - Taupō Airport to Taupō territorial authority only - Whakatāne Airport to Whakatāne, Ōpōtiki, and Kawerau territorial authorities, allocated based on population size - Tauranga Airport to Tauranga and Tauranga territorial authorities, allocated based on population size
Aviation Gas (General Aviation)	<p>Aviation Gas consumption has been estimated based on community carbon footprints developed for other regions in New Zealand. The relative size of this consumption has been based on the number of general aviation flights taken from each airport for each year. This information has been provided by the respective airports.</p> <p>Emissions relating to each airport have been divided between territorial authorities as described for 'Schedules Flights' above.</p>
Marine Freight	<p>Shipping schedules have been provided by the Port of Tauranga. Emissions have been calculated based on ship weight and distance from the origin/destination to Tauranga.</p> <p>This figure does not include fishing vessels, or vessels with Tauranga as both the origin and destination.</p> <p>Emissions from freight and international shipping are allocated equally between the origin and destination area emissions footprints.</p> <p>It is expected that imports and exports travelling through the Port of Tauranga service the entire Bay of Plenty Region. Emissions relating to freight and international shipping emissions have been divided between all Bay of Plenty territorial authorities based on population size.</p>
Marine Fuel (Local)	<p>This emissions source relates to vessels servicing the Port of Tauranga. All emissions have been allocated to Tauranga territorial authority.</p> <p>Does not include fuel use for private boating. Most private marine vessels use fuel purchased at vehicle fuel stations. Petrol and diesel used in private marine vessels is included in off-road transportation.</p>

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

5

LPG Consumption	<p>North Island LPG sales data (tonnes) has been provided by the LPG Association.</p> <p>'Auto' and 'Forklift' sales represent transport uses of LPG.</p> <p>Sales have been divided between territorial authorities on a per capita basis.</p>
Stationary Energy Emissions	
Electricity Demand	<p>Electricity demand has been calculated using grid exit point (GXP) data from the EMI website (www.emi.ea.govt.nz). Reconciled demand has been used as per EMI's confirmation.</p> <p>The territorial authorities serviced by each GXP have been confirmed by the respective electricity suppliers.</p> <p>The breakdown into sectors (Residential, Commercial, and Industrial) is based on NZ average consumption per sector as per Ministry for the Environment (MfE) data.</p>
Electricity Generation	<p>Electricity generation has been calculated using data from the EMI website (www.emi.ea.govt.nz).</p> <p>Small electricity generation has not been included in this data (e.g. domestic solar generation). This figure only includes electricity that is connected to the national electricity grid, direct users of electricity are not included.</p>
Coal Consumption	<p>National coal consumption data has been provided by MBIE. Regional industrial coal data has been provided by EECA.</p> <p>National residential and commercial coal consumption has been divided between territorial authorities on a per capita basis.</p> <p>Regional industrial coal consumption has been divided between territorial authorities on a per capita basis.</p>
Coal Production and Fugitive Emissions	Not Calculated: There are no active coal mines within the region.
Biofuel Consumption	<p>National biofuel consumption data has been provided by the Ministry for Business, Innovation and Employment (MBIE).</p> <p>Biofuel consumption has been divided between territorial authorities on a per capita basis.</p> <p>Biofuel emissions are broken down into Biogenic emissions (CO₂) and Non-Biogenic emissions (CH₄ and N₂O)</p>
LPG Consumption	<p>North Island LPG sales data (tonnes) has been provided by the LPG Association.</p> <p>'Auto' and 'Forklift' sales represent transport uses of LPG. All other sales represent stationary energy uses of LPG.</p>

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

6

	<p>Sales have been divided between territorial authorities on a per capita basis.</p> <p>The breakdown into sectors (Residential, Commercial, and Industrial) is based on NZ average consumption per sector as per MfE data.</p>
Natural Gas Consumption	<p>Natural gas consumption data has been provided by FirstGas. Territorial Authorities supplied by gas from each Point of Connection (POC) have been confirmed by FirstGas.</p> <p>Natural gas consumption has been split into residential, commercial, and industrial consumption based on national statistics from MBIE. Some POCs supply gas to particular industrial users exclusively, these have been taken into account.</p>
Oil and Gas Fugitive Emissions	Not Calculated: There are no gas or oil processing plants within the region.
Agricultural Emissions	
General	<p>Territorial authority livestock numbers and fertiliser data taken from the Agricultural Census (StatsNZ). The last territorial authority census was in 2017. Regional agricultural data from StatsNZ (2021) has been used to estimate the change in livestock and fertiliser use since 2017.</p> <p>Territorial authority land-use data provided by BoPRC covering horticulture land-use.</p>
Solid Waste Emissions	
Waste in Landfill	<p>Landfill waste volume and end location information has been provided by the respective council departments.</p> <p>Where information is not available, waste volumes have been estimated based on historical national data on a per capita basis.</p> <p>Emissions are allocated to territorial authorities based on where the waste was produced, even if the waste is disposed in landfill outside the territorial authority.</p>
Wastewater Emissions	
Wastewater Volume and Treatment Systems	<p>Information on treated wastewater, and treatment plants has been provided by the respective council departments.</p> <p>Where information is not available, reasonable assumptions have been made.</p> <p>The population connected to septic tank systems have been estimated by the respective council departments.</p> <p>Emissions are allocated to territorial authorities based on where the wastewater was produced, even if the wastewater is treated outside the territorial authority.</p>
Industrial Emissions	

