



# AGENDA

## Ordinary Council meeting Monday, 3 April 2023

**I hereby give notice that an Ordinary meeting of Council will be held on:**

**Date: Monday, 3 April 2023**

**Time: 9.30am**

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

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

**Marty Grenfell  
Chief Executive**

# Terms of reference – Council

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## Membership

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<b>Chairperson</b>	Commission Chair Anne Tolley
<b>Members</b>	Commissioner Shadrach Rolleston Commissioner Stephen Selwood Commissioner Bill Wasley
<b>Quorum</b>	<u>Half</u> of the members physically present, where the number of members (including vacancies) is <u>even</u> ; and a <u>majority</u> of the members physically present, where the number of members (including vacancies) is <u>odd</u> .
<b>Meeting frequency</b>	As required

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## Role

- To ensure the effective and efficient governance of the City
- To enable leadership of the City including advocacy and facilitation on behalf of the community.

## Scope

- Oversee the work of all committees and subcommittees.
- Exercise all non-delegable and non-delegated functions and powers of the Council.
- The powers Council is legally prohibited from delegating include:
  - Power to make a rate.
  - Power to make a bylaw.
  - Power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan.
  - Power to adopt a long-term plan, annual plan, or annual report
  - Power to appoint a chief executive.
  - Power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement.
  - All final decisions required to be made by resolution of the territorial authority/Council pursuant to relevant legislation (for example: the approval of the City Plan or City Plan changes as per section 34A Resource Management Act 1991).
- Council has chosen not to delegate the following:
  - Power to compulsorily acquire land under the Public Works Act 1981.
- Make those decisions which are required by legislation to be made by resolution of the local authority.
- Authorise all expenditure not delegated to officers, Committees or other subordinate decision-making bodies of Council.
- Make appointments of members to the CCO Boards of Directors/Trustees and representatives of Council to external organisations.
- Consider any matters referred from any of the Standing or Special Committees, Joint Committees, Chief Executive or General Managers.



## **Procedural matters**

- Delegation of Council powers to Council's committees and other subordinate decision-making bodies.
- Adoption of Standing Orders.
- Receipt of Joint Committee minutes.
- Approval of Special Orders.
- Employment of Chief Executive.
- Other Delegations of Council's powers, duties and responsibilities.

## **Regulatory matters**

Administration, monitoring and enforcement of all regulatory matters that have not otherwise been delegated or that are referred to Council for determination (by a committee, subordinate decision-making body, Chief Executive or relevant General Manager).



## Order of Business

<b>1</b>	<b>Opening karakia</b> .....	<b>7</b>
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- 1        OPENING KARAKIA**
- 2        APOLOGIES**
- 3        PUBLIC FORUM**
- 4        ACCEPTANCE OF LATE ITEMS**
- 5        CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**
- 6        CHANGE TO THE ORDER OF BUSINESS**

## **7 CONFIRMATION OF MINUTES**

### **7.1 Minutes of the Council meeting held on 20 March 2023**

**File Number:** A14583591

**Author:** Robyn Garrett, Team Leader: Governance Services

**Authoriser:** Robyn Garrett, Team Leader: Governance Services

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### **RECOMMENDATIONS**

That the Minutes of the Council meeting held on 20 March 2023 be confirmed as a true and correct record.

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### **ATTACHMENTS**

#### **1. Minutes of the Council meeting held on 20 March 2023**



# MINUTES

**Ordinary Council meeting  
Monday, 20 March 2023**

**Order of Business**

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<b>4</b>	<b>Acceptance of late items</b>	<b>4</b>
<b>5</b>	<b>Confidential business to be transferred into the open</b>	<b>4</b>
<b>6</b>	<b>Change to the order of business</b>	<b>4</b>
<b>7</b>	<b>Confirmation of minutes</b>	<b>4</b>
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	Nil	
<b>10</b>	<b>Recommendations from other committees</b>	<b>5</b>
	Nil	
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**MINUTES OF TAURANGA CITY COUNCIL  
ORDINARY COUNCIL MEETING  
HELD AT THE BOP REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE, 1 ELIZABETH  
STREET, TAURANGA  
ON MONDAY, 20 MARCH 2023 AT 9.30AM**

**PRESENT:** Commission Chair Anne Tolley, Commissioner Shadrach Rolleston, Commissioner Stephen Selwood, Commissioner Bill Wasley

**IN ATTENDANCE:** Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Alastair McNeill (General Manager: Corporate Services), Gareth Wallis (General Manager: City Development & Partnerships), Wally Potts (Director of City Waters), Anne Blakeway (Manager: City Partnerships), Dianne Bussey (Three Water Reforms), Andy Vuong (Programme Manager: Cycle Plan Implementation), Cathy Davidson (Manager, Directorate Services), Brendan Bisley (Director of Transport), Amanda Davies (Manager: Spaces and Places Project Outcomes); Coral Hair (Manager: Democracy & Governance Services), Robyn Garrett (Team Leader: Governance Services), Sarah Drummond (Governance Advisor), Janie Storey (Governance Advisor)

**1 OPENING KARAKIA**

Commissioner Rolleston gave the opening karakia.

**2 APOLOGIES**

Nil

**3 PUBLIC FORUM**

Nil

**4 ACCEPTANCE OF LATE ITEMS**

**4.1 Acceptance of late items**

**RESOLUTION CO3/23/1**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Council

(a) Accepts the following late item/s for consideration at the meeting:

- Updated version of the report "Tauranga Art Gallery new entranceway" - Open
- Appointment of CCO board members for Te Manawataki o Te Papa Limited - Confidential

The above items were not included in the original agenda because they were not available at the time the agenda was issued, and discussion cannot be delayed until the next scheduled meeting of the Council because decisions are required in regard to these items.

**CARRIED**

## 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

## 6 CHANGE TO THE ORDER OF BUSINESS

Nil

## 7 CONFIRMATION OF MINUTES

### 7.1 Minutes of the Council meeting held on 27 February 2023

#### RESOLUTION CO3/23/2

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the minutes of the Council meeting held on 27 February 2023 be confirmed as a true and correct record.

**.CARRIED**

In response to a query relating to the petition provided by Mr Singh to the 27 February 2023 meeting, it was noted that staff had been in contact with the petitioner regarding the installation of a bus shelter.

## 8 DECLARATION OF CONFLICTS OF INTEREST

Commissioner Rolleston noted that he had a contract with Ministry for the Environment reforms which connected into Three Waters and he would not speak to Item 11.3.

## 9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

## 10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

## 11 BUSINESS

### 11.1 Bay Venues' Proposed Draft User Fees and Charges Schedule

**Staff** Paul Davidson, Chief Financial Officer

**External** Chad Hooker, BVL Chief Executive  
Adam Ellmers, BVL General Manager: Finance and Commercial

#### Key points

- The report was at the request of Commissioners at the 27 February 2023 meeting to reconsider the fees and charges and included an update with slightly increased charges in some of the activities. This increased income a further \$100,000 to \$1.1m.
- Bay Venues would also come back to the Council in May when seeking funding for the capital funding model and outlined what that looked like moving forward.
- Bay Venues recognised that the proposed fee increases would put pressure on user groups,

but considered it to be fair and reasonable when benchmarked against services provided in other towns.

**In response to questions**

- Bay Venues acknowledged the work that needed to be done at some of the facilities to bring them up to an acceptable standard, and would continue to upgrade these over time.

**Discussion points raised**

- It was noted that user charges had to be kept up to date and that users should pay their fair share; otherwise a bigger share would have to be subsidised through rates.
- If insufficient fees were charged there would not be enough funding to provide the level of service people required at each of the facilities.

**RESOLUTION CO3/23/3**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Council:

- (a) Receives the report "Bay Venues' Proposed Draft User Fees and Charges Schedule".
- (b) Adopts Bay Venues proposed draft user fees and charges as set out in Option 1 and Attachment 1, as a draft for public consultation, incorporating any further amendments as directed by Council at this meeting.
- (c) Notes that Council staff are currently working with Bay Venues on a wider piece of work around sustainable funding and financing in the longer term, which will come to Council on 29 May 2023.

**CARRIED**

**11.2 Tauranga Art Gallery - approval of funding arrangements for new entranceway onto Masonic Park**

**Staff** Gareth Wallis, General Manager: City Development & Partnerships  
Anne Blakeway, Manager: City Partnerships

**Key points**

- The report sought confirmation of the funding for the new entranceway of the Art Gallery onto Masonic Park and noted that the additional cost was to be externally funded.

**In response to questions**

- Stage two works included the realignment of the internal spaces to gain better utilisation of the areas. Warren and Mahoney had provided plans that were with the gallery team for discussion.

**Discussion points raised**

- It was requested that any balance of funding be used to offset the ratepayers contribution to the upgrade and a further clause was added to the recommendation to reflect this.
- This would set the tone on how to manage the balance of the funding for other projects and provide the public with confidence.
- It was important to have the work on the entrance to the gallery done in conjunction with the upgrade of Masonic Park as it would become an integral part of Te Manawataki o Te Papa.

**RESOLUTION CO3/23/4**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Receives the report "Tauranga Art Gallery - approval of funding arrangements for new entranceway onto Masonic Park".
- (b) Notes that, following a feasibility report prepared by architects Warren and Mahoney, the full cost of requirements needed to deliver on the project objectives has been identified at a total cost of \$3.38 million.
- (c) Approves the \$1.88 million balance of funds needed to create a total project budget of \$3.38 million, to be phased over the next two financial years, noting that this will not have an impact on rates because:
  - \$250,000 will be funded through a private benevolent fund donation;
  - \$754,000 will come from already approved Tauranga Airport Reserves; and
  - \$876,000 will be funded through corporate sponsorship and/or other external funding sources, with details to be confirmed once formal agreements are in place.
- (d) Notes that these cost estimates will be further refined through the developed and detailed design phases, and will be reported back to the Public Realm and Waterfront Steering Group Committee, and the Te Manawataki o Te Papa Governance Group.
- (e) Notes that any reduction in escalation costs should be used to offset the ratepayers' contribution.

**CARRIED**

**11.3 Three Waters Reform - Council Submission on Water Services Legislation Bill and Water Services Economic Efficiency and Consumer Protection Bill**

**Staff** Wally Potts, Director of City Waters  
Dianne Bussey, Contractor – Three Water Reforms  
Cathy Davidson, Manager: Directorate Services

**Discussion points raised**

- Commissioner Tolley noted that members of the Select Committee had thanked TCC for the excellent comments, suggestions and points of clarification for changes to the legislation. Appreciation was passed on to staff and technical experts for the great job in putting TCC's submission together.
- It was a very technical bill. The role of the entity being a plan taker not a plan maker was expressed strongly to the Select Committee when presenting the submission.

**RESOLUTION CO3/23/5**

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Council:

- (a) Receives the report "Three Waters Reform - Council Submission on Water Services Legislation Bill and Water Services Economic Efficiency and Consumer Protection Bill".

- (b) Notes the submission made to Government in relation to the Water Services Legislation Bill and Water Services Economic Efficiency and Consumer Protection Bill as attached.

**CARRIED**

#### **11.4 Lime e-scooter trial completion**

**Staff** Wally Potts, Director of City Waters  
Andy Vuong, Programme Manager: Cycle Plan Implementation (via Zoom)  
Brendon Bisley, Director of Transport

##### **In response to questions**

- There were only a few responders in the over 85 age group which gave the unusual result shown. The older age group were mostly against the scooters with the younger age group supporting them.
- Over the 12-month trial period staff had looked at what the pain points were and the potential opportunities. There was a challenge with the technology as this was increasing rapidly and changing monthly so they would need to be able to find the right operator with the right skills and technology.
- A lot of research had been done with the operators. Estimates indicated 25-29% of the rides were for commuter use.
- The estimate of \$25,000 income from operator and licence fees per annum would possibly go into the transport accessible streets activity or to target other transport projects. The trial covered the expenses for staff over the short term duration.
- There were a number of commuters who now owned their own scooters rather than continuing to hire one. The use of Lime scooters was a good pathway to that mode of transport.
- Staff would consider a fee structure to incentivise good behaviour and provide this to Council. It was recognised that footpath parking was problematic and staff were looking at creating some spaces or to use carparks and reallocate the road space.

#### **RESOLUTION CO3/23/6**

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

That the Council:

- (a) Receives the report "Lime e-scooter trial completion".
- (b) Concludes the Lime e-scooter trial.
- (c) Permits shared e-scooters to operate as an on-going activity in Tauranga.
- (d) Commences the process to select a post-trial vendor and endorse a single operator limit.

**CARRIED**

#### **11.5 2023/2024 - Draft User Fees and Charges**

**Staff** Paul Davidson, Chief Financial Officer

##### **Key points**

- Consultation would begin on 24 March 2023 for a month.

- There was an average overall increase of 6% made up of 2% from falling behind inflation last year and 4% for this year.

#### **In response to questions**

- A funding model would be provided for the LTP showing the difference between the rate component and the user fees or a combination of the two. It would also outline the public good element, significant investments plus inflation to pay for any new investment.
- The wage movement was 4% last year and there would likely be greater wage pressure this year, staff were using an assumption of 5% but this would not be known until later in the year. A number of contract costs had increased in the range of 15%.
- A query was raised as to what percentage of Council's annual revenue was raised by way of fees and charges.

#### **Discussion points raised**

- It was noted that a finite amount of fees and charges was set by the government and there may need to be representation for these to be increased to cover the true cost of providing the service.
- There was a need to ensure that users were paying their fair share towards the costs and to ensure fees represented actual cost.

#### **RESOLUTION CO3/23/7**

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report: 2023/2024 - Draft User Fees and Charges.
- (b) Adopts the draft user fees and charges and statement of proposal as set out in **Attachments 1 and 2**, as a draft for public consultation, incorporating any amendments as directed by Council at this meeting.
- (c) Delegates the Chief Financial Officer to approve the final wording of amendments (as per Council direction) prior to public consultation.

**.CARRIED**

#### **11.6 Omanawa Falls Safe Access Project - Consideration of Options to finalise Physical Works**

**Staff** Barbara Dempsey, General Manager: Community Services  
Amanda Davies, Manager: Spaces and Places Project Outcomes

#### **Key points**

- The project had been ongoing for some time as it was a difficult environment to work in, but it was a popular place to visit.
- The RMA process had been delayed with an appeal to the resource consent and the amount of rain over the past three months had caused the environment to deteriorate.
- Additional money was only required if it was needed to complete the works, with options for works provided.

#### **In response to questions**

- Any money received from external funders would be used for the work in Option 2, but it would need to be in by a certain date as the work needed to be completed. An additional clause was added to the recommendation to reflect this.

- If external funding was provided to complete Option 3 it would need to be brought back to the Council for a decision.

**Discussion points raised**

- A considerable amount of ratepayers money had been spent to make the area safe, and Council had a health and safety responsibility to protect people who may not be using common sense and were taking unnecessary risks. The works had been halted due to dangers from the rock formation and would now cost a lot more if that option was pursued.
- While it should possibly be a sub-regional facility with assistance from other authorities, that was not going to happen. There was reluctance to put further ratepayers money into the reserve but Commissioners realised that it was needed as the area did provide a good experience and people must be kept safe.
- Option 2 provided the best use of the work already completed with the walkway through the bush to the bridge, and it was agreed to extend that platform but not to continue along past the dangerous rock face as this would be too expensive.
- This project was a learning experience on the value of clearly understanding the scope definition and risks going into a project.
- The contractors had done a great job with the walkway and staircases through the bush. There were people that still might attempt to get down to the bottom which would result in others having to risk their lives to rescue them.

**RESOLUTION CO3/23/8**

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "Omanawa Falls Safe Access – Consideration of Options to finalise Physical Works".
- (b) Supports Option 2 which would approve an additional \$1.333 million towards the project budget. This would see an additional budget of \$1,053,000 in FY23 and \$280,000 in FY24.
- (c) Notes that any external funding that staff are able to obtain will be used to reduce the \$1.33m cost to ratepayers. The delivery of Option 3 would be totally reliant on external funding and would need to be brought back to Council for approval.

**CARRIED**

**12 DISCUSSION OF LATE ITEMS**

Nil

**13 PUBLIC EXCLUDED SESSION****Resolution to exclude the public****RESOLUTION CO3/23/9**

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Bill Wasley

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
<b>13.1 - Public Excluded Minutes of the Council meeting held on 27 February 2023</b>	<p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</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>	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
<b>13.2 - Water reform debt settlement update</b>	<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)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.3 - Te Maunga Redevelopment and Contracts</b>	<p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.4 - Additional funding for Transport Network operations to maintain road assets</b>	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to



		result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.5 - Exemption from Open Competition - Eco-system Programme Data Migration</b>	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.6 - Appointment of CCO board members for Te Manawataki o Te Papa Limited</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

## 14 CLOSING KARAKIA

Commissioner Rolleston closed the meeting with a karakia.

## Resolutions transferred into the open section of the meeting after discussion

### RESOLUTION CO3/23/15

Moved: Commissioner Stephen Selwood

Seconded: Commissioner Bill Wasley

That the Council

- Receives the report "Appointment of CCO board members for Te Manawataki o Te Papa Limited".
- Approves the appointment of Kim Wallace as Chair of Te Manawataki o Te Papa Limited, effective 31 March 2023 for a term of three years and one month, to 30 April 2026.
- Approves the appointment of Barry Bragg as Director of Te Manawataki o Te Papa Limited, effective 31 March 2023 for a term of three years and one month, to 30 April 2026.

- (d) Notes (in accordance with s80 of the Local Government Act 2002) that, while the process for appointing these trustees is inconsistent with Council's Appointment of Directors to Council Organisations Policy, the extenuating circumstances of establishing a new council-controlled organisation provides sufficient rationale for this inconsistency. There is no intention to amend the policy to accommodate this particular decision.
- (e) Approves remuneration for the Chair of Te Manawataki o Te Papa Limited of \$70,000 per annum, plus a 30% to 50% loading for the first 12 months.
- (f) Approves remuneration for each of the Directors of Te Manawataki o Te Papa Limited of \$40,000 per annum, plus a 30% to 50% loading for the first 12 months.
- (g) Resolves to wind up the Te Manawataki o Te Papa Governance Group on 30 April 2023, enabling a managed handover to the new Board of Te Manawataki o Te Papa Limited.
- (h) Notes that information relevant to these appointments will be made public through a media release.
- (i) Notes that the appointment process will continue until the remaining director vacancies are appointed to the Board of Te Manawataki o Te Papa Limited.

**CARRIED**

**The meeting closed at 11.02 am.**

**The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 3 April 2023.**

.....  
**CHAIRPERSON**

**8 DECLARATION OF CONFLICTS OF INTEREST**

**9 DEPUTATIONS, PRESENTATIONS, PETITIONS**

Nil

## 10 RECOMMENDATIONS FROM OTHER COMMITTEES

### 10.1 Re-purposing of the City Centre Development Incentive Fund

**File Number:** A14394493

**Author:** Nick Chester, Principal Strategic Advisor

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

#### PURPOSE OF THE REPORT

1. To seek approval to re-purpose the City Centre Development Incentive Fund to enable a broader range of initiatives that will support the ongoing growth and development of the city centre.

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#### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Re-purposing of the City Centre Development Incentive Fund".
- (b) Acknowledges the endorsement of the Strategy, Finance and Risk Committee.
- (c) Approves broadening the scope of the City Centre Development Incentive Fund to enable a wider range of initiatives that will support the ongoing growth and development of the city centre, specifically to:
  - attract and incentivise the development of residential and in particular, student accommodation;
  - support short- to medium-term tactical parking interventions that will increase the availability of car parking;
  - generate initiatives that will support city centre businesses that are severely impacted by the current period of construction disruption; and
  - support increased activation and vibrancy.
- (d) Delegates approval of expenditure from the fund to the Chief Executive

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#### EXECUTIVE SUMMARY

2. The City Centre Development Incentive Fund was approved by Council to facilitate an increase in the supply of residential accommodation in the city centre, by supporting feasibility assessments of possible residential accommodation developments.
3. The City Centre Development Incentive Fund was allocated \$500,000 per annum (for three years) as part of the 2021-31 Long-term Plan and has assisted with business case studies on residential accommodation, primarily student accommodation in the city centre.
4. It is noted however that the decline in prosperity of the city centre is unlikely to be rectified by focusing on one particular solution. Instead, supporting a wide range of initiatives is more likely to have long-term impacts on the successful redevelopment and prosperity of the city centre, including supporting the growth aspirations of the University of Waikato, and supporting severely impacted city centre businesses during a period of significant disruption.
5. There is an opportunity to broaden the scope of the City Centre Development Incentive Fund to enable and support a much broader range of initiatives, with a specific focus on city centre initiatives that:
  - (a) attract and incentivise the development of residential and in particular, student accommodation;

- (b) support short- to medium-term tactical parking interventions that will increase the availability of car parking;
  - (c) generate initiatives that will support city centre businesses that are severely impacted by the current period of construction disruption; and
  - (d) support increased activation and vibrancy.
6. Staff recommend Option 1 – *re-purpose the City Centre Development Incentive Fund to enable a wider range of initiatives that will support the growth and development of the city centre* as the most appropriate action.

## BACKGROUND

### City Centre Development Incentive Fund

- 7. There is an identified and ongoing need to increase the supply of residential accommodation in the city centre.
- 8. The City Centre Development Incentive Fund (the Fund) was approved by Council on 4 October 2021. A copy of the current funding framework can be found [here](#).
- 9. The current purpose of the Fund is '*to facilitate an increase in the supply of residential accommodation by supporting feasibility assessments of residential accommodation development in the Tauranga City Centre.*'
- 10. A total of \$500,000 was budgeted per annum for the first three years of the 2021-31 Long-term Plan. To date, the Fund has supported three feasibility studies, two of which have progressed into opportunities that it is hoped will deliver more student accommodation in the city centre.
- 11. However, the current scope of the Fund is narrow and there is a finite number of feasibility studies that can be initiated to investigate the viability of residential and/or student accommodation in the city centre.
- 12. This narrow scope also restricts Council's ability to support other initiatives that would meaningfully contribute to the future prosperity of the city centre, and support the community while the city centre undergoes a period of significant disruption.

## DISCUSSION AND ANALYSIS

- 13. Four key areas have been identified that are expected to have a meaningful impact on the future prosperity of the city centre, and support the community as the city centre goes through an extended period of significant disruption.

### Residential accommodation

- 14. There is an existing and well-known housing shortage in Tauranga, which presently ranges from 4,300 to 5,300 houses.
- 15. Tauranga's student population is expected to continue to grow, from about 1,100 students currently, to approximately 5,000 by 2030. As part of this growth, The University of Waikato have a strategic goal of having city centre accommodation for 500 of its students.
- 16. Additional housing in the city centre would not only help alleviate the current and predicted housing shortfall, and add to the availability of University of Waikato student accommodation, but would also naturally translate to an enhanced level of vibrancy in the city centre.
- 17. Additional housing in the city centre would also support realisation of Section 5.1 of the City Centre Action and Investment Plan: "*A city centre for people*" and working with our partners to "*encourage and facilitate residential development, to create a 'living' city centre*".
- 18. Council was recently able to secure \$67m of grant funding from Kāinga Ora's Infrastructure Acceleration Fund (IAF) for infrastructure that enables housing on the Te Papa Peninsula. This grant funding requires council to secure Housing Outcome Agreements (HOA) from developers for a set number of dwellings in Te Papa.

19. Council may need to secure additional HOA to fulfil its Te Papa IAF funding agreement. Signing an HOA should be included as a requirement for receiving funds from the Fund, where developers are pursuing residential accommodation developments.
20. Initiatives to stimulate residential accommodation growth and development in the city centre could include :
  - (a) Development contributions relief
  - (b) Building and resource consent support
  - (c) Revenue shortfall support for student accommodation developments
  - (d) Additional accommodation-focused feasibility studies.
21. Criteria for projects that could be considered for funding under this category are described in the City Centre Development Incentive Fund Framework (**see Attachment 1**).

### **Short- and medium-term tactical car parking interventions**

22. Parking is increasingly an issue in the city centre and, with the current and future planned vertical infrastructure developments in the short-term, is only likely to get worse.
23. For example, off-street carparking along Dive Crescent has temporarily closed for upgrades between January and July 2023 and at the same time, off-street parking at 90 Devonport Road has permanently closed. This will equate to approximately 160 parks being unavailable for community use in the city centre. Once the Dive Crescent upgrade is complete there will be ~150 carparks available for use. However, The Strand carpark, which currently accommodates 145 carparks, will then close permanently for redevelopment into a public open green space as part of the delivery of the Waterfront Masterplan.
24. As another example, when Te Manawataki o Te Papa is in full construction, it is expected that over 200 trade vehicles will be on site every day. When you add other large-scale, city centre construction projects with their demand for parking into the mix, the likely impact on the demand for parking in the city centre is significant.
25. There is an opportunity to look at a range of short- and medium-term tactical interventions that would add parking stock into the city centre. Focused in areas that aren't currently targeted for development, initiatives could include:
  - (a) Investigation of vacant sites (private and TCC-owned) for possible short-term, at-grade car parking (e.g. Cliff Road)
  - (b) Maximising availability and utilisation of current TCC parking assets
  - (c) Real-time digital parking signage on key transportation routes
  - (d) Development of a website (phone friendly) with real-time parking information
  - (e) Roll out of the Parkable app (or similar)
  - (f) Investigation of park-n-ride options for trade vehicles, including end-of-trip facility provision (e.g. toilets, showers, lockers etc.)
  - (g) Funding for feasibility studies to support the development of new, privately developed car parking buildings.
26. Criteria for projects that could be considered for funding under this category are described in the City Centre Development Incentive Fund Framework (**see Attachment 1**).

### **Disruption caused by ongoing city centre construction**

27. The ongoing redevelopment and construction in the city centre is having impacts on many businesses. This is likely to continue for the next couple of years, as more vertical construction projects begin and others move towards completion.

28. Whilst the provision of more car parking in the city centre is hoped will assist, we need to consider what else Council could be doing to support businesses through a period of significant disruption.
29. In addition to the other initiatives outlined in this report, in circumstances where a business will be severely impacted by construction for an extended period of time, Council could look to the following types of initiatives to provide short-term support:
  - (a) Increased signage to inform the public that businesses are still trading
  - (b) Marketing/advertising support
  - (c) Additional safety and security support, including enhanced lighting
  - (d) Licence To Occupy relief
  - (e) In extreme cases, support to relocate to another part of the city centre.
30. Criteria for projects that could be considered for funding under this category are described in the City Centre Development Incentive Fund Framework (**see Attachment 1**).

### City centre vibrancy

31. Improving the vibrancy of the city centre, especially during periods of significant construction, is integral to ensuring it remains a destination-of-choice for residents and visitors. Vibrancy through events, art installations and other pop-up activations and activities, increases foot traffic and also contributes to increased perceptions of safety.
32. During summer 22/23, Council financially supported a programme of activities and events that had a positive impact on vibrancy in the city centre. Events and activities included; a waterfront manu competition, dawn waterfront yoga, outdoor movies, live music on Wharf Street, a New Year's Eve celebration, and an impressive installation of summer lights on the Strand.
33. These drawcards improved vibrancy and interest in the city centre, and had a positive impact on businesses, in particular, food and beverage businesses. There is the desire to continue a programme of this type of activity, to build on the early momentum developed, and to cement the city centre as a place worth visiting, even while it is going through a period of significant disruption, growth, and development.
34. There is a desire and anecdotal need to continue these activation initiatives through the winter period and not just to focus on the summer months when trading levels are naturally increased.
35. There is also an opportunity to use placemaking activities to not only support increased vibrancy, but also inform design for current and future city centre development projects. The current phase of many projects lend themselves perfectly to using placemaking techniques for this purpose.
36. Criteria for projects that could be considered for funding under this category are described in the City Centre Development Incentive Fund Framework (**see Attachment 1**).

### STRATEGIC / STATUTORY CONTEXT

37. An updated scope of the Fund would allow for increased alignment with Te Rapunga Ora ki Te Papa – City Centre Action and Investment Plan. This would be seen through an improved ability to streamline projects that could quickly contribute to the strategy's vision of creating a great place to live, work, learn and play.

**OPTIONS ANALYSIS**

**OPTION 1 – re-purpose the City Centre Development Incentive Fund to enable a wider range of initiatives that will support the growth and development of the city centre – RECOMMENDED**

Description		
Re-purpose the City Centre Development Incentive Fund from the current (narrow) focus to enable a broader range of initiatives to be considered and funded.		
Benefits	Disadvantages	Key risks
<ul style="list-style-type: none"> <li>Provides significantly broader scope to address a variety of issues that are currently impacting the city centre.</li> <li>Acknowledges the interconnected nature of city centre issues and how they have an impact on increasing residential accommodation.</li> <li>Enables initiatives that will support the delivery of aspirations identified in the City Centre Action and Investment Plan.</li> <li>No additional cost or resourcing from council required.</li> </ul>	<ul style="list-style-type: none"> <li>The Fund would not have a singular focus on residential accommodation.</li> </ul>	<ul style="list-style-type: none"> <li>Reduces the ability of the Fund to directly address residential accommodation supply in the city centre.</li> <li>Reputational risk that the Fund is spread too thin and not achieving anything specific.</li> <li>Developers may not be able to sign HOA's, which may limit the funds effectiveness.</li> </ul>

**OPTION 2 – do nothing – NOT RECOMMENDED**

Description		
Retain the focus and scope of the Fund: <i>'to facilitate an increase in the supply of residential accommodation by supporting feasibility assessments of residential accommodation development in the Tauranga City Centre'</i> .		
Benefits	Disadvantages	Key risks
<ul style="list-style-type: none"> <li>The Fund remains in place with current criteria and singular focus on supporting residential accommodation growth.</li> </ul>	<ul style="list-style-type: none"> <li>Missed opportunities for projects and interventions that would support the ongoing growth and development of the city centre.</li> <li>Missed opportunities to support short- and medium-term parking interventions in the city centre.</li> <li>Missed opportunities to support city centre businesses through the ongoing impacts of construction disruption.</li> </ul>	<ul style="list-style-type: none"> <li>The Fund does not actually support increased residential accommodation in the city centre because the scope and focus is too narrow.</li> </ul>



38. Staff recommend Option 1 as the most appropriate to address current issues and maximise current opportunities. Option 2 is not recommended.

### FINANCIAL CONSIDERATIONS

39. Neither option requires additional funding and there is no intention to change the current budget allocated to the Fund.
40. Option 1 would not require additional revenue but would change the current focus of the Fund. Depending on the nature of interventions considered under Option 1, some expenditure may be capital rather than operating.

### SIGNIFICANCE

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

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

### ENGAGEMENT

44. Taking into consideration the above low significance assessment, and the fact that the Fund, albeit with a narrower focus has already been approved, it is recommended that no further engagement is required prior to Council making a decision.

### NEXT STEPS

45. Create a team from across council that will deliver on the objectives of the re-purposed City Centre Development Incentive Fund, with urgency.
46. Engage directly with city centre businesses to ensure planned initiatives will meet their needs, and incorporate their ideas as and where relevant.
47. Report back to Council in October 2023 (six months after adoption of this paper) on progress against the objectives of the Fund.

### ATTACHMENTS

Nil

## 11 BUSINESS

### 11.1 Council-Controlled Organisations' Half Yearly Reports to 31 December 2022

**File Number:** A14392057

**Author:** Sanjana France, CCO Specialist

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

#### PURPOSE OF THE REPORT

1. To present the half yearly reports to 31 December 2022 for five of Tauranga City Council's council-controlled organisations.

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#### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Council-Controlled Organisations' Half Yearly Reports to 31 December 2022".
- (b) Receives Bay Venues Limited's report on its performance for the six months to 31 December 2022, as required by the 2022-2023 Statement of Intent.
- (c) Receives Bay of Plenty Local Authority Shared Services Limited's report on its performance for the six months to 31 December 2022, as required by the 2022-2023 Statement of Intent.
- (d) Receives Tauranga Art Gallery Trust's report on its performance for the six months to 31 December 2022, as required by the 2022-2023 Statement of Intent.
- (e) Receives Tourism Bay of Plenty's report on its performance for the six months to 31 December 2022, as required by the 2022-2023 Statement of Intent.
- (f) Receives the Local Government Funding Agency's report on its performance for the six months to 31 December 2022, as required by the 2022-2023 Statement of Intent.

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#### EXECUTIVE SUMMARY

2. Bay Venues Limited (Bay Venues) and Tauranga Art Gallery Trust (TAGT) are Tauranga City Council's (TCC) council-controlled organisations. Tourism Bay of Plenty (TBOP) is a joint-shareholder council-controlled organisation between TCC and the Western Bay of Plenty District Council (WBOPDC).
3. Bay of Plenty Local Authority Shared Services Limited (BOPLASS) and the Local Government Funding Agency (LGFA) are also council-controlled organisations that provide opportunities for TCC and other local government agencies to become either members, shareholders or borrowers, seeking access to improved levels of services, reduced costs, joint procurement, and funding.
4. In accordance with the Statement of Intent and the Local Government Act 2002 (LGA), the five council-controlled organisations are required to report six monthly and annually to Council on their financial and non-financial performance. All the council-controlled organisations provided their reports to Council as required (by 28 February 2023), although two came in just after the deadline.
5. Each council-controlled organisation's report for the six months to 31 December 2022 is provided as Attachments 1 to 5, with a brief summary in the main body of this report. The reports summarise the financial performance for the period ended 31 December 2022, and performance against objectives/targets.

**BACKGROUND****Bay Venues Limited (Bay Venues)**

6. Bay Venues' report for the six months to 31 December 2022 was received by Council on 1 March 2022 and is included as Attachment 1.
7. All venues have been kept busy throughout the six-month period, with visitation returning to near pre-COVID levels in most facilities, with a 39% increase in visitors from the same period the previous year. Bay Venues also officially re-opened the Greerton Aquatic and Leisure Centre, and Baypark experienced a run of significant events.
8. Bay Venues' financial result saw an EBITDA loss of -\$0.45 million (\$0.1 million favourable to budget). This was primarily driven by stronger than expected volumes through their aquatic and sports facilities. Operating costs of \$13.23 million were \$0.95 million higher than budget, largely due to the increased activity. However, staff costs and operating overheads were also higher than expected.
9. Looking forward for the remainder of FY23, Bay Venues expect to finish the year in line with budget, with an EBITDA of -\$1.75 million. They are expecting to incur some additional staff costs, which will bring them back in line overall and are currently working through funding options to enable the business to return to breakeven EBITDA in future years.
10. Bay Venues' Funky Funday programme was awarded the Outstanding Community Recreation Programmes Award at the New Zealand Recreation Association Conference. Other key achievements over the reporting period include some excellent feedback from hosting World Squash tournaments and other significant events over the summer season, which ran well operationally.
11. Bay Venues also faced some challenges during the six-month period including:
  - (a) Detours on the road network around Baypark continue to cause frustrations with more traffic using Truman Lane, and the subsequent congestion creating access issues on a day-to-day basis, as well as for events.
  - (b) Dialogue is continuing with the Speedway stakeholder group to work through the next steps in the Baypark Masterplan to assess the long-term future of Speedway at Baypark.
  - (c) Closely monitoring staffing levels with COVID still affecting staff availability at times. There is also a significant programme of work to be completed across several workstreams in the year ahead and this is anticipated to put pressure on staff workloads.
  - (d) Planning for maintenance closures at Greerton and Baywave pools were a focus for the team to try and minimise disruption for customers.
12. Bay Venues has been working with TCC staff to progress the shared services work facilitated by KPMG, and they will continue to collaborate over opportunities and finding efficiencies.
13. Bay Venues commenced a user fees review that included benchmarking of comparable facilities across other major cities. An independent report reviewed 78 different user fee points across the Bay Venues network, of which 88% were below the national benchmark.
14. Customer satisfaction in the year to date was at 88% for overall satisfaction and satisfaction with staff. Overall satisfaction with service was 90% and 84% with facilities.
15. Bay Venues planning has commenced for the first stage of the Baypark Masterplan and also for the Memorial Park project. They are also planning for TCC's upcoming Long-term Plan 2024-2034, to ensure planning and funding is in the plan for existing assets and new facilities needed to cater for growth.

**Bay of Plenty Local Authority Shared Services Limited (BOPLASS)**

16. BOPLASS's report for the six months to 31 December 2022 was received by Council on 27 February 2023 and is included as Attachment 2.
17. Financial performance for the year to date shows an operational deficit of \$6,036. Total operating revenue of \$1,239,388 was higher than the budgeted \$1,132,796. Total operating expenditure of \$1,245,424 also higher than the budgeted amount of \$1,134,996.
18. Despite the deficit, BOPLASS believe that the organisation is in a healthy position heading into the second half of the year, knowing that several of their core one-off expenditures are behind them while still having council contributions to supplement operational needs.
19. Variances on some areas include aerial photography revenue and expenditure being higher than budget, and December salaries including an end payroll accrual.
20. The BOPLASS board believe that all targets are being achieved or on-track to be achieved.
21. BOPLASS' joint procurement estimated savings for Tauranga City Council 2021/2022 are in Attachment 3 of this report.
22. Of interest to TCC are the following initiatives and outcomes:
  - (a) Insurance Renewals have been completed for all councils under the BOPLASS collective programme with strong underwriter interest in the programme demonstrated from new and existing syndicates – resulting in improved pricing. With underwriters now very focussed on increasing climate change risks and the impact on councils' risk profiles, it is anticipated that the recent significant NZ weather events will create challenges for the 2023 renewal.
  - (b) Due to increasing levels of cyber insurance claims, the global cyber market has become extremely challenging with most insurers now very cautious about providing cyber cover – particularly in local government accounts. Working closely with councils' cyber staff, BOPLASS has been able to renew the collective agreement with a further increase in cover limits.

**Tauranga Art Gallery Trust (TAGT)**

23. TAGT's report for the six months to 31 December 2022 was received by Council on 1 March 2023 and is included as Attachment 4.
24. TAGT have achieved a surplus of \$62,818, which is higher than the \$41,567 surplus over the same six-month period in 2021.
25. The Gallery received 14,795 visitors in the six-month period, which is 42% percent of their end of year target of 35,000. 2,616 tamariki came through their education programmes, which is 35% of their year-end target of 7,500. These results are lower than expected due to the impact of COVID at the beginning of the financial year.
26. The Gallery introduced a new Public Programmes calendar to engage with diverse audiences and it attracted 794 people.
27. Over the reporting period, the Gallery delivered eight exhibitions towards their 2022–2023 financial year target of twelve.
28. The Gallery hosted 214 school group visits from across the Western Bay of Plenty over the reporting period. The free ArtBus continues to be a success and was well used, with 81 out of 83 schools travelling via the ArtBus to participate in the Gallery's education programmes. Education highlights are shown on pages 10–11 of TAGT's report.
29. Of TAGT's 23 performance measures (on pages 13–14), twelve are on track and remaining so, nine are likely to be on target at year end, and two are off track and require monitoring.
30. In line with their performance target, TAGT have been involved with, and collaborating on the development of the Civic Precinct, which the Gallery is a key part of.

**Tourism Bay of Plenty (TBOP)**

31. TBOP's report for the six months to 31 December 2022 was received by Council on 28 February 2023 and is included as Attachment 5.
32. TBOP finishes the six-month period in a reasonable financial position, with an overall surplus of \$408,079 from a total revenue of \$2,625,247, compared to budgeted \$2,542,043.
33. TBOP's total equity is down from \$1,752,247 in 2021 to \$1,022,282 as at 31 December 2022. Total income decreased due to less funding from the Ministry of Business, Innovation and Employment.
34. In line with their Statement of Intent 2023-2026, TBOP has maintained an equity ratio equal to or above 0.5:1.0 (actual 0.5).
35. TBOP's progress to date shows three of five wellbeing KPIs are on track, with one a work in progress, and one at risk. Of their five activity KPIs, two have been achieved and the other three are on track.
36. TBOP delivered key outcomes, including preparation for and the successful return of cruise ships to Tauranga (and the wider region), reinstatement of the Tauranga Harbour Ferry, preparation for the second Flavours of Plenty Festival (March 2023), and supporting operators as they prepared for the reopening of the international trade border.
37. TBOP also supported Council community projects and action and investment plans relating to events, cycleways, wayfinding, climate change, city branding, and spatial planning, including the Te Manawataki o Te Papa project.
38. In the six-month period, visitor spend in the Coastal Bay of Plenty was up 14% compared to the same period in 2021, and up 16% compared to the same period in 2019 (pre-COVID).
39. The social wellbeing KPI shows some risk of not being met, with the percentage of residents agreeing that tourism has a positive impact on the community being 9% below target for Tauranga.

**Local Government Funding Agency (LGFA)**

40. The LGFA half year report to 31 December 2022 was received by Council on 24 February 2022 and is included as Attachment 6.
41. LGFA's total interest income for the six-month period to December 2022 of \$312.9 million was a 68.4% increase over the 2021 comparable period (\$185.9 million), while net operating profit of \$1.1 million for the six-month period decreased 81.3% on the 2021 comparable period (\$5.9 million). Net operating profit was significantly lower than the comparable period a year ago due to the sharp rise in interest rates combined with increased holdings of liquid assets. This outcome was expected and forecast in their Statement of Intent last year.
42. LGFA issued \$1.76 billion of bonds over the six-month period and outstandings totalled \$17.84 billion (including \$1.10 billion of treasury stock) across 11 maturities ranging between 2023 to 2037.
43. Highlights over the period included LGFA launching their new Climate Action Loan product for members and being awarded the KangaNews New Zealand Debt Issuer of the year.
44. LGFA's total membership is now 77 out of the 78 councils in New Zealand plus three council-controlled organisations.
45. The financial strength of LGFA was affirmed by Fitch Ratings who maintained their domestic currency credit rating at AA+ in October 2022. Their AAA rating from S&P Global Ratings was affirmed in March 2022, the same as the New Zealand Government.

## STRATEGIC / STATUTORY CONTEXT

46. In accordance with the Statement of Intent and the LGA 2002, council-controlled organisations are required to report to Council on their financial and non-financial performance six monthly and annually.
47. Council's partnerships with its council-controlled organisations help us successfully deliver our community outcomes, and be a city that attracts and supports business and education, is well planned with a variety of successful and thriving compact centres, values culture and diversity, and is well connected having a key role in making a significant contribution to the social, economic, cultural and environmental well-being of the region.
48. As Council continues to work with the community to develop its strategic priorities through [Our Direction – Tauranga 2025](#), it will work with its council-controlled organisations on how they can help achieve these through the annual Letters of Expectation and Statements of Intent so they are aligned.

## OPTIONS ANALYSIS

49. As this report, and the half yearly reports received from the council-controlled organisations are for receipt only, an options analysis is not required.

## FINANCIAL CONSIDERATIONS

50. The financial implications are outlined in the above report and attachments.

## LEGAL IMPLICATIONS / RISKS

51. There are no legal implications.
52. While this report outlines council-controlled organisation performance against Statement of Intent measures for the first half of the year, with the ongoing impact of COVID and environmental and weather-related events, along with dynamic funding environment at both local and central government levels, there is some risk that the council-controlled organisations may not meet all their Statement of Intent measures by the year end.

## CONSULTATION / ENGAGEMENT

53. Staff have shared the six-monthly reports across the organisation, and they will become available [here](#) on TCC's website following the meeting.

## SIGNIFICANCE

54. 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.
55. 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.
56. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

## ENGAGEMENT













57. 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.

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

## NEXT STEPS

58. A copy of this report and the resolutions will be sent to each of the five council-controlled organisations.
59. As required by the amendment to the LGA 2002, following receipt by Council, the half yearly reports to 31 December 2022 for Bay Venues, BOPLASS, TAGT and TBOP will be publicly available on the TCC website for the next seven years.

## ATTACHMENTS

1. **Bay Venues - Half Yearly Report to 31 December 2022 - A14501943**  
2. **BOPLASS - Half Yearly Report to 31 December 2022 - A14501959**  
3. **BOPLASS - Joint Procurement Estimated Savings for TCC 2022 - A14508034**  
4. **Tauranga Art Gallery Trust - Half Yearly Report to 31 December 2022 - A14501972**  
5. **Tourism Bay of Plenty - Half Yearly Report to 31 December 2022 - A14447898**  
6. **LGFA Half Yearly Report to 31 December 2022 - A14501932**  





# BAY VENUES REPORT

Prepared for Tauranga  
City Council

H1 FY23 (Jul - Dec 2022)



 **BayVenues**





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## 1. Executive Summary

Welcome to the half year report for Bay Venues in the 2023 Financial Year (FY23). The statistics in this report are accumulative year to date figures. This report follows on from the Q1 FY23 report supplied to Tauranga City Council (TCC) in October 2022.

### YTD FY23 Visits

	H1 FY22	H1 FY23	Var
Aquatics	279,037	391,915	40%
Community Centres & Halls	132,360	170,931	29%
Sports & Fitness	254,750	427,278	68%
Trustpower Baypark	136,973	129,741	-5%
<b>Total</b>	<b>803,120</b>	<b>1,119,865</b>	<b>39%</b>

All venues have been kept busy throughout H1 with visitation returning to near pre-Covid levels in most facilities. We also officially re-opened the Greerton Aquatic & Leisure Centre (albeit a small amount of strengthening work is continuing).

Baypark experienced a big run of significant events that kept locals and visitors alike entertained. Many of these events required a short turnaround between them to enable them to happen. Highlights in the event space included a sold out netball test match, two international squash tournaments back to back, and the start of a busy summer concert season.

Our H1 financial result saw an EBITDA loss of -\$0.45m (\$0.1m favourable to budget). This was primarily driven by stronger than expected volumes through our aquatic and sports facilities.

Planning has commenced for the first stage of the Baypark Masterplan and also for the Memorial Park project. The Memorial Park development will include a new aquatic facility to replace the Memorial Pool as well as an indoor court sports complex on the Queen Elizabeth Youth Centre site along with associated facilities.

In planning for Council's upcoming Long Term Plan (LTP) we are working alongside TCC to ensure that adequate planning and funding is in place for our network of facilities, including both our existing assets and any new facilities needed to cater for growth.

We had previously completed a Toitu audit with TCC, however the results have been delayed until Q3 2023. When we receive this information we will use it as the basis for developing a sustainability action plan.



Chad Hooker, CEO



Simon Clarke, Chair

## 1.1 Key Achievements

- We successfully delivered a run of large events in H1 including: basketball and volleyball tournaments; a sold out Silver Ferns v Australia netball test match; the first Speedway events of the season; the Home Show; and, two weeks of back to back international squash tournaments. The calendar year concluded with significant events over the Summer season including a Speedway meet and the Famous Last Words New Year's Eve concert, followed soon after by Bay Dreams on 3 January 2023. These last two events were particularly successful from an operational perspective with very positive feedback from Police.
- We received excellent feedback from World Squash for the two squash tournaments. Our Audio Visual team received high praise for delivering an exceptional entertainment experience unlike anything they had seen before at squash tournaments around the world.
- Visitation across our venues has increased with Baywave and the Mount Hot Pools both recording their busiest months since Covid arrived.
- We hosted a small ceremony to mark the re-opening of the Greerton Aquatic & Leisure Centre. Some seismic strengthening remains to be completed with most of the complex now open to the public.
- Our Funky Funday programme was awarded the Outstanding Community Recreation Programmes Award at the New Zealand Recreation Association Conference.
- We held our inaugural Nga Tohu Toa Staff Awards Evening on Friday 18 November to recognise outstanding achievement within the business. This was very well received by staff.

## 1.2 Key Challenges

- Planning for maintenance closures in Q3 at Greerton and Baywave pools have been a focus for the team to try and minimise disruption for customers.
- Detours on the road network around Baypark continue to cause frustrations with more traffic using Truman Lane and the subsequent congestion creating access issues on a day to day basis, as well as for events.
- In the year ahead we have a significant programme of work across a number of workstreams and this will put pressure on staff workloads. We are assessing resourcing and prioritising projects to manage the demands on the business and ensure we achieve desired outcomes.

## 1.3 Emerging Risks and Opportunities

- We are closely monitoring staffing levels with Covid still affecting staff availability at times.
- We have commenced a user fees review that includes benchmarking of comparable facilities across other major cities. An independent report reviewed 78 different user fee points across the network, of which 88% were below the national benchmark. A recommendation on user fees will be made to Council on 27 February 2023.
- We worked with Speedway leading up to the start of their season, and this has been going well. New clay was laid on the Speedway track and reports suggest drivers are happy with the improvements made. Dialogue is continuing with the Speedway stakeholder group to work through the next steps in the Baypark Masterplan to assess the long-term future of Speedway at Baypark.
- We are working closely with TCC on the Memorial Park project and have commenced planning for the first stage of the Baypark Master Plan.
- We engaged with TCC to explore shared service opportunities. This process was facilitated by KPMG and included Council's other CCOs. The work focused on HR, Finance and IT as potential areas to achieve efficiencies. We will continue to progress these opportunities.
- Our team are preparing Asset Condition Assessments to inform the renewals programme for the upcoming Long Term Plan (LTP) and this is progressing well.



2 - Bay Venues Report: H1 FY23 (Jul - Dec 2022)

## 2. Community Outcomes

### YTD VISITORS

**1,119,865** TOTAL

**391,915**

AQUATICS

**170,931**

COMMUNITY CENTRES  
& HALLS

**427,278**

SPORTS & FITNESS

**129,741**

TRUSTPOWER  
BAYPARK

### YTD REVENUE

**\$12.79M** TOTAL

**\$2.18M**

TCC COMMUNITY  
OPERATING GRANT

**\$2.97M**

AQUATIC & LEARN  
& SWIM

**\$1.96M**

SPORTS & FITNESS

**\$0.27M**

COMMUNITY HUBS

**\$1.09M**

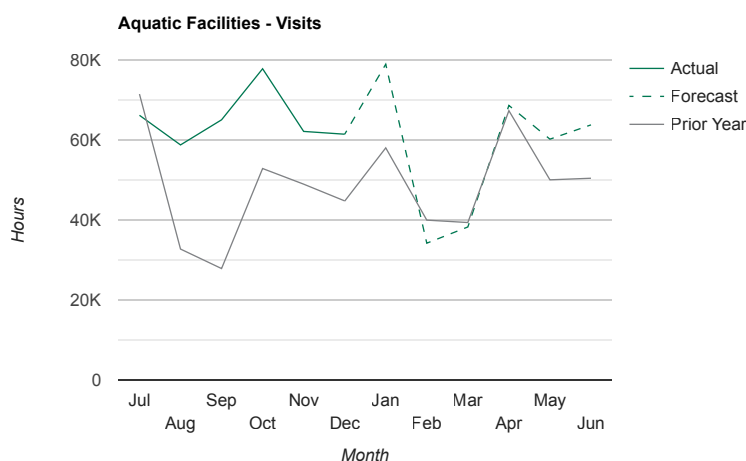
EVENTS

**\$4.29M**

CATERING / AV /  
BAYSTATION

### 2.1 Aquatic Facilities

Nearly 400,000 visits have been recorded YTD across the Aquatic network. As a result of a busy October school holidays, amplified by inclement weather, Baywave recorded the highest number of monthly visits to date at 38,900. While the Mount Hot Pools recorded 28,600, on par with previous school holiday periods. In October the annual Orange Day hosted by TCC and the Police was held at Baywave, followed by the Sanitarium Weetbix Tryathlon in November.



**831**

TAMARIKI PARTICIPATING IN  
WATER SAFETY LESSONS YTD

**1,821**

CURRENT DISABILITY  
AQUATIC MEMBERSHIPS

Looking ahead, Baywave Aquatic & Leisure Centre will be closed for maintenance for 12 weeks from mid-January 2023 (reflected in the graph above). The Memorial Pool season and opening hours will be extended to cater for the reduction in water space over the Baywave closure period.



#### 10 Days of Celebrations at Greerton Aquatic & Leisure Centre

Greerton Aquatic & Leisure Centre hosted ten days of events and activities in November to celebrate a series of major upgrades and improvements to the much-loved community facility. Mana whenua representatives attended the ceremony along with the Tauranga Intermediate school kapa haka group performing, followed by Iris Stockell (pictured), a 90-year old regular, cutting the ribbon to open the brand new front entrance. Iris has been swimming at the venue for more than 50 years, since the Greerton pool first opened in 1971. Along with a new entrance, the reception area has also been upgraded, the pools have been repainted, there is new grandstand seating, new non-slip flooring poolside to improve safety and cleanliness, and new changing room facilities – including three new accessible changing rooms next to the hydrotherapy pool, and family rooms close to the learn to swim pool. The ten days of celebrations included a pool party (complete with inflatables and a DJ), an epic water fight, and a Tropicana-themed event.

Memorial Pool re-opened to the public for the summer season on 15 November.

The Mount Hot Pools had a closure for 3-days in November for minor remedial work.

A number of Christmas celebrations were hosted for regular pool users and were well attended, including a pool party for the Greerton public and a morning tea for regular Aquafit participants.

BaySwim term four enrolments were on par with the same period last year, just below 2,100. There was lower than expected uptake at Greerton following the lengthy, but necessary, upgrade closure earlier in the year.

Water safety lessons were delivered to 831 students from seven schools in term four.



Greerton Aquatic & Leisure Centre re-opening ceremony

## 2.2 Sports & Fitness Facilities

**34,838**

YTD PROGRAMME  
ATTENDEES  
(ADULTS & SENIORS)

**57,871**

YTD PROGRAMME  
ATTENDEES  
(CHILD/YOUTH)

**5,912**

YTD PROGRAMME  
ATTENDEES  
(PRE-SCHOOL)

**413**

CURRENT  
REHABILITATION  
MEMBERSHIPS  
(Green Script + AWA  
Memberships)

Volleyball dominated court usage in the second half of H1. We hosted the NZ Volleyball Club Championships, then a series of Regional Championships, followed by the North Island Junior Secondary School Championships played across Trustpower Arena and QEYC. The NZ Volleyball Club Championships attracted 82 teams participating from across the country. To showcase centre court, which was live-streamed, a taraflex floor was laid lifting the look and feel of the event (pictured).

The Primary School Regional Kapahaka Competition, Te Waka Pererua, was held at the QEYC with 3,000 participants and spectators attending throughout the day, despite inclement weather.



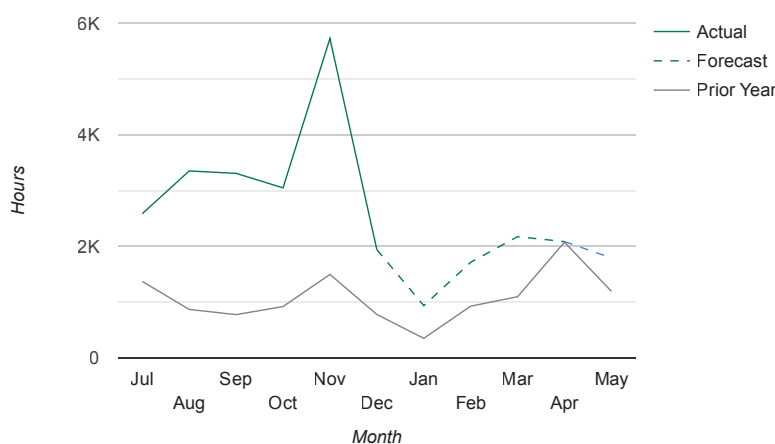
During October the Primary Schools Kapa Haka was hosted at QEYC, as well as the Hoop Nation tournament which ran across three sports venues. The hours of use spiked in November with the hosting of three regional and national volleyball tournaments spread over seven days, held at the Arena as well as the QEYC.

Clubfit Baywave gym is closed for scheduled maintenance from 16 January – 13 February 2023, impacting hours of sports facilities use over this time.



Regional Kapahaka Competition

Sports Facilities - hours of use



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### Funky Fun Day Programme Wins National Award

The Bay Venues Funky Fun Day programme, which gives thousands of primary school-aged children access to sport and recreation activities each year, has been recognised with a national award from Recreation Aotearoa. Funky Fun Day won the award for Outstanding Community Recreation Programme at the 2022 New Zealand Recreation Awards in Nelson in late-November. The Funky Fun Day team has been working closely with Sport BOP and schools to adapt the programme to include more active play and increase inclusion, while also extending it to more schools across the Bay of Plenty region, including those previously unable to attend due to various barriers such as transport and the cost of the entry fee. Visits to Funky Fun Day increased from 4,281 in 2021 to almost 7,000 in 2022.

*Pictured: Tina Harris-Ririnui, GM Operations, accepting the award.*

Over 240 attendees took part in the Tumble Time Christmas celebrations.

The Home School sports group ended their term with an extended Funky Fun Day session with 74 children in attendance.

Year to date, over 300 teams have participated in social sports leagues.

Tauranga City Basketball hosted their annual Midnight Madness at the Arena in December with over 300 participants. Venue hire was waived for this event to support their fundraising efforts.

Sport NZ Tū Manawa funding of \$40k has been received to subsidise the cost of a mobile physical activation programme which we intend to launch in Q3.

To support the Merivale Community Centre who are endeavouring to establish community programmes in the area, we have offered them free use of the Merivale Action Centre after school to preserve their limited funds.

**“I just wanted to say that today has been amazing. From your help booking us in, to the people setting up the place, to reception helping us with our endless queries and finally to the real MVP, the chef and his staff for pushing our food forward and for the most amazing platters I’ve tasted in a while. Honestly you guys are the top of the list now for all parties. Just a deep hearted thank you from my family for being so great.”**

**– Feedback from a Tumble Time birthday party.**



### Tumble Time Teams Up With Kōhanga Reo

A special kōhanga reo Tumble Time play session was held at Trustpower Baypark Arena in mid-November 2022, with more than 200 tamariki from 17 Māori language preschools across Tauranga Moana taking part. The session was led by local kōhanga reo kaiako and was also open to the public, providing an opportunity for young families to come along and engage with te reo Māori through karakia and waiata, as well as the usual offering of obstacle courses, climbing equipment, bikes, trikes, scooters and trampolines. The Tumble Time team is now working with kōhanga reo across the city to organise more of these sessions at other Bay Venues facilities.

*Pictured: Alex Baskin from Bay Venues with a Tumble Time attendee.*

## Clubfit

Baywave Clubfit is experiencing growth, while Greerton Clubfit has declined due to ongoing construction disruptions and the current seismic work closure, due to conclude end of January 2023.

Planning is well underway for the Baywave maintenance closure commencing January which will result in Clubfit closing for 4-weeks.

There are currently 413 Greenscript members that are able to access Clubfit on a regular basis. Greenscript memberships are referred to Clubfit by Sport Bay of Plenty and they are able to participate in subsidised individually prescribed exercise programmes, group exercise classes, aqua aerobic classes, and pool access at off peak times.

## University of Waikato Adams Centre for High Performance

Four international touring parties have recently visited the University of Waikato Adams Centre for High Performance ahead of next year's FIFA Women's World Cup with the Netherlands confirmed to be based in Tauranga at the High Performance Centre throughout the tournament.

The Adam's Academy Awards was held in November attended by over 60 members and featuring three world-class athletes (read more below). The Academy has just under 100 members on average per month.

The China Women's Sevens team trained at the Centre towards the end of 2022, as did Central Districts Cricket. The NZ Rugby Sevens team returned to the Centre after extended leave post World Cup.



### Wilde and Tanner lead the field at the 2022 Adams Academy Awards

Tauranga-based triathlete Hayden Wilde was named Athlete of the Year at the 2022 Adams Academy Awards after a string of impressive international achievements over the course of the year, including a silver medal at the Birmingham Commonwealth Games. The Adams Academy is a development programme based at the University of Waikato Adams Centre for High Performance in Mount Maunganui. The Academy has more than 100 aspiring and established athletes across 27 different sporting codes, from rally driving to lawn bowls, kickboxing to cricket. These elite local athletes were recognised and celebrated for their sporting success, both at home and abroad, at an awards evening in November. Wilde picked up the top gong, while Pāpāmoa middle distance runner Sam Tanner was named Emerging Athlete of the Year.

*Pictured: Sam Tanner with sponsor Scott Adams*



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## 2.3 Community Centres and Halls

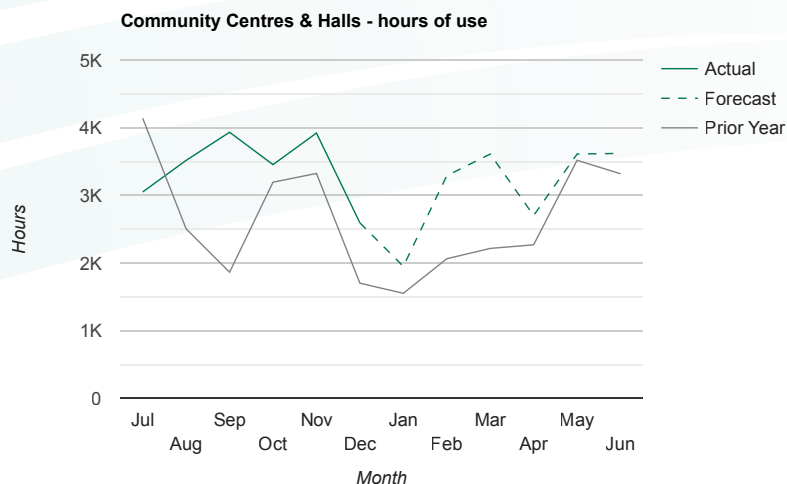
Focus on improving customer service is a key driver in YTD utilisation of the Community Halls being ahead of target by 37% and Community Centres by 21%.

An array of diverse user groups continue to utilise our community spaces. New bookings this quarter have included the Tuvaluan Independence Day celebrations at Welcome Bay Hall, a Fijian Family Day as well as a Creative Fibre event at Papamoa Sport & Rec Centre (PSRC). The inaugural Rescues Palooza Market Day was held at PSRC with over 400 people attending.

Our newly established Community Development Ambassador has hit the ground running and is actively engaging with multiple community organisations, with the aim to explore opportunities to work collaboratively and in the process increase utilisation in our venues. Connections have been made with the TCC Community Development team, Ngai te Rangi, Te Mana Torua, Te Aranui Youth Trust and the Hilier Centre.

A Christmas Community Meal was held at Arataki with over 200 community members attending. This was an amazing event with an incredible response from the community who donated many food parcels and gifts. It was truly heartwarming to see such a response from the community for those in need over the holiday season.

- 30 food parcels were donated by Good Neighbour and other charities
- A full three course meal was provided
- All tamariki were able to pick from an assortment of gifts donated and collected by the Mount Lions and community.



Christmas Community Meal at Arataki



Ultimate Frisbee Tournament at PSRC



Orange Day at Arataki CC

**“We would like to extend a big heartfelt thank you for the support you have given to the Schools’ Orange Day. It means a lot to us to be able to celebrate these students who are out every day on duty at our school crossings and encouraging safe walking and biking to school – they take their roles very seriously and are passionate about their work...it was a busy day with lots of smiles. Thanks to everyone who slid into the back-up plan and made it a success.”**

— Travel Safe and NZ Police School Community Offices



Attending to maintenance issues in a timely manner has been a key priority for the team. Our network of community facilities have received some much needed TLC:

- The Matua and Bethlehem Hall kitchens have been upgraded
- Work has started on upgrading the Matua Hall Lounge
- Heat pumps have been installed at Welcome Bay and Bethlehem
- LED lights have been fitted at Arataki Community Centre
- A disability ramp has been installed at PSRC
- Internal and external painting has been completed at PSRC, Arataki and most of the Halls.

## 2.4 Events

**52**  
**SPORTING & AQUATIC**  
**TOURNAMENTS YTD**

**29**  
**EVENTS YTD**  
**(over 500 Pax)**

**21**  
**CULTURAL EVENTS**  
**YTD**

After 2-years of interruptions the NZ Bridge National Congress was held in early October over 8-days, attracting approximately 700 participants per day.

Other October events included the BOP Home Show, Hoopnation, Silver Ferns vs Australian Diamonds, Demi Lee Moore and several small meetings, conferences and gala dinners.

In November at the Arena we hosted two weeks of back to back international squash tournaments. There were players from 20 different countries taking part in the New Zealand Squash Open, which had a US\$150,000 prize pool and is a men's and women's PSA World Tour Silver event. Kiwi squash heroes Paul Coll and Joelle King were front and centre during this sporting spectacle, giving their home crowd plenty to cheer about. Tournament director Wayne Werder said the Arena was a "fantastic" venue and many of the players were wowed by the professional set-up.

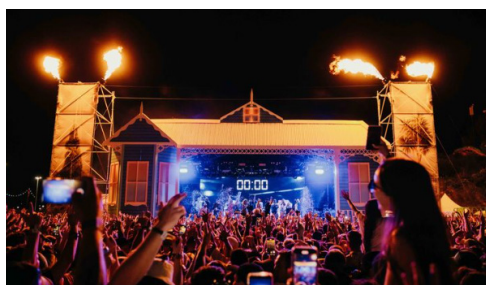
Go Green Expo was held for the first time in Tauranga attracting 5,000 people. Other November events included Polo in the Bay and Olympic Weightlifting.



World Squash Tournament hosted at the Arena



Silver Ferns vs Australian Diamonds



NYE Famous Last Words

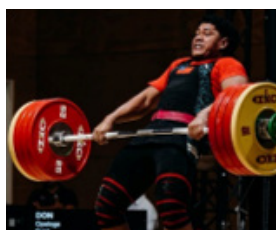


### Trustpower Baypark and the Active Reserve Masterplans Project

As part of Tauranga City Council's active reserve masterplans project, Trustpower Baypark could become a community sports and recreation hub for Tauranga – a multi-use sporting precinct where both residents and visitors can play and compete at all levels. An important part of this project would be working with mana whenua to acknowledge and share the cultural significance and history associated with the Te Maunga site, and in a way that people can interact and engage with.

The first few weeks of December started with Battle of the Trades plus a range of smaller meetings leading up to Christmas. During the Christmas break we held one Speedway meeting plus Famous Last Words on New Years' Eve - the first of our Summer concert series with 4,500 attendees.

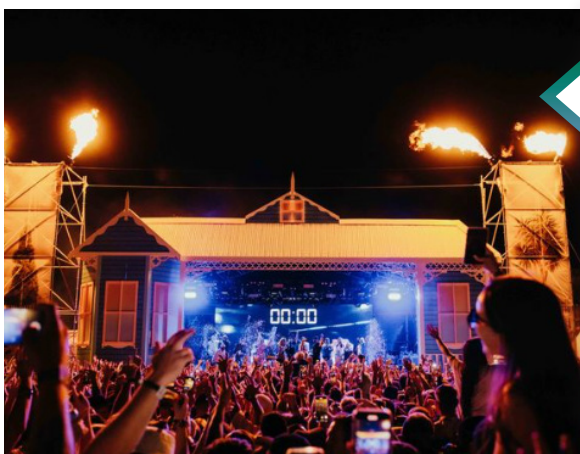
2023 is set to be another busy year, kicking off the year with the rest of our Summer Concert Series, Speedway meets, Monster Trucks in February and the Oceania Cultural Festival in March.



Olympic Weightlifting



NZ Bridge National Congress



### Summer Series at Trustpower Baypark

The summer series of events at Trustpower Baypark made for a busy December and January, with boxing, music festivals, speedway, and live comedy all on offer. There was the Battle of the Trades IV charity boxing event in early December, the Bay International Midget Superstars 40 at Baypark Speedway a few days after Christmas, and a brand new electronic dance music event, Famous Last Words, on New Year's Eve. Meanwhile, January saw the triumphant return of the Bay Dreams music festival. Unfortunately due to bad weather conditions, two of the live music events (A Summer's Day Live and Juicy Fest) had to be cancelled.

## 2.5 Associated Activities

### HEALTHY SCHOOL KAI YTD

**10**  
SCHOOLS

**148,065**  
LUNCHES

#### Healthy School Kai

We have formed a new partnership with Te Whakatipuranga School for Young Parents, delivering daily lunches to them starting in Term 4 of 2022. Other existing relationships with schools remain strong and we are continuing to work on increasing uptake of lunches in schools while keeping nutritional value high.

Some feedback from school's last term:

**“GRATEFUL we have free healthy school lunches so our mama can be nourished and SAVE MONEY”**

**– Feedback from a Teacher at Te Whakatipuranga School for Young Parents**

**“Kia Ora Stephan. Meat loaf Friday was a huge success.”**

**– H Langley, Deputy Principal Merivale School**

#### BayCatering, Bay Audio Visual & BayStation

The second half of H1 saw several large and unique events delivered by Bay AV and Bay Catering, including the Festival of Squash, Battle of the Trades Boxing, and the Chamber of Commerce Business Awards. Our operational teams were challenged to create unique and memorable experiences, receiving excellent feedback from customers:

**“I am very confident that the Festival of Squash 2022 has been the greatest squash event ever held in New Zealand. One reason why this event was great is the level professionalism from all parties and the way in which it was executed.”**

**– S Niles, Squash BOP Regional Manager**

Total H1 revenue was strong across Bay AV & Bay Catering with total revenue of \$3.54m, up \$0.41m or 13% on budget.

Operating costs were also significantly higher than budget due to rising cost of sales (particularly food costs), and staff shortages leading to more external contract labour requirements. Total EBITDA was \$0.12m behind budget. BayStation was challenged with adverse weather conditions in Q2 making it difficult to operate our outside activities such as Paintball and Blokarting. Despite this, the business maintained a reasonable level of activity.

## 3. Management Update

### 3.1 Finance

The first half of the year was ahead of expectation with consolidated EBITDA of -\$0.45m, ahead of budget by \$0.1m.

Total YTD revenue was \$12.79m, \$1.04m ahead of budget, with volumes starting to return to normal across the network.

Operating costs of \$13.23m were \$0.95m higher than budget, largely due to the increased activity, however staff costs and operating overheads were also higher than expected.

Looking forward for the remainder of FY23, we expect to finish the year in line with budget, with an EBITDA of -\$1.75m. While the core business is performing better than budget, we are expecting to incur some additional staff costs which will bring us back in line overall. We are currently working through funding options to enable the business to return to breakeven EBITDA in future years.

### 3.2 Assets and Projects

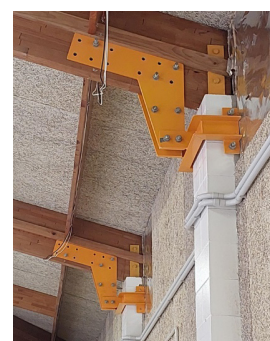
- The Greerton Aquatic & Leisure Centre main pool hall seismic strengthening was completed over the new year break. Seismic strengthening work was also completed in the gym which reopened late January 2023.
- Condition assessments for Long Term Plan budgets have been completed and are currently being reviewed.

#### Upcoming

- The Greerton Aquatic & Leisure Centre existing change room seismic strengthening is well underway. This is the final phase of the project and is on track for completion late April 2023.
- We are finalising plans to refurbish staff office space at Baypark to allow back office and operational teams to be co-located. This will help us to improve communication between teams and improve on the poor standard of the office spaces currently provided. A paper will be presented to Council in February for approval.
- We have engaged a contractor to replace the sports lighting (128 old fittings) in the Arena 6 court. Annual estimated electricity savings are \$40,000 and a corresponding 1.5 tonnes of CO2 removed from the atmosphere.
- A Baywave upgrade is due to commence in mid-January with the gym and massage services to re-open mid-February. The Aquatics area will reopen for Easter.



Greerton Clubfit structural ply



Greerton Seismic brackets

### 3.3 Sustainability

We have completed a Toitu audit with TCC and await the results, expected in Q3 2023. Being Toitu certified shows Bay Venues' commitment to environmental sustainability and ensures we have a certified and measured approach towards our carbon emissions. Once we receive audit outcomes we will work on a plan to reduce our emissions going forward.





## Consolidated Statement of Performance – H1 FY23

	Aquatic Facilities			Community Hubs			Sports Facilities			Events Facilities			Associated Activities			Business Support			Grand Total		
(\$'000's)	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year	Current Year	Budget	Prior Year
<b>Revenue</b>																					
User Fees	2,956	2,745	1,978	265	203	156	1,921	1,844	1,486	1,085	999	737	4,292	3,782	3,000	34	10	(106)	10,553	9,583	7,251
TCC Operating Subsidy	1,096	1,046	832	221	263	175	798	776	621	2	0	0	28	0	0	31	0	0	2,175	2,085	1,628
Other Income	14	20	39	0	0	0	34	41	27	0	0	0	0	0	0	11	11	11	60	73	77
COVID-19 Subsidies	0	0	346	0	0	60	0	0	177	0	0	18	0	0	158	0	0	287	0	0	1,046
Total Revenue	4,067	3,812	3,195	485	466	390	2,753	2,661	2,311	1,087	999	756	4,320	3,782	3,158	76	21	192	12,788	11,741	10,002
<b>Expenditure</b>																					
Cost of Goods Sold	0	0	0	0	0	0	0	0	0	0	0	0	1,507	1,329	1,162	0	0	0	1,507	1,329	1,162
Employee Expense	1,893	1,909	1,798	225	237	160	967	1,037	951	199	174	158	1,734	1,371	1,401	2,811	2,694	2,387	7,829	7,422	6,854
Administrative Expense	74	58	69	9	8	12	16	31	26	13	8	6	47	50	52	499	519	388	659	673	553
Advertising and Marketing	52	39	25	2	2	2	28	27	22	35	34	32	19	25	14	67	56	51	204	184	147
Consultancy	3	2	2	0	0	0	1	1	0	0	0	0	0	0	1	286	294	285	290	297	287
Operating Expense	579	558	532	124	102	83	293	276	237	89	70	139	386	219	240	781	727	649	2,252	1,951	1,880
Repairs & Maintenance	136	119	133	33	22	20	53	47	38	0	0	0	35	37	30	237	208	108	494	434	329
Total Expenditure	2,738	2,685	2,560	394	371	277	1,358	1,420	1,275	336	285	335	3,727	3,031	2,899	4,682	4,498	3,867	13,235	12,290	11,213
<b>EBITDA Profit/ (Loss) pre-allocations</b>	1,329	1,127	635	92	95	114	1,395	1,241	1,036	751	714	421	593	751	258	(4,606)	(4,478)	(3,675)	(447)	(549)	(1,211)
Business Support Allocations	1,202	1,169	959	476	462	380	967	940	772	1,229	1,195	981	732	712	584	(4,606)	(4,478)	(3,675)	0	0	0
<b>EBITDA Profit/ (Loss) post-allocations</b>	126	(42)	(324)	(384)	(367)	(266)	428	301	265	(478)	(481)	(560)	(140)	39	(326)	0	0	0	(447)	(549)	(1,211)

### 3.4 Health and Safety

Lead Indicators		Q1	Q2
Employees who received formal H&S training and/or committee meetings held	(#)	29	20
Safety conversations completed	(#)	13	0
Lag Indicators		Q1	Q2
Total incidents recorded	(#)	186	217
Critical incidents under Bay Venues control	(#)	0	0
Major incidents under Bay Venues control	(#)	6	1

- In Q2 we restructured the Health & Safety team to include a Health & Safety Leader position to ensure the right level of expertise and leadership was present in the team.
- The Health & Safety work plan mentioned in Q1 reporting is now actively being worked through, with progress in a number of different areas including the creation of an Event Operations Plan, the creation of an Emergency Planning Committee, and a proactive audit schedule.
- No safety conversations were actioned in Q2 due to other priorities and to allow managers to work through actions from Q1 conversations. These will recommence in Q3.
- The work planned for Q3 includes the review of our overarching Health & Safety policy and a focus on Hazardous Substances.

### 3.5 People & Capability

- In November we held our inaugural Nga Tohu Toa (staff awards evening). Over 170 of our team gathered together to celebrate our outstanding team achievements. It was a fun filled evening with the pride in the room being evident to all. The event acknowledged exceptional employee achievements across different categories including our values.
- We also completed our engagement survey in Q2. For the second year in a row, our overall engagement score across the business was 69% (3% favourable against benchmark). Given the significant impact Covid had on our business and the number of changes the business has seen over the year, maintaining our overall engagement score is pleasing.
- In November an overall people strategy was endorsed by the Board. The strategy speaks to four different focus areas;
  - o Build to retain: building key foundational building blocks to allow us to attract and retain staff
  - o Unleashing potential: creating a framework for how we develop and grow our team through their careers at Bay Venues
  - o Culture first: redefining key cultural components
  - o Smart and simple processes and systems



13 - Bay Venues Report: H1 FY23 (Jul - Dec 2022)

### 3.6 Customer Experience

#### CUSTOMER SATISFACTION YTD

**88%**

Overall Customer Satisfaction

**88%**

Overall Satisfaction with our Staff

**84%**

Overall Satisfaction with the Facility

**90%**

Overall Satisfaction with the Service

#### CUSTOMER FEEDBACK:

*“Helpful and accommodating staff.”*

*“Great fun. Very accommodating.”*

*“The whole experience was awesome...”*

*“The new ramp [at PSRC] into the hall is fantastic! New aircon/heat pump at Bethlehem Hall is awesome too!”*

*“Easy to book, friendly staff, great job!”*

*“The staff were really friendly and welcoming.”*

*“Really fun experience for the kids all around – many thanks.”*

*“All round great event.”*

### 3.7 Marketing

#### 211,105 WEB VISITORS YTD

Web traffic continues to improve year on year following the implementation of new websites (Oct 21 - Jun 22). The biggest traffic improvements in H1 came from the Tauranga Pools website (+21%), the Mount Hot Pools website, (+43%) and Baypark (+78%).

#### 666,769 SOCIAL MEDIA REACH YTD

Social media reach is 36% ahead of the same period last year with more engaging content vs. an increase in social posts.

### 3.8 IT

- We have partnered with Datacom to deliver our new finance system. We are looking forward to significant efficiency benefits across all areas of finance systems & processes.
- Early scoping for an HR system has also begun, as well as several other planned initiatives within the Technology Roadmap.



# HALF YEARLY REPORT TO SHAREHOLDERS



Period ended 31 December 2022

**"COUNCILS PARTNERING FOR VALUE AND SERVICE"**





## BOPLASS Chair's Report

It is with pleasure the Directors present their 2022/2023 Half Yearly Report to Shareholders demonstrating the considerable contribution the company makes to collaboration between councils.

In mid-2022 we were pleased to welcome Miles McConway, Ōpōtiki District Council acting CEO to the board in an interim role. Miles joined the board with prior experience with BOPLASS, and as one of the company initiators we valued his experience and his continued drive to deliver value for our councils through collaboration. As we welcomed Miles, we farewelled Aileen Lawrie. As one of the original BOPLASS directors Aileen has left a legacy of leading change across the region and proactively supporting inter-council collaboration. The Board thank Aileen for her significant contribution and wish her well for her future endeavours. With Stace Lewer's appointment as Ōpōtiki District Council CEO he joins the BOPLASS board, and we welcome his contribution.

The international insurance market remained under pressure in 2022, despite predictions that the peak may have been reached. The main drivers being inflation and the scale of ongoing losses from natural disaster events. During the renewal process BOPLASS leveraged new and existing relationships within international and local insurance markets to educate underwriters on BOPLASS councils' proactive management of risk and resiliency. Data from the BOPLASS LiDAR programme was utilised to demonstrate our councils understanding and management of natural catastrophe exposures. This three-dimensional presentation of the data was unique and was successful in capturing the attention of every syndicate, resulting in particularly good renewal outcomes. Full cover was maintained for all councils and secured with competitive terms and rates.

The MahiTahi LG Collaboration Portal has proven to be an essential tool in the identification and development of shared services opportunities and the sharing of information. In addition to new councils signing up to the portal, it is now being used by the Department of Internal Affairs for coordination and collaboration between local government staff in the Water-Reform Management Groups. Additionally, BOPLASS has supported the migration of the RSHL Te Uru Kahika Hub (regional and unitary councils) being hosted within the same environment. These are both very good examples of a BOPLASS initiative having wide-reaching benefits.

With effective management and renewal of established procurement contracts, BOPLASS has continued to ensure best value is delivered for our shareholding councils during the first six months of the year. In addition, BOPLASS is currently leading shared service and procurement projects that will deliver further value to our councils. Several of these new initiatives are being undertaken in conjunction with MW LASS and Waikato councils. It's pleasing to be developing inter-regional opportunities that provide value to each group while leveraging savings, benefits, and improved level of service across multiple councils.

Additional information about current projects is available in the attached report.

We thank staff from the participating councils and acknowledge the support we have received from them.