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

AECOM

Tauranga Community Carbon Footprint

7

Industrial processes	It is assumed that there are no significant non-energy related emissions of greenhouse gasses from industrial processes in the Region (e.g. aluminium manufacture).
Industrial Product Use	National data covering industrial product use (e.g. fire extinguishers, refrigerants) has been provided by the MfE. Emissions have been allocated to territorial authorities on a per capita basis.
Forestry Emissions	
Exotic Forestry Harvested	Regional exotic wood harvested has been provided by the Ministry for Primary Industries (MPI) in the Agricultural Production Statistics. The 2017/18 year is the latest year's data available, for 2018/19, 2019/20 and 2020/21, the 2017/18 figure is used. Exotic forest of harvestable age land area for each territorial authority has been provided by the Ministry for Primary Industries (MPI) in the National Exotic Forest Description (NEFD). This has been used to estimate the likely breakdown of the region's harvested wood by territorial authority. Emissions from roundwood, slash, and the underground tree are all accounted for.
Exotic and Native Forest sequestration	Exotic forest land area for each territorial authority has been provided by the Ministry for Primary Industries (MPI) in the National Exotic Forest Description (NEFD). Native forest land area is provided by Landcare Research Land-use Change Database (LCDB v5). The 2018/19 year is the latest year's data available, for 2019/20 and 2020/21, the 2018/19 figure is used.
Emission Factors	
General	All emission factors have detailed source information in the calculation tables within which they are used. Where possible, the most up to date, NZ-specific EFs have been applied. AR5 Global Warming Potential (GWP) figures for greenhouse gases have been used accounting for climate change feedbacks.

https://aecom.sharepoint.com/sites/BOPRCCCFProject-60671688/Shared Documents/General/BoP CCF 2021/3. Reports/BOPRC_CommunityCarbonFootprint_2022_Tauranga_220914_Final.docx
Revision 1 – 28-Sep-2022
Prepared for – Bay of Plenty Regional Council – Co No.: N/A

9.11 Q1 Report 2022/23 LGOIMA and Privacy Requests**File Number:** A14113949**Author:** Emily Clarke, Democracy Services Advisor**Kath Norris, Team Leader: Democracy Services****Authoriser:** Christine Jones, General Manager: Strategy, Growth & Governance**PURPOSE OF THE REPORT**

1. The purpose of this report is to update the Committee on Local Government Official Information and Meetings Act 1987 (LGOIMA) and Privacy requests for the first quarter of 2022/23.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the report Q1 2022/23 LGOIMA and Privacy Requests.

EXECUTIVE SUMMARY

2. These reports are provided to the Committee to provide assurance on statutory compliance for LGOIMA and Privacy requests.

ATTACHMENTS

1. Q1 Report LGOIMA and Privacy Requests - A14127477 [↓](#) 

LGOIMA and Privacy Q1 Report for 2022/2023 year

How many requests did we receive?

68 = 64 LGOIMA + 4 Privacy

↓ (This is a 30% decrease on last quarter and a 14% decrease on the same quarter last year)

- 66 have been completed
- Two are pending response

How long did it take us to respond?

15 = the average number of days to provide a response

- This is similar to Q4 of 2021/22 when the average number of days was 14

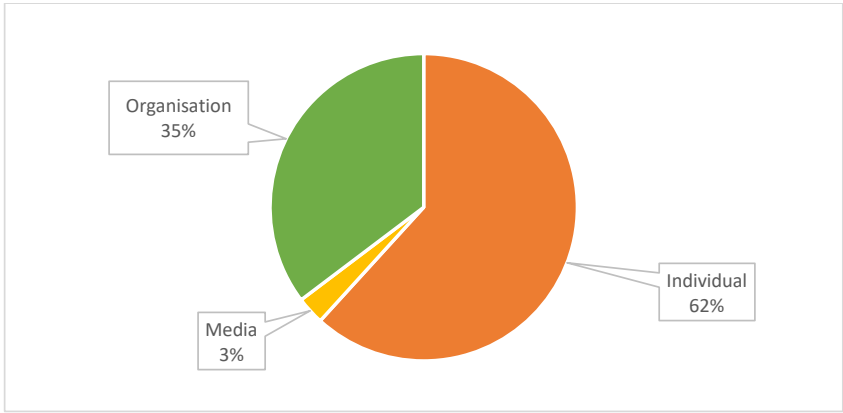
98% = requests responded to response within the statutory time frame

- 65 responses provided within the statutory time frame
- Six extensions notified and five responded to within the extended timeframe
- One response provided outside the extension date

3.87 = hours of staff time per request, excluding sign off processes and legal review if needed

Who did the requests come from?