Yours faithfully

Craig O'Connell  
Chair

**BOPLASS Ltd***"COUNCILS PARTNERING FOR VALUE AND SERVICE"*

# HALF YEARLY REPORT TO SHAREHOLDERS

20 FEBRUARY 2023

## 1 INTRODUCTION

The Local Government Act 2002 requires that the Directors deliver to the Shareholders a report within two months of the end of the first six months of the financial year. The report is required to provide information against the objectives set out in the Statement of Intent. The following report records the objectives of the company and reports on performance against a table of specific performance requirements set out in the Statement of Intent.

## 2 OBJECTIVES OF BOPLASS LTD

The company exists to provide councils in the Bay of Plenty and Gisborne regions with an umbrella vehicle to investigate, procure, develop and deliver shared services.

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

### **JOINT PROCUREMENT**

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

### **SHARED SERVICES**

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

## 3 GOVERNANCE

In the year to date the governance structure has remained stable with the only change being the appointment of Acting Ōpōtiki Chief Executive, Miles McConway, to the Board as Director and Shareholder Representative from June 2022 to December 2022, and subsequently, Stace Lewer, to the Board as Director and Shareholder Representative from December 2022.

## 4 NATURE AND SCOPE OF ACTIVITIES

The principle nature and scope of the activities of BOPLASS Ltd is to:

- *Use joint procurement to add value to goods and services sourced for its constituent councils.*
- *Facilitate shared services that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.*
- *Pursue best practice in the management of all activities to obtain best value and minimise risk.*
- *Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.*
- *Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.*
- *Represent the collective views of its shareholders in matters with which it is associated.*

## 5 FUTURE DEVELOPMENTS

BOPLASS Ltd will continue to work on business cases for joint procurement and shared services that may be provided in the region or cross-regionally.

The Board has adjusted its strategy to ensure that BOPLASS is focused on continuing to deliver savings and value to councils through new and existing joint procurement initiatives while also identifying new shared services opportunities.

Current reviews for joint procurement and shared services cover but are not limited to:

- |   |   |
|---|---|
| • <i>Asset management</i>               | • <i>HR Information Systems</i>                   |
| • <i>Building consents</i>              | • <i>Information services</i>                     |
| • <i>Business continuity planning</i>   | • <i>Infrastructure development codes</i>         |
| • <i>Capital Expenditure projects</i>   | • <i>Joint software support</i>                   |
| • <i>CCTV monitoring</i>                | • <i>Payroll</i>                                  |
| • <i>Centralised insurance resource</i> | • <i>Project management office</i>                |
| • <i>Consents processing</i>            | • <i>Rates collection</i>                         |
| • <i>Contractor online inductions</i>   | • <i>Regional Civil Defence</i>                   |
| • <i>Document digitisation</i>          | • <i>Solid waste regional facilities strategy</i> |
| • <i>Driver training</i>                | • <i>Staff engagement survey systems</i>          |
| • <i>Geospatial services</i>            | • <i>Web services</i>                             |
| • <i>High volume print</i>              |   |

Other collaborative opportunities may be progressed after the Board has considered individual business cases and formally agreed to take on and deliver (or host/procure etc.) the project.

Joint procurement opportunities will continue to be identified and developed with individual councils engaging under the opt-in principle established by the Board. Joint procurement initiatives will be considered by the Board and/or its advisory groups where there is demonstrated support from two or more member councils.

The Board supports BOPLASS continuing to develop collaboration opportunities outside of the regional boundaries. BOPLASS will continue to proactively explore opportunities to partner with other Local Authorities and shared services organisations within New Zealand where they are developing, or considering developing, cost effective shared services and products that are of value to the Bay of Plenty and Gisborne councils.

BOPLASS development of the Collaboration Portal for the sharing of information on joint procurement or shared services opportunities within the constituent councils has identified a number of duplicate projects across councils that present an opportunity for further collaboration. The BOPLASS Collaboration Portal is becoming widely used by other LASS, councils, and local government organisations and provides an opportunity to assist with the identification and management of inter-regional collaboration opportunities. BOPLASS will continue to develop the Collaboration Portal and make it available to the wider local government community.

## 6 PERFORMANCE TARGETS

To ensure the company continues to operate effectively in both governance and management terms over the next three years the current SOI targets are to:

- Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.
- Investigate new joint procurement initiatives for goods and services for BOPLASS councils.
- Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.
- Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.
- Communicate with each shareholding council at appropriate levels.
- Ensure current funding model is appropriate.

The Board believes that all targets are being achieved or are on-track to be achieved, as is demonstrated by the following list of current initiatives.

## 7 CURRENT INITIATIVES

The following initiatives have been under consideration or operating during the first part of the year:

## HIGHLIGHTS

- Insurance forum – BOPLASS is hosting a Local Government Risk Forum for councils across the central and upper North Island, with key speakers covering risk and insurance topics specific to local government.
- Insurance renewals - Renewals have been completed for all councils under the BOPLASS collective programme with strong underwriter interest in the programme demonstrated from new and existing syndicates – resulting in improved pricing. With underwriters now very focussed on increasing climate change risks and the impact on councils’ risk profiles, it is anticipated that the recent significant NZ weather events will create challenges for the 2023 renewal.
- Geotechnical Engineering Panel – BOPLASS is investigating opportunities for establishing a preapproved panel for accredited geotechnical engineering consultants.
- Waste Operator and Licensing Data System (WOLDS) – BOPLASS is leading this project in conjunction with Waikato councils. A shared service is to be established providing a common waste operator licensing and management system across multiple councils.
- Aerial Imagery – A tender was awarded for aerial imagery and LiDAR services covering the Eastern Bay region including urban and Maketu/Putuaki areas with LiDAR captured with 8-Pulse specifications.
- Contractor and Employee H&S Inductions – A project continues to be investigated to develop a common platform and standard for the development and management of H&S inductions – for both staff and contractor purposes.
- GIS Software and Services – A number of key contracts for councils’ geospatial software have been reviewed and renewed through collective BOPLASS agreements.
- Driver Training – BOPLASS continues to investigate options for appointing a preferred provider for driver training services.
- MahiTahi Collaboration Portal – Further growth has been achieved with the MahiTahi Collaboration Portal with additional councils joining and using it as a collaboration tool for sharing information across councils.
- E-Plan Development – BOPLASS councils are required to move current operative plans to an online environment. BOPLASS is working with current providers to explore collaborative options and opportunities to leverage a collective group rate.
- Health insurance – A project is underway to explore benefits of establishing a group scheme across the BOPLASS group.
- Health & Safety training – BOPLASS has renewed a collective agreement for councils’ H&S training services with a wider range of services now included.
- Cyber Insurance – Due to the increasing levels of claims in this category, the global cyber market has become extremely challenging with most insurers now very cautious about providing cyber cover – particularly in local government accounts. Working closely with councils’ cyber staff, BOPLASS has been able to renew the collective agreement with a further increase in cover limits.
- Agenda management software – A project is underway to investigate standardisation of software across the BOPLASS councils and the sharing of information and templates.

- Print Media Copyright Agency (PMCA) – A collective contract providing savings for all BOPLASS councils has been renewed with PMCA for councils' print and media copyright services.
- Media Monitoring Service – BOPLASS has renewed the collective agreement for media monitoring service across the councils. The single BOPLASS portal provides substantial savings to councils while also providing a significant reduction in internal resource requirements.
- Institute of Public Works Engineering Australasia (IPWEA) – BOPLASS has renewed the single BOPLASS membership covering all councils and providing substantial savings.
- High volume print – Councils currently use a variety of solutions for their high-volume print runs including utilising large print equipment, outsourcing to external suppliers, or a mixture of both. BOPLASS is continuing to investigate alternative solutions with a focus on minimisation of resource and cost reduction.
- Lone worker field solutions – BOPLASS is investigating technologies and solutions to support council staff in lone worker situations.
- Multi-function Devices (Photocopiers and Printers) – A tender is underway for print and copy equipment across the BOPLASS councils. Significant financial and technology benefits have previously been achieved in this category through establishing a collective agreement. Given declining print volumes across councils, retaining flexibility with print fleet requirements will be imperative.
- Video Conference Services – BOPLASS has continued to develop Zoom and meeting room video conference services across the councils. Further work is being undertaken to ensure participating councils continue to have a reliable and secure service.
- Health and Safety Advisory Group – The BOPLASS and Waikato Health and Safety groups continue to collectively develop policies and protocols, significantly reducing the resources required by individual councils and helping ensure common standards and best practice are established across the greater region.
- Procurement Strategy Group – BOPLASS have established a strategy group consisting of the Procurement Leads within each council. The key purpose of the group is to collaborate and develop strategic objectives within councils' procurement processes. The sharing of knowledge has already proven to be invaluable in councils' development of broader outcomes within their procurement strategies, to encompass social, cultural, environmental and economic considerations.
- Inter-LASS collaboration – A number of procurement projects are underway covering multiple LASS and benefitting from the increased volumes. Collaboration across the regions is driving greater efficiencies within projects under consideration by more than one LASS and allows the projects to be better resourced.
- Communication – BOPLASS continues to regularly engage with our constituent councils, senior management and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.
- Viability of Current Funding Model – The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.

## 8 FINANCIAL REPORTS

### 8.1 Financial Support and Accounting Services

Accountancy services and support continue to be provided by Tauranga City Council.

### 8.2 Accounting Policies

The company is compliant with the accounting policies stated in the Statement of Intent.

### 8.3 Tier 2 PBE Accounting Standards Applied

The financial accounts are prepared with application of Tier 2 accounting standards.

### 8.4 Financial Reports

Financial Reports for the period to 31 December 2022 are attached.

### 8.5 Variations

Aerial photography revenue and expenditure is slightly higher than budgeted due to delays in the initial flying of LiDAR capture in the previous year resulting in the work being moved into the current year. This has resulted in a small portion of older contracted work being completed in 2023, which has resulted in the increased figures we see for these activities.

The salaries account is displaying a variance due to the December end payroll accrual not being included in the budgeted figures, this accrual consists of \$10,042.99 for December end wages/PAYE with an additional \$10,533 being for employee leave entitlement which supports most of the difference identified when compared to budget.

Trade debtor's total \$484,227 of our current assets, this balance is made up of \$390,000 worth of invoices that were issued in December indicating no concern around the idea of bad debts or the need for write offs. Additionally, this large completion of invoices makes up most of the GST portion totalling \$50,738 of current liabilities.

Given the nature of BOPLASS, the entity is in a healthy position heading into the second half of the year knowing that several of the core one-off expenditures are behind us while still having council contributions to supplement operational needs.

## 9 STAFFING, ACCOMMODATION AND SUPPORT

### Staff

Staffing levels are unchanged with a part-time administrator continuing to provide additional project support and management of existing activities.

### Accommodation and Support

We continue to appreciate the office space provided to us by BOP Regional Council and the support that is offered for IT and Accounting services by Tauranga City Council.

BOP LASS LTD				
STATEMENT OF COMPREHENSIVE INCOME				
FOR THE MONTH ENDED 31 DECEMBER 2022				
	Actual YTD	Budget YTD	Total Budget	YTD Variance
<b>REVENUE</b>				
<b>Revenue - Core</b>	<b>166,676</b>	<b>156,996</b>	<b>313,992</b>	<b>9,680</b>
Bank Interest Received	2,423	100	200	2,323
Council Contribution	164,254	156,896	313,792	7,358
<b>Revenue - Projects</b>	<b>1,072,711</b>	<b>975,800</b>	<b>1,301,600</b>	<b>101,911</b>
Bank Interest Received	2,109	2,050	4,100	59
Aerial Photography Revenue	383,434	300,000	400,000	83,434
Collaboration Portal Revenue	31,200	30,000	50,000	1,200
Lease Revenue - ICN	55,995	65,000	130,000	(9,005)
Lease Revenue - Video Conference	22,472	7,500	15,000	14,972
Projects - Recoveries Revenue	576,880	570,000	700,000	6,880
Rebates	622	1,250	2,500	(628)
<b>TOTAL OPERATING REVENUE</b>	<b>1,239,388</b>	<b>1,132,796</b>	<b>1,615,592</b>	<b>106,592</b>
<b>EXPENSES</b>				
<b>Expenditure - Core</b>	<b>210,050</b>	<b>194,935</b>	<b>384,570</b>	<b>15,115</b>
ACC	0	425	850	(425)
Accommodation & Travel	2,437	1,050	2,100	1,387
Accounting & Audit	0	10,650	21,300	(10,650)
Administration	10,769	8,750	17,500	2,019
Amortisation	1,142	3,850	7,700	(2,708)
Bank Fees	66	100	200	(34)
Conferences	0	1,050	2,100	(1,050)
Depreciation	2,953	325	650	2,628
Directors Costs	9,657	10,500	21,000	(843)
Fringe Benefit Tax	1,756	1,750	3,500	6
General & Catering	376	1,100	2,200	(724)
Health & Safety	0	500	1,000	(500)
Insurance	10,950	5,250	10,500	5,700
Interest Paid - TCC Loan	0	250	500	(250)
Legal	0	1,000	2,000	(1,000)
Salaries	165,423	141,085	282,170	24,338
Salaries - Projects OpEx	(9,535)	(8,250)	(16,500)	(1,285)
Staff Support Costs	8,873	8,750	17,500	123
Staff Training Costs	483	1,000	2,000	(517)
Subscriptions	0	500	1,000	(500)
Tax Advice	4,700	5,300	5,300	(600)
Tax Expense - Prior Years	0	0	0	0
<b>Expenditure - Projects</b>	<b>1,035,374</b>	<b>940,061</b>	<b>1,231,022</b>	<b>102,363</b>
Aerial Photography Expense	383,434	300,000	400,000	83,434
Collaboration Portal OpEx	18,053	13,561	27,122	4,492
Lease Expense - ICN	55,430	62,400	124,800	(6,970)
Lease Expense - Video Conference	23,738	14,100	14,100	9,638
Projects - Recoveries Expenditure	554,719	550,000	665,000	4,719
<b>TOTAL OPERATING EXPENDITURE</b>	<b>1,245,424</b>	<b>1,134,996</b>	<b>1,615,592</b>	<b>117,478</b>
<b>OPERATIONAL SURPLUS / (DEFICIT) BEFORE TAX</b>	<b>(6,036)</b>	<b>(2,200)</b>	<b>0</b>	<b>(3,836)</b>



BOP LASS LTD STATEMENT OF FINANCIAL POSITION AS OF 31 DECEMBER 2022	
	Actual YTD
<b>Bank</b>	
Cheque Account	309,751
Trust A/c Aerial Photography	196,450
Term Deposit 182 days @ 1.20%. Maturing 11 April 2022	250,000
<b>Total Bank</b>	<b>756,201</b>
<b>Current Assets</b>	
Trade Debtors	484,227
Accrued Revenue	41,320
Tax Payable (Tax Receivable)	9,198
Prepayments	9,221
<b>Total Current Assets</b>	<b>543,966</b>
<b>Non-current assets</b>	
Intangible - Computer Software	79,175
Intangible - Amortisation	(70,977)
Computer Equipment at cost	4,516
Less Accumulated Depreciation on Computer Equipment	(3,922)
Inter Council Network	25,097
Accumulated Depreciation Inter Council Network	(5,882)
<b>Total Non-current assets</b>	<b>28,006</b>
<b>TOTAL ASSETS</b>	<b>1,328,173</b>
<b>Current Liabilities</b>	
Business Credit Card	732
Trade Creditors	101,958
Accrued Expenses	5,653
Accrued Salaries and Wages	7,560
Accrued Leave Entitlements	10,533
GST Collected, Paid, Payments (Refunds)	50,738
Retentions	22,023
Income in Advance	1,074,579
PAYE Accruals Payable	8,934
TCC Loan	0
<b>Total Liabilities</b>	<b>1,282,710</b>
<b>NET ASSETS</b>	<b>45,463</b>
<b>Equity</b>	
Current Year Earnings	(6,036)
Retained Earnings	(47,503)
Share capital	99,002
<b>TOTAL EQUITY</b>	<b>45,463</b>



**TOTAL SAVINGS TO DATE**  
**\$6.8 MILLION**

## Joint Procurement – Estimated Savings\* for Tauranga City Council

	BENEFITS SUMMARY	2021-2022	TOTAL SAVINGS
<b>Insurance</b>	Better insurance cover with updated contracts. Material Damage renewed on rolling subscription. Continued full coverage for all councils in all categories, incl Material Damage, Business Interruption and Motor covers, following major events and hardening markets. Increased loss limits and coverage.	\$510,107	\$4,287,727
<b>Office Supplies</b>	Overall reduction in cost of supplies plus initiation of better ordering process online with minimum order values reduces hidden invoicing and courier costs. 2015, councils encouraged to move to AoG contract after review completed by BOPLASS.	-	\$91,017
<b>SOPHOS Antivirus</b>	Financial savings are for new users which existing users will benefit from at next renewal. Councils coloured in grey will get savings at renewal of existing contracts and discount is guaranteed going forward. Now provided under ALGIM.	-	\$32,070
<b>Internal Audit</b>	2010-2012, Use of a single consultant to do Internal audits across councils with resultant learning circulated in form of summaries to councils. RFP and new agreement 2015. Savings in audit costs and annual insight meetings. Cost benefits limited to those who have so far undertaken audits.	\$20,000	\$156,000
<b>Aerial Imagery</b>	Agreed programme achieving better quality, consistency and planned coverage bringing savings on cost, or extended coverage for same expenditure. LiDAR capture undertaken in conjunction with LINZ including PGF contribution.	\$30,597	\$156,962
<b>Print Advertising</b>	Contract for print advertising cost reduction through procurement and some common processes. 3-year contract protects savings. Contract expired 2016.	-	\$135,000
<b>Fuel</b>	Review of fuel pricing identified savings opportunities consistent with accessibility. GSB contract. 2015 BOPLASS facilitated participation in Defence Forces syndicated contract for some councils.	-	\$25,231
<b>N3 Membership</b>	Group membership to GSB providing discounts above individual council membership rates and access to GSB contracts.	\$400	\$4,300
<b>Video Conferencing</b>	Combined approach from 7 councils results in significant reduction in cost through negotiation plus savings from reduced travel and meeting times. 3-year contract locks in operational savings.	-	\$10,191
<b>Telephony</b>	Significant savings achieved through joint procurement, free calling within councils, provision in contract for collaboration in services over time. 3-year contract locked in savings, final savings subject to calculation based on use. Renegotiated rates Feb 2013. BOPLASS recommendation for all councils to move to AoG 2015.	-	\$452,400
<b>Geocortex Software</b>	Significant reduction in Year 1 cost through combined approach to purchase. Additional ongoing licence and maintenance savings. TDC stopped using Geocortex products in 2021/22 with allocations for remaining councils increasing. Other councils indicated they would also be reviewing requirements during 2021/22.	\$501	\$22,217
<b>XTools Software</b>	GIS advanced data processing and analysis software. Single BOPLASS licence provides savings to councils and simplifies purchase and upgrades.	\$2,120	\$20,573
<b>NZAA</b>	ArchSite NZ Archaeological Association membership. Single BOPLASS licence covering all councils. Discounted membership and full data access for all councils.	\$540	\$5,400



	BENEFITS SUMMARY	2021-2022	TOTAL SAVINGS
GPS Fleet Mgmt	Combined approach to purchasing provided substantial discounts. Utilised by councils on a requirements base. No data available to demonstrate accurate savings.	-	\$9,000
MFD	Collaboration in purchasing provided discounts in TCO, print costs, equipment optimisation and integration with EDMS workflows. Common technology platform established for integration of future services. RFP and new agreement Jan 2017. No lease costs - extremely beneficial during COVID lockdown and continuing periods of low print volumes.	30,000	499,572
Postal & Courier	Combined approach on behalf of BOPLASS, Waikato, and MWLASS councils resulted in significant reduction in courier costs, additional courier services, reduction in mail charges and introduction of business centric mail product. Contract locks in discounted fixed rates.	\$12,391	\$123,912
Media Monitoring	Single portal provides media monitoring and reporting services - print, radio, TV, social media - to all councils with heavily discounted rates. Significant resource savings for councils.	\$1,660	\$13,280
FME Software	Joint purchasing of GIS software resulted in reduction of number of licences required and reduced annual maintenance fees.	\$300	\$3,000
Infrastructure Insurance	Underwritten by Lloyds of London syndicates. Improved levels of cover, significantly reduced premiums. 2020, 2021 - Able to secure full placements for all councils in a very hard market only because of existing relationships and dilution of risk through the collective scheme.	\$177,636	\$587,293
PMCA	Print and media copyright licences. Councils paying approximately 50% of their previous costs for individual licenses while, in many cases, also receiving enhanced licences.	\$1,387	\$11,096
EFTPOS	Improved pricing through collective agreement. Account moved to key account with Eftpos NZ with councils now on premium customer tier including dedicated account management and improved service levels.	\$722	\$5,054
H&S Pre-Qual	Reduced cost in design and development of the service through collaboration between BOPLASS and Waikato LASS. Annual resource savings for councils through standardisation and automation of the process.	\$10,000	\$83,000
Retrolens	Single storage repository and delivery process for large imagery datasets - developed in conjunction with other NZ councils. Significant savings in development and ongoing operation. Ensures readily accessible historic aerial imagery by public, councils and businesses.	\$10,000	\$60,000
Occupational Health	Collective contract with Waikato Occupational Health Consultancy providing discounted rates and consistent service delivery across BOPLASS & WCLASS councils. 2021, Contract renewed, in conjunction with Waikato LASS.	\$5,000	\$20,000
Antenno	Common platform across multiple councils. Ease of use for communities. Discounted group pricing.	\$5,568	\$25,056
<b>TOTAL SAVINGS FOR TAURANGA CITY COUNCIL</b>		<b>\$818,929</b>	<b>\$6,839,351</b>

Estimations based upon market rates or amounts paid/available to councils prior to joint procurement. Savings do not include or recognise:

- Significant financial and resource savings made by running a single procurement process across multiple councils.
- Long-term savings achieved through the central management of contracts.
- Ongoing savings achieved through the sharing of information or expertise across councils.







Front cover: *Toku ora, Toku ara*, Shannon Te Ao (2022)

This page: *Folk Nationalism*, Ayesha Green (2022)

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## **Tauranga Art Gallery Trust Trustees' Commentary**

We started the 2022-2023 financial year confident that the hard work of last year would reap rewards this year. Unfortunately, July began with another round of COVID-19 both in the community and our staff which resulted in lower visitor numbers and the cancellation of many of our education programmes both in schools and the Gallery classroom as well as holiday programmes.

In July we sourced feedback from our visitors and community groups to review our range of core activities in the Gallery with the goal of delivering enhanced public programmes suitable for a wider audience. In September momentum quickly picked up with the appointment of Monique Barnett into the Public Programme role and Leiona Tupou as Event Coordinator, enabling planning to begin for an exciting new calendar of regular activities and events for our community to participate in. In the last six months these included artist talks, creative drawing workshops, children's colouring in competitions and a Night at the Museum which was a collaborative community project. These new public programmes have been very well supported and are outlined in this report.

The appointment of Serena Bentley to the new role of Curator and Exhibitions Manager has provided us with a dedicated resource to focus on the development and delivery of our exhibition programme. Exhibitions are now planned twelve-months in advance through to December 2023. This longer lead in time has enabled the Gallery to identify collaborative projects with other community organisations, build a range of supporting Public and Education programmes for each exhibition and provided more time to match exhibitions with the most suitable sponsor.

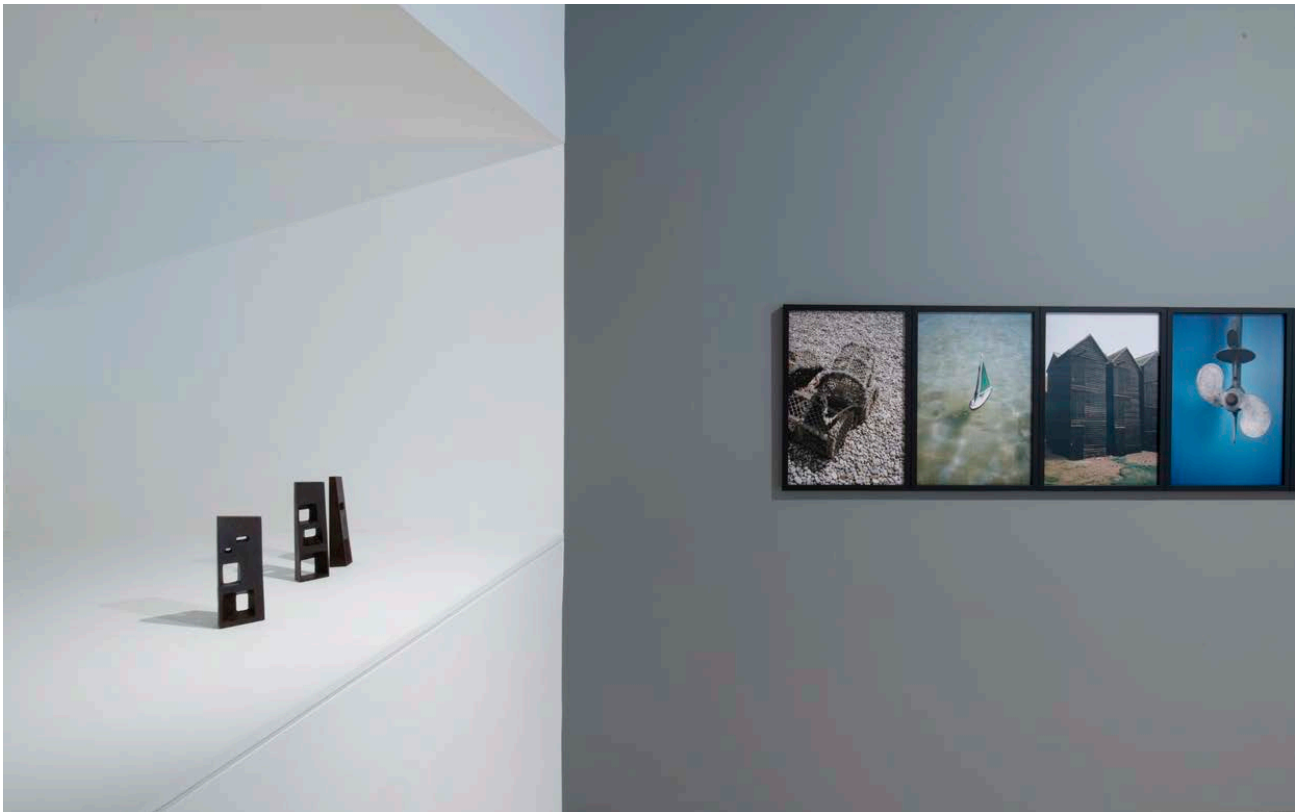
During this period, we also reopened the Gallery as venue for commercial events to enable more people to enjoy the Gallery's amenities and increase revenue. The Gallery hosted a range of community events from yoga, music from Second Company Duo and a film producer's panel Q&A evening discussing the production of *Mis Information*, a documentary about Dr Siouxsie Wiles.

The Gallery finished Q2 receiving 14,795 visitors which is 42% percent of our end of year-end target of 35,000 and 2616 tamariki through our education programmes which is 35% of our year-end target of 7,500. These results are slightly lower than expected due to the impact of Covid at the beginning of the financial year.

With the borders now fully open and cruise ships back in Tauranga, we are expecting visitor figures to increase in Q3 and Q4 but at this stage we believe we will not reach our visitor end-of-year target. This is similar to our education programmes as we cannot increase the number of classes offered to tamariki due to the lack of capacity in the Gallery classroom space. We are projecting at this stage an approximate shortfall of 864 students.

For the six-month reporting period (1 July – 31 Dec 2022) the Gallery delivered eight exhibitions, towards our 2022–2023 financial year target of twelve. Of these eight, three exhibitions opened near the close of the 2021–2022 financial year, with many of the supporting programmes of these shows carrying into this financial year.

This period has not been without financial challenges as commercial sponsorship opportunities slow in this tighter economy and our operational costs increase. These challenges were recognised early, and staff have worked hard to deliver cost effective quality exhibitions and programmes that accessible for everyone to experience.



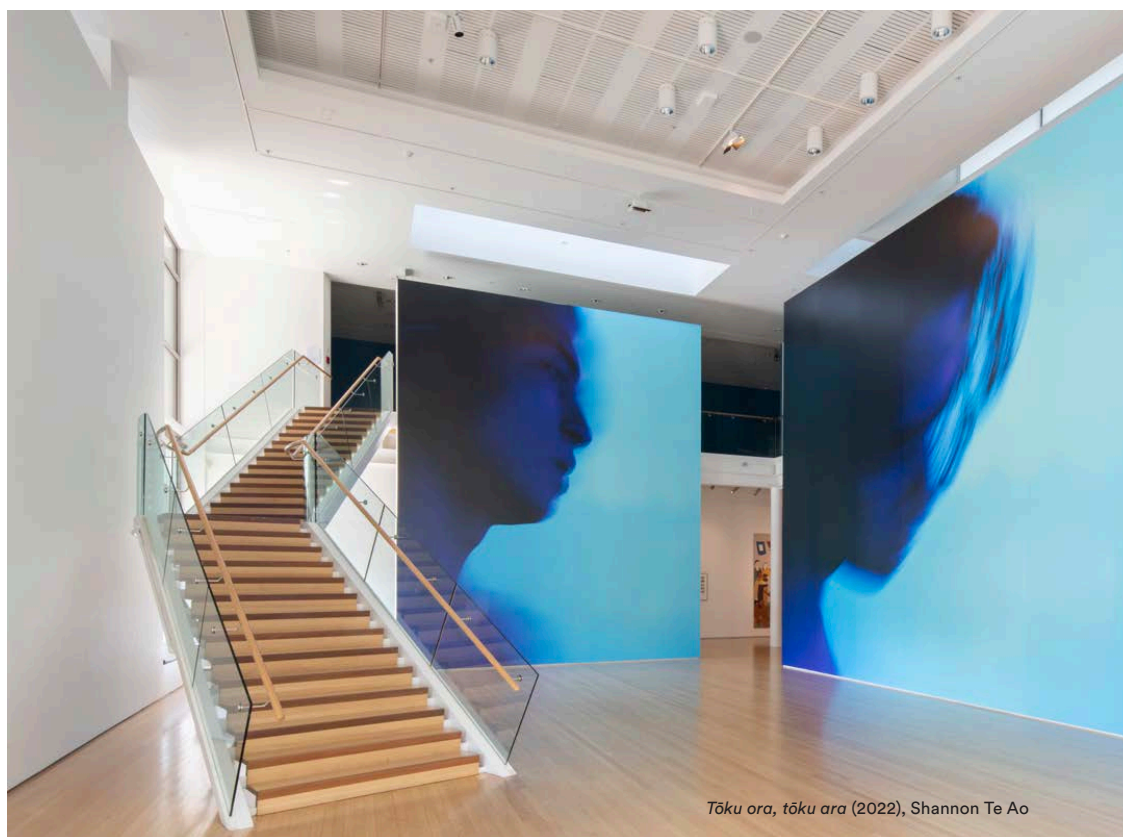
Tauranga City Council have generously given us extra support in the provision of financial services over the past few months with Dalton Munro coming on board to assist us and look forward to confirming further support as part of the shared services discussion.

In the last six months the Trust Board welcomed Anthony Campbell as an Intern Trustee and Zara Stanhope as a full Trustee and sadly farewellled Emma Gardiner. Emma joined the Tauranga Art Gallery Trust Board as an aspiring Board member in September 2019 and became a full Board member in May 2020. We would like to thank Emma for her valuable contribution to the Gallery over the past three years.

We would like to thank Tauranga City Council, Western Bay of Plenty District Council and our various funders and sponsors, supporters and of course artists for all their ongoing and generous support as without this we would not be able to deliver exhibitions, programmes and events for our community and visitors to the region.

Rosemary Protheroe, Chair  
and the Tauranga Art Gallery Trustees





## Key activities

### Exhibited artist achievements

Our recent exhibitions with artists Ayesha Green and Maraea Timutimu are examples of the pivotal role the gallery has in boosting the careers of artists and our engagement with diverse audiences locally and nationally.

Ayesha Green's Rydal Prize-winning exhibition *Folk Nationalism* was her largest solo exhibition to date, pushing the scale and ambition of her works to remarkable results, with key pieces being secured by major institutions including Christchurch Art Gallery and Te Papa.

Local artist Maraea Timutimu's project was a crucial development opportunity for the artist and her first exhibition in a public institution. *He kawai whenua He kawai whakapapa* reflected the stories and histories of mana whenua, bringing many members of that community into the gallery, often for the first time. The exhibition continues to have a life outside of its exhibition run and has heralded a range of opportunities for the artist.

The exhibition will now tour to Whakatāne Museum, a suite of works from the show was included in a group exhibition at Tim Melville Gallery in Auckland (her first showing in a commercial gallery) and she was recently one of the winners in the 2023 Molly Morpeth Awards.

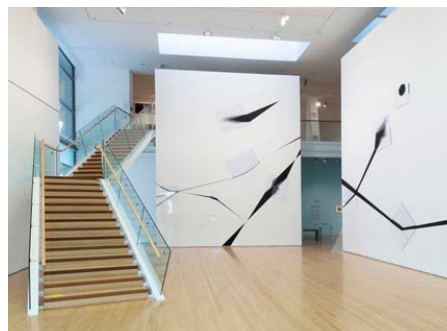
## Exhibition summary



**GOODBYE BAY OF PLENTY: Robin White prints**  
from the Tauranga Art Gallery Collection

09 April – 14 August 2022

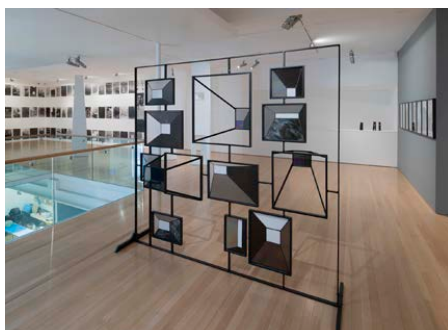
This collection-focused exhibition provided an overview of our holdings of Robin White's work. It was also timed to coincide with the major touring retrospective *Robin White: Something is Happening Here* at Te Papa Tongarewa Museum of New Zealand and co-developed with Auckland Art Gallery Toi o Tāmaki, for which the Gallery has lent four additional works.



**Andrew Beck: Soft Filter**

04 June – 30 October 2022

In *Soft Filter*, Beck's collaging of analogue and digital materials was rendered large scale in the Gallery's atrium, deliberately confusing object, and surface. Beck's practice combines photography, painting, sculpture, and installation in a manner that divorces each element from its original context, encouraging slippage from one form to the next.



**Natalie Guy & Gavin Hipkins: City of Tomorrow**

28 May – 9 October 2022

*City of Tomorrow* brought together the work of Auckland based photography and moving image artist Gavin Hopkin's and Tauranga-born sculptor Natalie Guy. Both contend with the early aspirations of modern architecture, a style of building that emphasises function and form over ornamentation.



**Anitarewa Robertson: Window, Frame, Book, Brick**

18 June – 16 October

Local emerging artist Anitarewa Robertson uses found and discarded materials to create sensitive and tactile works that bridge drawing, painting, collage, craft, and sculptural installation. For Robertson, the innate histories of the ephemera she collects provide a rich starting point for her work.



**Ayesha Green: Folk Nationalism**  
2021 Rydal Art Prize winner

27 August – 22 January 2023

What are the stories we tell from our collective past and how do they come to inform the lives we live in Aotearoa today? How do we imagine ourselves as a nation? These are some of the questions posed by Tāmaki Makaurau-based artist Ayesha Green (Ngāti Kahungunu, Kāi Tahu) in this significant new body of paintings.



**Maraea Timutimu:**  
He kāwai whenua He kāwai whakapapa

29 October – 12 February 2023

The rocks and clay local artist Maraema Timutimu has assembled have been collected from the waterways of her maternal and paternal kāinga. These totemic forms are portraits – poetically standing in for people who are important to the artist. They provide a unique insight into the connectedness of whenua and whakapapa through a Māori lens.



**Top Art**

28 September – 19 October 2022

*Top Art* is an annual touring exhibition featuring a selection of the NCEA Level 3 portfolios that achieved Excellence in Visual Art in the previous school year. Five streams are covered: design, painting, photography, printmaking, and sculpture.

This exhibition provides an opportunity for secondary students and teachers to gain an understanding of what is required to achieve Excellence at Level 3.



**Shannon Te Ao: Tōku ora, tōku ara**

12 November – 19 February 2023

In *Tōku ora, tōku ara*, Pōneke artist Shannon Te Ao (Ngāti Tāwharetoa, Ngāti Wairangi, Te Pāpaka-a-Māui) considers time, language, and movement as pivotal to our personal and shared experience. The title *Tōku ora, tōku ara* refers to one's path in life as it might be guided by these central tenets. This sentiment informs Te Ao's major new atrium commission *Tōku ora, tōku ara* and his companion 2020 film *Ka mua, ka muri*. Both works are set within Te Ao's filmic imaginary which draws on references to sites of ancestral significance and build on his intimate visual language which spans moving image, music, text, and installation.



## Public programmes

We recognise that public programmes are an essential way to engage with a diverse range of audiences and attract new visitors and as the Gallery is a welcoming place, we want to reach out to community members who might not otherwise attend or are looking to be involved in our activities. We achieve this through these programmes.

In Q2 we introduced a new Public Programmes calendar which attracted 794 people (not including the children coming into the gallery to participate in the colouring competitions). Our calendar includes a regular Sunday Creative Workshop series which was held on the last Sunday of the month and a range of other programmes including artist talks with Robin White, Shannon Te Ao and Maraea Timutimi, children's colouring-in competitions and Squiggla Family Fun Day.

We continued to collaborate with other organisations in the community including Tauranga Arts Festival to host Zinefest, Tauranga libraries, The Elms, and hosted other events and activities. Workshops have included guest artists Rolph Hediger and Maraea Timutimu where members of the public enjoyed being able to meet the artists and to learn new skills.

A key learning for us over this period is to not deliver programmes too close to the Christmas holiday period as we cancelled a couple of programmes due to low registrations.





## Public programmes highlights

### Night at the Museum

We led the development of and hosted the delivery of a collaborative project called the Night at the Museum. This evening had seven holders of public and private collections of significant Taonga or art works/objects relating to local identities came and shared stories, focusing on a significant Taonga or artwork from their collection to over 80 attendees.

The aim of this event was to highlight significant collections in the area and present collections through the lens of one significant object. The goal was for Tauranga Art Gallery to connect across the GLAM sector and spark interest in Taonga tuku iho art and cultural heritage across the region.

Night at the Museum participating organisations:

- Tauranga City Libraries: Archives
- Tauranga City Civic Art Collection
- Tauranga Art Gallery Toi Tauranga
- Tauranga Heritage Collection
- Local private collecting group Toi Ataata
- Western Bay Museum
- The Elms Te Papa

### Zinefest

We annually support the Tauranga Arts Festival by hosting the Zinefest in the Atrium in the Gallery. This year there were 25 stalls and again it proved to be a popular event with 380 people attending. In addition to the stall holders, we had a DJ, photobooth poetry readings and prizes and it was a free event for the public to attend.



### Artist Talks

We have been very fortunate to be able to host artist talks in the Gallery and over the past six months we have enjoyed Robin White, Ayesha Green, Shannon Te Ao and Maraea Timutimu. These talks were positively received with especially Robin White with over 120 guests.

### Yoga in the Gallery

For one week in November, qualified yoga teacher Cherie Lacey helped our community bring mind, body and spirit together with Vinyasa flow-style yoga classes surrounded by Shannon Te Ao's evocative art installation. Each session was unique and grounded in ideas and themes arising from the art.



#### Children's Colouring Competitions

We held two colouring competitions for children aged 0-12 years during this period with the first one for Ayesha Green that attracted over 200 entries and Shannon Te Ao which attracted over 300 entries which is still going and will be "judged" at the end of February.

#### Squiggla Family Fun Day

Squiggla was developed by the Chartwell Trust and is a creative thinking programme that exercises the creative mind through direct, playful mark marking. 110 young people and their families attended our November fund day to Play + Make + Imagine + Invent with marks, dots, and lines.

#### Engagement summary

Stats during 1 July – 31 December 2022

14,795 visitors including:

- 2,616 students
- 5,310 TAG newsletter
- 1,882 education newsletter
- 500 children involved in our colouring-in competitions
- 5669 followers Instagram
- 5482 followers Facebook







## Education Programmes

Our education programmes are delivered through specialist programs developed in-house by our educators and relate to the artist exhibitions on display at the Gallery at the time of the visit and they are linked to the New Zealand curriculum. In addition to art learning experiences, our programmes also provide learning experiences in the areas of nature, environment, history, language, science, technology, leadership, and te reo.