42 individuals + 24 organisations + 2 media

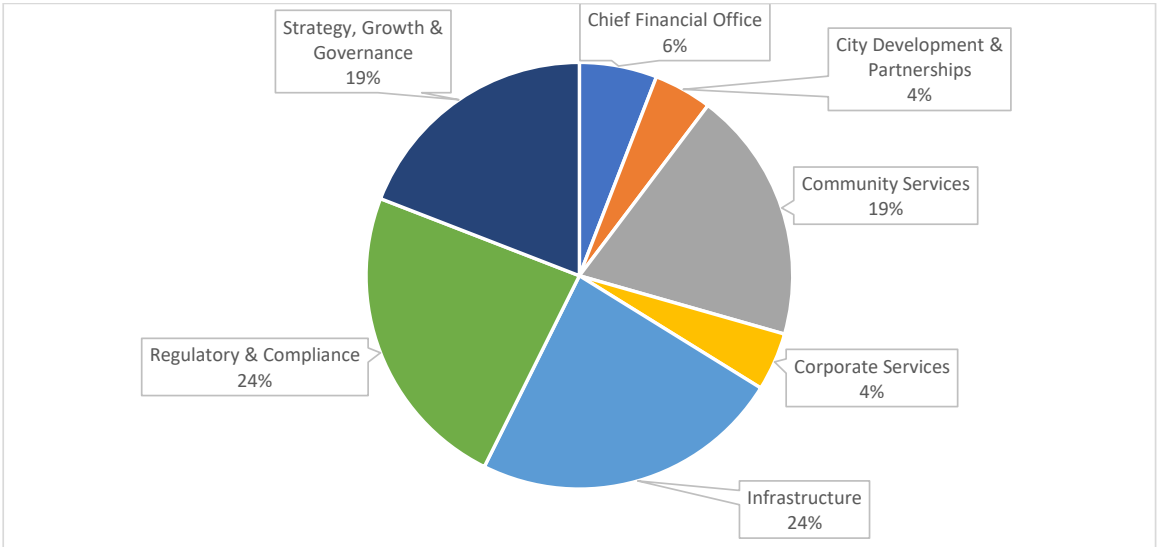


5 = number of requesters who made two or more requests in Q1

- Two organisations made three requests
- Three individuals made two requests

What groups received the requests?

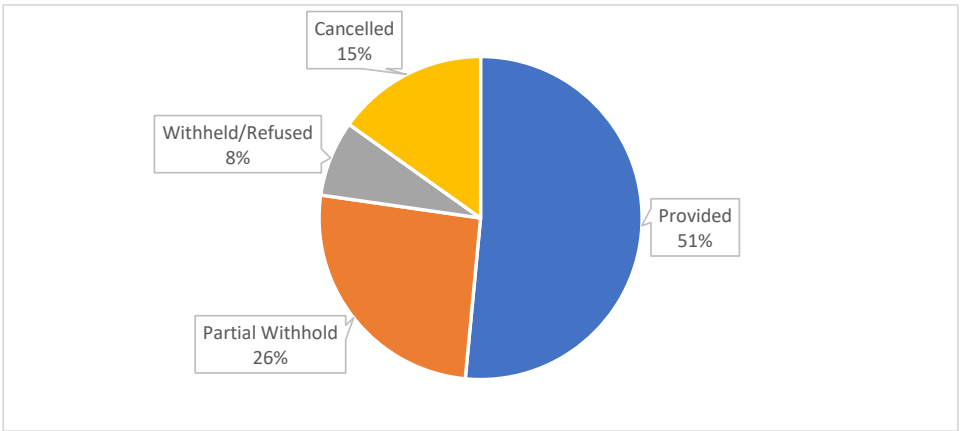
4 Chief Financial Office + 3 City Development & Partnerships + 13 Community Services + 3 Corporate Services + 16 Infrastructure + 16 Regulatory & Compliance + 13 Strategy Growth & Governance



What was our response?

34 provided + 17 partially withheld + 5 refused + 10 cancelled

1 request was charged for. Large requests continue to be managed and refined by utilising the charging policy.



Common requests

- Infringements, bus lanes, parking, Links Ave trial (5)
- Contracts, tenders, consultant information (5)
- Dog and Animal Services information (5)
- Engagement and consultation (4)
- Responses with broad community interest continue to be published

Office of the Ombudsman and Privacy Commissioner complaints

1 = new complaint received this quarter from the Office of the Privacy Commissioner. Currently open.