We were successful in securing a three-year contract with the Ministry of Education for Learning Education Outside the Classroom programmes (LEOTC). This contract provides an additional investment of \$33,000 per year and also enables us to have access to great educational resources and a new reporting database for all our bookings.

From 1 July to 31 December, 2,616 students participated in our education programmes which is 35% of our target for year end. 794 adults and teachers also attended these sessions. COVID-19 continued to affect the number of school/kura visits and education programmes. This is reflected in the lower visitation numbers and number of cancellations in this six-month period between 1 July 2022 and 15 August 2022. While we will try to rebook these groups, we have limited space available, and schools have a pre-set calendar so it may not be possible.

During this period, students participated in programmes linked to the exhibitions of Robin White, Andrew Beck, Ayseha Green and Maraea Timutimu. The most popular education programme over this period was Ayesha Green with 69 school group visits and 1,646 learners.

Between 1 July 2022 and 31 December 2022, the Gallery hosted 214 school group visits from across the Western Bay of Plenty. The free ArtBus continues to be a success and was well utilised with 81 out of our 83 schools travelling via the ArtBus to participate in our education programmes.

We continue to work alongside the library to offer schools the choice of having a day out where they can experience the art gallery and library programmes and 66 classes participated in this programme during this period.

20 outreach programmes were delivered, and this enabled us to provide practical art learning experiences in the school classrooms for those schools unable to travel to the gallery. This programme has direct links current exhibitions at the Gallery offsite in the school classroom. The focus of these workshops for students in Years 0 to 8, is to explore fundamental art-making skills, materials, and techniques in the elemental areas of drawing, painting, printmaking, and sculpture.

All our education programmes have been reviewed during this period as we want to ensure they continue to be relevant for the schools and that the outcomes offered will enable us to increase our reach in the community to new community groups and individual. We also have a refreshed professional development programme for teachers. These changes will be implemented in Q3 and Q4.

A full report of the outcome of these programmes will be outlined in the full 12-month report.



Outreach programme at Selwyn College



## Education Summary

Stats during 1 July – 31 December 2022

2616 young people attended education programmes for the following exhibitions:

Robin White	427
Andrew Beck	343
Ayseha Green	1646
Maraea Timutimu	200

**TAG Art Studio for Children:**

- 200 children were booked to attend the July School Holiday Programme but unfortunately these were cancelled due to staff absence due to illness with COVID-19.
- 101 young people attended the October Holiday Programmes

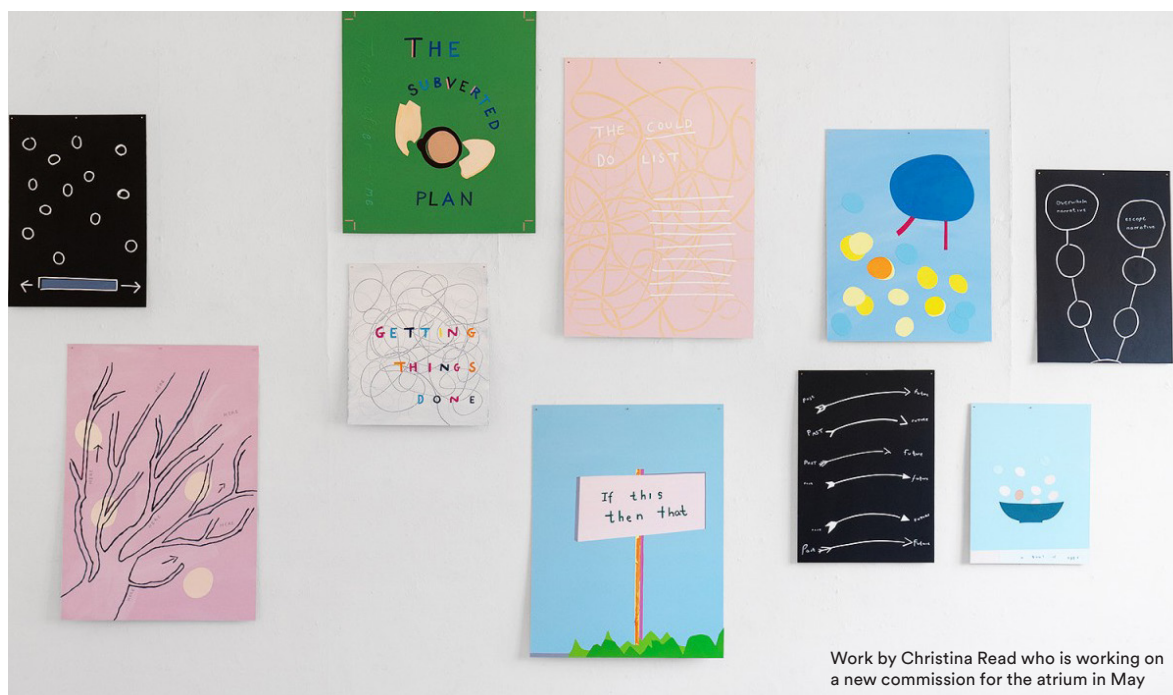
**Education Programmes cancelled due to COVID-19 and sickness:**

- Cancellation of school programmes in July and August involved 864 EOTC learners.
- 11 early childhood sessions

**Library / Gallery shared visits:**

- 66 classes from across the Western Bay of Plenty attended both education programmes as part of the shared programmes.





## Looking ahead to Q3 and Q4 1 January – 20 June 2023

We will continue to enhance our operational processes and move the last of our surveys online. This will enable easy access to reporting across the Gallery and give us more real time and accurate information to inform our decision making.

Changes to our website will enable us to be able to upload more documents, articles and videos for the community to enjoy and we will be finalising our Asset Management Plan .

We have new staff starting in the Gallery in Q3 so it will take a little time to settle them into the Gallery, but these appointments are very needed as they will reduce the workload on others while they filled the vacancies in Q2.

The delivery of our new exhibition programme will commence in Q3 with the first cluster made up of five artists work opening on 3 March and the next cluster in Q4 and our refreshed education programmes that will be delivered to more groups from early childhood to senior citizens will be slowly rolled out in Q3.

The Education Team are excited to launch their restructured Schools Art Programme which has moved to align with the new MOE curriculum in Term 1 and our new community initiative “The Mindful Making Project” which has been developed to meet the needs of a diverse range of community groups and will cater for all ages and abilities.

The Tauranga Art Gallery Trust will be working with Tauranga City Council on the appointment of a new Trustee and planning for the 2023-2024 financial year will be a priority during this period.

We are looking forward to continuing the discussions regarding the re-development of the Gallery as part of the Civic Precinct – Te Manawataki o Te Papa project.

Q3 and Q4 will be another busy yet exciting six months for the Gallery.

## Performance framework: non-financial

**Traffic light status key** ● On track and remaining so ● Off track but likely to be on target at Year End ● Off track and needing further monitoring

Exhibitions, Events and Education Programmes			
He Tauranga Auaha <i>To be an anchor of innovation and creativity</i>	TAG Strategic Objective	Performance Target	Status
TAG is a destination for both city visitors and residents, providing the opportunity for all to learn about and experience art	<i>*The Gallery continues to be affected by the impacts of COVID-19 with a reduction in number of visitors taking part in TAG art programmes</i>	Total gallery visitation is not less than 35,000 in the financial year 2022/2023, with a slow build up over the following two years anticipated to restore pre-COVID-19 visitation of 60,000+.	<span style="color: red;">●</span>
	Deliver a diverse exhibition and events programme	Minimum twelve (12) exhibitions and events that reflect the unique character and needs of Tauranga, inspires the Tauranga community, includes international representation, and integrates key objectives in the areas of innovation, diversity, community, and environment	<span style="color: green;">●</span>
	Achieve a high level of customer satisfaction.	At least an 85% "highly satisfied/positive" visitor response.	<span style="color: yellow;">●</span>
	Diverse audiences attend exhibitions.	Ethnicity of visitors is captured in our visitor survey forms. Increased efforts made to reach a broad demographic in our communication channels.	<span style="color: yellow;">●</span>
	Deliver a range of education programmes and learning opportunities that meets the needs of our clients	A range of in-gallery, outreach and holiday programmes are delivered to a minim of 7,500 students.	<span style="color: red;">●</span>
		Deliver four (4) other learning opportunities for targeted groups and families / whanau.	<span style="color: green;">●</span>
Stakeholder engagement / marketing and communications			
He Tauranga Matarau <i>To be an anchorage for diversity</i>	TAG Strategic Objective	Performance Target	Status
TAG is inclusive and promotes partnerships with tangata whenua, values culture, and diversity and where people of all ages and backgrounds are included, feel safe, connected, and healthy.	Enhance our marketing and communications	A marketing and communication strategy is developed that effectively promotes the Gallery's full range of activities. It will include brand alignment and options to develop technology and digital platforms to provider alternative art experiences to grow audiences and enabling greater access to visual arts.	<span style="color: yellow;">●</span>
	Partner with mana whenua and ensure strong engagement with Māori	Implement an engagement strategy that reflects Tikanga Māori, enabling us to build stronger relationships with mana whenua and enabling wider engagement with Māori	<span style="color: yellow;">●</span>
	Partner with government agencies, councils and other organisations.	Staff, and where appropriate trustees, work in collaboration with relevant government agencies, groups and councils to share best practice and to align with other events held across the city i.e. Tauranga Arts Festival, Jazz Festival	<span style="color: green;">●</span>

Financial Governance and Management			
He Tauranga Whaihua <i>To be an anchor of enduring success</i>	TAGT Strategic Objective	Performance Target	Status
TAGT will pursue opportunities to secure funding and manage all funds with prudence and care with a commitment towards being financially sustainable.	Develop a greater awareness of our Social Return on Investment (SROI)	Our Social Return on Investment (SROI) impact is integrated into messages with stakeholders and gallery supporters, leading to a better understanding of our social and economic impact. Report findings to TCC as part of 2022–23 Annual Report.	●
		New measures and statistics are identified, in addition to ongoing visitor attendance and feedback surveys to be reported back through the 2022–2023 Annual Report.	●
	Implement prudent financial processes	Appropriate systems and controls are in place for the efficient management, planning and decision making across area all areas of the organisation.	●
		Our annual budget is monitored regularly, with current financial projections maintained to ensure gross revenue targets and forecasted expenditure is within budget.	●
		Generate 20% revenue from sources other than TCC (2022/23) building towards increasing our alternative revenue by a minimum of 20% (24% of overall operating budget by 2024–2025).	●
Infrastructure and facilities			
He Tauranga Haukaha <i>To be an anchor of great shelter</i>	TAGT Strategic Objective	Performance Target	Status
	Involved in City Centre redevelopment project (Civic Precinct) discussions.	Evidence of collaboration with TCC management team on the development of the Civic Precinct.	●
	Effective management of assets.	An Asset Management Plan is developed that includes a well-planned repairs and maintenance programme, renewals, and future CAPEX priorities.	●
He Tauranga Taiao <i>To be anchor in environmental sustainability</i>	Gallery operates in an environmentally sustainable way.	We have investigated ways of using resources better and reducing waste by recycling and / or reusing materials and monitoring power consumption.  TAGT identifies targets in period, in work towards achieving a sustainability accreditation by 2024–25	●
People and organisational culture			
He Tauranga Haumaruru <i>To be anchor for development</i>	TAGT Strategic Objective	Performance Target	Status
TAGT will take all practical steps to ensure our people are valued, supported feel safe, connected, and healthy	Health, safety, and well-being is a priority.	All health, safety and well-being policies and procedures reviewed, and an internal review programme developed to ensure they are regularly monitored to meet statutory requirements.	●
	Implement best practice human resource management policies and processes	To improve the culture of the organisation, staff are engaged, increased in employee satisfaction, meeting statutory obligations, and reducing organisational risk.	●
		Annual staff survey to be undertaken, potentially in collaboration with Council with a staff rating of 80% staff satisfaction achieved.	●
	The board is providing best practice governance	The board provides governance for the TAG strategic direction. All Trustees have a clear understanding of their roles and actively seek professional development opportunities. Board will also be open and transparent, publishing our SOI on our website and key strategic documents, policies and staff and board charters.	●
	Approach to governance	TAGT board values align with Tauranga City Council's values.  Collaborate with TCC, through assisting with developing the Council city brand, City Event Strategy, and participating in Governance-to-Governance meetings.	● ●

## Statement of Financial Performance

Tauranga Art Gallery

For the 6 months ended 31 December 2022

Account	Notes	Jul - Dec 2022	Budget: Jul - Dec 2022	Jul - Dec 2021
<b>Revenue</b>				
Donations, fundraising and other similar revenue	1	807,655	805,359	701,540
Revenue from providing goods or services	1	39,966	74,550	62,647
Interest, dividends and other investment revenue	1	13,865	5,000	3,475
Other revenue	1	1,926	600	1,090
<b>Total Revenue</b>		<b>863,412</b>	<b>885,509</b>	<b>768,753</b>
<b>Expenses</b>				
Expenses related to public fundraising	2	174,202	186,366	161,387
Volunteer and employee related costs	2	501,390	483,084	360,739
Costs related to providing goods or service	2	160,948	148,168	115,128
Other expenses	2	13,847	15,360	14,284
<b>Total Expenses</b>		<b>850,386</b>	<b>832,978</b>	<b>651,538</b>
<b>Depreciation</b>				
Depreciation		75,844	75,870	75,648
<b>Total Depreciation</b>		<b>75,844</b>	<b>75,870</b>	<b>75,648</b>
<b>Surplus/(Deficit) for the Year</b>		<b>(62,818)</b>	<b>(23,339)</b>	<b>41,567</b>

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

## Statement of Financial Position

Tauranga Art Gallery  
As at 31 December 2022

Account	Notes	31-Dec-22	31 Dec 2021
<b>Assets</b>			
<b>Current Assets</b>			
Bank accounts and cash		490,156	668,123
Debtors and prepayments		49,857	35,648
Inventory		5,115	6,520
Other Current Assets		0	6,800
Term Deposits		855,410	643,039
<b>Total Current Assets</b>		<b>1,400,539</b>	<b>1,360,131</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment		10,011,796	10,011,796
<b>Total Non-Current Assets</b>		<b>13,673,349</b>	<b>11,907,926</b>
<b>Total Assets</b>		<b>15,073,888</b>	<b>13,268,057</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Creditors and accrued expenses		188,711	173,605
Employee costs payable		47,569	75,159
<b>Total Current Liabilities</b>		<b>236,279</b>	<b>248,764</b>
<b>Total Liabilities</b>		<b>236,279</b>	<b>248,764</b>
<b>Total Assets less Total Liabilities (Net Assets)</b>		<b>14,837,608</b>	<b>13,019,292</b>
<b>Accumulated Funds</b>			
Capital contributed by owners or members		1,000,000	1,000,000
Accumulated surpluses or (deficits)		5,970,302	6,041,379
Reserves		7,867,307	5,977,915
<b>Total Accumulated Funds</b>		<b>14,837,609</b>	<b>13,019,294</b>

This statement has been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

## Statement of Cash Flows

Tauranga Art Gallery

For the 6 months ended 31 December 2022

Account	Jul-Dec 2022	Jul - Dec 2021
<b>Operating Activities</b>		
Receipts from customers	930,731.01	887,469.10
Payments to suppliers and employees	(911,219.39)	(683,147.45)
Cash receipts from other operating activities	(61,815.60)	(65,537.85)
<b>Net Cash Flows from Operating Activities</b>	<b>(42,303.98)</b>	<b>138,783.80</b>
<b>Investing Activities</b>		
Proceeds from sale of property, plant and equipment	998.27	
Payment for property, plant and equipment	(21,684.08)	(22,047.80)
Other cash items from investing activities	6,265.00	
<b>Net Cash Flows from Investing Activities</b>	<b>(14,420.81)</b>	<b>(22,047.80)</b>
<b>Financing Activities</b>		
Other cash items from financing activities	(48,403.43)	17,517.91
<b>Net Cash Flows from Financing Activities</b>	<b>(48,403.43)</b>	<b>17,517.91</b>
<b>Net Cash Flows</b>	<b>(105,128.22)</b>	<b>134,253.91</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents at beginning of period	595,284.53	531,678.56
Net change in cash for period	(105,128.22)	134,253.91
Cash and cash equivalents at end of period	490,156.31	665,932.47



## Notes to the Performance Report

Tauranga Art Gallery

For the 6 months ended 31 December 2022

Account	Jul - Dec 2022	Budget: Jul - Dec 2022	Jul - Dec 2021
<b>1. Analysis of Revenue</b>			
<b>Donations, fundraising and other similar revenue</b>			
Tauranga City Council	659,385	634,801	601,969
Ministry of Education	17,746	16,998	0
Western Bay of Plenty District Council	20,000	20,000	20,000
Exhibition Sponsorship	74,449	83,000	50,000
Artbus Sponsorship	3,478	5,000	12,500
Admission Donations	7,560	10,600	4,894
Other donations	25,037	34,960	12,177
<b>Total Donations, fundraising and other similar revenue</b>	<b>807,655</b>	<b>805,359</b>	<b>701,540</b>
<b>Revenue from providing goods or services</b>			
Education programme revenue	13,557	19,500	21,227
Events and exhibitions	6,258	13,550	28,261
Exhibition Touring Income	0	10,000	0
Retail Sales	18,719	23,500	11,552
Venue hire	1,431	8,000	1,607
<b>Total Revenue from providing goods or services</b>	<b>39,966</b>	<b>74,550</b>	<b>62,647</b>
<b>Interest, dividends and other investment revenue</b>			
Interest Income	13,865	5,000	3,475
<b>Total Interest, dividends and other investment revenue</b>	<b>13,865</b>	<b>5,000</b>	<b>3,475</b>
<b>Other revenue</b>			
Sundry Income	1,926	600	1,090
<b>Total Other revenue</b>	<b>1,926</b>	<b>600</b>	<b>1,090</b>

Account	Jul - Dec 2022	Budget: Jul - Dec 2022	Jul - Dec 2021
<b>2. Analysis of Expenses</b>			
<b>Expenses related to public fundraising</b>			
Advertising and marketing	27,519	26,000	22,039
Collection expenses	0	600	0
Contractor expenses	0	500	0
Cost of goods sold	9,441	12,306	4,926
Education expenses - Art bus	17,523	35,738	13,419
Education program expenses	9,558	12,229	5,590
Event and exhibition expenses	107,296	95,456	112,807
Special projects	0	0	2,555
Venue Hire	653	2,501	0
Membership Subscriptions	2,211	0	50
Workshop Tools Maintenance	0	1,036	0
<b>Total Expenses related to public fundraising</b>	<b>174,202</b>	<b>186,366</b>	<b>161,387</b>
<b>Volunteer and employee related costs</b>			
Salaries and wages	493,416	458,190	355,818
Employee Superannuation contributions	0	13,344	0
Recruitment and HR costs	1,805	900	1,260
Staff travel	439	3,600	800
Staff training	1,580	3,750	139
Other Employee related costs	4,150	3,300	2,722
<b>Total Volunteer and employee related costs</b>	<b>501,390</b>	<b>483,084</b>	<b>360,739</b>
<b>Costs related to providing goods or services</b>			
COVID - Health & Safety exp	807	0	344
Accounts Monthly Review	4,200	4,200	3,525
Administration expenses	54,987	49,407	38,673
Building and maintenance	66,135	69,259	53,336
Consultants and legal	18,807	9,000	3,477
Insurance	12,600	13,044	12,600
Lease expense	3,413	3,258	3,146
Gain/(Loss) on Sale of Asset	0	0	27
<b>Total Costs related to providing goods or services</b>	<b>160,948</b>	<b>148,168</b>	<b>115,128</b>
<b>Other expenses</b>			
Audit fees	12,600	12,600	12,600
Bank fees	1,247	2,760	1,683
Depreciation	75,844	75,870	75,648
Interest Expense	0	0	1
<b>Total Other expenses</b>	<b>89,690</b>	<b>91,230</b>	<b>89,932</b>

## Budget Variances

Tauranga Art Gallery

For the 6 months ended 31 December 2022

Account	Jul - Dec 2022	at: Jul - Dec 2022	Variance
<b>Major Vairances to budget</b>			
<b>Revenue</b>			
Tauranga City Council	659,385	634,801	24583.5
Ministry of Education	17,746	16,998	748
Western Bay of Plenty District Council	20,000	20,000	0
Exhibition Sponsorship	74,449	83,000	-8550.72
Artbus Sponsorship	3,478	5,000	-1521.74
Admission Donations	7,560	10,600	-3039.51
Other donations	25,037	34,960	-9923.44
<b>Total Donations, fundraising and other similar revenue</b>	<b>807,655</b>	<b>805,359</b>	<b>2296.09</b>
Education programme revenue	13,557	19,500	-5942.57
Events and exhibitions	6,258	13,550	-7291.52
Exhibition Touring Income	0	10,000	-10000
Retail Sales	18,719	23,500	-4780.91
Venue hire	1,431	8,000	-6569.39
<b>Total Revenue from providing goods or services</b>	<b>39,966</b>	<b>74,550</b>	<b>-34584.39</b>
Interest Income	13,865	5,000	8864.95
<b>Total Interest, dividends and other investment revenue</b>	<b>13,865</b>	<b>5,000</b>	<b>8864.95</b>
Sundry Income	1,926	600	1326.28
<b>Total Other revenue</b>	<b>1,926</b>	<b>600</b>	<b>1326.28</b>
Account	Jul - Dec 2022	at: Jul - Dec 2022	Variance
Advertising and marketing	27,519	26,000	1,519
Collection expenses	0	600	(600)
Contractor expenses	0	500	(500)
Cost of goods sold	9,441	12,306	(2,865)
Education expenses - Art bus	17,523	35,738	(18,215)
Education program expenses	9,558	12,229	(2,671)
Event and exhibition expenses	107,296	95,456	11,840
Special projects	0	0	0
Venue Hire	653	2,501	(1,848)
Membership Subscriptions	2,211	0	2,211
Workshop Tools Maintenance	0	1,036	(1,036)
<b>Total Expenses related to public fundraising</b>	<b>174,202</b>	<b>186,366</b>	<b>(12,164)</b>
Salaries and wages	493,416	458,190	35,226
Employee Superannuation contributions	0	13,344	(13,344)
Recruitment and HR costs	1,805	900	905
Staff travel	439	3,600	(3,161)
Staff training	1,580	3,750	(2,170)
Other Employee related costs	4,150	3,300	850
<b>Total Volunteer and employee related costs</b>	<b>501,390</b>	<b>483,084</b>	<b>18,306</b>
COVID - Health & Safety exp	807	0	807
Accounts Monthly Review	4,200	4,200	0
Administration expenses	54,987	49,407	5,580
Building and maintenance	66,135	69,259	(3,124)
Consultants and legal	18,807	9,000	9,807
Insurance	12,600	13,044	(444)
Lease expense	3,413	3,258	155
Gain/(Loss) on Sale of Asset	0	0	0
<b>Total Costs related to providing goods or services</b>	<b>160,948</b>	<b>148,168</b>	<b>12,780</b>
Audit fees	12,600	12,600	0
Bank fees	1,247	2,760	(1,513)
Depreciation	75,844	75,870	(26)
Interest Expense	0	0	0
<b>Total Other expenses</b>	<b>89,690</b>	<b>91,230</b>	<b>(1,540)</b>



# SIX MONTH REPORT

TO 31 DECEMBER 2022

**TĀPOI TE MOANANUI Ā TOI | TOURISM BAY OF PLENTY**

(WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST)

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KPIs**

Tourism Bay of Plenty, Six Month Report Jul-Dec 2022

# KIA ORA

Welcome to the Six Month Report for Tourism Bay of Plenty, covering the period 1 July to 31 December 2022. This report provides an overview of the key projects and activities delivered by Tourism Bay of Plenty in accordance with our Statement of Intent 2022-2023, during what proved to be a time of continuing challenges for the New Zealand tourism sector.

The key projects Tourism Bay of Plenty undertook during this period included:

- Preparation for and the successful return of cruise ships to Tauranga (and the wider region), including the reinstatement of the Tauranga Harbour Ferry.
- Supporting operators as they prepared for the reopening of the international travel border and the reinstatement of our travel trade
- Marketing campaigns and media familiarisation programmes with relevant partners, such as Tourism New Zealand
- Planning and preparation for the second, extended 10-day Flavours of Plenty Festival in March-April 2023
- The Green Room | Te Rūma Kākāriki sustainability programme and subsequent engagement with visitor sector businesses and organisations across the rohe.

In addition, Tourism Bay of Plenty has contributed significant staff time, resources and specialist skills to support a range of council community projects and Action and Investment Plans relating to events, cycleways, wayfinding, climate change, city branding, and spatial planning (including the iconic Te Manawataki o Te Papa project).

The remainder of this report offers a more informative insight into our team's recent mahi, as we look forward to continuing to connect and enrich people and place through tourism.

Oscar Nathan

Tumuaki | General Manager

Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty







**Key projects included the return of cruise, supporting operators with the border reopening, marketing campaigns, media famils, and planning for the ten-day Flavours of Plenty Festival.**

**Tourism Bay of Plenty, Six Month Report Jul-Dec 2022**



# PROGRESS AGAINST KPIs

Target by June 2023

-  Achieved
-  On track
-  Work in progress
-  At risk

## ECONOMIC WELLBEING

Visitor spend

Jul-Dec 2022 Western Bay combined area

**↑ 14%**  
Compared to  
Jul-Dec 2021

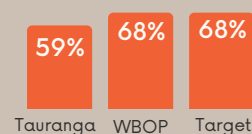
**↑ 14%**  
Compared to  
Jul-Dec 2019



## SOCIAL WELLBEING

Jul-Dec 2022

Percentage of residents  
who agree that tourism  
has a positive impact on  
the community.



## CULTURAL WELLBEING

Developed an online image gallery  
and cultural intelligence app content  
integrating cultural narrative with  
key destination messaging.



## ENVIRONMENTAL WELLBEING

Number of businesses participating in  
The Green Room | Te Rūma Kākāriki.



## TBOP ORGANISATION WELLBEING

Employee Engagement survey will  
be undertaken in April 2023.

Target: employee engagement  
score of at least 70%.



## DESTINATION MANAGEMENT

ELEVATE THE REGION'S CYCLING OFFERING

**5,000**

copies of the Western Bay of Plenty  
and Tauranga cycle trails booklet  
were printed and distributed.



## DESTINATION MARKETING

ELEVATE THE REGION'S FOOD STORY

Flavours of Plenty Festival:  
24 March to 2 April, 2023.  
Tickets on sale 1 February.

**40**  
Events



## DESTINATION MANAGEMENT

OPERATOR CAPABILITY BUILDING

**10**

tourism businesses have  
been provided with 1-to-1  
digital marketing training.



## DESTINATION MARKETING

PROMOTE DESTINATION TO TARGET MARKETS

Focusing on social and other digital  
channels, taking a partnership approach  
to trade marketing, and critically  
assessing the value of media famils to  
ensure value for money.



## DESTINATION MANAGEMENT

BUSINESS EVENTS

**17**

conference bid proposals  
submitted; target was 15.

**4**

confirmed conferences.





# CRUISE



## I-PORT OPERATING

**Details:** A pop-up i-SITE has been established on the port, with six desks manned by tour operators and i-SITE staff.

**Result:** Direct promotion and selling of experiences to cruise passengers.

**Areas covered:** Tauranga, Western Bay of Plenty



## OPERATORS ACHIEVE QUALMARK

**Details:** Supported operators to get them ready for the cruise market – Qualmark certifications, product refinement.

**Result:** Total of 18 operators delivering a range of tours across the region.

**Areas covered:** Tauranga, Western Bay of Plenty



## 76% OF RESIDENTS SUPPORT CRUISE

**Details:** Surveyed residents to understand perceived concerns and advantages of cruise.

**Result:** Positive media coverage to celebrate cruise return and express concerns, including TV news features.

**Areas covered:** Tauranga



105 total  
ships



79 ship  
days



155,000  
passengers



70,000  
crew

2022-23 cruise season estimates (20 Feb 2023)

Tourism Bay of Plenty, Six Month Report Jul-Dec 2022

# FLAVOURS OF PLENTY



Cuisine Magazine

## PROFILING THE FOOD STORY

**Details:** Media coverage and content creation to position the region as a food destination.

**Areas covered:** Tauranga, Western Bay of Plenty

**Results:** Feature articles in:

182k  
of AVE

Nine new  
foodie stories



Fife Lane

## MATARIKI DISH CHALLENGE

**Details:** Seven local eateries participated in the Bay of Plenty challenge, alongside Rotorua eateries.

**Result:** Increased awareness and understanding of Matariki among eatery staff and diners, and exposure for local eateries.

**Areas covered:** Tauranga, Mount Maunganui, Papamoa, and Paengaroa.



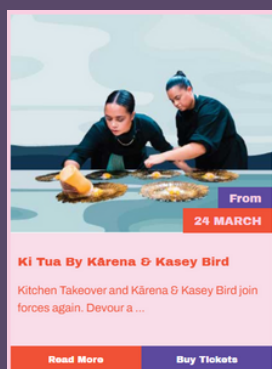
## LOCAL PRODUCT IN LOCAL EATERIES

**Details:** Hosted a major food forum with 150 attendees to encourage networks and collaboration.

**Result examples:** Liberty Growers are now supplying produce to The Clarence. Te Puke Truffles and Tauranga Tasting Tours have developed a new event for Flavours of Plenty Festival.

**Areas covered:** Tauranga, Western Bay of Plenty

# FLAVOURS OF PLENTY FESTIVAL



## Details:

24 March - 2 April 2023

10 days

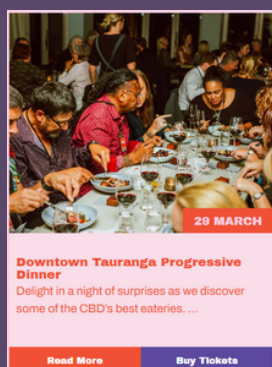
40 events

20 eateries in Plates of Plenty Challenge

## Results (as of 27 Feb 2023):

24% of tickets sold.

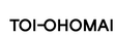
\$65,000 of external funding sourced.



## FESTIVAL FUNDERS:



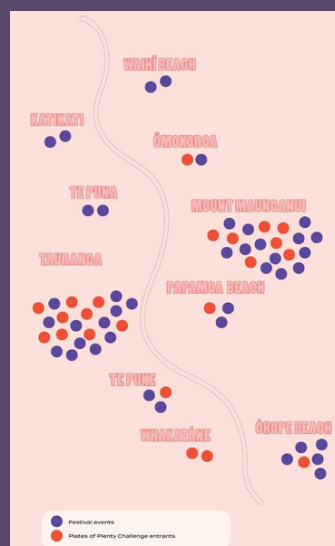
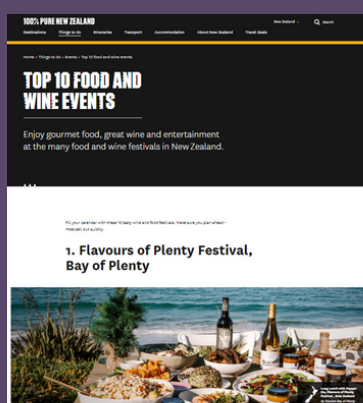
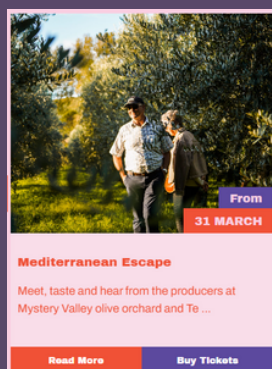
## FESTIVAL SUPPORTERS:



## FESTIVAL POWERED BY:

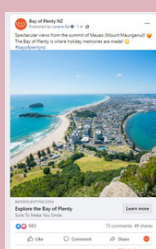


Top event on Tourism New Zealand website (Feb 2023)



Tourism Bay of Plenty, Six Month Report Jul-Dec 2022

# INTERNATIONAL TRADE & MARKETING



Reach:  
2.8m  
people

## SOCIAL CAMPAIGN IN AUSSIE

Details: Partnered with Tourism New Zealand to run a social media campaign on the eastern seaboard of Australia.

Results: Reach 2.8 million; 21,000 website clicks; 16,000 video views.

Areas covered: Mount Maunganui



## 5 NEW QUALMARKED PRODUCTS

Details: Supported operators to become Qualmark certified, meaning they can be marketed offshore by Tourism New Zealand and can operate in the cruise sector.

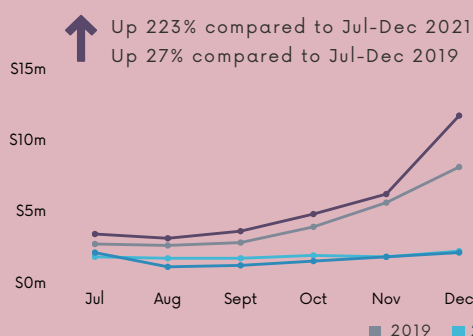
Results:

- Increased reach into international markets.
- Higher quality operation due to the requirements of the certification (i.e., health and safety policies).

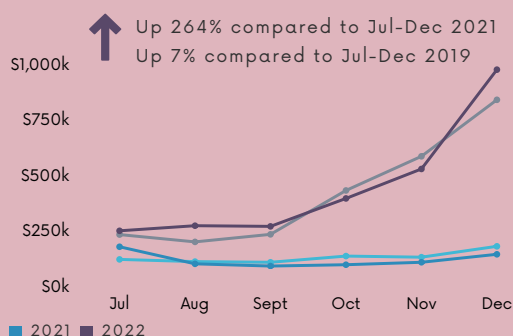
Areas covered: Tauranga, Western Bay of Plenty

## International visitor spend Jul-Dec 2022

### Tauranga



### Western BOP



\*Spend via electronic card transaction only. Excludes cash, online & pre-bookings. Source: Marketview

## Tourism Bay of Plenty, Six Month Report Jul-Dec 2022

# ELEVATION OF CULTURAL TOURISM PROPOSITION



## CULTURAL PRODUCT FOR CRUISE

Details: Supported eight Māori cultural tourism operators to offer cruise products and tours.

Results:

- Cruise passengers can now access authentic local storytelling.
- Provides opportunities for new Māori tourism businesses.
- More local product benefits our region by encouraging visitors to stay local, and reduces travel and carbon emissions.

Areas covered: Tauranga, Western Bay of Plenty



## GLOBAL TOURISM NZ FAMIL

Details: Introduced global Tourism NZ staff to Māori cultural tourism product, partnering with NZ Māori Tourism.

Results:

- NZMT and TNZ can knowledgeably share local offering with wider networks, including Inbound Tour Operators.
- Operators built connections with TNZ and now better understand trade space and how to refine product to fit.

Areas covered: Tauranga, Western Bay of Plenty



## DEVELOPING STORYTELLING APP

Details: Collaboration with TCC Māori Development Team to develop a storytelling and wayfinding app, focusing on CBD.

Results: App content covers regional history, stories, key information, and significant sites. App under development and in the design process.

Areas covered: Tauranga

# DOMESTIC & EVENTS MARKETING



## 'SUMMER'S HERE' CAMPAIGN

**Details:** Ran in spring (before the bad weather!) to encourage summer visitation and show what was on offer.

**Results:** Two million impressions; 400,000 video views; 6,000 clicks to campaign web page.

**Areas covered:** Tauranga, Western Bay of Plenty



## DESTINATION IMAGE LIBRARY

**Details:** Created shared asset library with TCC, Priority One, Film BOP. Shared with Tourism NZ and Air NZ.

**Results:** Shared assets for all to use. Plus added extra imagery with a photoshoot focused on Tauranga city centre.

**Areas covered:** Tauranga city centre



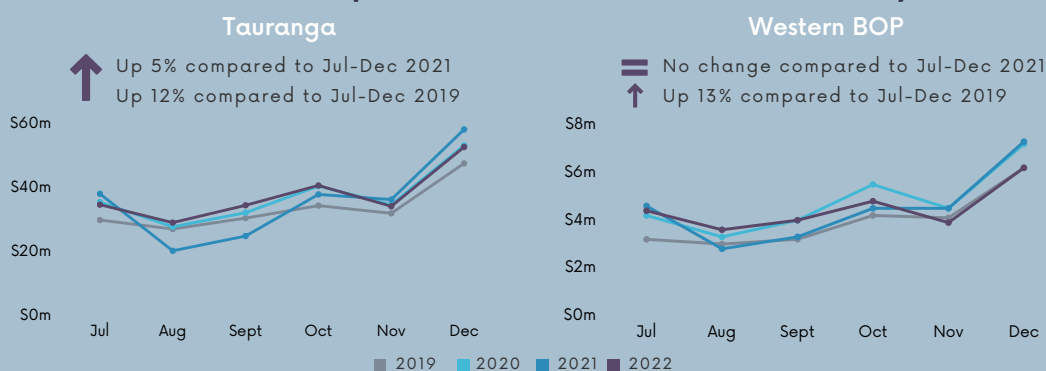
## EVENTS PROMOTION

**Details:** Supported events via promotions, including the summer events guide distributed via Kia Ora magazine.

**Results:** 16,000 copies means significant, nationwide reach.

**Areas covered:** Tauranga, Western Bay of Plenty

## Domestic visitor spend via electronic card transactions only\*





# VALUING OUR ENVIRONMENT



## SUPPORTING HARBOUR FERRY

Details: Supported the Tauranga Harbour Ferry with ticketing, promotion, and connection to cruise passengers.

Results: Over 1,200 tickets sold. Provides a transport option to city centre when larger (1,000+ pax) ships are in port.

Areas covered: Tauranga



## CYCLE TRAILS BOOKLET

Details: Cycle trails booklet developed and 5,000 copies distributed via information centres, accommodation providers, bike shops, cycle groups, Tauranga Airport, etc.

Results: Provides information about cycle trails and increases awareness of them to encourage use for leisure and travel.

Areas covered: Tauranga, Western Bay of Plenty



## THE GREEN ROOM | TE RŪMA KĀKĀRIKI

Details: A programme to teach and encourage visitor sector organisations to become more sustainable – environmentally, socially, culturally and financially.

Results: Carbon and waste measurement and reduction, reviewing business plans to build resilience, donating to and participating in community and environmental initiatives, etc.

Areas covered: 11 Tauranga organisations and 17 Western Bay of Plenty organisations have completed the course.

Funded by:



# NEXT STEPS

---

Main areas of activity planned for the next six months (January to June 2023)



## 01 Flavours of Plenty Festival

The Flavours of Plenty Festival in March/April provides an opportunity to further grow the region's reputation for horticultural excellence and cuisine. We already have a number of media famils confirmed (including Cuisine magazine and Stuff) which, alongside top billing promotion by Tourism New Zealand, will get the word out about this showcase festival for the region. Having more than doubled the number of participating events compared to last year's inaugural festival, momentum and interest is building amongst locals and visitors alike.



## 02 Business events

In the year to date, we have exceeded our annual target KPI for business events (with 17 conference bids submitted and 4 won). This gives us a good platform to build upon over the next six months, especially as our sector manager's focus pivots from cruise facilitation over summer to business events (attracting new conference and meeting bookings) throughout the remainder of the year. We're continuing to work with conference organisers and venue providers to facilitate leads, host decision makers, and grow awareness of the region as a desired business event and incentive destination. A key opportunity in our future positioning as a city will be the Tauranga city centre redevelopment and the associated business event and accommodation facilities that will foster.

# NEXT STEPS

---



## 03 Cultural wayfinding app

This digital platform will include regional history, stories, key information, experiences, significant sites and more. The app content has been created, and Kiwa is currently developing the app itself and its key features. The second phase of this project will be to share Te Ao Māori stories of Tauranga, Māori arts, cultural events and mana whenua led projects that align with our tourism offering.



## 04 Regional development

We are actively involved in a number of exciting projects and initiatives across the region which include Te Manawataki o Te Papa and the Mount Spatial Plan. Both of these important projects will make a significant impact on the future shape of the visitor experience to Tauranga.

There are also wider product development opportunities we are supporting in Te Puke, Waihi Beach and Maketū. We will continue to play a key role as a connector, promoter and experience developer (where possible) on cycleways, waterfall and walking trails and reserves, and similar projects that support the regional tourism offering. One such potential opportunity is working with mana whenua on a cultural cycle trail from the TECT Park to the coast.

# ACCOUNTS

## Western Bay of Plenty Tourism and Visitor Trust

### STATEMENT OF COMPREHENSIVE REVENUE & EXPENDITURE FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	2022 Actual	2022 Budget	2021 Actual
<b>REVENUE</b>			
Funding - Tauranga City Council	1,471,398	1,446,390	1,405,633
Funding - Western Bay of Plenty District Council	116,000	116,000	139,200
Funding - Whakatāne District Council	42,000	42,000	42,000
Retail sales	9,316	7,000	6,546
Finance Revenue	8,401	1,100	2,588
Other revenue	978,132	929,553	1,227,749
<b>Total revenue</b>	<b>2,625,247</b>	<b>2,542,043</b>	<b>2,823,716</b>
<b>EXPENDITURE</b>			
Cost of sales	5,798	4,200	4,367
Operating & Marketing	1,177,537	1,222,451	641,885
Administration & Overhead	205,374	253,327	232,367
Finance Costs	0	0	0
Employee benefit expenses	764,076	782,870	583,474
Trustee Fees	38,500	43,500	37,500
Depreciation and loss on sale of assets	25,882	30,900	33,164
<b>Total expenditure</b>	<b>2,217,168</b>	<b>2,337,248</b>	<b>1,532,757</b>
<b>SURPLUS/(DEFICIT) before Tax</b>	<b>408,079</b>	<b>204,795</b>	<b>1,290,959</b>
<b>Taxation</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SURPLUS/(DEFICIT) after tax</b>	<b>408,079</b>	<b>204,795</b>	<b>1,290,959</b>
<b>Other Comprehensive Revenue &amp; Expense</b>			
Other Comprehensive Revenue	0	0	0
<b>Total Other Comprehensive Revenue &amp; Expense</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Comprehensive Revenue &amp; Expense</b>	<b>408,079</b>	<b>204,795</b>	<b>1,290,959</b>

### STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

	2022 Actual	2021 Actual
Net Assets/Equity at start of the year	614,203	461,288
Total comprehensive revenue and expenses	408,079	1,290,959
<b>BALANCE AT 31 DECEMBER</b>	<b>1,022,282</b>	<b>1,752,247</b>

Tourism Bay of Plenty, Six Month Report Jul-Dec 2022

# ACCOUNTS

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	2022	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,902,795	1,239,236
Debtors and prepayments	121,224	1,146,053
Inventories	10,085	10,720
<b>Total current assets</b>	<u>2,034,103</u>	<u>2,396,009</u>
<b>Non-current assets</b>		
Property, plant and equipment	172,444	186,903
Intangible assets	35,260	52,889
<b>Total non-current assets</b>	<u>207,704</u>	<u>239,792</u>
<b>TOTAL ASSETS</b>	<u>2,241,807</u>	<u>2,635,801</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Creditors and accrued expenses	221,871	194,764
Revenue Received in Advance	811,548	541,200
Employee benefit liabilities	186,106	147,590
Finance Leases	0	0
<b>Total current liabilities</b>	<u>1,219,525</u>	<u>883,554</u>
<b>Non-current liabilities</b>		
Loans	0	0
Finance Leases	0	0
<b>Total non-current liabilities</b>	<u>0</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>	<u>1,219,525</u>	<u>883,554</u>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>	<u>1,022,282</u>	<u>1,752,247</u>
<b>EQUITY</b>		
Accumulated Funds	1,022,282	1,752,247
<b>TOTAL EQUITY</b>	<u>1,022,282</u>	<u>1,752,247</u>

# ACCOUNT NOTES

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## Summary

These financial statements include the operations of TBOP and the Tauranga i-SITE, as these contracts are now combined.

The financial summary shows an overall surplus of \$408,079 compared to the budget of \$204,795 and is therefore favourable by \$203,284. We expect the results to June 2023 will be on budget.

## Income

Income shows a total of \$2,625,247 compared to the budget of \$2,542,043 which reflects an increase in total revenue of \$83,204. This is due to \$25,000 extra funding from TCC to align our wages with the TCC payroll policy, and \$64,462 cruise income not in budget. Note that \$40,587 of the cruise income is the reimbursement of Road Management by Port of Tauranga and is offset by the costs also not in budget. Total income is down on last year by \$198,469 due to less funding from MBIE received this year. Western BOP District Council funding is the same as last year however the phasing has changed to 50/50 instead of 30/30/20/20.

## Expenses

Expenses show a total of \$2,217,168 compared to the budget of \$2,337,248. This reflects a reduction in total expenses, compared to the budget, of \$120,080. This is mostly due to a delay in Research and Business Events costs that are expected to be spent in the second half of the year. Marketing spend for the six months has increased in comparison to last year when we were still experiencing issues from COVID, including reduced domestic travel due to Auckland lockdowns and reduced international travel.

## Balance sheet

Equity is currently showing an increase for the six months from July as a balance of \$1,022,282 however we expect it to be back at a similar level to the start of the financial year of \$577,108 by June 2023. The six months to December show a higher amount due to less spend in the first half of the year and more spend in the second half of the financial year, which is a similar pattern to previous years. The increase in Revenue in Advance is due to MBIE funding not yet spent. The increase in cash on hand is also due to MBIE funding not yet spent; note that the Regional Events Fund will not be fully spent until 2025.

As per the Statement of Intent 2023–2026, TBOP has maintained an equity ratio equal to or above 0.5:1.0 (actual .5).

## Forecast to June 2023

We expect the results to June 2023 will be on budget, with a net breakeven position by the financial year end.



# ACKNOWLEDGEMENTS

## Main funders



## Other funding partners



**We thank you for your continued support.**

## Contact

### Tourism Bay of Plenty

8 Wharf Street  
Tauranga  
[www.bayofplentynz.com](http://www.bayofplentynz.com)



Tourism Bay of Plenty, Six Month Report Jul-Dec 2022

APPENDIX: PROGRESS AGAINST KPIs

WELLBEING KPIs

FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	BASELINE (JUNE 2022)	TARGET BY JUNE 2023	UPDATE	STATUS
ECONOMIC Wellbeing	Growing the economic value of the tourism industry.	Trends in visitor spending via electronic card transactions.	Direct Partnered Indirect	Marketview Tourism Dashboard. This may change to MBIE visitor spend data, depending on the best sources available at the time.	In the year ending May 2022, total visitor spending in Te Moananui ā Toi   the Coastal Bay of Plenty was down 2% compared to the year ending May 2021.	Monitored and reported on changes in visitor spend to YE June 2023 and use the information to set new goals for future years.	In the six months of Jul-Dec 2022, visitor spend in in Te Moananui ā Toi   the Coastal Bay of Plenty was up 14% compared to the same period in 2021 and up 16% compared to the same period in 2019 (pre-COVID).	On track
SOCIAL Wellbeing	Enhancing the value tourism brings to the community (according to the community).	Resident’s sentiment towards tourism. This is measured by the percentage of residents who agree that tourism has a positive impact on the community. Residents provide a rating of 1 to 10, where 1 is strongly disagree and 10 is strongly agree.	Direct Partnered Indirect	Residents’ satisfaction surveys conducted by the respective Council.	<p>Tauranga City Council: 68% agree. <small>Jul-Dec 2021</small> <small>Representing scores of 7 to 10</small></p> <p>Western Bay of Plenty District Council: 62% agree. <small>Jul-Dec 2021</small> <small>Representing scores of 6 to 10</small></p> <p>Whakatāne District Council: 69% agree. <small>YE Dec 2021</small> <small>Representing scores of 6 to 10</small></p>	Implemented actions identified from TBOP’s community perceptions survey to help enhance the perceived value of tourism to the community. Measured by 68% or more residents agreeing that tourism has a positive impact on the community.	<p>Tauranga City Council: <b>59% agree</b>. Down 9% compared to Jul-Dec 2021. <small>Jul-Dec 2022</small> <small>Representing scores of 7 to 10</small></p> <p>Western Bay of Plenty District Council: <b>68% agree</b>. Up 6% compared to Jul-Dec 2021. <small>Jul-Dec 2022</small> <small>Representing scores of 6 to 10</small></p> <p>Whakatāne District Council: <b>72% agree</b>. Up 3% compared to YE Dec 2021 result. <small>Jul-Dec 2022</small> <small>Representing scores of 6 to 10</small></p> <p>TBOP’s community perceptions survey undertaken in 2021 concentrated on residents’ perceptions of cruise visitors. The results of this survey identified concerns around the potential spread of COVID, overcrowding, and traffic congestion. These concerns were addressed through pre-emptive communication around the strict COVID protocols on cruise ships, a traffic management plan, and working with local tourism operators to provide tours and experiences across Te Moananui ā Toi   the Coastal Bay of Plenty.</p>	At risk

FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	BASELINE (JUNE 2022)	TARGET BY JUNE 2023	UPDATE	STATUS
CULTURAL Wellbeing	Improving the cultural wellbeing of the community through tourism.	Participation in developing cultural storytelling and wayfinding platforms.	Direct Partnered	TBOP Six-Month and Annual Reports.	Agreed to collaborate with Councils and iwi on the development of an online resource of cultural stories and images appropriate to destination storytelling.	Managed online gallery and associated ambassador app content integrating cultural narrative with key destination messaging.	<p>TBOP is working in partnership with Tauranga City Council to develop a cultural intelligence app. This digital platform will include regional history, stories, key information, experiences, significant sites and more. The app content has been created, and we are now working with Kiwa on the development of the app and its key features.</p> <p>Photo shoots and video shoots undertaken included culture content and will be used for campaigns and image library. B-roll content has been uploaded into a hub shared with our key funders and partners.</p>	On track
ENVIRONMENTAL Wellbeing	Improving the environmental wellbeing of the region through environmental sustainability and regeneration projects.	Number of industry focused environmental sustainability and regeneration initiatives facilitate or enabled by TBOP.	Direct Partnered	Programme reports.	Developed The Green Room programme (aimed at helping operators reduce their carbon and waste footprints) and ran the first course.	A total of 40 tourism or hospitality businesses to complete The Green Room programme during the year.	<p>During July to December 2022:</p> <ul style="list-style-type: none"> <li>- 10 Tauranga operators completed The Green Room programme.</li> <li>- 12 Tauranga operators are half-way through the course and set to finish in March 2023.</li> <li>- We are planning the next intake of around 20 organisations from March to June 2023 in Whakatāne.</li> </ul>	On track
TBOP ORGANISATION Wellbeing	Enhance TBOP's ability to achieve its goals through high staff engagement.	TBOP staff engagement.	Direct	Employee engagement survey.	Employee Engagement score: 63% of employees are 'happy' or 'very happy' working at TBOP. May 2022 (Note change of method compared to previous years so results are not directly comparable.)	Employee Engagement score: at least 70% of employees are 'happy' or 'very happy' working at TBOP.	Survey will be undertaken in April 2023.	Work in progress

ACTIVITY KPIs

FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	BASELINE (FEB 2022)	TARGET BY JUNE 2023	UPDATE	STATUS
DESTINATION MANAGEMENT	Elevate the region’s cycling offering	Develop and share promotional and informative material on cycle trails and help to facilitate the development of a cycle trail network.	Direct Partnered	Council’s feedback.	First iteration of Western Bay of Plenty cycle trails map produced.	Combined Western Bay of Plenty and Tauranga cycle trails map and storytelling produced and shared via TBOP’s channels.	Tauranga & Western Bay of Plenty cycle trails booklet was developed in September. A total of 5,000 copies were printed and distributed to visitor information centres, accommodation providers, bike shops and other retail outlets, local cycle groups, Tauranga Airport, libraries and more.	Achieved
	Build operator capability to enhance the quality of the region’s tourism offering	Provide opportunities for operators to train or upskill in key areas and gain Qualmark certification.	Direct Partnered Indirect	Capability programme report.	Scoped key areas of training need and developed digital marketing health check and training modules.	Provided 1-on-1 digital marketing training to 10 tourism businesses.	Provided 1-on-1 digital marketing training to three operators during the past six months. A total of 5 businesses achieved Qualmark status for the first time between July and December 2022. For many, especially Tauranga Moana cruise operators, this was the result of significant support from TBOP.	On track
	Coordinate opportunities to bring business events to the region	Facilitate leads and bids for business events in the region.	Direct Partnered	TBOP Six-Month and Annual Reports.	Identified key partner agency that delivered one lead within a week of engaging with them.	Facilitated 15 leads or bids for business events in the region.	Bid proposals were submitted in response to 17 conference/event enquiries, with two conferences confirmed for 2022 and two conferences (so far) confirmed for 2023.	Achieved
DESTINATION MARKETING	Elevate the region’s food story and proposition	Promote and facilitate the delivery of the Coastal Bay of Plenty region Flavours of Plenty Festival to draw visitors to the region.	Direct Partnered	Festival delivery.	Promoted and facilitated the delivery of the Flavours of Plenty Festival in April 2022.	Promoted the Flavours of Plenty Festival to help sell 80% of festival event tickets.	Flavours of Plenty Festival 2023 is on from 24 March to 2 April and involves 40 events. Tickets went on sale on 1 February 2023.	On track
	Promote the destination to our target markets (outdoor adventurers, surf & beach lovers, cultural explorers, and eco-travellers)	Develop and deliver marketing campaigns that incorporating all four DNA™ elements and reach the destination’s target markets.	Direct Partnered	Campaign collateral.	Delivered the refreshed domestic ‘Sure to Make you Smile’ campaign.	Identified effective channels for marketing to international and domestic audiences to ensure value for money.	TBOP has consistently reviewed reach, engagement (quantity and quality), and EAV (where possible) of various marketing channels both domestically and internationally. This has resulted in a more targeted approach for international marketing and trade in particular, a strong focus on digital channels, and only undertaking media opportunities that have a worthwhile potential return on the investment.	On track.





HALF YEAR REPORT  
31 December 2022

Benefiting communities through  
delivering efficient financing  
for local government.

Ka whiwhi painga ngā hapori mā te  
whakarato pūtea tōtika ki ngā kaunihera.



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33	Directory Rārangi tauwaea	<div>LGFA acknowledge the assistance of the Department of Internal Affairs translation service for our Te Reo translations.</div>	

Cover photo: The Green Corridors programme enhances areas of native bush along streams, provides a place for wildlife to thrive, improves water quality, and creates open green spaces from the Taranaki Ranges to the Manawatu River. Palmerston North City Council.

Contents photo: Tauroa Road Boardwalk. Hastings District Council



# Message from the Chair and Chief Executive

## He karere mai i te Toihau me te Tumuaki

### For the six-months ended 31 December 2022

The six-months to December presented a challenging period for financial markets, with LGFA’s operating performance over this period subdued due to the volatile markets. Despite the difficult conditions, LGFA continued to deliver value to members and our investor base while meeting our financial targets. Highlights over the period included launching our new Climate Action Loan product for members and being awarded the KangaNews New Zealand Debt Issuer of the year.

#### Financial and Operational Performance

LGFA's total interest income for the six-month period to December 2022 of \$312.9 million was a 68.4% increase over the 2021 comparable period (\$185.9 million), while net operating profit of \$1.1 million for the six-month period decreased 81.3% on the 2021 comparable period (\$5.9 million).

Net operating profit was significantly lower than the comparable period a year ago due to the sharp rise in interest rates combined with increased holdings of liquid assets. This outcome was expected and forecast in our Statement of Intent (SOI) last year. Both net interest income and operating profit were slightly ahead of the SOI forecast and we are forecasting an improvement in financial performance in the second half of the financial year.

Expenses have been managed under the SOI budget over the past six months. Lower fees relative to budget for the NZ Debt Management standby facility and lower NZX and legal fees relating to issuance were positive. These savings were offset by higher legal costs relating to considering the implications from the proposed Three Waters Reform, the development of new sustainability initiatives, including related consultancy costs.

The financial strength of LGFA was affirmed by Fitch Ratings who maintained our domestic currency credit rating at AA+ in October 2022. Our AAA rating from S&P Global Ratings was affirmed in March 2022 and remains the same as the New Zealand Government.

#### Borrowing activity

LGFA issued \$1.76 billion of bonds over the past six months and outstandings now total \$17.84 billion (including \$1.10 billion of treasury stock) across 11 maturities ranging between 2023 to 2037. The average term of our bond issuance during the six months at 4.37 years was significantly shorter than the prior year period.

LGFA has the largest amount of New Zealand dollar (NZD) bonds on issue after the New Zealand Government and our individual bond tranches are amongst the largest and most liquid NZD debt instruments available for investors. Secondary market activity in our bonds continues to rise, assisting investors' access to our bonds throughout the year.

The performance of LGFA bonds over the past six months has been soft with LGFA bond spreads to New Zealand Government Bonds (NZGBs) and spreads to swap in general moving wider in line with global high grade markets. Spreads widened between 3 basis points (bps) and 25 bps to NZGB and between 7 bps to 12 bps to swap over the six-month period. The inclusion of the NZGBs into the World Government Bond Index was also positive for the performance of NZGBs relative to LGFA bonds. Outright yields on LGFA bonds rose between 157 bps (2024 maturity) and 75 bps (2033 maturity) over the six-month period.

LGFA was voted by market participants as the KangaNews New Zealand Debt Issuer of the Year award for 2022 and we want to acknowledge their support.

It is also pleasing to observe the increased participation by offshore investors over the past six months as NZD-denominated investments have become relatively

more attractive for investors. We estimate that offshore investors have increased their holdings of LGFA bonds over the past six months by \$638 million to a record \$5.09 billion (or 30.1% of LGFA bonds on issue), while domestic institutional and retail investors hold 33.2%, domestic banks 28.2% and the Reserve Bank 8.5%.

#### Lending to the sector

LGFA was established in 2011 to provide long-dated borrowing, certainty of access to markets and to reduce the borrowing costs for the local government sector. The original 31 shareholders including the Crown remain as shareholders. Over the past six months, we added two councils and two Council-controlled organisations (CCOs) as members, with Dunedin City Council and Environment Southland joining as guarantors and Westland Holdings and Dunedin City Treasury joining as CCOs. Total membership is now 77 out of the 78 councils in New Zealand and three CCOs.

Long-dated lending to council and CCO members over the six-month period was \$1.82 billion provided to 51 members. This was the second highest amount lent over a rolling six-month period and was just below the amount of loans made during the six-month period to September 2020. Our estimated market share of total council borrowing of 89% was above forecast and the third highest annual average on record. The average tenor of long-dated borrowing by councils of 5.6 years over the six-month period was in line with prior periods.

Short-dated lending for terms less than 12 months continues to be supported by councils. As at 31 December 2022, LGFA had \$493 million of short-term loans outstanding to 30 council and CCO members.

#### Our role in assisting Local and Central Government

The local government sector continues to face a period of change and uncertainty having to deal with climate-related events, rising cost pressures and the Central Government-led initiatives relating to the proposed Three Waters Reform Programme and the Future for Local Government Review.

LGFA is assisting on an as-required basis, both Central Government and our council members, as they work through the proposed Three Waters Reform Programme. The Government's proposed Three Water Reform Programme will be the largest change to the local authority sector in recent years.

LGFA continues to assist the local government sector-led initiative in developing a Ratepayer Financing Scheme that may provide some financial relief to ratepayers.

New Zealand  
Issuer of the Year  
for 2022

KANGANEWS  
AWARDS  
2022

Thank you to our investors,  
intermediaries and market  
participants for their support.



New products and initiatives

We launched Green, Social and Sustainable (GSS) lending in October 2021 and over the past six months have approved three further projects as being eligible for GSS loans, bringing the number to five loans across five councils. As at 31 December 2022 we have undertaken \$101 million of GSS Loans to three councils.

We launched Climate Action Loans (CALs) for councils and CCOs in December 2022. A CAL provides a discounted loan margin to those councils with a Greenhouse Gas Emission Reduction Plan in place and who are meeting their targets.

Increasing focus on sustainability

Sustainability plays an important part within the local government sector and at LGFA. We have undertaken several initiatives over the past year, including maintenance of CarbonZero certification from Toitu Envirocare, actively marketing our GSS loan product and establishing CALs.

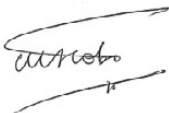
We reviewed the Climate Change Emergency Declarations and responses by Councils and a copy of the report is available on our website: **Review of Climate Emergency Declarations and Responses by Councils**

Acknowledgments

The Agency's work cannot be implemented without the support of our staff, fellow directors, Shareholders Council, New Zealand Debt Management (NZDM) and Central Government, all of whose efforts should be acknowledged.

John Avery, one of LGFA's foundation directors, retired in November 2022, and we would like to take this opportunity to sincerely thank John for his invaluable contribution to LGFA since 2011.

We believe LGFA's future remains positive and look forward to working with all stakeholders.



Craig Stobo  
Chair



Mark Butcher  
Chief Executive



Pedestrian bridge, Waikanae River, Otaihangā Domain.  
Kapiti Coast District Council. Photo by Mark Coote



Performance  
against objectives

Ko ngā whakatutukinga  
ki ngā whāinga

The statement of service performance provides a summary of LGFA's performance for the first half of the financial year against the objectives and performance targets set out in the LGFA Statement of Intent 2022-23 (SOI)

2022-23 Objectives and performance targets

LGFA objectives and performance targets for 2022-23 fall within the following five strategic priorities which encompass our shareholders' foundation objectives and guide the LGFA Board and management in determining our strategy:

- Governance, capability and business practice
- Optimising financing services for local government
- Environmental and social responsibility
- Effective management of loans
- Industry leadership and engagement

Our quarterly reports to shareholders provide more detail on our performance against objectives and performance targets. The reports for the quarters' ended September and December 2022 are available on the LGFA website.

Governance, capability and business practice

LGFA is committed to best practice corporate governance to ensure its long-term sustainability and success.

Objectives	Our performance to 31 December 2022
Demonstrate best practice corporate governance.	LGFA is committed to demonstrating best practice corporate governance and we report annually on our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code.  Our 2022 Annual Report, released on 30 August 2022, is the most recent report with commentary on our compliance with the NZX Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Our performance against our financial performance targets for the six months to 31 December is summarised below under our performance targets.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff.	LGFA is committed to being a good employer and we report our employment practices annually in our Annual Report.  Our 2022 Annual Report is our most recent report outlining our health and safety and wellbeing practices and policies, including compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2022-2023 target	Our performance to 31 December 2022
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches.	✓ No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.	✓ Our ratings remain equivalent to the New Zealand Government for both S&P Global Ratings and Fitch Ratings.  Fitch Ratings upgraded our long-term foreign currency credit rating to AA+ on 16 September 2022. S&P Global Ratings affirmed our domestic currency credit rating at AAA in February 2022.
LGFA's total operating income for the period to 30 June 2023.	> \$12.2 million.	✓ On target to meet by 30 June 2023. \$5.651 million as at 31 December 2022.
LGFA's total operating expenses for the period to 30 June 2023.	< \$9.4 million.	✓ On target to meet by 30 June 2023. \$4.542 million as at 31 December 2022.

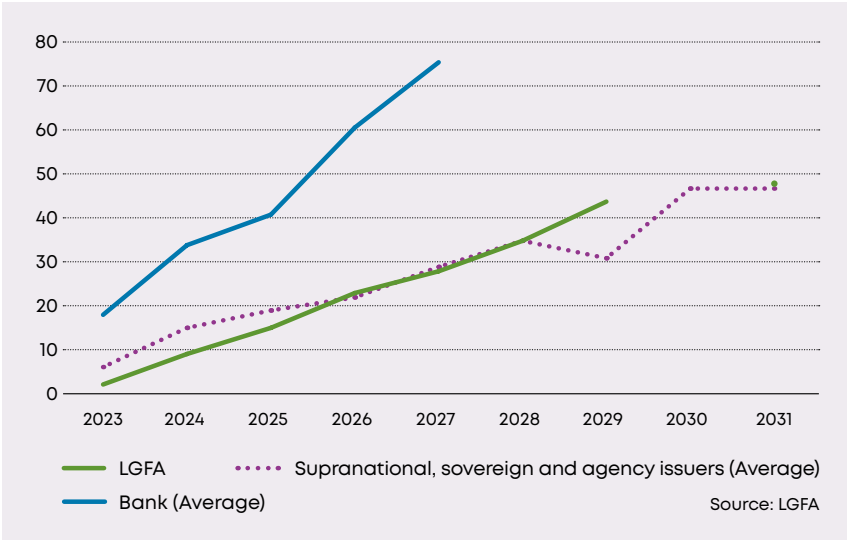
Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Objectives	How we measure our performance
------------	--------------------------------

Provide interest cost savings relative to alternative sources of financing.

Comparison to other high-grade issuers - secondary market spread to swap (bps)



Supranational, sovereign and agency issuers

- |                                  |                              |
|----------------------------------|------------------------------|
| Kainga Ora (AAA)                 | KBN (AAA)                    |
| Asian Development Bank (AAA)     | Rentenbank (AAA)             |
| IADB (AAA)                       | World Bank (AAA)             |
| International Finance Corp (AAA) | Nordic Investment Bank (AAA) |

Banks

- |           |                    |
|-----------|--------------------|
| BNZ (AA-) | Westpac Bank (AA-) |
|-----------|--------------------|

Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.

LGFA provides members with short term loans (less than one year), long term loans on either a floating or fixed rate basis (between one year and April 2037), Green Social and Sustainable Loans and standby facilities.

- Over the six months to 31 December 2022, our members borrowed \$1.82 billion in 163 long term loans across maturity dates ranging between 2023 and 2033, with December quarter lending being the second highest on record.
- As at 31 December 2022 there were 45 short term loans totaling \$497 million.
- As at 31 December 2022, standby facilities totalled \$682 million across 13 members.

Deliver operational best practice and efficiency for lending services.

Over the six months to 31 December 2022, LGFA operations staff successfully:

- settled 842 new trades with a gross value of \$9.97 billion,
- processed 6,067 cash flows with a gross value of \$15.0 billion, and
- rate set 4,305 existing trades.

There were no LGFA settlement errors over the six months.

Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.

There was strong activity in LGFA bonds in both the primary market (tender or syndicated issuance) and secondary market (between banks and investors). Over the six months to 31 December 2022, we issued \$1.76 billion of primary bonds and secondary market turnover totalled \$5.14 billion. Secondary market turnover of \$3.1 billion over the December quarter was at the second highest on record.

Performance targets	2022-2023 target	Our performance to 31 December 2022
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Share of aggregate long-term debt funding to the Local Government sector.	> 80%	✓ 89% as at 31 December 2022 (compared to a historical average of 75% since 2012).
Total lending to Participating Borrowers.	> \$15,004 million	✓ On target to meet by 30 June 2023. \$15,751 million as at 31 December 2022.
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score	✓ 100% satisfaction score in August 2022 Stakeholder Survey.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%	✓ 100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%	✓ 100%





Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand’s shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Objectives	How we measure our performance
Assist the local government sector in achieving their sustainability and climate change objectives.	<p>Over the six months, we approved GSS loans to Hutt City Council for the Naenae swimming pool, Whangarei District Council for the Civic Centre, and approved our first eligible project for social lending for Christchurch City Council’s Ōtautahi Community Housing Trust.</p> <p>In total, to date we have approved five GSS loans with a combined approved value of \$543 million, with \$101 million of loans drawn down to date.</p> <p>On 1 December 2022, we launched Climate Action Loans (CALs) which provides councils with a discounted loan margin if they have implemented a Greenhouse Gas Emission Reduction Plan and meet their emission reduction targets.</p> <p>LGFA completed research on which New Zealand councils declared a climate emergency over 2019-2020 (16 out of 78), their subsequent responses and any opportunities for LGFA. A copy of our report is available from our website: <a href="#">Review of Climate Emergency Declarations and Responses by Councils</a></p>

Improve sustainability outcomes within LGFA.	In 2021, LGFA directors committed to reducing our carbon emissions over time, with our target of cutting per employee emissions by 30% by 2030, compared with a 2018/19 base year. We are currently working on translating this target into annual carbon reduction plan targets.
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Performance targets	2022-2023 target	Our performance to 31 December 2022
Comply with the Health and Safety at Work Act 2015.	No breaches	✔ No breaches.
Maintain Toitū Carbon Zero certification.	Carbon-zero certification maintained.	✔ Toitū Net Carbon-zero recertification approved 11 October 2022.
Meet reduction targets outlined in our carbon reduction management plan.	Reduction targets met.	✘ We are currently working on translating this target into annual carbon reduction plan targets.
Increase our GSS lending book.	Two new participating borrowers enter into GSS loans.	✔ Three new participating borrowers approved for GSS lending.
Ensure Annual Report is prepared in compliance with applicable GRI Standards.	100%	✔ 2022 Annual Report prepared to meet the requirements of the Global Reporting Initiative (GRI) Standards (core option).
Meet all mandatory climate reporting standards.	100%	✔ Voluntarily comply with GRI standards (core option). Undertaking development work on meeting Climate Related Disclosure requirements.

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower’s financial position. LGFA manages its assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Objectives	How we measure our performance
Proactively monitor and review each Participating Borrower’s financial position, including its financial headroom under LGFA policies.	<p>Over the six months, we reviewed council agendas and management reports on an ongoing basis for all members on the LGFA borrower watch-list.</p> <p>We have received compliance certificates for LGFA covenants from all of our members with debt outstanding at June 2022 and no council has requested that they be measured on a group basis. Some certificates have been provided based upon unaudited financial statements given the delays in providing final audit signoff due to audit shortages.</p>
Analyse finances at the Council group level where appropriate and report to shareholders.	
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested.	We met with 30 borrowers over the six months and are on target to meet with all members by 30 June 2023.

Performance targets	2022-2023 target	Our performance to 31 December 2022
Review each participating borrower’s financial position under LGFA policies.	100%	✔ On target to meet by 30 June 2023.
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested.	100%	✔ On target to meet by 30 June 2023.



Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

Objectives	How we measure our performance
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	<p>This year we have introduced two new webinars for members:</p> <ul style="list-style-type: none"><li>• LGFA Quarterly Update</li><li>• An Economic and Financial Market Update by BNZ</li></ul> <p>These inaugural webinars were well attended by participants and will be formalised as ongoing quarterly events.</p> <p>Over the six months we met with Treasury, the National Transition Unit and Policy teams at DIA (and their advisers) regarding proposed Three Waters Reform, working actively on issues relating how to the transition of council debt on 1 July 2024, as well as the borrowing options for the Water Services Entities (WSEs) following transition. The Water Services Legislation Bill was introduced to Parliament in December and, in consultation with key stakeholders, we are considering the contents of the Bill and what potential role LGFA could play under the proposed Three Waters Reform Programme.</p> <p>LGFA has provided input into the Ratepayer Financing Scheme (RFS) project managed by a group of councils with advice from Cameron Partners. If successful, the RFS could offer temporary financial relief to ratepayers via rates postponement. LGFA is not contributing financially to this project but providing intellectual capital and assistance.</p> <p>We are continuing work on initiatives to reduce compliance and documentation requirements for members when they borrow.</p> <p>Met with Chair of the Review into the Future for Local Government.</p>
Assist the local government sector with significant matters such as COVID-19 response and the proposed Three Waters Reform Programme.	
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	



Bay of Plenty Regional Oil Spill Response Team training exercise in Tauranga Harbour.  
Bay of Plenty Regional Council



# Financial statements

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### Statement of comprehensive income

For the six months ended 31 December 2022 in \$000s

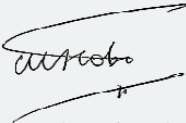
	Note	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Interest income		312,883	185,886
Interest expense		307,904	176,709
Net interest income	4	4,979	9,178
Other operating income	5	671	526
Total operating income		5,651	9,704
Operating expenses	6	4,542	3,769
Net operating profit		1,108	5,935
Total comprehensive income		1,108	5,935

These statements are to be read in conjunction with the notes to the financial statements.  
Due to rounding, numbers presented in the financial statements and associated notes may not add up precisely to the reported totals.  
The Board of Directors of the New Zealand Local Government Funding Agency Limited authorised these statements or issue on 24 February 2023.

### Statement of changes in equity

For the six months ended 31 December 2022 in \$000s

	Note	Share capital	Retained earnings	Total equity
Equity as at 1 July 2021		25,000	69,744	94,744
Net operating profit			10,673	10,673
Total comprehensive income for the year			10,673	10,673
Transactions with owners			-	-
Dividend paid on 3 September 2021			(857)	(857)
Equity as at 1 July 2022		25,000	79,559	104,560
Net operating profit			1,108	1,108
Total comprehensive income for the year			1,108	1,108
Transactions with owners			-	-
Dividend paid on 2 September 2022			(1,218)	(1,218)
Unaudited closing balance as at 31 December 2022	17	25,000	79,450	104,450



Craig Stobo, Director  
Board Chair



Linda Robertson, Director  
Chair, Audit and Risk Committee

Statement of financial position

As at 31 December 2022 in \$000s

	Note	Unaudited as at 31 December 2022	Audited as at 30 June 2022
<b>Assets</b>			
<b>Financial assets</b>			
Receivables		1,895	360
Cash and bank balances		64,921	158,033
Cash pledged as collateral		337,009	76
Marketable securities		1,312,958	1,491,148
Deposits		594,359	462,866
Derivatives in gain		77,470	94,767
Loans	8	15,751,420	14,041,908
<b>Non-financial assets</b>			
Prepayments		1,150	852
Other assets	9	112	156
<b>Total assets</b>		<b>18,141,294</b>	<b>16,250,167</b>
<b>Equity</b>			
Share capital	16	25,000	25,000
Retained earnings		79,450	79,560
<b>Total equity</b>		<b>104,450</b>	<b>104,560</b>
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Payables and provisions	10	95,576	45,066
Bills	11	636,949	562,803
Bond repurchases	12	108,077	31,671
Derivatives in loss		1,717,879	1,206,175
Bonds	13	15,146,187	14,015,862
Borrower notes	14	331,468	283,180
<b>Non-financial liabilities</b>			
Other liabilities	15	708	850
<b>Total liabilities</b>		<b>18,036,844</b>	<b>16,145,607</b>
<b>Total equity and liabilities</b>		<b>18,141,294</b>	<b>16,250,167</b>

These statements are to be read in conjunction with the notes to the financial statements.

Statement of cash flows

For the six months ended 31 December 2022 in \$000s

	Note	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
<b>Cash Flow from Operating Activities</b>			
Cash applied to loans	8	(1,639,024)	(1,427,636)
Interest paid on bonds issued		(228,725)	(215,363)
Interest paid on bills issued		(10,088)	(1,591)
Interest paid on borrower notes		(131)	(212)
Interest paid on bond repurchases		(1,738)	(254)
Interest received from loans		224,165	76,952
Interest received from cash & cash equivalents		2,396	1,031
Interest received from marketable securities		13,570	5,624
Interest received from deposits		5,897	2,206
Net interest on derivatives		2,276	136,753
Cash proceeds from provision of standby facilities		671	526
Payments to suppliers and employees		(5,317)	(3,927)
<b>Net cash flow from operating activities</b>	<b>18</b>	<b>(1,636,047)</b>	<b>(1,425,888)</b>
<b>Cashflow from Investing Activities</b>			
Purchase of marketable securities		206,657	(594,958)
(Purchase)/maturity of deposits		(462,937)	(185,743)
Purchase of plant and equipment		-	-
<b>Net Cashflow from Investing Activities</b>		<b>(256,280)</b>	<b>(780,701)</b>
<b>Cash flows from financing activities</b>			
Cash proceeds from bonds issued	13	1,477,890	2,096,802
Cash proceeds (outflows) from bills issued		74,146	(75,367)
Cash proceeds (outflows) from bond repurchases		76,195	158,143
Cash proceeds from borrower notes		41,598	35,509
Dividends paid		(1,218)	(857)
Cash applied to derivatives		130,604	(25,240)
<b>Net cash flows from financing activities</b>		<b>1,799,215</b>	<b>2,188,991</b>
Net (Decrease) / Increase in Cash		(93,112)	(17,599)
Cash, cash equivalents at beginning of year		158,033	391,835
<b>Cash, cash equivalents at end of year</b>		<b>64,921</b>	<b>374,236</b>

These statements are to be read in conjunction with the notes to the financial statements.

Notes to the financial statements

1. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

These financial statements were authorised for issue by the Directors on 24 February 2023.

2. Statement of compliance

The interim financial statements are for the six months ended 31 December 2022 and are to be read in conjunction with the annual report for the year ended 30 June 2021.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and in compliance with NZ IAS 34 Interim Financial Reporting.

3. Basis of preparation

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

There have no changes to accounting policies.

Early adoption standards and interpretations

LGFA has not early adopted any standards.

Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

Financial instruments

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

Other assets

Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

Other liabilities

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Segment reporting

LGFA operates in one segment being funding of participating borrowers in New Zealand.

Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

The financial statements as at 31 December 2022 include estimates and judgements of the proposed Three Waters Reform Programme on LGFA's financial position and performance. Whilst there has been no material impact on the estimates and judgements at the date these financial statements are authorised, it is



noted that there is significant uncertainty with regards to the medium and long-term effects of COVID-19, as

well as the outcome of proposed Three Waters Reform Programme on the local government sector.

#### 4. Net interest income

in \$000s	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Interest income		
Cash and cash equivalents	4,098	1,036
Marketable securities	18,342	4,259
Lease liability	16	-
Deposits	9,668	3,129
Derivatives	-	90,015
Loans	280,759	87,447
Fair value hedge ineffectiveness	-	-
<b>Total interest income</b>	<b>312,883</b>	<b>185,886</b>
Interest expense		
Bills	10,088	1,591
Bond repurchase transactions	1,949	319
Lease liability	-	5
Derivatives	66,245	-
Bonds	224,425	173,439
Borrower notes	5,196	1,355
<b>Total interest expense</b>	<b>307,904</b>	<b>176,709</b>
<b>Net interest income</b>	<b>4,979</b>	<b>9,178</b>

#### 5. Other operating income

As at 30 June 2022, LGFA had provided credit standby facilities totalling \$662 million to selected councils. As at balance date, there were no drawdowns outstanding under the facilities.

in \$000s	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Standby facilities fee income	671	526
<b>Total other operating income</b>	<b>671</b>	<b>526</b>

#### 6. Operating expenses

Issuance and on-lending expenses are those costs that are incurred as a necessary expense to facilitate the ongoing issuance of LGFA debt securities.

in \$000s	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
<b>Issuance and on-lending expenses</b>		
Approved issuer levy <sup>1</sup>	343	325
Rating agency fees	333	324
NZDM facility fee	652	250
Legal fees - issuance	205	225
NZX	367	390
Trustee fees	55	51
Regulatory, registry, other fees	106	68
	<b>2,062</b>	<b>1,633</b>
<b>Other operating expenses</b>		
Information technology	341	399
Consultants	127	95
Directors fees	213	212
Insurance	47	43
Legal fees	156	51
Other expenses	230	136
Auditors' remuneration		
Statutory audit	55	55
Advisory services	-	-
Personnel	1,312	1,145
	<b>2,481</b>	<b>2,135</b>
<b>Total operating expenses</b>	<b>4,542</b>	<b>3,769</b>

1. The amount of Approved Issuer Levy is a function of the number of the offshore holders of certain LGFA bond maturities.

7. Hedge accounting

LGFA is exposed to interest rate risk from its borrowing, lending and investment activities and uses interest rate swaps to manage this risk. For hedge accounting purposes, LGFA has designated these swaps in fair value relationships to its fixed rate borrowings, loans and investments.

The following table shows the gain or loss on the hedging instrument and the hedged item attributable to the hedged risk for fair value hedge relationships.

in \$000s	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Hedging instruments - interest rate swaps	329,876	520,010
Hedged items attributable to the hedged risk	(329,876)	(520,010)
Ineffectiveness recognised in profit or loss from fair value hedges	-	-

The gains or losses on the hedging instrument (interest rate swaps) and the hedged item (bonds, loans and investments) are mapped to the same fair value account. For this reason, the statement of comprehensive income will only report any ineffectiveness arising from the fair value hedge.