0 = complaints received or currently open with the Office of the Ombudsman.

- Work continues completing actions following the Ombudsman investigation. There are no actions finalised in Q1.

9.12 2023 Q1 Jul-Sep Health and Safety Report**File Number:** A13966175**Author:** Tony Aitken, Manager: Human Resources
Tracy Benjamin, Health Safety & Wellness Business Partner**Authoriser:** Alastair McNeil, General Manager: Corporate Services**PURPOSE OF THE REPORT**

1. To provide a summary of Health, Safety and Wellbeing activities over the July to September 2022 quarter.

RECOMMENDATIONS

That the Strategy, Finance and Risk Committee:

- (a) Receives the 2022 Q1 Health and Safety Report
- (b) Receives the 2022 Q1 Mental Health and Wellbeing Report

EXECUTIVE SUMMARY

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

ATTACHMENTS

1. [3_2022 Q1 Health & Safety Report_PDF - A14173147](#)  
2. [3_2022 Q1 H&S_MHW Report_PDF - A14173143](#)  



Healthy, safe.
Every day.

Health, Safety & Wellbeing

July 2022 – September 2022



Tauranga City

Introduction

Within this Health, Safety and Wellbeing (MHW) report:

- Health and Safety Management System Audit
- Assault and Violence while at work
- Due Diligence
- A Way forward – HSW moving towards ISO 45001
- Goodbye to Willow Street
- Up, Up and Away

Events

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

H&S Events reported across TCC:



Injury Events to staff:

- 1 x injury resulting from assault
- 4 x injuries resulting from minor lacerations
- 6 x injuries as a result of ergonomic / manual handling
 - 6x Sprains
- 4 x injuries as a result of trips, slips and falls from same level
 - 1x dislocation
 - 1x sprained arm
 - 1x grazed knees
 - 1x strained leg

Investigation Status:

- 76 investigations from these events are complete
- 9 investigations from these events are underway

88% Of investigations are closed

Health and Safety Management System Audit

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

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



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

Project	Audit Items	Notes
PCBU* Relationship Management	8.2 <i>Business Partners workshop contractor management process leadership teams</i>	We are currently working on aligning our Health, Safety and Wellbeing systems with ISO 45001. The ISO 45001 standard provides a systematic, comprehensive approach to health and safety. ISO 45001 answers many specific questions on how to prevent injury and illness, rather than just dealing with them as they arise.
	8.3 <i>People leaders feed revised processes to direct reports</i>	
Drug & Alcohol Impairment	9.2 : 10.5 <i>Construct and implement a drug & alcohol policy</i>	A draft drug & alcohol policy has been produced. Conversations with relevant parties are now taking place.

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



Healthy, safe.
Every day.

Health, Safety & Wellbeing

July 2022 – September 2022



Tauranga City

Assault and Violence while at work

DUE DILIGENCE

Assault and Violence while at work is one of thirteen identified [priority risks](#) within TCC, due to its potential to seriously affect the health of our people and/or contractors. Standards are applied to control the risk whilst also ensuring we are in line with the 'Duty of Officers', Section 44 of the Health and Safety at Work Act 2015.

- Have up to date knowledge of work health and safety matters
- Understand the nature of work and associated risks
- Ensure appropriate resources and processes are available to manage risk
- Ensure the business complies with duties regarding legislation

Possible control measures

Architectural/Layout:

Your workplace's layout must, so far as is reasonably practicable, allow people to enter, exit and move about without risks to health and safety – both under normal working conditions and in an emergency. In customer service areas consider methods to restrict physical access to workers – placement of counters/screens/restricted access to the general work area/staff only zone (such as having a separate dedicated reception area, controlled door access).

Policies and procedures:

Implementing a zero-tolerance policy against all forms of violence. Risk profiling of clients to produce tailored management plans which may include meetings by appointment and alerts of previous bad behaviour. Use alternatives for high-risk clients (e.g. phone only contact, specialised engagement units, meetings attended by security guards).

Emergency planning:

Your workplace must have an emergency plan that is implemented in an emergency. You must also provide adequate first aid equipment/facilities and access to first aiders.

Training:

You must provide your workers with the training/ supervision they need to work safely.

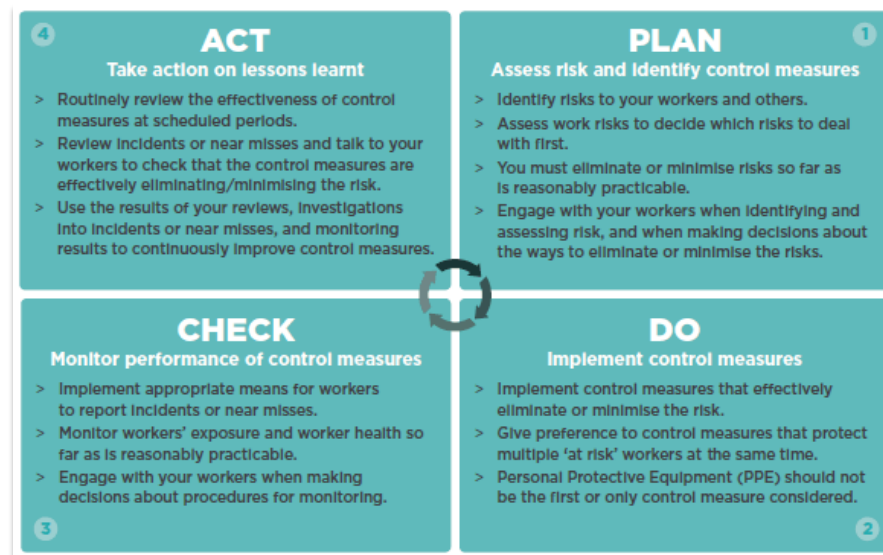
Other security measures for example ...

Panic buttons/duress alarms to seek help and alert other workers to potential danger. CCTV with warning signs. Signs that set out clear expectations of the behaviour of customers (e.g. no bad language, no verbal abuse, no physical intimidation) and consequences of bad behaviour.

PLAN - DO - CHECK - ACT

So far as is reasonably practicable, you must ensure the health and safety of workers, and ensure that others are not put at risk from your work.

Violence or threats of violence at the workplace can come from clients, co-workers or even a worker's family members or acquaintances. You can follow the PLAN-DO-CHECK-ACT approach to work out whether violence is a risk to your workers or others, and if so, how you could prevent or deal with it.





Healthy, safe.
Every day.

Health, Safety & Wellbeing

July 2022 – September 2022



Tauranga City

Due Diligence

4(b) To understand the nature of operations, along with hazards and risks.



Wednesday, the 3rd August GM of Community Services – Barbara Dempsey conducted a site visit at the Pyes Pa Cemetery and McLaren Falls to meet staff and develop an understanding of the work that takes place.

Pyes Pa Cemetery:

- The recent review of the health and safety procedures around the use of the natural gas fueled cremators.
- Discussion led to long term plans of the cemetery including a new cremator.

McLaren Falls:

- Conversations covered numerous topics including the recent land slip.
- Actions that the team are taking to ensure that it remains safe in that area of the Falls.



Wednesday, the 7th September Chief Executive - Marty Grenfell conducted a site visit at Tauranga Airport to develop a better understanding of the work that takes place there.

- Staff are aware of the top risks present onsite
- Currently introducing the crowd led places strategy
- Proposing to initiate regular reporting feeding into Vault.
- Operating on an integrated SMS safety system.
- Finalising the Water Rescue Operation.

Monday, the 19th September Chief Executive – Marty Grenfell conducted a site visit at the Marine Precinct to meet staff and be shown around the site. Covered in the visit was:

- Risk register and discussed the key risks.
- Incident in relation to falling object.
- The importance of maintaining relationship with tenants.
- Site evacuation exercise to be arranged and completed.



Wednesday, the 21st September GM of Regulatory & Compliance – Sarah Omundsen visited the Dog Pound and grew an understanding of the work being undertaken by staff.

Topics discussed were:

- Security, CCTV, door swipe, movement alarms, safe office and body worn safety devices.
- Safety procedures around handling of dogs during different the entire process of impounding.
- Equipment used the Animal Services Officers.

A Way forward – HSW moving towards ISO 45001

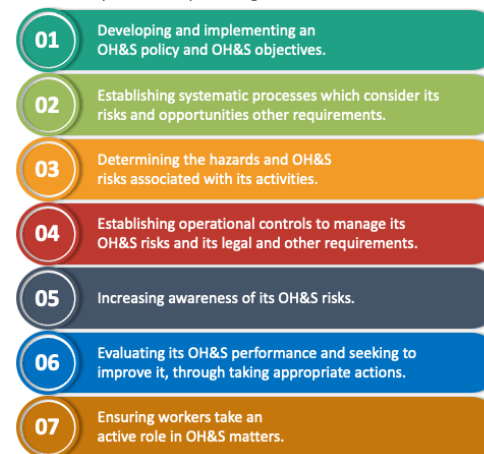
4(b) To understand the nature of operations, along with hazards and risks

What is ISO 45001?

ISO 45001 is the international standard made from the best practices that keeps employees safe from work-related risks by establishing a framework for Occupational Health & Safety (OH&S) management system. This aims to identify occupational health and safety hazards in the workplace and to minimize the occurrence of work injuries, illnesses, and death.

Why are we moving towards ISO 45001?

Employers are responsible for the health and safety of their employees. ISO 45001 is a reliable standard that can help reduce work-related risk for workers such as occupational accidents and diseases if properly implemented and maintained. This standard directly impacts workers within the organization and it's up to the top management to commit to this initiative.