8. Loans

in \$000s	Unaudited as at 31 December 2022		Audited as at 30 June 2022	
	Short-term loans <sup>1</sup>	Loans	Short-term loans	Loans
Ashburton District Council	7,064	79,152	12,048	78,898
Auckland Council	-	3,629,211	-	3,413,415
Bay of Plenty Regional Council	25,465	167,970	25,651	167,941
Buller District Council	-	20,027	-	20,015
Canterbury Regional Council	-	75,366	4,018	75,214
Carterton District Council	-	14,772	-	14,762
Central Hawkes Bay District Council	1,011	28,168	2,024	20,107
Central Otago District Council	10,083	5,050	5,024	-
Christchurch City Council	-	2,285,660	2,017	2,036,724
Clutha District Council	7,547	37,590	5,532	32,394
Far North District Council	-	71,895	-	71,822
Gisborne District Council	-	111,572	-	86,095
Gore District Council	8,573	35,263	6,035	29,631
Greater Wellington Regional Council	-	636,734	-	576,343
Grey District Council	3,944	26,781	3,980	26,717
Hamilton City Council	-	726,508	-	633,049
Hastings District Council	-	275,067	-	237,990
Hauraki District Council	-	52,432	-	43,212
Hawkes Bay Regional Council	-	46,141	-	37,992
Horizons Regional Council	11,942	49,831	11,984	49,771
Horowhenua District Council	21,187	131,653	11,001	127,395
Hurunui District Council	8,073	34,307	8,033	30,147
Hutt City Council	-	303,302	-	256,607
Invercargill City Council	36,004	68,763	12,845	68,725
Invercargill City Holdings Ltd	18,469	68,438	22,076	68,354
Kaikoura District Council	-	5,341	-	5,331
Kaipara District Council	-	44,425	-	44,229
Kapiti Coast District Council	-	257,151	-	256,128
Kawerau District Council	-	2,005	-	-
Mackenzie District Council	2,018	8,080	10,002	-
Manawatu District Council	11,570	77,919	11,559	77,725
Marlborough District Council	47,553	107,324	37,325	100,289
Masterton District Council	-	56,244	-	50,260
Matamata-Piako District Council	-	45,907	-	38,191
Nelson City Council	-	171,371	-	140,581
New Plymouth District Council	10,084	216,117	-	170,350
Northland Regional Council	-	14,148	-	14,147
Opotiki District Council	-	9,067	-	7,073

1. As at 31 December 2022, \$2,415 million of loans are due to mature within 12 months. This comprises all short-term loans and \$1,922 million of loans.

in \$000s	Unaudited as at 31 December 2022		Audited as at 30 June 2022	
	Short-term loans <sup>1</sup>	Loans	Short-term loans	Loans
Otago Regional Council	26,793	73,682	66,715	48,443
Otorohanga District Council	-	4,028	-	4,028
Palmerston North City Council	-	213,980	-	187,872
Porirua City Council	-	178,148	-	172,335
Queenstown Lakes District Council	55,703	401,978	50,275	241,015
Rangitikei District Council	-	19,158	-	19,157
Rotorua District Council	53,600	275,679	43,112	245,298
Ruapehu District Council	8,037	29,588	8,020	29,557
Selwyn District Council	-	85,725	-	75,343
South Taranaki District Council	-	113,060	-	112,566
South Waikato District Council	4,954	34,294	4,874	34,171
Southland District Council	-	16,900	-	16,899
South Wairarapa District Council	-	26,631	-	26,537
Stratford District Council	-	32,359	6,027	26,299
Taranaki Regional Council	3,963	19,632	-	14,587
Tararua District Council	2,013	55,670	-	51,244
Tasman District Council	24,295	235,580	24,193	198,190
Taupo District Council	-	171,208	-	125,522
Tauranga City Council	-	761,621	-	648,528
Thames-Coromandel District Council	-	73,665	-	73,365
Timaru District Council	29,108	152,022	28,724	136,516
Upper Hutt City Council	-	95,766	-	91,421
Waikato District Council	-	110,947	-	95,454
Waikato Regional Council	-	25,202	-	25,120
Waimakariri District Council	-	171,473	-	170,903
Waimate District Council	-	3,534	-	-
Waipa District Council	26,030	154,231	25,530	124,377
Wairoa District Council	-	11,102	-	10,062
Waitaki District Council (WD)	6,903	31,201	4,491	20,583
Waitomo District Council	4,027	24,160	4,017	24,092
Wellington City Council	-	1,195,968	-	967,101
West Coast Regional Council	-	11,396	3,761	6,616
Western Bay Of Plenty District Council	-	70,687	-	70,366
Westland District Council	-	30,050	-	29,933
Westland Holdings Ltd	-	2,405	-	-
Whakatane District Council	-	108,433	-	86,396
Whanganui District Council	7,544	99,907	7,523	99,522
Whangarei District Council	9,947	183,505	9,972	182,813
Fair value hedge adjustment	-	(43,416)	-	(36,332)
<b>Total loans</b>	<b>493,505</b>	<b>15,257,915</b>	<b>478,385</b>	<b>13,563,522</b>

9 . Other assets

in \$000s	Unaudited as at 31 December 2022	Audited as at 30 June 2022
Right-of-use lease asset	112	156
<b>Total other assets</b>	<b>112</b>	<b>156</b>

10. Payables and provisions

in \$000s	Unaudited as at 31 December 2022	Audited as at 30 June 2022
Loans/purchases to be advanced	95,000	44,000
Trade creditors	185	800
Credit provision	139	161
Other provisions	252	105
<b>Total payables and provisions</b>	<b>95,576</b>	<b>45,066</b>

11. Bills

Unaudited as at 31 December 2022 in \$000s	Face value	Unamortised premium	Accrued interest	Total
13 January 2023	145,000	(139)	-	144,861
2 February 2023	25,000	(78)	-	24,922
10 February 2023	80,000	(337)	-	79,663
17 February 2023	20,000	(107)	-	19,893
28 February 2023	50,000	(348)	-	49,652
10 March 2023	70,000	(538)	-	69,462
15 March 2023	50,000	(436)	-	49,564
20 March 2023	52,000	(504)	-	51,496
5 April 2023	25,000	(265)	-	24,735
12 April 2023	20,000	(234)	-	19,766
18 April 2023	15,000	(191)	-	14,809
10 May 2023	15,000	(245)	-	14,755
7 June 2023	25,000	(522)	-	24,478
14 June 2023	50,000	(1,106)	-	48,894
<b>Total bills</b>	<b>642,000</b>	<b>(5,051)</b>	<b>-</b>	<b>636,949</b>

Audited as at 30 June 2022 in \$000s	Face value	Unamortised premium	Accrued interest	Total
7 July 2022	15,000	-	(4)	14,996
13 July 2022	70,000	-	(30)	69,970
19 July 2022	35,000	-	(33)	34,967
4 August 2022	25,000	-	(33)	24,967
10 August 2022	80,000	-	(167)	79,833
19 August 2022	20,000	-	(60)	19,940
30 August 2022	50,000	-	(201)	49,799
9 September 2022	68,000	-	(296)	67,704
14 September 2022	100,000	-	(538)	99,462
19 September 2022	27,000	-	(120)	26,880
6 October 2022	25,000	-	(148)	24,852
9 November 2022	25,000	-	(238)	24,762
7 December 2022	25,000	-	(329)	24,671
<b>Total bills</b>	<b>565,000</b>	<b>-</b>	<b>(2,197)</b>	<b>562,803</b>

12. Treasury stock and bond repurchases

Periodically, LGFA subscribes for LGFA bonds as part of its tender process and holds these bonds as treasury stock. LGFA bonds held by LGFA as treasury stock are derecognised at the time of issue and no liability is recognised in the statement of financial position. As at 31 December 2022, \$1,100 million of LGFA bonds had been subscribed as treasury stock.

LGFA makes these treasury stock bonds available to banks authorised as its tender counterparties to borrow under short-term repurchase transactions. The objective of the bond lending facility is to assist with improving secondary market liquidity in LGFA bonds. Bonds lent to counterparties are disclosed as a separate stock lending liability on the face of the statement of financial position.

in \$000s	Unaudited as at 31 December 2022	Audited as at 30 June 2022
15 April 2023	4,054	
15 April 2024	-	1,456
15 April 2025	9,512	6,773
15 April 2026	893	5,395
15 April 2027	35,962	-
15 May 2028	-	-
20 April 2029	15,416	7,390
15 May 2031	8,223	-
14 April 2033	-	4,566
15 May 2035	-	818
15 April 2037	34,017	5,272
<b>Total bond repurchases</b>	<b>108,077</b>	<b>31,671</b>

13. Bonds

Bonds on issue do not include \$1,100 million face value of issued LGFA bonds subscribed by LGFA and held as treasury stock. Refer Note 12: Treasury stock and bond repurchase transactions.

Unaudited as at 31 December 2022 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
<b>Fixed interest bonds</b>					
15 April 2023	1,830,000	9,127	21,568		
15 April 2024	2,108,000	862	10,164		
15 April 2025	2,409,000	(45,646)	14,196		
15 April 2026	2,055,000	(52,395)	6,605		
15 April 2027	1,881,000	78,421	18,138		
15 May 2028	1,373,000	(59,559)	4,011		
20 April 2029	1,562,000	(60,236)	4,699		
15 May 2031	1,000,000	(42,471)	2,921		
14 April 2033	1,350,000	34,731	10,255		
15 May 2035	400,000	2,096	1,558		
15 April 2037	770,000	(25,117)	3,300		
<b>Total bonds</b>	<b>16,738,000</b>	<b>(160,188)</b>	<b>97,415</b>	<b>(1,529,039)</b>	<b>15,146,187</b>

Audited as at 30 June 2022 in \$000s	Face Value	Unamortised premium	Accrued interest	Fair value hedge adjustment	Total
<b>Fixed interest bonds</b>					
15 April 2023	1,830,000	25,117	21,175		
15 April 2024	1,998,000	5,625	9,458		
15 April 2025	1,679,000	(13,379)	9,714		
15 April 2026	1,815,000	(31,599)	5,728		
15 April 2027	1,751,000	85,460	16,577		
15 May 2028	1,270,000	(53,384)	3,650		
20 April 2029	1,362,000	(21,893)	4,019		
15 May 2031	850,000	(19,801)	2,443		
14 April 2033	1,290,000	43,486	9,622		
15 May 2035	400,000	2,166	1,533		
15 April 2037	730,000	(12,837)	3,072		
<b>Total fixed interest</b>	<b>14,975,000</b>	<b>8,962</b>	<b>86,989</b>	<b>(1,185,774)</b>	<b>13,885,177</b>
<b>Floating rate notes</b>					
14 October 2022	130,000	(7)	692	-	130,684
<b>Total bonds</b>	<b>15,105,000</b>	<b>8,955</b>	<b>87,681</b>	<b>(1,185,774)</b>	<b>14,015,862</b>



14. Borrower notes

Borrower notes are subordinated debt instruments which are required to be held by each local authority that borrows from LGFA in an amount equal to a fixed percentage of the aggregate borrowings by that local authority. The fixed percentage is 2.5% for loans issued from 1 July 2020. Prior to this date, the fixed percentage was 1.6%.

LGFA may convert borrower notes into redeemable shares if it has made calls for all unpaid capital to be paid in full and the LGFA Board determines it is still at risk of imminent default.

15. Other liabilities

in \$000s	Unaudited as at 31 December 2022	Audited as at 30 June 2022
Lease liability	112	156
Accruals	596	694
<b>Total other liabilities</b>	<b>708</b>	<b>850</b>

16. Share capital

As at 31 December 2022, LGFA had 45 million ordinary shares on issue, 20 million of which remain uncalled.

All ordinary shares rank equally with one vote attached to each ordinary share. Ordinary shares have a face value of \$1 per share.

17. Shareholder information

Registered holders of equity securities	As at 31 December 2022		As at 30 June 2022	
Minister of Finance and Minister for Local Government	5,000,000	11.1%	5,000,000	11.1%
Auckland Council	3,731,960	8.3%	3,731,960	8.3%
Christchurch City Council	3,731,960	8.3%	3,731,960	8.3%
Hamilton City Council	3,731,960	8.3%	3,731,960	8.3%
Bay of Plenty Regional Council	3,731,958	8.3%	3,731,958	8.3%
Greater Wellington Regional Council	3,731,958	8.3%	3,731,958	8.3%
Tasman District Council	3,731,958	8.3%	3,731,958	8.3%
Tauranga City Council	3,731,958	8.3%	3,731,958	8.3%
Wellington City Council	3,731,958	8.3%	3,731,958	8.3%
Western Bay of Plenty District Council	3,731,958	8.3%	3,731,958	8.3%
Whangarei District Council	1,492,784	3.3%	1,492,784	3.3%
Hastings District Council	746,392	1.7%	746,392	1.7%
Marlborough District Council	400,000	0.9%	400,000	0.9%
Selwyn District Council	373,196	0.8%	373,196	0.8%
Gisborne District Council	200,000	0.4%	200,000	0.4%
Hauraki District Council	200,000	0.4%	200,000	0.4%
Horowhenua District Council	200,000	0.4%	200,000	0.4%
Hutt City Council	200,000	0.4%	200,000	0.4%
Kapiti Coast District Council	200,000	0.4%	200,000	0.4%
Manawatu District Council	200,000	0.4%	200,000	0.4%
Masterton District Council	200,000	0.4%	200,000	0.4%
New Plymouth District Council	200,000	0.4%	200,000	0.4%
Otorohanga District Council	200,000	0.4%	200,000	0.4%
Palmerston North District Council	200,000	0.4%	200,000	0.4%
South Taranaki District Council	200,000	0.4%	200,000	0.4%
Taupo District Council	200,000	0.4%	200,000	0.4%
Thames-Coromandel District Council	200,000	0.4%	200,000	0.4%
Waimakariri District Council	200,000	0.4%	200,000	0.4%
Waipa District Council	200,000	0.4%	200,000	0.4%
Whakatane District Council	200,000	0.4%	200,000	0.4%
Whanganui District Council	200,000	0.4%	200,000	0.4%
<b>Total</b>	<b>45,000,000</b>	<b>100%</b>	<b>45,000,000</b>	<b>100%</b>

18. Reconciliation of net profit to net cash flow from operating activities

in \$000s	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021
Net profit/(loss) for the period	1,108	5,935
Cash applied to loans	(1,639,024)	(1,427,636)
Non-cash adjustments		
Amortisation and depreciation	2,643	(3,955)
Working capital movements		
Net change in trade debtors and receivables	(378)	13
Net change in prepayments	(298)	(319)
Net change in accruals	(98)	73
Net Cash From Operating Activities	(1,636,047)	(1,425,888)

19. Related parties

Identity of related parties

LGFA is related to the local authorities set out in the Shareholder Information in note 17.

LGFA operates under an annual Statement of Intent that sets out the intentions and expectations for LGFA's operations and lending to participating borrowers.

Shareholding local authorities, and non-shareholder local authorities who borrow more than \$20 million, are required to enter into a guarantee when they join or participate in LGFA. The guarantee is in respect of the payment obligations of other guaranteeing local authorities to the LGFA (cross guarantee) and of the LGFA itself.

Related party transactions

LGFA was established for the purpose of raising funds from the market to lend to participating borrowers. The lending to individual councils is disclosed in note 8, and interest income recognised on this lending is shown in the statement of comprehensive income.

The purchase of LGFA borrower notes by participating borrowers. Refer note 14.

The Treasury (New Zealand Debt Management) provides LGFA with a committed credit facility and is LGFA's derivatives counterparty.

Directory

Rārangi tauwaea

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Wellington 6145

Office hours

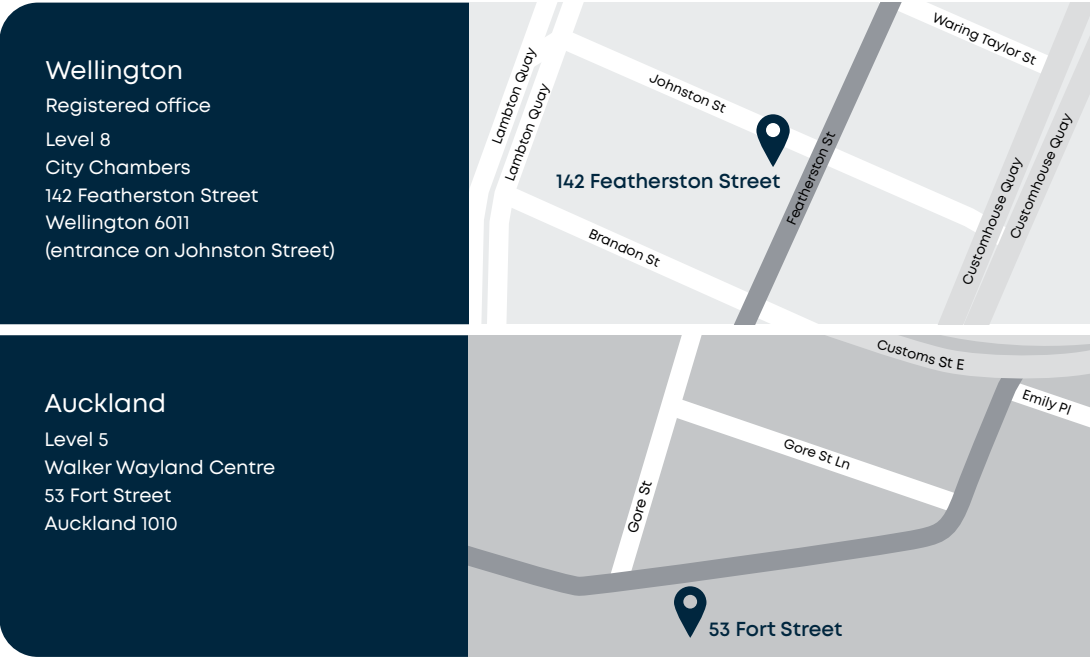
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## 11.2 Shareholder Feedback to the Draft Statements of Intent for Council Controlled Organisations 2023/24 to 2025/26

**File Number:** A14392070

**Author:** Sanjana France, CCO Specialist  
Anne Blakeway, Manager: City Partnerships

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

### PURPOSE OF THE REPORT

1. The purpose of this report is to provide shareholder feedback on the draft Statements of Intent for Tauranga City Council's five council-controlled organisations by, 1 May 2023, as required by the Local Government Act (2002).

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### RECOMMENDATIONS

That the Council:

1. Receives the report "Shareholder Feedback to the Draft Statements of Intent for Council Controlled Organisations 2023/24 to 2025/26".
2. Receives the draft Statements of Intent for Bay Venues Limited, Tauranga Art Gallery Trust, Tourism Bay of Plenty, Bay of Plenty Local Authority Shared Services Limited, and Local Government Funding Agency for 2023/24 to 2025/26.
3. Notes that as joint shareholder of Tourism Bay of Plenty, Western Bay of Plenty District Council will be asked to approve their separate shareholder comments on the draft Statement of Intent for Tourism Bay of Plenty at their 27 April 2023 Council meeting.

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### EXECUTIVE SUMMARY

4. Bay Venues Limited (Bay Venues), Tauranga Art Gallery Trust (TAGT), Tourism Bay of Plenty (TBOP), Bay of Plenty Local Authority Shared Services Limited (BOPLASS), and Local Government Funding Agency (LGFA) are council-controlled organisations. As such, they are required by the Local Government Act (2002) to prepare a draft Statement of Intent to cover the next three financial years, and provide a copy to their shareholder, Tauranga City Council (TCC), by 1 March each year.
5. All five Statements of Intent have met the statutory requirements as outlined in Schedule 8, section 9 of the Local Government Act.
6. Council has an opportunity to comment on the draft Statements of Intent before they are finalised by the council-controlled organisations. Shareholder comments must be provided by 1 May 2023.
7. There have been several discussions and informal briefings in relation to the draft Statements of Intent with staff from across various teams at TCC, and with the Commissioners. This report includes their combined feedback and suggested amendments.
8. The draft Statements of Intent (Attachments 1 to 5) have been assessed against the Letters of Expectation for council-controlled organisations for 2023/24, available on [our website](#).
9. As Council is one of several shareholder members of BOPLASS and the Local Government Funding Agency (LGFA), it is not expected that we provide them with Letters of Expectation, nor do we provide feedback to their draft Statements of Intent. These two council-controlled organisations provide opportunities for local authorities to access improved levels of service, reduced costs, joint procurement and funding.



## BACKGROUND

### General comments

10. The chairs and executive of the respective council-controlled organisations have maintained regular communication with Council's Commissioners, executive and staff. This regular engagement (formal and informal) has provided opportunities to embed the ethos of collaboration and partnership, along with the shareholder's desire for improved community outcomes.
11. The three substantive council-controlled organisations (Bay Venues, TAGT and TBOP) have all referred to Council's community outcomes in their Statements of Intent and have demonstrated how they intend to work with Council's various departments to achieve those outcomes.
12. Board members, executive and staff of the council-controlled organisations have embraced the opportunity to participate in the training opportunities provided by Council, including Cultural Connections. This has provided a greater understanding of Tauranga Moana, iwi and hāpu connections, and the high value that Council places on its relationships.
13. The Managing Risk, Improving Trust and Confidence training provided by the Office of the Auditor General in February 2023 was similarly well attended. As outlined in the Letters of Expectation, the Commissioners are keen to see how each organisation will respond to applying a transparent approach through the board workings and the organisation as a whole.
14. Additionally, Pou Takawaenga continue to work with the council-controlled organisations across various work programmes including supporting Mana Whenua board representation, and will offer opportunities and training sessions to upskill internal capability and deepen the knowledge of tikanga within the organisations.

### Bay Venues Limited (Bay Venues)

15. Overall, the Bay Venues' Draft Statement of Intent (Attachment 1) shows alignment with our [Letter of Expectation](#), with an emphasis on community, collaboration, and partnership. It also shows commitment to achieving Council's outcomes for the wider community through its facilities.
16. The document provides explicit references to community benefit including:
  - The organisation's primary goal
  - Support of diversity and inclusion initiatives
  - Deliver customer feedback rating of >85%
  - Being the Council's strategic delivery partner for community facilities.

### Suggested amendments:

17. Our Strategic Focus Areas (page 16-17) to read:
  - Add into the Social Return on Investment comment that consistent measures will be developed, which can then be used for other reporting purposes.
  - We would like to see more community awareness fostered around Bay Venues being a council-controlled organisation of Tauranga City Council. For example, simple additions of our logo to signage, such as at the Mount Hot Pools, would be a great start.
  - In reference to the Sustainability Action Plan, we would like more information around the reporting and data collection that will be part of this Plan.
18. *Section 1 – Foreword (page 3):*

Bay Venues notes that it wishes to consolidate its position as TCC's strategic partner in the provision of community facilities and looking ahead to new projects. However, we suggest deleting the reference to the proposed Regional Community Stadium as this project is subject to community consultation and has not yet been confirmed.

19. Bay Venues is a key link in the Tauranga Events Action and Investment Plan, so we suggest they specifically reference their actions in this plan.
20. Discussions are underway about Bay Venues' facilities being used as emergency welfare centres and it would be great for this to be mentioned in their Statement of Intent.
21. Bay Venues might like to consider adding an 'accessibility' search function on their website, to enhance accessibility options and easier navigation for the community.

22. *Accountability and Transparency:*

We suggest Bay Venues considers moving towards publishing Board agendas and minutes online, following best practice of other CCOs around New Zealand. We acknowledge redacting commercially sensitive information is an option where necessary.

**Tauranga Art Gallery Trust (TAGT)**

23. Overall TAGT's Statement of Intent (Attachment 2) is pragmatic, well presented, and aligned with our [Letter of Expectation](#).

Suggested amendments:

24. *Strategic priorities and alignment (page 4-5):*

- (a) TAGT plans to "deliver a diverse exhibition and events programme, partner with tangata whenua, and ensure strong engagement with Māori and deliver a range of education programmes and learning opportunities that meets the needs of their clients." We request clarification around this initiative, including how inclusivity and wider community engagement will be achieved.
- (b) We suggest TAGT includes references to the Accessible Tauranga Action and Investment Plan, and the Arts, Culture and Heritage Action and Investment Plan. More information can be found on TCC's website [here](#).
- (c) To be more inclusive, we suggest TAGT looks at outreach with communities that aren't able to traditionally participate in their service offerings. They could also add more information on their 'plan our visit page' to support the community accessing the Gallery. A connection between the Gallery's offerings and Council's Mobile Library initiative might be investigated.
- (d) It would be great to see TAGT investigate collaboration opportunities with the library and Baycourt again. For example, this could enable school groups to visit the three venues on the same day.

25. We suggest TAGT takes ownership and accountability for creating a Māori Strategic Plan and including this in their Statement of Intent. Proactive engagement and consideration of the Gallery's partnership with mana whenua should be referred to and taken on board.

26. *Accountability and Transparency:*

We suggest TAGT considers moving towards publishing Board agendas and minutes online, following best practice of other CCOs around New Zealand. We acknowledge redacting commercially sensitive information is an option where necessary.

27. *Performance framework – financial and non-financial (page 9)*

The reference to the "City Events Strategy" needs to be updated to refer to the [Tauranga Events Action and Investment Plan](#).

28. It would be great to see TAGT establish a forum to specially facilitate and create the partnership engagement with communities.
29. TAGT are an integral part of the Civic Precinct redevelopment. We would like to see this key role recognised in the Statement of Intent in stronger language, for example, they could note that they are committed to their role in the development of Te Manawataki o Te Papa. We would also like to see a reference added to the Museum and the intention for early and proactive collaboration between new directors.

30. We look forward to seeing the outcomes of the Social Return on Investment work and a commitment to reporting back on how this research will be incorporated into the Gallery's community offerings.
31. It would be helpful if the Statement of Intent sections were numbered, as these are referred to in the shareholder comments and help with ease of reference and navigation.

### **Tourism Bay of Plenty (TBOP)**

32. There is general agreement with the draft Statement of Intent content (Attachment 3), providing specific reference to matters outlined in this year's [Letter of Expectations](#).
33. Overall, the Statement of Intent demonstrates TBOP have been very responsive to feedback from Council about making their performance targets and measures more concise and definitive. They have also shown how they demonstrate value for the ratepayers of Tauranga.
34. Suggested amendments to TBOP's Statement of Intent from Council staff include:
  - The Flavours of Plenty festival is a fantastic initiative, but with significant staff resources required to run the festival, TBOP should consider how this aligns directly with their core purpose, and whether this might transition to become an independent entity.
  - Please tidy up capitalisation in their Statement of Intent for Western Bay of Plenty versus the western bay region, to ensure they accurately describe Western Bay of Plenty District Council's area versus the wider sub-region.
35. *Destination Marketing and Management:*
  - *Destination Marketing Activity*

Tauranga City Activity (page 10). We would like to see inclusion of the goal that TBOP are leading from the Tauranga Events Action and Investment Plan outlined:  
*Goal 4c – TBOP to lead on the promotion of Tauranga as a premier event's destination nationally and internationally.* TBOP could also add in this section that they will do media hosting, and create external stories and media content.
  - *Destination Management Activity*

Business Events (page 11). We would like to see inclusion of the goal that TBOP are leading from the Tauranga Events Action and Investment Plan outlined:  
*Goal 1b – TBOP to lead the development of a business events framework to provide a clear and coordinated framework for investment to the city.*
36. Suggested amendments to TBOP's Statement of Intent from Council staff include:
  - We suggest Accessible Tourism offers a notable opportunity. The 2013 New Zealand Disability Survey estimated that 1.1 million (24%) New Zealanders were disabled. An estimated 1.3 billion people – or 1 in 6 people – live with a disability worldwide. TBOP's website could provide more details in this space, e.g. wayfinding and accessibility offerings around Mount Maunganui. TBOP could also encourage tourism operators to look at universal design options. To enhance inclusivity, we suggest TBOP look at outreach with communities that aren't traditionally able to participate in their service offerings.
  - *Accountability and Transparency section:*

We suggest TBOP considers moving towards publishing Board agendas and minutes online, following best practice of other CCOs around New Zealand. We acknowledge redacting commercially sensitive information is an option where necessary.
37. We note TBOP's commitment to use our logo is vague, but there will be further conversations and guidance next year once the City Brand is ready to be implemented. This will be particularly relevant for branding major events.

38. Staff recommend that TBOP liaise with Council's Events Team to enhance opportunities for showcasing Tauranga as a destination, and to support with major events promotion. This liaison should also be used as an opportunity to clarify responsibilities around leading media opportunities, pitches, and hosting familiarisation visits.

### **Bay of Plenty Local Authority Shared Services Limited (BOPLASS)**

39. As Tauranga City Council is one of nine shareholding councils, there was no Letter of Expectation provided to BOPLASS.
40. There is general agreement with the draft Statement of Intent submitted (Attachment 4).
41. While not a lead agency in the government reforms and changes (e.g. Three Waters and Resource Management Act reforms), BOPLASS offer their expertise and assistance in managing collective regional outputs from these projects.
42. BOPLASS will explore opportunities for councils to develop ICT solutions using middleware and cloud technologies that allow for future sharing, and the development of Shared Services without the wholesale replacement of IT systems.
43. BOPLASS is working towards satisfying Environmental, Social and Governance criteria within social procurement through several initiatives.
44. BOPLASS plan to further develop and extend the Collaboration Portal, for access to and sharing of project information and opportunities from other councils and the great Local Government community to increase breadth of BOPLASS collaboration.
45. BOPLASS has six key performance targets in their Statement of Intent.
46. BOPLASS note that as at 30 June 2022 the consolidated shareholder funds comprised \$52,070 and the total assets were \$1,222,864. The resulting ratio is 4.26% (compared to 3.07% at 30 June 2021).

### **Local Government Funding Agency (LGFA)**

47. LGFA's draft Statement of Intent is provided as Attachment 5. Points noted from the letter to shareholders include:
- Profitability is forecast to rebound from the 2022/23 period with projections for Net Operating Gain of \$9.5 million, \$8.3 million and \$7.6 million for the next three years.
  - LGFA remain cautious in placing too much emphasis on the Year Two (2024/25) and Year Three (2025/26) forecasts given they have \$6.6 billion of LGFA bonds and \$5.8 billion of council and CCO loans maturing over the three-year Statement of Intent forecast period. Assumptions regarding the amount and timing of refinancing and interest rates have a meaningful impact on financial projections.
  - LGFA's draft Statement of Intent, including financial forecasts, assumes that there are no implications for LGFA from the Three Waters Reform Programme. LGFA is awaiting further information and the final Statement of Intent will be updated in June to incorporate any future announcements/legislation relating to the Three Waters Reform Programme, including any material changes to their forecast assumptions.
  - LGFA have increased their forecast for council loans (short and long term) outstanding as at June 2024 to \$16.41 billion and to \$17.137 billion as at June 2025 (from \$15.995 billion and \$16.650 billion in the previous SOI). This reflects a higher starting position as at 30 June 2023 and councils undertaking further capex and a continued high utilisation of short-term borrowing from LGFA by councils.
  - Compared to the previous Statement of Intent, issuance and operating expenses, excluding Approved Issuer Levy ("AIL"), are forecast to be approximately \$500,000 higher in the 2023/24 and 2024/25 financial years due to forecast higher IT, staffing and legal costs.



## STRATEGIC / STATUTORY CONTEXT

48. The Statement of Intent is one of the council-controlled organisation's key governance and planning documents. Engaging with the council-controlled organisations throughout the development of the annual Statements of Intent is one of the main ways Council can influence its council-controlled organisations, while ensuring they are aligned with Council's strategic outcomes.

## OPTIONS ANALYSIS

### Option 1: Receive the draft Statements of Intent and approve the feedback to be provided to the council-controlled organisations – RECOMMENDED

49. Receive the draft Statements of Intent from Bay Venues, TAGT, TBOP, BOPLASS, and LGFA. Agree with the suggested shareholder comments outlined in this report, noting that Western Bay of Plenty District Council will confirm shareholder feedback to TBOP at their 27 April 2023 Council meeting.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>The council-controlled organisations will receive useful information to ensure their final Statements of Intent meet Council's expectations.</li> <li>Council meets its legislative requirements under the Local Government Act by formally receiving the draft Statements of Intent and providing feedback within the required timeframe.</li> <li>Final Statements of Intent are aligned with Council's strategic direction.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

### Option 2: Receive the draft Statements of Intent and do not approve the feedback to be provided to the council-controlled organisations – NOT RECOMMENDED

50. Receive draft Statements of Intent from Bay Venues, TAGT, TBOP, BOPLASS and LGFA. Do not agree with the suggested shareholder comments outlined in this report, noting that Western Bay of Plenty District Council will confirm shareholder feedback to TBOP at their 27 April 2023 Council meeting.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Council meets its legislative requirements under the Local Government Act by formally receiving the draft Statements of Intent and deciding not to provide feedback within the required timeframe.</li> </ul>	<ul style="list-style-type: none"> <li>The council-controlled organisations do not receive any useful information on Council's expectations about the content of their final Statements of Intent.</li> <li>The final Statements of Intent may contain inaccurate information or be misaligned with Council's strategic direction.</li> </ul>

## FINANCIAL CONSIDERATIONS

51. Budgets for all council-controlled organisations, including Council's contributions, are included in the draft Statements of Intent.

## LEGAL IMPLICATIONS / RISKS

52. If Council does not approve the provision of the suggested feedback to the council-controlled organisations, the final Statements of Intent may not be consistent with Council's strategic direction and may contain inaccuracies (financial and governance risk)

## CONSULTATION / ENGAGEMENT

53. It is not required or expected to consult on a Statement of Intent under the Local Government Act.

## SIGNIFICANCE

54. 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.
55. 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.
56. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of medium significance.

## ENGAGEMENT











57. 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

58. A copy of this report and the resolutions will be provided to each council-controlled organisation by 30 April 2023. Western Bay of Plenty District Council will do the same following their meeting on 27 April 2023.
59. Any feedback provided in this report should be given consideration by the council-controlled organisation boards when producing their final Statements of Intent.
60. The final Statements of Intent are to be delivered to Council by 30 June 2023. Staff will review the final Statements of Intent and present a report to Council for approval in July 2023.

## ATTACHMENTS

1. **Bay Venues - Draft Statement of Intent 2023-2026 - A14517489**  
2. **Tauranga Art Gallery Trust - Draft Statement of Intent 2023-2026 - A14517558**  
3. **Tourism Bay of Plenty - Draft Statement of Intent 2023-2026 - A14518097**  
4. **BOPLASS - Draft Statement of Intent 2023-2026 - A14515567**  
5. **LGFA - Draft Statement of Intent 2023-2026 - A14523671**  



**Draft**  
**Statement of Intent**  
**2023/2024**

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## 1. Foreword

I have pleasure, on behalf of Bay Venues Limited (Bay Venues), to present our Statement of Intent (SOI) for the 2023/2024 year. This document outlines Bay Venues strategic approach to meeting Council's expectation of 'putting the community at the heart of everything we do'.

As Tauranga City Council's (TCC) largest Council Controlled Organisation (CCO), Bay Venues plays a significant role in contributing to the wellbeing of the people of Tauranga Moana. We are the kaitiaki of the city's strategic network of community facilities and aspire to provide the best venues for the Bay of Plenty. Our facilities and the experiences we provide, enhance the quality of life for residents of, and visitors to, Tauranga Moana and the wider Bay of Plenty.

This SOI is presented in accordance with the requirement of Section 64 (i) of the Local Government Act 2002 and incorporates the expectations of TCC as outlined in the revised Enduring Statement of Expectations adopted in December 2018 along with the annual Letter of Expectations dated 28 November 2022. It outlines Bay Venues objectives, nature and scope of activities undertaken, and the performance targets by which we will be measured for the year 1 July 2023 to 30 June 2024.

The last three years have presented an incredibly challenging trading environment for Bay Venues not only highlighted by the Covid pandemic, but also managing high inflation, staffing challenges, aging venues and a rapidly growing population. However, despite these challenges Bay Venues remains fully committed to delivering exceptional outcomes to the people of Tauranga Moana.

FY23 has been another difficult year financially, although we did see activity (and increased revenue) start to return to pre-Covid levels towards the end of 2022. Many costs outside our control have increased significantly over the past two years, which together with an existing constrained capacity in our venues, has limited our ability to host more activity and grow revenue and margin.

We had a significant budget deficit for FY22 of \$2.9m (significantly down against an original breakeven budget due to Covid impacts) and have budgeted a deficit of \$1.7m at FY23 year end and are on track to achieve this.

To improve the financial sustainability of the business going forward we are looking at increasing our negative margin user fees over time to a national benchmark position (currently our fees are around 30% below other facilities around the country) and focusing on managing our costs where possible. Notwithstanding this, we will require increased operating funding from council to reduce our deficit to zero. The organisation's finances will also be presented in a transparent and easy to understand format.

The new Board that was appointed in July 2021 is now hitting its straps and with a refreshed management team and re-focused strategy in place, we are confident that the business is well positioned to deliver on our communities and TCC's expectations.

The upcoming Long Term Plan is a critical juncture to ensure that we ramp up our investment to look after our existing community facilities and also plan and deliver overdue investment in new facilities to cater for population growth.

We wish to consolidate our position as TCC's strategic partner in the provision of community facilities and look ahead to projects like the Baypark Master Plan implementation, Memorial Park and the proposed Regional Community Stadium as key opportunities to both benefit the community and grow the business.

We are pleased that relationships with local Iwi, TCC and other key partners are in good heart and that there is a collective desire to see the city progress as we work together to address challenges and capitalise on opportunities.

We are excited about the future for both Tauranga and Bay Venues and look forward to working with you in the year ahead.



**Simon Clarke**  
Chair  
Bay Venues

## 2. Strategy

### Tauranga City Vision

We acknowledge that TCC's *Our Direction Tauranga 2050* provides the strategic framework for the city and informs the community outcomes under a vision of: **Tauranga, together we can.**

### Community Outcomes

We also acknowledge Council's desire for us to focus on three key Community Outcomes:

- **We have a well-planned city which fuels possibility**
- **We are inclusive and lift each other up**
- **We value and protect our environment and prioritise nature**

### TCC Purpose

We also note TCC's Purpose, **we're here to make Tauranga better**, and will ensure our strategic focus is aligned with this. To achieve our Vision, Mission and Purpose we will work in partnership with TCC and collaborate with a range of partners throughout the wider community.

### TCC Values

**Pono / Integrity** – We do what we say we will do.

**Manaakitanga / Respect** – We listen to all views and show we care.

**Whaia te Tika / Service** – We do the right thing for the community and each other.

**Whanaungatanga / Collaboration** – We work together and create connections.

These values are closely aligned with the new Bay Venues values that are shown on the next page.

Our Vision, Mission, Purpose and Values





### 3. Nature and Scope of Activities

Bay Venues core business is the venue ownership and management of community facilities and the operation of venue-based businesses, programmes and services. Bay Venues is also in the business of providing event services and hosting events within its venues.

Assets under Bay Venues management were valued at \$137.2m as at 30 June 2022 and the business employs over 370 full time, fixed term, part-time, and casual staff.

While we welcomed over 2.1 million visitors to our facilities in the 2019/20 year we then saw significantly reduced visitation through 2020/2021 and 2021/22 due to Covid. We now have visitation increasing again and expect to easily exceed our target of 1.6m visitors through our facilities in 2022/23. We will continue to work hard to welcome members of our community and visitors to our facilities during 2023/2024.

Bay Venues owns and/or manages twenty-four facilities comprising five aquatic facilities, a Stadium and ancillary buildings at Baypark, one large contemporary multi-purpose recreation and event centre (also located at Baypark), two indoor sports recreation facilities, three community centres, two community share sports facilities, eight community centres and halls and a high-performance sports training centre.

Aquatic Facilities (5)	Indoor Sports Facilities (6)	Community Halls & Centres (11)	Event Facilities (3)
Baywave	Trustpower Arena (6 court)	Arataki Community Centre	Trustpower Stadium
Mount Hot Pools	QEYC & Memorial Hall	Elizabeth St Community Centre	Trustpower Arena (3 court)
Greerton Pools	Mount Sports Centre	Papamoa Community Centre	Pavilions
Memorial Pool	Aquinas Action Centre	Papamoa Sports & Rec Centre	
Otumoetai Pool	Merivale Action Centre	Bethlehem Hall	
	Adams Centre for High Performance	Matua Hall	
		Greerton Hall	
		Welcome Bay Hall	
		Tauriko Hall	
		Waipuna Park Pavilion	
		Cliff Rd Building	

Note: Trustpower Arena is listed under both Indoor Sports Facilities and Event Facilities.

## Aquatic Facilities

### Baywave

This is an aquatic and leisure centre, recognized regionally as providing a variety of recreational & leisure, competition, aquatic education, exercise, health & wellbeing activities. The configuration of the lap pool also accommodates synchronised swimming, water polo and underwater hockey as well as regional and national aquatic events. The venue is home to several water-based sporting clubs/squads. In 2019 an aqua play facility for children was added. The latest maintenance closure took place in early 2023 to undertake pool maintenance, new non-slip flooring and to replace failing water pipes.

Several secondary business units operate within the complex and are complimentary to the overall purpose of the facility:

- BaySwim (learn to swim and water safety programmes)
- Clubfit (health & fitness club)
- Café
- Merchandise
- Massage Therapy

### Mount Hot Pools

An iconic and unique hot saltwater facility and world-class tourist attraction, providing rest, relaxation, and rejuvenation/rehabilitation for a broad range of visitors. The Mount Hot Pools also provides several physical therapy options for the general public including massage therapy, aqua walking and aquarobics.

### Greerton Aquatic & Leisure Centre

An aquatic and leisure centre, providing a variety of fun, safe, well-maintained aquatic and therapy activities for the general public (primarily local). The 18m hydrotherapy pool is popular for rehabilitation and senior adults. Aquatic Evolution Tauranga are anchor tenants of the facility. Other activities which complement the centre include:

- BaySwim (learn to swim and water safety programmes)
- Aqua aerobics
- Clubfit (health & fitness club)

The facility has just had an extensive refurbishment including new non-slip flooring, seismic strengthening, new changing facilities and a reconfigured entrance. In addition new signage has been installed and the pools and interior and exterior of the facility have been repainted.

### Memorial Pool

An outdoor seasonal facility with a lap and learners pool, BBQ facilities and green space, providing a safe, clean, maintained environment for families and recreational swimmers to enjoy during the summer months. This pool is end of life and scheduled to be replaced by a new aquatic complex in Memorial Park in the coming years. Planning for the future use of the site needs to be undertaken by TCC. Any significant plant failures in the interim may require the earlier closure of the facility.

### Otumoetai Pool

Otumoetai Pool provides a safe and clean facility servicing the local community, in particular the neighbouring College during school hours and the anchor tenants, Evolution Aquatics Tauranga who are high users of the facility. This is an old outdoor pool that had a marquee style roof installed over it around 20 years ago. We are experiencing more significant maintenance issues with the facility and it is fast approaching the end of its economic life. When the new Memorial Park aquatic complex is

completed the facility should be closed. Planning for the future use of the site needs to be undertaken by TCC. Any significant plant failures in the interim may require the earlier closure of the facility.

**BaySwim**

Bay Venues delivers a quality Learn to Swim programme catering for all ages at Baywave and Greerton Aquatic and Leisure Centres. In addition, BaySwim also provides Water Safety Education for primary school groups as part of our funded Water Safety NZ's 'Water Safety for Life' programme.

**Massage Suites**

Massage suites are located at the Mount Hot Pools and Baywave and aid in the rebalancing of mind, body and soul.

## Indoor Sports Facilities

### Trustpower Arena

The Trustpower Arena is the key sporting venue for indoor sports such as basketball, volleyball, futsal and premier netball. The six-court side of the facility has a focus on community sport while the three-court facility also gets used for community sport when not being used to host events. The facility also provides a range of pay for play sports leagues and programmes that service the community. Within the facility is a licensed café providing quality food and beverage service.

The Baypark Master Plan provides future direction for the wider Trustpower Baypark site as a community sports hub with the opportunity to move the pit facilities on-site and relocate netball courts and athletics track to Baypark and consider other future sporting facilities such as gym sport and sand court facilities.

With the planned demolition of the Mount Sports Centre and closure of QEYC in the medium term there will be an acute shortage of indoor court space in the city. There could be an opportunity to add more courts on to the Arena (6 court side).

### Aquinas Action Centre (Community Share Facility)

Situated on the grounds of Aquinas College, the facility features a single court gymnasium suitable for hosting sport, recreational and cultural activities outside of agreed school access hours.

### Merivale Action Centre (Community Share Facility)

This facility is located on the grounds of Merivale Primary, it features a single court gymnasium suitable for hosting sporting / recreational groups and community activities outside of agreed school access hours. There are some issues with the facility suffering from condensation issues that leave the floor unsafe at times.

### Mount Sports Centre

Located at Blake Park, this facility features a single court gymnasium suitable for hosting sporting and recreational groups, community activities and minor events. The facility is also home to Tauranga City Basketball's office. This is an old facility and it will be demolished in the next few years as part of the Blake Park master plan. The removal of the facility will reduce court provision in the city by one court.

### Queen Elizabeth Youth Centre (including Memorial Hall)

Located at Memorial Park, this facility provides the city with a multi-court venue suitable for hosting sporting & recreational groups, cultural and community activities. The venue also hosts a variety of regional and national tournament and events. Pay for play sports leagues and centre-run programmes are also provided at this venue. Planning is underway for the redevelopment of the QEYC to include more court space along with a new aquatics complex, gym and café. While the feasibility study for the redevelopment contemplated re-purposing the existing two court in the QEYC, subsequent investigations and issues are suggesting that a full replacement of the facility is needed, and this is currently being reviewed. During construction the facility will be unavailable for 2-3 years reducing court provision in the city by three courts until the new facility opens.

### University of Waikato Adams Centre for High Performance

Based at Blake Park opposite Bay Oval, The University of Waikato Adams Centre for High Performance is a high quality facility of over 2,500 m<sup>2</sup> that include a 652m<sup>2</sup> gym, plunge pools, physiotherapy, massage and rehabilitation rooms, a sport science laboratory with performance testing, research and acclimatisation facilities, meeting rooms and an athlete's lounge. It caters for a wide range of athletes, high performance organisations, sports science research and athlete medical support



services. Current tenants of the Centre include NZ Rugby, BOP Rugby, Body in Motion High Performance Sports and the University of Waikato. Strong demand for space in the facility along with potential development on neighbouring sites has prompted investigations into potential expansion options for the facility.

#### **Clubfit**

This is made up of two gymnasiums located at Baywave and Greerton Aquatics Centre. Clubfit provides support and fitness programming to members who have access to mid to high quality equipment.

#### **Community Centre-Run Programmes**

Bay Venues runs several community focused programmes across the network for pre-schoolers, children, youth and adults including the popular Tumble Time, Funky Fundays, Oddball, coaching clinics, sports days, birthday parties, social badminton and more.

#### **Sports Leagues**

Bay Venues organises sports leagues both at the Trustpower Arena and Queen Elizabeth Youth Centre for indoor netball, fastnet, football, and turbo touch.

## Community Halls & Centres

### Arataki Community Centre

This venue provides a high quality, versatile indoor space of varying sizes and flooring as well as equipment, to enable community groups to host their activities. During the weekdays, PlayTime hosts an OSCAR programme at the facility. Early consideration is currently being given to possible expansion of the facility to cater for increasing demand for space.

### Bethlehem Hall

This venue is primarily used for local community groups to host a variety of activities. Private functions are also held at this venue.

### Cliff Road Building

This building provides a space for hire and is home to a small number of community users. The facility is in poor condition and will only operate in the short term until the future of this site is decided. Planning for its demolition should commence as soon as possible.

### Elizabeth St Community & Arts Centre

This is a facility for community groups to host a variety of activities. It also provides space for individuals to host private functions. The facility is in average condition and its future needs to be considered in conjunction with Council's investment in the new Civic Precinct.

### Greerton Hall

This is a facility for local community groups to host a variety of activities. It also provides space for individuals to host private functions. Greerton Hall is also used as office space for Greerton Village Mainstreet. The facility is old and tired and will need to be redeveloped or replaced in the medium to long term.

### Matua Hall

This venue provides space for local community groups and individuals to host a variety of activities and private functions. During the weekdays, PlayTime hosts an OSCAR programme at the facility.

### Papamoa Community Centre (at the Library)

This venue provides a high quality, versatile indoor space of varying sizes and flooring as well as equipment, to enable community groups to host their activities. During the weekdays, PlayTime hosts an OSCAR programme at the facility. The venue also provides visitors with useful information including activities and services available in the community.

### Papamoa Sports & Recreation Centre

Located at Gordon Spratt Reserve, this indoor facility has rooms of varying sizes as well as a range of equipment, to enable community groups to host their activities. There is also a commercial kitchen and licensed bar for groups, businesses and individuals to host functions. During the weekdays, PlayTime hosts an OSCAR programme at the facility.

### Tauriko Hall

This hall provides space for local community groups to host a variety of activities and provides a venue for individuals to host private functions. During the weekdays, Schools' Out hosts an OSCAR programme at the facility. The facility is in poor condition and will be replaced in due course when a new community centre can be established in the Tauriko area.

**Waipuna Park Pavilion**

This pavilion is for the users of Waipuna Park to utilise for registrations, after match functions and meetings at no charge. Other community groups can also utilise the facility to host their activities.

**Welcome Bay Hall**

These venues provide space within the local community for community groups to host a variety of activities. They also provide space for individuals to host private functions. The venue is old, tired and not connected with the adjacent community centre. There is an opportunity to enhance and better connect this facility in the medium term.

## Event Facilities

### Trustpower Arena

In addition to its purpose as a community indoor sports hub, the three-court side of the Arena acts as the key events facility for the region. When combined with the six-court side of the facility the Arena is a versatile multi-purpose venue with the ability to host any type of event – from community and national sporting fixtures through to trade shows, conferences, gala dinners, corporate hospitality and concerts.

### Trustpower Stadium, Baypark

This is Tauranga City's only significant outdoor stadium. It has the capacity for crowds of up to 19,000 people inclusive of seated and corporate hosting areas. It features a 480-metre oval clay speedway track and a basic grass area (inside the track). The primary activity is Speedway race meetings (15-17 per annum). A Promoter is contracted to promote and operate Speedway events at Baypark. Trustpower Stadium is also a venue for other events and activities suited to outdoor spaces (e.g. drifting). Corporate boxes and a Premium Lounge are also available for businesses to utilise for hosting, functions or meetings.

The recent Baypark Master Plan has contemplated the future use of the wider Baypark site and how it can best be utilised to benefit the community. The Master Plan provides future direction for the site as a community sports hub with the opportunity to move the pit facilities on-site to accommodate netball courts, athletics track and other future sporting facilities.

While Trustpower Baypark is regarded as one of the better equipped Speedway venues in New Zealand with a fast, wide clay track and a large well serviced pit area, it is showing its age and significant future investment will be required to maintain it. Currently the facility is not funded for depreciation and consequently there is no funding for asset renewals. Early discussions have commenced with the Bay of Plenty Speedway Association to start considering what the future of the Stadium is beyond the end of their agreement in 2029.

### Trustpower Stadium Lounge

The Stadium Lounge is a self-contained venue adjoined to the Baypark Stadium offering a secure and private environment to host public and private functions. Suitable for meetings, conferences, gala dinners, school balls, private functions, weddings and small to medium sized trade shows, this venue can comfortably accommodate up to 500 people for dinner or 900 for performances. For major stadium events, this facility offers the client added flexibility for hosting corporate hospitality or pre and post event activities. This space is starting to show its age and with no funding for renewals it is becoming more difficult to maintain it to an acceptable standard.

### External Areas

Various external areas around Trustpower Stadium are used for events, most notably concerts over the busy new year period and events like Polo in the Bay. Most infrastructure for events like these is brought in on a temporary basis. These larger outdoor events can draw crowds in excess of 15,000 people.



## Associated Activities

Bay Venues operates several venue-based business units that are more commercially focused including:

### Bay Catering

This business unit primarily provides catering services at venues managed by Bay Venues as well as some off-site catering at other venues and events. Bay Catering also operates food and beverage outlets throughout Trustpower Baypark venue as well as the cafes at Trustpower Arena and Baywave. Bay Catering also have contracts with the Ministry of Education to provide school lunches to children at schools throughout the Bay of Plenty.

### Bay Audio Visual

A sound, lighting and audio-visual equipment and support business unit that provides services primarily at the Trustpower Arena, Trustpower Stadium Lounge, Trustpower Stadium and some external off-site events and venues.

### BayStation

BayStation is a family entertainment business that operates four different entertainment products including Blokarts, Drift Trikes, Paintball and Lasertag. The operation complements the range of activities on offer at Baypark.

### Merchandise

Bay Venues operates small retail outlets at its aquatic facilities selling swimming apparel and associated products.

## 4. Key Areas of Focus for the Year Ahead

### Council's Expectations

Bay Venues acknowledges TCC's requests in the Letter of Expectation to focus our business activities to contribute to the following Community Outcomes:

- **We have a well-planned city which fuels possibility**  
Including supporting TCC with implementing the Domain, Blake Park and Baypark Master Plans, active participation in implementing the Events, Action and Investment Plan and aligning our facilities and asset renewals planning through the Long Term Plan.
- **We are inclusive and lift each other up**  
Including increasing community access and participation for diverse groups, demonstrating cultural awareness to ensure people of all ages and from all backgrounds are welcome, and progressing social return on investment reporting.
- **We value and protect our environment and prioritise nature**  
Including working alongside TCC in measuring, monitoring and mitigating our greenhouse gas emissions.

TCC has asked Bay Venues to ensure:

- financial reporting is clear and transparent;
- more information about what Bay Venues does and how it operates is published online for the community to access, and it engages the community through joint storytelling opportunities ;
- greater alignment and operational efficiencies through shared services collaboration with TCC;
- the Board undertakes professional development.

### Our Strategic Focus Areas

We updated our strategy in 2022 after the last SOI was prepared and our four strategic focus areas include how we will contribute to TCC's Community Outcomes.

#### 1. Maximising Activity & Events

- We host a wide range of successful activities and events (sporting, cultural, service, recreation and business) within our facilities that collectively enhance the social, cultural and economic wellbeing of Tauranga.
- We have a strong focus on the recreation needs of our community and encouraging participation for diverse groups
- We actively look for opportunities, including targeting new events and attracting new and diverse community activities through a Community Led Development approach.
- We deliver exceptional customer experiences including using technology.
- We keep people safe through having a proactive Health & Safety culture supported by good systems.

**2. Looking After our Assets**

- We provide facilities and assets that are safe, well maintained, professionally managed and fit for purpose.
- We look after and enhance our existing assets now and for the future.
- We have a long-term Venue Strategy including agreed priorities for facilities and asset renewals planning, embedded within TCC's Long Term Plan. This includes providing for growth across the city.
- We recognise that our venues are part of a wider network of community facilities across the city, region and country.
- We recognise TCC funding of facilities through co-naming and branding;
- We partner to deliver major recreation projects for the city.
- We have a Sustainability Action Plan to ensure our venues are operated in a sustainable manner including measuring, monitoring and mitigating our greenhouse gas emissions.
- We develop facilities with a sustainability focus and target Greenstar ratings for new buildings.

**3. Leveraging Our Capability**

- We utilise our existing skills, expertise, spaces and equipment to derive revenue where it is appropriate and aligned with our core business of providing community facilities.
- We continue to provide a range of existing commercial business operations.
- We actively explore and capitalise on appropriate new revenue opportunities.
- We are committed to gaining efficiencies through shared services with TCC, including providing our services to TCC where appropriate.
- Profits from commercial operations are used to offset the cost of providing facilities to the community.

**4. Building Our Capability**

- We strive for excellence and foster collaboration and partnership to achieve the best possible outcomes.
- We work hard to build a positive, high performance team culture.
- We focus on developing our team and our leaders.
- We cultivate constructive working relationships with TCC, mana whenua and other key partners.
- We are committed to biculturalism and partnership with mana whenua.
- We have systems that enable our teams to be productive and successful and create efficiencies through digital transformation.
- We clearly communicate financial information and show how ratepayers help to fund our activities.
- We will explore ways to measure and report on the social return on investment (ROI) from our activities.
- We publish quarterly reports that highlight our impact in the community.

**Our Objectives**

	Maximising Activity & Events	Looking After our Assets	Leveraging our Capability	Building our Capability
<b>Strategic Objectives (3 years)</b>	<ul style="list-style-type: none"> <li>Maximise activity across our venues</li> <li>Consistently deliver exceptional customer experiences</li> <li>Proactively attract new events and activities</li> <li>Develop a strong Health &amp; Safety culture supported by good systems</li> </ul>	<ul style="list-style-type: none"> <li>Look after and enhance our assets and actively plan for and manage asset renewals</li> <li>Implement the Venue Strategy and provide for future needs</li> <li>Deliver venue projects to a high standard &amp; partner on key projects</li> <li>Operate our venues sustainably</li> </ul>	<ul style="list-style-type: none"> <li>Continue our existing commercial business operations</li> <li>Actively progress appropriate new complementary revenue opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Build a positive, high performance team culture</li> <li>Provide Technology &amp; systems that support our people</li> <li>Develop strong working relationships with key partners (inc mana whenua)</li> <li>Provide consistent reporting that supports decision making</li> </ul>
<b>Key Projects (FY24)</b>	<ul style="list-style-type: none"> <li>Embed Community Led Development to attract new and diverse activities</li> <li>Implement the customer experience programme</li> <li>Complete H&amp;S Review Action Plan</li> <li>New event operating model including update venue hire &amp; supplier agreements</li> <li>Investigate with TCC drug testing for summer events</li> <li>Actively participate in implementing TCC Events Action &amp; Investment Plan</li> </ul>	<ul style="list-style-type: none"> <li>Embed the Venue Strategy in the LTP</li> <li>Complete Phase 1 of the Baypark Masterplan</li> <li>Implement Sustainability Action Plan</li> <li>Commence the Memorial Park Project</li> <li>Complete the Hot Pools Project and Stadium Light Replacement</li> <li>Secure Funding &amp; Leases to Gain approval for Adams Centre Expansion</li> <li>Complete Support Office Works</li> </ul>	<ul style="list-style-type: none"> <li>Measure and monitor ROI on Significant Projects</li> <li>Proactively Investigate Opportunities to Manage Additional Facilities</li> </ul>	<ul style="list-style-type: none"> <li>Embed Leadership Programme</li> <li>Develop and Launch a Staff Retention &amp; Attraction Action Plan</li> <li>Implement the Technology Roadmap</li> <li>Roll-out new transparent Reporting Framework</li> <li>Investigate social ROI reporting with TCC</li> <li>Implement a Bi-cultural Awareness Programme</li> <li>Deliver a new HRIS system</li> <li>Develop a Diversity &amp; Inclusion Action Plan</li> </ul>
<b>KPI's (FY24)</b>	<ul style="list-style-type: none"> <li>Achieve &gt;2.0M visits</li> <li>Host &gt;75 significant events</li> <li>Lead &gt;10 diversity and inclusion initiatives</li> <li>Achieve customer feedback rating of &gt;85%</li> <li>No preventable serious harm incidents</li> </ul>	<ul style="list-style-type: none"> <li>No preventable unplanned facility closures</li> <li>Deliver capital and renewals programme on time and on budget</li> <li>Establish three preventative maintenance initiatives</li> <li>Reduce energy consumption &gt;5%</li> </ul>	<ul style="list-style-type: none"> <li>Achieve breakeven EBDITA or better (TBC)</li> <li>Explore new revenue generating initiatives</li> <li>Deliver shared service initiatives where it makes sense</li> </ul>	<ul style="list-style-type: none"> <li>Achieve &gt;70% team engagement</li> <li>Achieve &lt;35% staff turnover</li> <li>Agree Memorandum of Understanding with two mana whenua</li> </ul>

## 5. Performance Measures

### a. Balanced Scorecard

Activity	Target	Weighting
<b>Maximising Activity &amp; Events</b>	<ul style="list-style-type: none"> <li>▪ Host &gt;2.0 million visits to our facilities</li> <li>▪ Host &gt;75 significant events (500+ people)</li> <li>▪ Support &gt;10 inclusivity &amp; diversity initiatives</li> <li>▪ Achieve a customer feedback rating &gt;85%</li> <li>▪ No preventable serious harm incidents in our facilities</li> <li>▪ Key projects are completed</li> </ul>	50%
<b>Looking After our Assets</b>	<ul style="list-style-type: none"> <li>▪ No preventable unplanned facility closures</li> <li>▪ Capital and renewals programme delivered on time and on budget</li> <li>▪ Establish three preventative maintenance initiatives</li> <li>▪ Reduce energy consumption by &gt;5%</li> <li>▪ Key projects are completed</li> </ul>	25%
<b>Leveraging our Capability</b>	<ul style="list-style-type: none"> <li>▪ Achieve breakeven EBITDA (TBC)</li> <li>▪ Explore new revenue generating initiatives</li> <li>▪ Deliver new shared service initiatives where it makes sense</li> </ul>	10%
<b>Building our Capability</b>	<ul style="list-style-type: none"> <li>▪ Achieve &gt;70% team engagement</li> <li>▪ Achieve &lt;35% staff turnover</li> <li>▪ Agree Memorandum of Understanding with two mana whenua</li> <li>▪ Key projects are completed</li> </ul>	15%



## b. Financial

[To be updated following budget setting process. Prior Year budget currently shown.]

Bay Venues Ltd Profit & Loss (000's)	Budget 21/22	Forecast 21/22	Budget 22/23	Forecast 23/24	Forecast 24/25
	Total	Total	Total	Total	Total
<b>Revenue</b>					
User Fees and Charges	21,416	16,361	18,848	19,954	20,824
TCC Community Outcome Subsidy	2,916	3,256	4,030	4,268	4,519
<b>Total Revenue</b>	<b>24,332</b>	<b>19,617</b>	<b>22,877</b>	<b>24,221</b>	<b>25,343</b>
Less Total expenditure before interest and Depreciation	24,331	22,550	24,600	25,829	26,604
<b>EBITDA Profit/(Loss)</b>	<b>1</b>	<b>(2,933)</b>	<b>(1,722)</b>	<b>(1,608)</b>	<b>(1,261)</b>
BVL Funded Depreciation	823	616	677	877	813
BVL funded Debt Servicing	205	414	621	659	724
<b>Suplus/(Deficit) - after BVL capital costs</b>	<b>(1,027)</b>	<b>(3,963)</b>	<b>(3,020)</b>	<b>(3,145)</b>	<b>(2,799)</b>
Add back: Adjustments for funding					
Renewals Grant	6,782	6,782	10,278	5,430	3,126
Debt Servicing Grant	258	258	258	258	258
Debt Retirement Grant	194	194	344	344	344
Less: Other Depn and debt servicing					
Depreciation	5,267	5,267	6,424	6,653	6,883
Debt Servicing	380	380	380	380	380
<b>Net Suplus/(Deficit)</b>	<b>561</b>	<b>(2,375)</b>	<b>1,057</b>	<b>(4,489)</b>	<b>(6,678)</b>

## 6. Reporting

Bay Venues is committed to supporting TCC's strategic priorities and objectives. Bay Venues will endeavour to respond promptly and appropriately on issues raised by TCC.

Bay Venues will provide TCC with the following information:

**a) Statement of Intent (SOI)**

Provide TCC with a draft SOI by 1 March 2024 and a final SOI by 30 July 2024

**b) Annual Report**

Provide an Annual Report to TCC within two months after the end of the financial year. This will comply with section 68 of the Local Government Act 2002 and include the following:

- i. Board report including summary of the financial results, a report of the operations, a comparison of performance in relation to objectives and any recommendation as to dividend;
- ii. Audited financial statements for the financial year in respect of the Company, and;
- iii. The Auditor's report on:
  - Those financial statements; and
  - The performance targets and other measures by which performance has been judged in relation to the objectives.
- iv. The audited financial statements shall consist of:
  - Statement of Financial Position; and
  - Statement of Comprehensive Income; and
  - Statement of Movements in Equity; and
  - Statement of Cashflows; and
  - Disclosure of Related Party Transactions; and
  - Notes to the Financial Statements; and
  - Such other statements as may be necessary to fairly reflect the financial position of the Company and its subsidiaries, the resources available to the Company and its subsidiaries and the financial results of the operations of the Company and its subsidiaries.

The annual report is to be presented in the format prescribed by TCC to enable consolidation into the Group.

**c) Quarterly Reports**

As soon as practicable after the conclusion of each quarter, Bay Venues will provide TCC with a report of performance against the SOI including:

- i. Summary of Financial Performance
- ii. Report on KPI's year to date
- iii. Commentary on performance for the preceding quarter
- iv. Commentary on expected performance for the next quarter

A Quarterly Report will not be required for Q4 where the Annual Report is provided instead.

**d) Quarterly Meetings**

Upon request by TCC, members of the Board of Bay Venues will meet with the TCC Commissioners and/or their appointed representative(s) quarterly in a confidential, informal workshop to discuss and review issues of common interest.

**e) Half Yearly Governance to Governance Meeting**

The Board of Bay Venues will meet with the TCC Commissioners every six months in a confidential, informal session to discuss and review any issues of common interest.

**f) Half Yearly Mayor/CEO to Chair/CEO Meeting**

The Commission Chair and CEO of TCC will meet with the Chair and CEO of Bay Venues every six months, three months before or after the Governance-to-Governance meeting, to discuss and review any issues of common interest.

**g) Management Meetings**

Regular meetings with operational management/staff at least quarterly.

**h) No Surprises**

Notwithstanding the reporting requirements the Board will operate on a 'no' surprises' basis to ensure that TCC is appraised as soon as is practicable, of any event or the possibility of an adverse effect of an economic, social or political nature.

## 7. The Board's Approach to the Governance

The directors of Bay Venues are responsible for the stewardship and future well-being of the organisation. The directors assist the organisation to meet its objectives and requirements in the Statement of Intent. Directors exercise leadership, enterprise, integrity and judgement in directing the organisation so as to provide assurance of its continuing and lasting prosperity and effectiveness. In discharging their responsibilities Directors have a duty to act in the best interest of Bay Venues as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations. Directors' first duty and loyalty must be to the legal entity defined in the Bay Venues Constitution consistent with 1.3.1 of the Companies Act.

More detailed obligations in relation to both the Directors obligations to Bay Venues and TCC's obligations to Bay Venues are outlined in the Enduring Statement of Expectations (ESE).

## 8. Board Performance Reviews

A Board led bi-annual review will be undertaken in July/August 2023 by an independent entity, with results reported to TCC. The cost of this review will be funded by TCC. This review will be conducted within the Institute of Directors (IoD) "Better Boards" programme providing comparative data to prior reviews by IoD.

The report will provide assessment on the Board's performance within:

- Chair and Individual Director effectiveness.
- Board policies and procedures/effectiveness.
- Overall Board effectiveness, dynamics and connectivity to Stakeholder and Community.

## 9. Ratio of Consolidated Funds

In November 2014 TCC resolved that an appropriate starting debt equity ratio of 20:80 is appropriate for Bay Venues, but the ratio may change up to 25:75. This ratio is calculated as: Debt to Equity Ratio = Total Debt / Total Equity.

## 10. Estimate of Commercial Value

The Board estimate that the commercial value of the TCC's investment in Bay Venues is represented by the net assets of Bay Venues. This value is calculated from total assets less liabilities. As at 30 June 2022 this was \$101.7m.

## 11. Accounting Policies & Other Compliance

Financial statements will be prepared in accordance with generally accepted accounting practice (GAAP), NZ International Financial Reporting Standards, Companies Act 1993, Local Government Act 2002 and Financial Reporting Act 1993.

## 12. Dividend Policy

Bay Venues will not be in a position to pay a dividend anytime in the short to medium term and acknowledges that any retained surpluses over \$250,000 (net after depreciation and interest) must be approved by Council unless otherwise agreed or prevented due to legal requirements.

If a surplus is achieved, Council may decide to reinvest part or all the surplus into Bay Venues if Bay Venues establishes a compelling investment proposal and/or using such option to retire debt.

In determining funds that are 'surplus', Council will consider the operating result against budget including the accounting surplus, the underlying cash surplus, and surpluses generated from particular activities.

## 13. Procedures for Acquisition of Other Interests

Pursuant to the Constitution, Bay Venues will only invest in the shares of a new or existing company or organisation with the prior approval of TCC. Where the Board consider the size of the acquisition warrants it, they will have due diligence carried out prior to any binding agreement being made.

## 14. Other Matters Agreed Between the Board and Shareholder

Bay Venues shall enter, where necessary, such agreements with TCC giving effect to any restrictions, requirements and obligations required by TCC.

Due to the impact of Covid over the past few years Bay Venues revenue and profitability has been significantly negatively impacted. While existing loan arrangements with TCC are sufficient to cover this in the short term, Bay Venues wishes to signal to TCC a need to review the funding and/or loan arrangements to ensure that the business can continue to operate.

## 15. Transactions between Related Parties

Transactions between TCC and Bay Venues will be conducted on a commercial basis (fair and reasonable) and if appropriate contestable basis.

Other related party transactions will be on a commercial basis and in accordance with Bay Venues procurement policy.

## 16. Compensation from Local Authority

Compensation for any services provided to the TCC has been agreed as per the revised Enduring Statement of Expectations and the Letter of Expectations.

Council provide Bay Venues with an operating grant of \$(to be updated, was 3.448m in FY23), which increases annually with CPI. TCC's operating grant to Bay Venues helps deliver:

- Business related outputs, which apply across all facilities



- Community related outputs which apply only to the facilities and activities that are considered to have a community focus.

The outputs expected of Bay Venues are detailed in section 4 of the ESE.

## **Schedule 1 – Enduring Statement of Expectations**

## **Schedule 2 – Annual Letter of Expectation FY24**





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Glossary of abbreviations used:	
Tauranga Art Gallery	“Gallery” or “TAG”
Tauranga Art Gallery Trust	“Trust” or “TAGT”
Tauranga City Council	“Council” or “TCC”
Council Controlled Organisation	“CCO”
Enduring Statement of Expectations	“ESE”
Letter of Expectations	“LOE”
Statement of Intent	“SOI”
Long-Term Plan	“LTP”
Learning Experiences Outside the Classroom	“LEOTC”





Letter of introduction

The Tauranga Art Gallery Trust Board is pleased to present our Statement of Intent (SOI) for the periods, 2023–24, 2024–25, 2025–26.

The SOI is informed by the expectations of the Tauranga City Council as outlined in the Enduring Statement of Intent and the Letter of Expectation, dated 28 November 2022. It identifies synergies between our Vision and Tauranga City Council's vision and values, ensuring community objectives established through our visioning work guides our activities.

The purpose of the SOI is to:

1. State publicly the activities and intentions of a CCO for the year and the objectives to which those activities will contribute.
2. Provide an opportunity for shareholders to influence the direction of the organisation; and
3. Provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

During 2022–2023, the Trustees and staff have continued work reviewing and refocusing our systems, processes, and capabilities. Whilst this has been a challenging period, we are confident that this work has enabled us to create a solid foundation for the Gallery and has built a more resilient organisation.

Over the next three years we will be bringing a full and rich programme of exhibitions, education and public programmes and events for our visitors and community to experience. Exhibitions through 2023-2024 will feature a mix of local and national artists, both emerging and established, and we will continue to support local artists such as Paul Darragh and Jaime Jenkins to realise major exhibitions of new work in their hometown.

Our public and education programmes have been created to continually meet the needs of our diverse communities. They cater for all ages and abilities and will be delivered in the gallery and offsite. Over the next 12 months we will be introducing new programmes for our young people and also for the older population working closely with the relevant groups and local retirement homes.

The Trust is conscious that the Gallery will face more economic challenges over the next three years, and we will continue to work diligently on building diverse revenue streams and positive relationships to secure funding and sponsorship. We will continue to place an emphasis on understanding and communicating the value of Gallery's activities to both current and new stakeholders.

We look forward to working together in partnership with Tauranga City Council with the Te Manawataki o Te Papa project and we are excited about the opportunity to expand our capacity to deliver more art and culture in Tauranga.

We would like to thank the commissioners and staff for their ongoing support, and we look forward to updating you on our progress during the year.

Ngā mihi, nā

Rosemary Protheroe  
Chair, Tauranga Art Gallery Trust





Strategic priorities and alignment

<div><div>Vision Statement: Toi Tū Tauranga</div><div>Enduring relationships with art—creating life-long connections with art</div></div> <div><div>Mission Statement: He Tauranga Toi</div><div>To be an anchorage for art—To create exceptional art experiences that engage, inspire, and challenge</div></div>						
TAGT strategic objectives	He Tauranga Auaha To be an anchor of innovation and creativity	He Tauranga Matarau To be an anchorage for diversity	He Tauranga Whaihua To be an anchor of enduring success	He Tauranga Haukaha To be an anchor of great shelter	He Tauranga Taiao To be anchor in environmental sustainability	He Tauranga Haumarū To be anchor in safe development
TAGT business function	Exhibitions, events, and education programmes	Stakeholder engagement	Marketing and Communications	Financial governance and management	Infrastructure and facilities	People and organisational culture
TCC LOE alignment community outcomes	Our purpose – we're here to make Tauranga better: We recognise we are an integral part of the wider Bay of Plenty region and upper North Island.			We have a well-planned city		Purpose and values. Board professional development. COVID-19: health, safety, wellbeing
TAGT Priorities	Deliver a diverse exhibition and events programme.  Achieve a high level of customer satisfaction  Deliver a range of education programmes and learning opportunities that meets the needs of our clients.	Enhance our marketing and communications.  Partner with tangata whenua and ensure strong engagement with Māori.  Partner with government agencies, councils, and other organisations.	Develop a greater awareness of our Social Return on Investment (SROI).  Implement prudent financial management processes.  Ensure TAG has a clear vision and purpose for the next 3–5 years.	Involvement in the City Centre redevelopment project (Civic Precinct) discussions.  Effective management of assets.	Gallery operates in an environmentally sustainable way.	Health, safety, and well-being is a priority.  Implement best practice human resource management policies and processes.  The board provides best practice governance





The future: 2023–24 and beyond

The Tauranga Art Gallery Toi Tauranga is a hub for learning and building connections through experiencing work by leading local, national, and international artists.

Our location in the CBD places us among a growing hospitality and cultural district, and at the heart of the city.

2023–2024 and beyond is going to be an exciting period for the Gallery and our communities, due to the positive impact we are making because of our hard work over the past 12–18 months. We now have a more solid foundation and a clearer pathway that identifies what we need to do to achieve our strategic outcomes.

Developing the capability of our people at the governance and operational levels of the Gallery is a priority over the next few years. The challenges of the past two years have reinforced to us there is a need to make sure our people are not only capable of doing the work but have the resilience to be able to adapt to our changing and unpredictable environment.

To meet the needs of our communities we will be regularly reviewing our programmes and will challenge our ideas. This will enable us as the Regional Art Gallery for the Western Bay of Plenty, to deliver a diverse range of innovative programmes for all to enjoy.

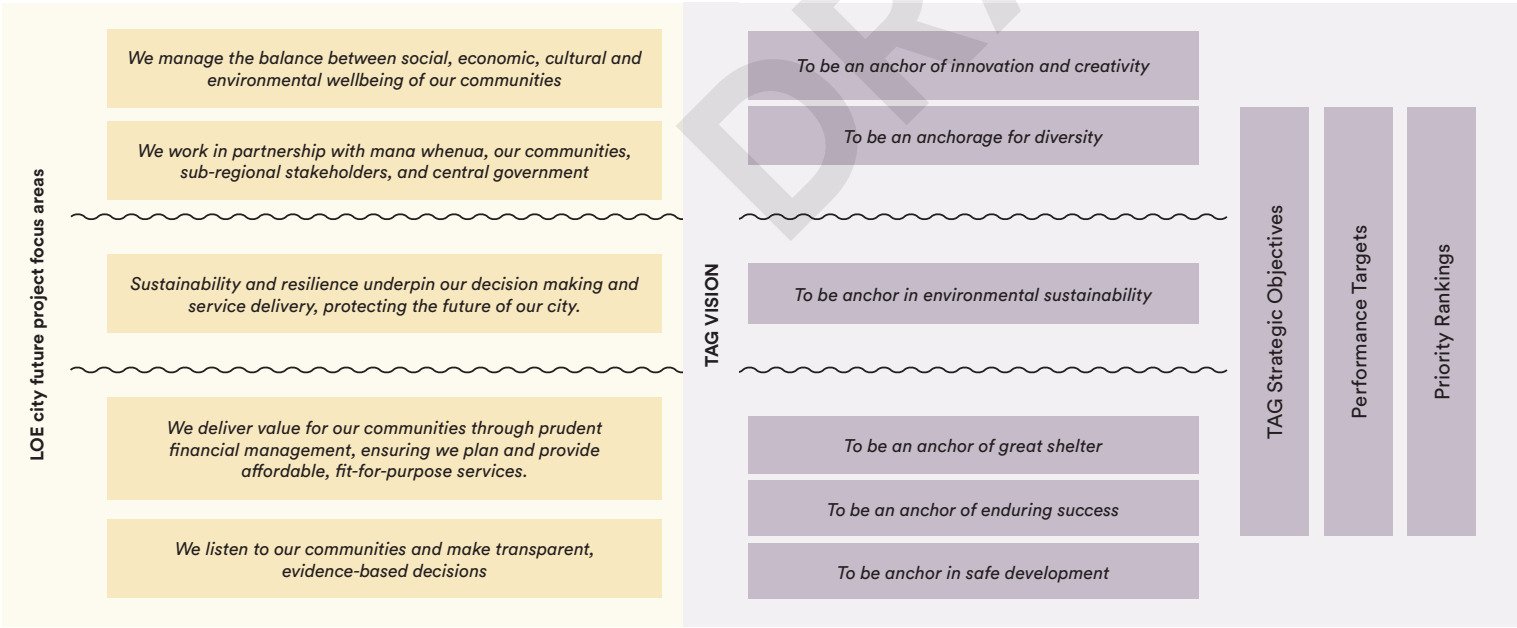
We will continue to offer opportunities for local artists to showcase their work in the gallery and in other sites across Tauranga and continue to inspire young people into art through our junior art awards.

To enable our tamariki and rangatahi to develop a lifelong love of art, and to offer opportunities for our retirees to participate in art classes, we will off a wide range of in-gallery and offsite programmes and professional development opportunities for teachers and activity providers.

Finally due to the growth of our programmes we need a more fit-for-purpose facility, and this is a key priority for the TAGT and the future Civic Precinct — Te Manawataki o Te Papa project provides us with the opportunity to review our current building layout and plan for our future.

Nature of scope & activities

The diagram below demonstrates the alignment between the LOE City Future Project's focus areas and TAG's objectives. Our objectives are further detailed in the Performance Framework.



Performance framework—financial & non-financial

Exhibitions, Events and Education Programmes		
<b>He Tauranga Auaha</b> <i>To be an anchor of innovation and creativity</i>  TAG is a destination for both city visitors and residents, providing the opportunity for all to learn about and experience art	TAGT Strategic Objective	Performance Target
	Deliver a diverse exhibition and events programme.	Deliver a high-quality programme that includes a minimum of 12 exhibitions and a diverse range of public programmes and events that reflect the unique character and needs of Tauranga, inspires the Tauranga community, includes international representation, and integrates key objectives in the areas of innovation, diversity, community, environment.
	Achieve a high level of customer satisfaction.	At least 38,000 visitors to the Gallery for 2023–24, 40,000 in 2024–25 and 55,000 in 2025–2026  85% “highly satisfied/positive” rating via our visitor survey and feedback received from schools and other participants of programmes and events.
	Deliver a range of education programmes and learning opportunities that meets the needs of our clients.	Education programmes are linked to the exhibition programme and align with the Te Whāriki (ECE) and the NZ Curriculum (primary secondary) curriculum focus areas and identified tertiary outcomes. Programmes are developed to meet the needs of our participants, with te reo and te ao Māori principles integrated within our programmes.  A range of in-gallery, outreach and holiday programmes are delivered to a minimum of 7,500 students across Tauranga and the larger WBOP region. Continue to identify opportunities to expand our reach of programmes to schools/kura.  Deliver a range of other learning opportunities for targeted groups and families/whānau—a minimum of 8 in 2023–24, 10 in 2024–2025 and 12 in 2025–2026.
Stakeholder engagement / marketing and communications		
<b>He Tauranga Matarau</b> <i>To be an anchor for diversity</i>  TAG is inclusive and promotes partnerships with tangata whenua, values culture, and diversity and where people of all ages and backgrounds are included, feel safe, connected, and healthy.	TAGT Strategic Objective	Performance Target
	Enhance our marketing and communications.	The marketing and communications strategy continues to effectively promote the Gallery’s full range of activities and options to develop technology and digital platforms to provide alternative art experiences to grow audiences and enabling greater access to the visual arts.
	Partner with mana whenua, and ensure strong engagement with Māori	Implement an engagement strategy that reflects Tikanga Māori, enabling us to build stronger relationships with mana whenua and enabling wider engagement with Māori.
	Partner with government agencies, councils, and other organisations.	Staff, and where appropriate trustees, work in collaboration with relevant government agencies, groups, and councils to share best practice and to align with other events held across the city, i.e., Tauranga Arts Festival, Jazz Festival.