Management needs to ensure that resources are provided for the Occupational Health and Safety Management System (OHSMS). Both the leaders and workers have to work together in order to create an effective OHSMS.



Healthy, safe.
Every day.

Health, Safety & Wellbeing

July 2022 – September 2022



Tauranga City

Goodbye to Willow Street

4(c) To ensure the PCBU uses appropriate resources and processes to eliminate or minimise risks.

Constructed in 1989, the building at 95 Willow Street originally housed council's Mayoral and Executive offices, Chambers, Customer Service Centre, Library, and other council services over the years. The demolition of our building was a long time coming, with toxic black mould first discovered in parts of it in 2014. After the discovery of black mould, further investigations revealed significant weather-tightness problems and moderate earthquake risks. The time has finally come to say farewell to the old and make way for a new and exciting chapter for our civic precinct.

A post-demolition report*

- confirmed that a total of 3,240 tonnes of concrete and 396 tonnes of steel removed from the site was successfully recycled, achieving an impressive 100 percent recovery rate for those materials.
- 89 percent of all the material removed from the site during the demolition was either recovered, recycled or reused, meeting waste processing obligations under the New Zealand Green Building Council Green Star reporting criteria. This result is well above the initial target of a 75 percent recovery rate.

How did organisations benefit?

- Local social enterprise [Sustainability Options](#) collected 370 squares of carpet tiles to be used through its 20 Degrees programme. The programme supports those living below the poverty line in inadequate, unhealthy housing.
- [Remaker](#), a social enterprise dedicated to promoting sustainable life choices, took a double sit-to-stand desk to use as a pattern and sewing table.
- [The Incubator Creative Hub](#) took many of the meeting room tables to use in its new spaces, including a pottery space at The Historic Village, for artists and children to get creative.
- Transitional housing provider [Awhina House](#) took locker units to provide a secure space for the homeless women it supports to keep their belongings.
- [Te Puna Hall](#) has received many historical records from its community over the years and has not had anywhere to store them safely or appropriately for the community to view. With Council's old map cabinets and holders, it can now preserve these documents and show them safely to the community.



Up, Up and Away

4(c) To ensure the PCBU uses appropriate resources and processes to eliminate or minimise risks.

Large pine and macrocarpa trees have been threatening the ancient karaka trees and archaeological sites which they shared the land with on Mauao. These trees were showing significant signs of deterioration which, if left unattended, could damage the sensitive site they were sitting on.

The removal project had been many months in the planning, a collaborative effort between TCC, the Mauao Trust, BOPRC, and specialist businesses needed to do the work safely.

The scale and technical difficulty of the removal was significant, and the work has been followed by arboriculture experts worldwide. The final removal tally was 283 tonne – around the maximum take-off weight of a fully-laden 787 Dreamliner aeroplane.



A Black Hawk helicopter owned by [Kahu New Zealand](#) was brought in to do the heavy lifting. It also lifted the Mauao compass to te tihi o Mauao (the summit of Mauao) for Matariki. Kahu NZ is the only company in the southern hemisphere that owns a helicopter capable of providing heavy lifting helicopter services of this magnitude.

Bay of Plenty Regional Council and Aquatek Charters monitored the harbour to ensure no water users entered the harbour exclusion zone under the helicopter flight path. They also picked up any falling tree debris. Māori Wardens were also onsite to help keep Mauao closed to members of the public.

The tree climbers used their skill, experience and complex equations to work out how big a piece they could cut out safely. Sections of the trees were pre-stropped with slings days in advance, which were then attached to a helicopter. Once the weight was taken up by the helicopter the pieces were cut free by the climber, ensuring the ground was not disturbed where contractors who ran the ground operations were waiting to process.



Healthy, safe.
Every day.

Mental Health & Wellbeing

July 2022 – Sept 2022



Tauranga City

Introduction

Within this Mental Health and Wellbeing (MHW) report:

- Employee Counselling service (OCP)
- Human Resources update
- Mental Wellbeing
- Mental Health Awareness Week 2022
- COVID-19 Protection Framework Removal
- Coffee Roulette

Recommendation

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

TCC Counselling Service (OCP)

- Uptake of OCP services is below national average
- Personal issues significantly outweigh work issues aligning with the national average
- Workload remains the top work issue

Mental Wellbeing

According to the World Health Organization, mental wellness is defined as “a state of well-being in which the individual realizes his or her own abilities, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to his or her community.”

Mental health is an integral and essential component of health. The WHO constitution states: "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity." An important implication of this definition is that mental health is more than just the absence of mental disorders or disabilities.

TCC Counselling Service (OCP)

Anonymised data gathered from TCC's counselling and advisory services. Apr 2022 – Sep 2022

(Data gathered is anonymised).

Service Uptake: 7.75%
(based on 915 employees)

National Average: 8-10%

Monitoring issues provides insight into progress against MHW risks.

Work Issues	Visits	TCC %
Workload	4	28%
Relationships	3	21%
Career	2	14%

Across total of 14 visits for work issues

Personal Issues	Visits	TCC %
Anxiety	17	26%
Relationships	15	23%
Grief	5	8%

Across total of 64 visits for personal issues



Healthy, safe.
Every day.

Mental Health & Wellbeing

July 2022 – Sept 2022



Mental Wellbeing

Mental wellbeing is one of the most valuable business assets. Workplaces that prioritise mental health have better engagement, reduced absenteeism and higher productivity, while people have improved wellbeing, greater morale and higher job satisfaction.

The Five Ways to Wellbeing (Connect, Be Active, Take Notice, Keep Learning, Give) are simple and proven actions that workplaces can introduce to help their people find balance, build resilience and boost mental health and wellbeing. The Five Ways to Wellbeing can also support workplaces to meet their health and safety obligations to manage risks to mental health and wellbeing.

Why the Five Ways work:

- **Connect:** Strengthening relationships with others and feeling close to and valued by others, including at work, is critical to boosting wellbeing.
- **Keep Learning:** Being curious and seeking out new experiences at work and in life more generally positively stimulates the brain.
- **Be Active:** Being physically active, including at work, improves physical health and can improve mood and wellbeing and decrease stress, depression and anxiety.
- **Give:** Carrying out acts of kindness, whether small or large, can increase happiness, life satisfaction and general sense of wellbeing.
- **Take Notice:** Paying more attention to the present moment, to thoughts and feelings and to the world around, boosts our wellbeing.

Meaningful conversations about mental health and wellbeing don't have to be hard conversations. Being able to talk about our mental health, including our thoughts and feelings, is a sign of connection and a good attitude towards health at work.

“Leadership commitment and engagement is the most important factor to achieve healthy workplaces”

With leadership and management support behind you, your actions to improve the culture and mental health of the workplace are more likely to be effective. If those communicating the messages, e.g. leaders and managers, also model the behaviours, it makes the message more attainable or 'real' for people

Wellbeing initiatives

Our people are our greatest asset, and their health and wellbeing is hugely important to our organisation's success.

There are many fantastic wellbeing tools freely available from mental health and wellbeing experts and organisations, Tauranga City Council have provided easy access links on our Wellbeing page.

We offer a free, voluntary and confidential employee assistance programme. The employee assistance programme provides TCC staff access to support and guidance to enhance work performance and improve home life and personal wellbeing.

These are just a few tools our staff have freely available to them.

Benefits of wellbeing programmes



Reduction in:

- Sick leave
- Stress
- Staff turn over
- Accidents and injuries
- Temporary recruitment
- Recruitment costs
- Management time
- Workplace conflict
- Legal costs/claims



Increase in:

- Productivity
- Employee health and welfare
- Job satisfaction
- Staff motivation
- Cooperative and quality workplace relationships
- Customer service satisfaction
- Competitive advantage
- Attracting and keeping the best people



Healthy, safe.
Every day.

Mental Health & Wellbeing

July 2022 – Sept 2022



Mental Health Awareness Week 2022

Mental Health Awareness Week (MHAW) is an annual campaign that helps Kiwis understand what boosts their wellbeing and improves mental health. This year's event was from Monday, 26 September to Sunday, 2 October with the theme around reconnection. The past couple of years have been tough and it's easy to feel disconnected from the people and places that are important to us. Whether it's reaching out to someone you have lost contact with, visiting a place that's special to you or getting outside in nature, take some time during this MHAW to reconnect with the people and places that lift you up – hei pikinga waiora.

FIVE WAYS TO WELLBEING



One in five New Zealanders experience a mental illness and/or addiction each year and it's important to remember that with the right tautoko many people can and do recover. Wellbeing isn't just for people who have not experienced mental illness – it's for everyone.

Ways TCC are meeting the needs of staff:

COVID-19 Protection Framework Removal

With the removal of the COVID-19 Protection Framework on Tuesday 13th September came the removal of mask requirements at our libraries, facilities and venues this week. It was a sigh of relief for many as we take a step toward normalcy. A huge thank you to all frontline staff who have been wearing a mask for the past year. Putting up with a hot, stuffy face, and the challenges masks bring to communicating clearly is no walk in the park, but it's played an important part in keeping everyone safe. For some, the removal of mask restrictions will be of concern. Mask-wearing at work remains a personal choice, so whether you mask-up or you're mask-free, all choices are respected and supported.



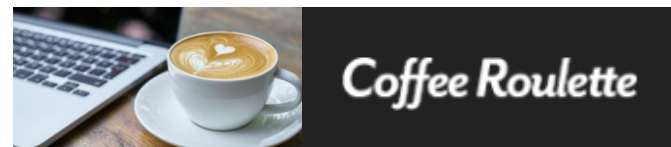
Remuneration Review

Tauranga City Council and the PSA have settled new terms for union members covered by the Tauranga City Council Collective Employment Agreement (the main CEA). People leaders have discussed the changes with individual employees covered by the main CEA between 19 September and 26 September, and the letters became available in individual Objective files on 27 September. Thanks to all involved in achieving this settlement.

Coffee Roulette

Mā te kōrero, ka ora: through conversation, comes wellbeing
Iti te kupu, nui te kōrero: a little chat can go a long way

Social activities offer opportunities for relationship-building outside the office, creating a sense of belonging. Coffee roulette is an opportunity to have an informal chat with someone you may not have had the chance to meet yet from across the organisation.



- Currently over 80 active participants.
- From July – September our people were matched 372 for coffee meetings.
- That's 124 Coffees a month or 31 a week.

Coffee roulette has been a hit at TCC, so we've decided to keep it going.



Healthy, safe.
Every day.

Mental Health & Wellbeing

July 2022 – Sept 2022



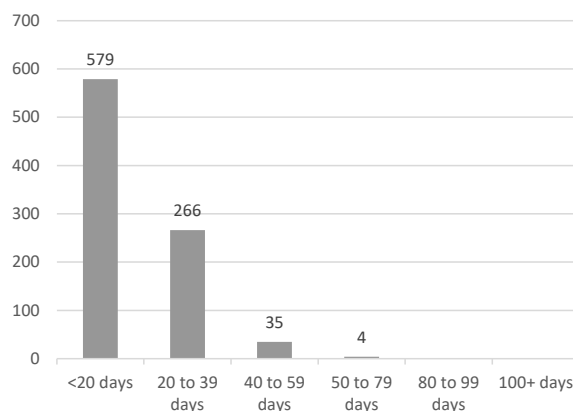
Tauranga City

Human Resources

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

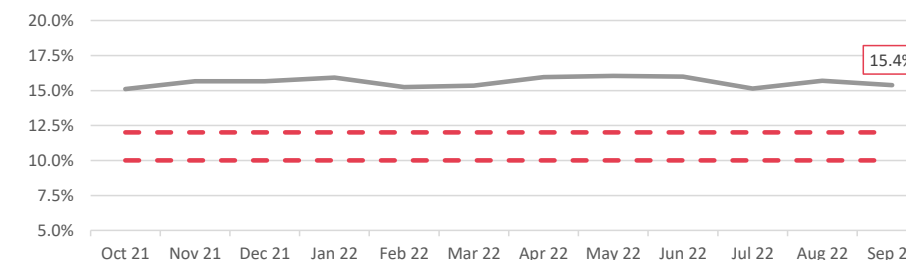
Annual Leave

Current Annual Leave Balances (days)



We continue to monitor annual leave balances and encourage staff to take leave throughout the year. As expected, we continue to see Annual Leave balances increase in the lead up to the summer holiday period with average balances up to 17.3 days from 16.5 days in June. Staff with 2+ years service have on average 22.4 days leave, up from 20.9 days in June.

Unplanned Turnover



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

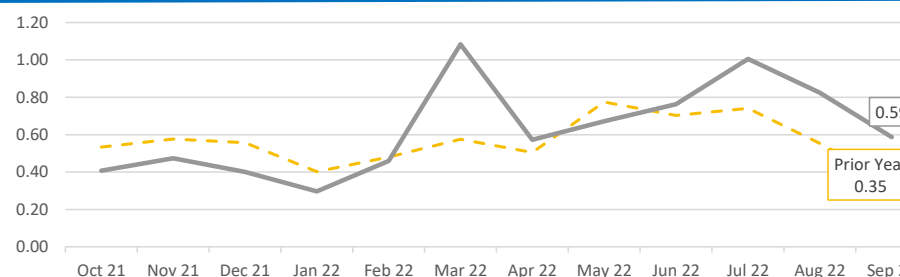
Unplanned turnover remains steady over the 12 months, up slightly on this time last year (14.7%). Still considered relatively low compared to many councils and organisations, which we are working hard to maintain.

Sick Leave

Monthly Average Sick Leave Taken (days)

Sick leave usage has increased this quarter – with month-on-month sick leave now higher than at this point last year. This coincides with seasonal increases in illnesses, borders reopening and more staff working from the office – all while Covid simmers in the community. With some teams being encouraged to work from the office, it could be that staff are opting to take sick leave again rather than push through minor illness while working remotely.

On average, staff have taken an extra day of sick leave this year than the 12 months prior (7.7 compared to 6.8 days).



Prior Year
0.35

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 3 October 2022	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(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
11.2 - Litigation Report	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain</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

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

12 CLOSING KARAKIA