Financial Governance and Management		
<b>He Tauranga Whaihua</b> <i>To be an anchor of enduring success</i>  TAGT will pursue opportunities to secure funding and manage all funds with prudence and care with a commitment towards being financially sustainable.	TAGT Strategic Objective	Performance Target
	Develop a greater awareness of our Social Return on Investment (SROI)	Our Social Return on Investment (SROI) impact is integrated into messages with stakeholders and Gallery supporters, leading to a better understand of our social and economic impact. Report findings to TCC as part of 2023–24 Annual Report.  New measures and statistics are identified, in addition to ongoing visitor attendance and feedback surveys, to be reported back through the 2023–24 Annual Report
	Implement prudent financial management processes.	Appropriate systems and controls are in place for the efficient financial management, planning, and decision making across all areas of the organisation.  Our annual budget is monitored regularly, with current financial projections maintained to ensure gross revenue targets and forecasted expenditure is within budget.  Generate 20% revenue from sources other than TCC (2023–24), building towards increasing our alternative revenue by a minimum of 20% (24% of overall operating budget) by 2024–25.
Infrastructure and facilities		
<b>He Tauranga Haukaha</b> <i>To be an anchor of great shelter</i>    <b>He Tauranga Taiao</b> <i>To be anchor in environmental sustainability</i>	TAGT Strategic Objective	Performance Target
	Involved in City Centre redevelopment project (Civic Precinct) discussions.	Evidence of collaboration with TCC management team on the development of the Te Manawataki o Te Papa – Civic Precinct.
	Effective management of assets.	An Asset Management Plan is developed that includes a well-planned repairs and maintenance programme, renewals, and future CAPEX priorities.
	Gallery operates in an environmentally sustainable way.	We have investigated ways of using resources better and reducing waste by recycling and/or reusing materials and monitoring power consumption.  TAGT identifies targets in period, in work towards achieving a sustainability accreditation by 2025–26
People and organisational culture		
<b>He Tauranga Haumarū</b> <i>To be anchor for development</i>    TAGT will take all practical steps to ensure our people are valued, supported feel safe, connected, and healthy	TAGT Strategic Objective	Performance Target
	Health, safety, and well-being is a priority.	All health, safety and well-being policies and procedures reviewed, and an internal review programme developed to ensure they are regularly monitored to meet statutory requirements.
	Implement best practice human resource management policies and processes	To improve the culture of the organisation, staff are engaged, increased in employee satisfaction, meeting statutory obligations, and reducing organisational risk.  Annual staff survey to be undertaken, potentially in collaboration with Council with a staff rating of 80% staff satisfaction achieved.
	The board is providing best practice governance	The board provides governance for the TAG strategic direction. All Trustees have a clear understanding of their roles and actively seek professional development opportunities. Board will also be openness and transparency, publishing our SOI on our website and key strategic documents, policies and staff and board charters.
	Approach to governance	TAGT board values align with Tauranga City Council’s values.  Collaborate with TCC, through assisting with developing the Council city brand, City Event Strategy, and participating in Governance-to-Governance meetings.

Planning

TAGT will prepare and annually update a three-year Strategic Plan and Annual Business Plan with:

- Indicative rolling three-year forecasts of financial performance and position, separately identifying any significant intended expenditure.
- Any likely requests for increased levels of funding from Council.
- Key actions or initiatives to deliver on the objectives of the Trust.
- Upcoming challenges, risks, and opportunities for the Trust.

TAGT will work collaboratively with TCC to review and as necessary update the Enduring Statement of Expectations (ESE) and the annual Letter of Expectations (LOE).

Reporting

TAGT will:

- Keep TCC informed of matters of substance affecting the Trust as outlined in ESE.
- Produce an annual report to TCC on both financial and non-financial performance.
- Appraise the performance of the Trust Board / Trustees at least every 2 years.

Annual Report

TAGT will work alongside the appointed auditor with the goal that within two months after the end of each financially year, TAGT shall deliver to the TCC a Draft Annual Report, and within three months after the end of each financial year, audited financial statements in respect of that financial year containing the following information:

- A trustees' report, including a summary of the financial results, a report of the operations, and comparison of performance in relation to its objectives and recommendations for further funding requirements or opportunities.
- Audited financial statements for that financial year; and
- The Auditor's report on:
  - Those financial statements; and
  - The performance targets and other measures by which performance has been judged in relation to the objectives.

The audited financial statements shall consist of

- Statement of Financial Position.
- Statement of Financial Performance.
- Statement of Cashflows.

- Statement of Performance against Financial and Non-Financial Performance Targets.
- Such other statements as may be necessary to fairly reflect the financial position of the Trust, there sources available to the Trust and the financial results of the operations of the Trust; and
- A statement of accounting policies and notes to the accounts.

The ability for TAGT to meet the above timeframes is dependent on the availability of the appointed Auditor.

Financial performance targets

- Gross revenue is consistent with the agreed budget.
- Expenditure is managed within the agreed budget.
- Working capital ratio of no less than 1 (excluding current portion of term debt).
- Interest cost as a percentage of total revenue should not exceed 10%.
- Consolidated funds (total equity) are not less than 90% of total assets (all current and non-current assets).
- No debt is to be raised to finance operating expenses.
- No distribution of income or capital to TCC.

Non-Financial Performance Targets

Indicative Non-Financial Performance Targets of planning and reporting requirements are met as per performance framework above.

Accounting policies

Financial statements will be prepared and applied consistently in accordance with NZGAAP. They will comply with NZIFRS and other applicable Financial Reporting Standards, as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

Non-Financial Performance Targets

Indicative Non-Financial Performance Targets of planning and reporting requirements are met as per performance framework above.



Asset management

TAGT will prepare and implement Asset Management Plans for the building and other assets.

Commercial Values of Assets

TAGT operates a public service and not a commercial activity. It is not practical to provide a commercial value to assets. Fair value of land, building and artworks are determined by an independent valuer every three years and changes reflected in the financial statements. Fair value is reviewed annually. The next valuation is to be undertaken in the year ended 30 June 2024.

Transactions between related parties

Transactions between TCC and TAGT will be conducted on a wholly commercial basis.

Significant decisions

TAGT will not undertake any activity of a significant nature or scope not provided for in the ESE or the SOI without prior approval of TCC. In particular, the prior approval would be required for TAGT to:

- Form any subsidiary entity.
- Purchase shares in any other entity.
- Dispose of any significant assets, e.g., land or buildings.
- Dispose of or deaccession any works within the TCC Civic Art Collection.
- Purchase any significant assets e.g., land or buildings.

Investment from TCC

2023–24

Management and operation of Tauranga Art Gallery \$1,296,014 (based on applying an inflation adjustment of 2% and including Trustee fees of \$45,000.

2024–25

Management and operation of Tauranga Art Gallery \$1,321,934 (based on applying an inflation adjustment of 2% and including Trustee fees of \$45,000

2025–26

Management and operation of Tauranga Art Gallery \$1,348,373 (based on applying an inflation adjustment of 2% and including Trustee fees of \$45,000

Final figures to be confirmed by TCC. Any increases of the Management & Operational funding and Trustee fees would be subject to TCC approval as part of the internal submission via the Annual Plan process.

Payment arrangements

- Payment of the Tauranga Art Gallery management and operation will be made monthly in advance as per the schedule above.

Compensation for any other services provided to or by the Council will be based on a service delivery agreement entered into by both parties.

Signed by:  
**Rosemary Protheroe**  
Chair, Tauranga Art Gallery Trust

Signed by:  
  
Director, Tauranga Art Gallery

Three-year forecast

TAGT Budget codes reference

Grants & Donations, Exhibitions, Education, Other

Venue Hire/Events, Retail, Public Programmes

Interest Received

TCC

WBOPDC

Building, IT & Telecommunications, Cleaning, Electricity & Insurance

Collections, Events, Exhibitions, Education, Public Programmes, Retail, Media & Marketing and Other

Human Resources

Governance and Director, Trustee Fees

Accounting, Audit & Bank Fees

TAURANGA ART GALLERY  
Indicative Three Year Operational Forecast

**Income**  
Donations, fundraising and similar revenue  
  
Revenue from providing goods or services  
Interest, dividends & other investment revenue  
TCC Operational (incl Collections)  
WBOPDC

**Total Income**

**Gross Profit**

**Less Operating Expenses**  
Building  
Expenses related to public fundraising  
Volunteer & Employee related costs  
Costs related to providing goods or services  
Other expenses  
**Total Operating Expenses**

**Operating Profit**

**Non-operating Expenses**  
Depreciation  
**Total Non-operating Expenses**

**Net Profit**

SOI		
3 Year Forecast		
2023-2024	2024-2025	2025-2026
\$365,000	\$365,000	\$365,000
\$82,000	\$84,000	\$84,000
\$11,324	\$11,551	\$11,782
\$1,347,014	\$1,373,954	\$1,401,433
\$40,800	\$41,616	\$42,448
\$1,846,138	\$1,876,121	\$1,904,663
\$1,846,138	\$1,876,121	\$1,904,663
\$229,335	\$233,921	\$238,600
\$411,483	\$419,713	\$428,107
\$1,117,000	\$1,150,510	\$1,185,025
\$58,230	\$59,395	\$60,583
\$39,675	\$40,468	\$41,278
\$1,855,723	\$1,904,008	\$1,953,593
-\$9,585	-\$27,887	-\$48,930
\$152,000	\$152,000	\$152,000
\$152,000	\$152,000	\$152,000
-\$161,585	-\$179,887	-\$200,930

1 Expecting that the coming years reflect similar to our 2023 forecast in Jan 23 - with economic times toughening it is difficult to project increasing donations or fundraising

2 Based on 2023 forecast from January

3 As per Forecast

4 Based on 2023 forecast figure, 50k increase due to policy change(CPI 2%)

5 WBOPDC 3-year partnership agreement has been renewed for next 3 years with annual CPI (2%) increase and we are working towards increasing the base contract

6 Building as per 2023 forecast as at Jan23 costs for goods and an increase in building maintenance included as per Beca report. Includes CPI 2%

7 Increases in 2023 forecast figures is due to increasing prices - have applied a basic smoother as we are expecting similar operations

8 2024 expected wages has been calculated and applied with slight increase for future years

9 Trustee fees, Director travel, meetings & professional services. 2023 is higher due to \$11k of legal expenses not expected in future years

10 Includes audit fees (75%), accounting, bank & EFTPOS service fees.

11 Depreciation projections is based on previous years calculations.

## Assumptions

1. Expecting that the coming years reflect similar to our 2023 forecast in Jan 23  
– with economic times toughening it is difficult to project increasing donations or fundraising
2. Based on 2023 forecast from January
3. As per Forecast
4. Based on 2023 forecast figure, 50k increase due to policy change (CPI 2%)
5. WBOPDC 3-year partnership agreement has been renewed for next 3 years with annual CPI (2%) increase and we are working towards increasing the base contract
6. Building as per 2023 forecast as at Jan23 costs for goods and an increase in building maintenance included as per Beca report. Includes CPI 2%
7. Increases in 2023 forecast figures is due to increasing prices – have applied a basic smoother as we are expecting similar operations
8. 2024 expected wages has been calculated and applied with slight increase for future years
9. Trustee fees, Director travel, meetings & professional services.
10. Includes audit fees (75%), accounting, bank & EFTPOS service fees.
11. Depreciation projections is based on previous years calculations.



Matua Saltmarsh, Tauranga

# STATEMENT OF INTENT

2023-2024 TO 2025-2026

**TĀPOI TE MOANANUI Ā TOI | TOURISM BAY OF PLENTY**

(WESTERN BAY OF PLENTY TOURISM AND VISITORS TRUST)



## Our Regional Brand Story

KO MĀTOU WAAHI HE NGĀKAU PAI, HE  
TAKUTAI HAUMAKO RAWA, HE WAAHI PITO  
MATA.

HE WAAHI AWHINA O NGĀ AHUREA  
TUAKIRI KĀTOA. KO TE WAIRUA  
MĀHORAHORA O TE TANGATA HE ORITE KI  
TE PARITANGA HUANGĀ PAI O TE WHENUA.

HE WAAHI HURANGA – KO TĀ MĀTOU  
PŪMANAWATANGA, TE MOTUHAKETANGA  
ME TE WHAKAARO MURAMURA E  
HONOHONO ANA MĀTOU KI TE AO.

HE TAURANGA MAI. HE TAURANGA ATU.

TE MOANANUI Ā TOI – HE WAAHI MŌU.

OURS IS A PLACE OF POSITIVE ENERGY; A  
RICH COASTAL PARADISE BLESSED WITH  
RAW POTENTIAL.

WHERE CULTURES EMBRACE  
AND THE NATURAL GENEROSITY  
OF OUR PEOPLE IS AS ABUNDANT AS OUR  
FERTILE LAND AND OPEN SEAS.

A PLACE OF DISCOVERY –  
OUR INGENUITY, DETERMINATION  
AND BOLD THINKING CONNECT  
US TO THE WORLD.

A LANDING PLACE. A LAUNCH PAD.

THE COASTAL BAY OF PLENTY –  
A PLACE FOR YOU.





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## 1. Purpose of Statement of Intent

In accordance with section 64 of the Local Government Act 2002 and the Local Government Amendment Act 2019, this annual Statement of Intent (SOI) publicly states the activities and intentions of the Western Bay of Plenty Tourism and Visitors Trust (Tourism Bay of Plenty) for the next three years. This SOI sets out Tourism Bay of Plenty's strategic framework, activities, and performance measures, as the basis of organisational accountability.

Tourism Bay of Plenty (TBOP) acknowledges the Enduring Statement of Expectations (ESE) and Letter of Expectation (LOE) from Tauranga City Council and Western Bay of Plenty District Council. These articulate the focus areas for TBOP that will contribute to advancing the Western Bay of Plenty's economic prosperity.

## 2. About Tourism Bay of Plenty

TBOP is incorporated under the Charitable Trusts Act (1957) and is a not-for-profit entity established to promote and manage the Western Bay of Plenty sub-region (WBOP; Western Bay) as a visitor and tourist destination. TBOP is a Council Controlled Organisation (CCO) and is accountable to Tauranga City Council (TCC), Western Bay of Plenty District Council (WBOPDC) through separate Letters of Expectation. TBOP is also accountable to Whakatāne District Council (WDC) by a separate Letter of Intent. This collective region is known as Te Moananui ā Toi | the Coastal Bay of Plenty.



### 3. Objectives of Tourism Bay of Plenty

TBOP's purpose, as described in its Trust Deed, is to promote the economic welfare and development of the Western Bay of Plenty region and its citizens through destination marketing, management and any other activity which impacts on that region as a visitor destination. TBOP is also responsible for providing visitor information services in the region.

TBOP's role as a Destination Management Organisation (DMO) is to lead, advocate, and coordinate a cohesive, collaborative, and balanced approach to the promotion and management of the region. This is a partnership approach and requires valued engagement with the community, businesses, iwi, and stakeholder councils in order to enhance the visitor experience.

#### 3.1 Alignment with Tauranga City Council's Community Outcomes

TCC have made a commitment to "put the community at the heart of everything we do" and to create a vibrant city. The *Our Direction Tauranga 2050* [document](#) provides Council's strategic framework which informs our community outcomes, guides decision making and supports our overarching [City Vision](#), *Together we can*.

As per TCC's Letter of Expectations, TBOP will ensure its activity contributes to the following three TCC community outcomes, which align with the three pillars of council's City Vision:

- **We value and protect our environment and prioritise nature:**  
Tauranga is a city that values our natural environment and outdoor lifestyle, and actively works to protect and enhance it.
- **We are inclusive and lift each other up:**  
Tauranga is a city that recognises and promotes partnership with tangata whenua, values culture and diversity, and where people of all ages and backgrounds feel included.
- **We recognise we are an integral part of the wider Bay of Plenty region and upper North Island:**  
Tauranga is a well-connected city which makes a significant contribution to the social, economic, cultural and environmental wellbeing of the region. It is a vibrant city where we fuel possibility by fostering creativity, innovation, celebrating arts and culture and empowering change makers to create a vibrant city.

#### 3.2 Alignment with Western Bay of Plenty's Focus

WBOPDC desires to have economic wellbeing integrated with environmental, social and cultural wellbeing. WBOPDC value TBOP's destination management plan that has regenerative tourism at its core. In particular, council support that regenerative tourism aims to:

- Have net benefit across the environment.
- Improve residents' quality of life.
- Elevate Te Ao Māori.
- Add value to the economy.



### 3.3 Principal Objectives

TBOP takes the lead role in the sustainable growth of the visitor economy and destination management of Te Moananui ā Toi | the Coastal Bay of Plenty. TBOP's purpose is to 'connect and enrich people and place through tourism'. As such, our principal objectives are to:

1. Provide leadership for the regeneration of the Tauranga and Western Bay of Plenty tourism sector following the COVID-19 pandemic.
2. Help manage and promote the reputation of Tauranga and the wider coastal region nationally and internationally, to increase attractiveness.
3. Create, identify, and support opportunities for tourism to have positive economic, social, cultural, and environmental outcomes for the region and residents.
4. Share positive visitor sector stories to engage the community and demonstrate the value of tourism to local residents.
5. Provide leadership, advocacy, and engagement across the visitor economy, including areas such as events, cruise, conferencing, destination management, marketing, and storytelling.
6. Participate in conversations and subsequent workstreams with councils regarding the development of their strategic directions. This includes, contributing to Long-Term Plan conversations, the Te Manawataki o Te Papa project, and other similar council projects or reviews.
7. Ensure the TBOP business continuity plan is up-to-date and includes contingency strategies, including any legislative responsibilities for keeping safe while providing services that support the wellbeing of our community.



### 3.4 Operating Principles

TBOP will adhere to the 'Council Group' operating principles whereby:

- We deliver value for our communities through prudent financial management, ensuring we plan and provide affordable fit-for-purpose services.
- Sustainability and resilience underpin our decision making and service delivery, protecting the future of our city.
- We work in partnership with tangata whenua, our communities, sub-regional stakeholders, and central Government.
- We manage the balance between the social, economic, cultural, and environmental wellbeing of our communities.
- We listen to our communities and make transparent, evidence-based decisions.

TBOP is committed to employee wellbeing. As part of this, TBOP will continue to pay all staff the Living Wage as a minimum.





## 4. Approach to Governance

TBOP is a CCO of the Tauranga City and Western Bay of Plenty District Councils. The TBOP Board and management are committed to ensuring the organisation meets recommended best practice governance principles and maintains the highest ethical standards, as outlined in the ESE.

The TBOP Board of Trustees is appointed by the Councils to govern and direct TBOP's activities. The Board is accountable to the Councils for the financial and non-financial performance of TBOP. The Board works collaboratively with the Councils to ensure a bilateral "no surprises" relationship.

For transparency, TBOP will continue to publish up-to-date information online about what it does and how it operates. The resources page on our website can be found here: <https://www.bayofplentynz.com/media-and-resources/resources/>

### 4.1 The Role of the Tourism Bay of Plenty Board of Trustees

The Board of Trustees is responsible for the direction of TBOP. In accordance with the ESE, this responsibility includes:

- Acting in accordance with the Trust Deed.
- Developing and overseeing TBOP's Visitor Economy Strategy 2018-2028 (VES).
- Advocating on behalf of TBOP with key stakeholders.
- Approving Annual Plans, budgets and the Statement of Intent (SOI).
- Maintaining Enterprise Risk and Health and Safety systems, policies and controls.
- Monitoring financial performance and achievement of key initiatives and SOI objectives.
- Appointing and monitoring the performance and remuneration of the General Manager (GM).
- Ensuring the integrity of management information systems and policies.
- Assessing business opportunities and business risks.
- Ensuring TBOP policies enable a healthy organisational culture and staff engagement.
- Complying with relevant law.
- Ensuring TBOP exhibits a sense of social and environmental responsibility.
- Reporting to the councils.
- Following the decision-making guidelines in the ESE and the TCC Appointment of Directors to Council Organisations Policy and the Significance and Engagement Policies.

The Trustees operate under the TBOP Code of Conduct and the Tauranga City Council Code of Conduct for Directors Appointed by Council-to-Council Organisations.

The Trustees delegate the day-to-day operation of TBOP to the General Manager (GM) of TBOP who reports to the Board.



## 4.2 Tourism Bay of Plenty Trustees

As of 28 February 2023, the TBOP Board comprises the following trustees:

- Laurissa Cooney (Chairperson)
- Russ Browne (Deputy Chairperson)
- Gwendoline Keel
- Jason Hill
- Clare Swallow
- Charlie Rahiri

In April 2023, Laurissa Cooney and Gwendoline Keel's terms will conclude. The recruitment process to fill these positions is underway.

On 1 May 2022, Suki Xiao was appointed as an intern to the TBOP Board through the Tauranga City Council Board Intern Programme for Council Controlled Organisations (CCOs). This appointment will be effective until 30 April 2023.

## 4.3 Communication Protocol

The Chairperson, Board members and officers of TBOP will adhere to the following communication protocols with the councils, in addition to the formal reporting requirements:

- Regular governance to governance meetings with Council's Commissioners.
- Presentations of the Six-Month Report and Annual Report to both Councils
- Two-way dialogue and consideration of the councils' strategic priorities and objectives.
- A bilateral 'no-surprises' approach to governance and management of the organisation.
- Consultation prior to external release of any significant changes and/or developments.
- Early notification and collaboration on key matters of risk or reputation.
- Appraise the performance of the TBOP Board of Trustees at a minimum of every two years, alternating annually between a Board led review and a council led review.
- Inform any substantive engagement with central Government and/or external agencies.
- Acknowledge our relationship with councils and use of logos where appropriate.

## 4.4 Statement of Intent

The draft SOI for the ensuing financial year will be provided by TBOP to the councils by 1 March each year. Feedback from the Councils will be considered by 1 May and the final SOI will be provided by 30 June each year.

The draft SOI provides a three-year view which is consistent with the ESE and identifies:

- Indicative rolling three-year forecast of performance and position.
- Identification of any significant intended expenditure.
- Any likely requests for increased levels of funding from councils.
- Key actions or initiatives to deliver on the objectives of TBOP.
- Upcoming challenges, risks, and opportunities for TBOP.



## 5. Nature and Scope of Activities

TBOP's purpose:

**To connect and enrich people and place through tourism.**

TBOP's growing role as a Destination Management Organisation requires it to *lead*, *advocate* and *coordinate* the visitor economy, while considering environmental, social, and cultural interests. We also need to ensure we preserve the region's unique identity and that our visitor-related development is cognisant of the interests of local residents and iwi.

Lead	Advocate	Coordinate
<ul style="list-style-type: none"> <li>• Lead the sustainable growth of the tourism sector, for the benefit of our community.</li> </ul>	<ul style="list-style-type: none"> <li>• Manage, develop and plan growth, taking into consideration social, environmental and cultural interests.</li> </ul>	<ul style="list-style-type: none"> <li>• Work with public, private and iwi led organisations as a key collaborator in order to make the region a more regenerative, compelling and attractive visitor destination.</li> </ul>

Destination management is an ongoing process that requires destinations to plan for the future. It brings together different stakeholders in a collaborative manner to achieve the common goal to which they are all committed, developing a well-managed, sustainable destination for locals and visitors alike. This requires inclusive and coordinated leadership. Destination management needs to engage residents, tourism enterprises, businesses, Māori/iwi/hapū, Regional Tourism Organisations, Economic Development Organisations, Tourism New Zealand, and local/regional and central government as appropriate. To be successful, we require the support of our local councils.

To ensure effective planning for population and urban growth, councils can provide opportunities for TBOP to actively contribute their expertise and knowledge of the tourism industry and economic development. This will help to ensure effective destination management of the region going forward.

As part of this, TBOP commits to liaising with the appropriate teams at both councils to better understand the destination opportunities they have already identified, such as Tauranga city centre, Mount Maunganui, TECT Park and other recreational reserves, walking trails, cycling trails, and more.

## 5.1 Areas of Activity

This section covers activities TBOP will undertake across Tauranga City and Western Bay of Plenty District only. Activity will be apportioned per territorial authority area based on funding unless otherwise specified, or if the activity is deemed to have regional benefit, or there are extenuating circumstances that would require upweighting. Activity undertaken for Whakatāne District is project-based and limited to direct funding received.

Note that in the previous financial year (2022-23) all activity was amplified by MBIE STAPP and TSRR funding. As such, while similar activity will be undertaken in 2023-24, the quantity or level of activity is likely to be reduced.

## Destination Marketing Activity

### Across the Western Bay (Tauranga City and Western Bay of Plenty combined)

#### MARKETING

Market the destination domestically and internationally through relevant channels and to target markets. Including:

- Combined domestic and local campaign.
- Targeted Australian marketing activity.
- UK and USA activity with partner organisations.
- Media hosting.

#### PR AND STORYTELLING

Share good news stories with the local community to demonstrate the value of tourism.

#### CYCLE TRAILS PROMOTION

Promote cycle trails in the Western Bay area:

- Through digital channels
- Annual update of Western Bay cycle trails booklet, printing and distribution

### Tauranga City Activity

#### MAJOR EVENTS PROMOTION

Partner with TCC in the implementation of the Tauranga Events Actions and Investment Plan, providing destination management and promotion services for major events within TBOP's resource parameters.

TBOP and TCC Events Team are currently determining the scope of TBOP deliverables related to major events (as of 28 February 2023).

### Western Bay of Plenty District Activity

#### MAJOR EVENTS PROMOTION

Support major events in the Western Bay of Plenty with promotional opportunities where appropriate.

## Destination Management Activity

**Across the Western Bay** (Tauranga City and Western Bay of Plenty combined)

### SUPPORT TOURISM OPERATORS

Help new and existing operators to enhance their offering by supporting the provision, access to, and engagement of suitable training and upskilling opportunities. This includes resilience building, environmental sustainability, and digital marketing,

Note some of this is covered by The Green Room | Te Rūma Kākāriki, primarily funded by Toi Moana Bay of Plenty Regional Council.

### WALKWAYS AND CYCLEWAYS

Support the development of tourism ventures that make use of this infrastructure.

### FLAVOURS OF PLENTY

Grow the profile of the region as a foodie destination through:

- Promote the region's foodscape through paid and owned marketing channels.
- Engage with the foodie ecosystem via the Flavours of Plenty eDM.
- Support the continuation of the Flavours of Plenty Festival

Note, growing the festival and increasing opportunities for tourism operators, eateries, producers and growers to be involved will require additional funding. We'll be looking to transition the Festival to an independent entity by July 2025.

### ELEVATE MĀORI CULTURAL TOURISM OFFERING

- Support new and existing Māori cultural operators and developments to provide authentic cultural experiences to visitors.
- Expand the cultural storytelling app to include the wider Western Bay.

### PLACEMAKING

Support potential and new tourism developments to enhance the local tourism offering. Including:

- Omanawa Falls.
- Cultural cycle trail from TECT Park to the coast.

Other opportunities will be considered on an ad hoc basis and may require additional resource.

### INSIGHTS

Measure the impact of the tourism industry across the four wellbeing areas (where data are available) and use information to inform actions.

### CRUISE

Continue to manage the cruise sector and work to enhance the benefits it brings to the local community.

## Tauranga City Activity

### PLACEMAKING

Support regional development and initiatives that support tourism, such as the Tauranga Harbour Ferry, Te Manawataki o Te Papa, and the Mount Spatial Plan.

### BUSINESS EVENTS

Partner with TCC in the implementation of the Tauranga Events Actions and Investment Plan, facilitating the growth of business events.





## 6. Ratio of Funds to Assets

### 6.1 Ratio of Consolidated Funds

If the Trust is wound up everything reverts to the Councils (to be held in trust for similar purposes). TBOP intends to keep the equity ratio equal to or above 0.5:1.0. The ratio is calculated as: equity divided by total assets.

Note that the expected reduction in reserves in 2023-24 (to make up for the decrease in funding) may result in TBOP not meeting this intention.

## 7. Accounting Policies

Financial statements will be prepared in accordance with Tier 2 Public Benefit Entity Accounting Standards. The accounting policies that have been adopted are detailed in the Tourism Bay of Plenty Annual Report.

### 7.1 Asset Management

TBOP will prepare and implement Asset Management Plans for all assets where relevant.

### 7.2 Transactions Between Related Parties

Transactions between the councils and TBOP will be conducted on a wholly commercial basis.

## 8. Performance Targets for Western Bay (Tauranga and Western Bay of Plenty combined)

FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	BASELINE (JUNE 2023) <small>Where relevant baseline information will be updated in final SOL.</small>	TARGET BY JUNE 2024	TARGET BY JUNE 2025*	TARGET BY JUNE 2026*
ECONOMIC Wellbeing	Grow the value of tourism to the Western Bay economy.	Trends in visitor spending via electronic card transactions.	Direct Partnered Indirect	Marketview Tourism Dashboard. <i>Note: may change to MBIE visitor spend data, depending on best source available at the time.</i>	In the year ending January 2023, total visitor spending in Western Bay was up 3% compared to the year ending January 2022.	Increased visitor spend in the Western Bay compared to YE June 2023.	Increased visitor spend in the Western Bay compared to YE June 2024.	Increased visitor spend in the Western Bay compared to YE June 2025.
SOCIAL Wellbeing	Enhance the value of tourism to our community (according to the community).	Resident's sentiment towards tourism. Measured by the percentage of residents who agree that tourism has a positive impact on their community. Residents provide a rating of 1 to 10, where 1 is strongly disagree and 10 is strongly agree.	Direct Partnered Indirect	Residents' satisfaction surveys conducted by the respective Councils.	Tauranga City community: 59% agree of residents agree. Jul-Dec 2022 Representing scores of 7 to 10  Western Bay of Plenty District community: 68% of residents agree. Jul-Dec 2022 Representing scores of 6 to 10	Improved the positive perception and impact of tourism on the community. Measured by a minimum of 60% of Tauranga residents and 69% of Western Bay of Plenty District residents agreeing that tourism has made a positive impact.	Annual improvement of 2%.	Annual improvement of 2%.
CULTURAL Wellbeing	Improving the cultural wellbeing of the community through tourism.	Facilitation of programmes that elevate the Māori cultural tourism proposition in the Western Bay region	Direct Partnered	TBOP Six-Month and Annual Reports.	Developed cultural storytelling and wayfinding app for residents and visitors to Tauranga City.	Expanded app to include wider Western Bay region content and product offerings.	Supported a minimum of 2 Māori tourism operators to connect their experience offering to the app platform.	Reviewed and updated TBOP's brand story to ensure alignment across the cultural narratives and messaging included in the app.
ENVIRONMENTAL Wellbeing	Improving the environmental wellbeing of the region through environmental sustainability and regeneration projects.	Number of industry focused environmental sustainability and regeneration initiatives facilitated or enabled by TBOP.	Direct Partnered	Programme reports.	A total of 20 tourism or hospitality businesses in the Western Bay have implemented sustainability initiatives in their businesses and improved their sustainability literacy having completed The Green Room programme.	Provided training for 20 Western Bay visitor sector organisations to learn how to measure and reduce the carbon footprint of their organisation.	Key opportunities identified with to work on climate change mitigation and adaptation projects relating to tourism (and connecting with the Tauranga Climate Change AIP where relevant).	Key actions and programmes are in place that build on climate change mitigation and adaptation progress related to tourism (and connecting with the Tauranga Climate Change AIP where relevant).
TBOP ORGANISATION Wellbeing	Enhance TBOP's ability to achieve its goals through high staff engagement.	TBOP staff engagement.	Direct	Employee engagement survey.	Employee Engagement score: 63%. May 2022 (Note next iteration of survey to be undertaken in April 2023 with result to be updated for final SOL.)	Employee Engagement score of at least 70%.	Employee Engagement score of at least 75%.	Employee Engagement score of at least 75%.



FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	BASELINE (JUNE 2023) <small>Where relevant baseline information will be updated in final SOI.</small>	TARGET BY JUNE 2024	TARGET BY JUNE 2025*	TARGET BY JUNE 2026*
DESTINATION MANAGEMENT	Elevate the region's cycling proposition	Develop, update and promote informative material on cycle trail options in the Western Bay.	Direct Partnered	Council's feedback.	First iteration of Western Bay (Tauranga and Western Bay of Plenty) cycle trails booklet successfully produced.	Cycle trails booklet updated with new trails, supported by an initial print run and digital deployment. Support the development of tourism ventures that make use of this experience.	Cycle trails booklet updated with new trails, supported by an initial print run and digital deployment. Support the development of tourism ventures that make use of this experience.	Cycle trails booklet updated. Western Bay becoming known as a destination for cycling within New Zealand.
	Build operator capability to enhance the quality of the region's tourism offering	Provide opportunities for Western Bay operators to train or upskill in sales, marketing and trade capability areas and gaining, retaining or achieving higher Qualmark rated certification.	Direct Partnered Indirect	Capability programme report.	Provided 1-on-1 digital marketing training to 10 tourism businesses.	Operators supported to engaged in capability building programmes with a minimum of three additional operators being endorsed with Qualmark certification.	Operators supported to engaged in capability building programmes with a minimum of five additional operators being endorsed with Qualmark certification.	Operators supported to engaged in capability building programmes with a minimum of five additional operators being endorsed with Qualmark certification.
	Coordinate activity that attracts key business events to the Western Bay region	Facilitate leads and bids for business events in the region.	Direct Partnered	TBOP Six-Month and Annual Reports.	Facilitated 17 leads or bids for business events in the region and won 4.	Facilitated 20 leads or bids for business events in the region and won 5.	Facilitated 25 leads or bids for business events in the region and won 7.	Facilitated 30 leads or bids for business events in the region and won 10.
DESTINATION MARKETING	Elevate the region's food story and proposition	Promote and support the delivery of the Coastal Bay of Plenty region Flavours of Plenty Festival to draw visitors to the region.	Direct Partnered	Festival delivery.	Successful coordination, delivery and promotion of the Flavours of Plenty Festival in March/April 2023, with a percentage of event tickets sold to people out-of-region (percentage to be updated in final version of SOI).	Promotion of the Flavours of Plenty Festival to key visitor markets has resulted in a 5% increase in out-of-region ticketholders compared to the previous year.	TBOP's foundation support of the Flavours of Plenty Festival results in the formation of an independent entity (similar to Wellington on a Plate).	Continued TBOP support of Flavours of Plenty via key visitor marketing channels reaffirms the festival as a signature DNA™ event for the region.
	Promotion of the Western Bay region to key target markets (cultural explorers, surf & beach lovers, outdoor adventurers, and eco-travellers)	Annual development and delivery of marketing campaigns that incorporate our key DNA™ pillars that reach and convert the travel intentions of our target markets to visit, stay and spend in the region.	Direct Partnered	Campaign collateral.	Focusing on social and other key digital channels, TBOP takes a partnership approach to trade marketing, and critically assesses the value of media famils to ensure ROI and value for money.	Deliver an updated domestic marketing campaign that incorporates the destination's DNA™ elements and is focused on the target markets.	Review previous campaign results and deliver an updated/renewed domestic marketing campaign that incorporates the destination's DNA™ converting the travel intentions of our target markets to visit, stay and spend in the region.	Annual review and delivery of relevant campaign and related PR activity that incorporates our DNA™ pillars and converts the travel intentions of our key target markets to visit, stay and spend in the region.

\*TBOP's ability to meet the goals for 2024-25 and 2025-26 is dependent on funding.



## 9. Expected Shareholder Distributions

TBOP is not expected to make profits; any surplus funds remaining from the annual operations of TBOP shall be carried forward to the ensuing year to continue to meet the primary objectives of TBOP.

## 10. Financial and Non-Financial Reporting

### 10.1 Financial Performance Targets and Measures

- Gross revenue is consistent with the agreed budget.
- Expenditure is managed within the agreed budget.
- Working capital ratio of no less than 1 (excluding current portion of term debt).
- Equity to assets ratio is reported on (equity divided by total assets).
- No debt is to be raised to finance operating expenses.

### 10.2 Reporting

TBOP has adopted 30 June as its balance date.

#### 10.2.1.1 Six Month Report

By 28 February each year, the Trustees shall deliver to the councils an unaudited report containing the following information in respect of the six months under review:

- Statement of Financial Performance, disclosing revenue and expenditure and comparative prior period and budget figures.
- Statement of Financial Position.
- Progress towards Non-Financial Performance Targets.
- A commentary on the financial and non-financial results for the first six months and a forecast of these results for the full year.

#### 10.2.1.2 Annual Report

By 31 August each year, the Trustees shall deliver to the councils a draft Annual Report, and by 30 September a final version of the Annual Report which will include audited financial statements (dependent on Audit New Zealand timeframes), in respect to the previous financial year, and containing the following information:

- Chairperson's and GM's reports.
- Audited financial statements for that financial year including Statement of Financial Performance, Statement of Financial Position and Changes in Equity.
- Notes to the financial statements including accounting policies.
- Service Delivery Report summarising TBOP's performance against the SOI strategic priorities.
- Independent Auditor's report on the financial statements and non-financial performance measures.



## 11. Activities for Compensation

### 11.1 Funding Principles

There are six high-level funding principles:

- As a general principle, TCC and WBOPDC will provide ongoing funding to TBOP as a contribution towards operational expenses.
- The role of the councils is to hold TBOP accountable for the use of funds provided by TCC/WBOPDC, which will ideally be consistent with the councils' strategies.
- TBOP is encouraged to seek funding opportunities from the private sector and central government in order to maximise the best outcomes for the organisation and the region.
- The TBOP Board must be empowered with sufficient flexibility to determine the best use and allocation of funding to meet required levels of service to the community and visitors.
- TBOP is expected to meet the approved annual budget.
- Any net surpluses are to be disclosed through Six Month and Annual Reports.

### 11.2 Approach to Funding

TBOP receives an operating grant from both councils for the purpose of marketing and managing the destination. The operating grant is set through the Long-Term Plan (LTP) process, with the contribution from each council updated annually in line with the Consumer Price Index (CPI) when TBOP creates its budgets for the coming year.

Council funding for additional operating grants and ad hoc new capital projects is to be assessed on a case-by-case basis through the LTP or the Annual Plan process.





### 11.3 Compensation from Local Authorities

TCC and WBOPDC intends to purchase services from TBOP over the long term and agrees to the level of funding on a rolling three-year basis aligned to the three-year Business Plan of TBOP.

The services for the next three years are currently forecast as per the table below.

Funder	2023-2024	2024-2025	2025-2026
TCC	\$1,630,326	\$1,443,574	\$1,504,612
TCC (VIC, including cruise)	\$527,650	\$542,949	\$558,697
TCC Total	\$2,157,976	\$1,986,523	\$2,063,309
WBOPDC Total*	\$238,960	\$246,129	\$253,513
<b>TOTAL</b>	<b>\$2,396,936</b>	<b>\$2,232,652</b>	<b>\$2,316,822</b>

\*Western Bay of Plenty District Council figures include an estimated 3% CPI increase.

The payments will be made quarterly in advance on receipt of a GST invoice, with payments one and two each being 30% of the annual sum, and payments three and four each being 20% of the annual sum.

#### WESTERN BAY OF PLENTY TOURISM & VISITORS TRUST

BUDGET	2023/24	2024/25	2025/26
	\$	\$	\$
<b>Revenue</b>			
Funding - Tauranga City Council	2,157,976	1,986,523	2,063,309
Funding - Western BOP District Council (cpi to be confirmed)	238,960	246,129	253,513
Funding - Whakatane District Council (cpi to be confirmed)	86,520	89,116	91,789
Funding - BOP Regional Council	60,000	0	0
Retail Gross Profit	8,000	8,000	8,000
Other Revenue (includes industry contributions)	129,000	129,000	129,000
<b>Total Revenue</b>	<b>2,680,456</b>	<b>2,458,768</b>	<b>2,545,611</b>
<b>Less Expenditure</b>			
Operating & Marketing	783,320	806,820	831,024
Administration & Overheads	590,936	608,664	626,924
Employee Expenses	1,623,000	1,671,690	1,721,841
Depreciation & Amortisation	58,200	58,200	58,200
<b>Total Expenditure</b>	<b>3,055,456</b>	<b>3,145,374</b>	<b>3,237,989</b>
<b>Surplus/(Deficit)</b>	<b>-375,000</b>	<b>-686,606</b>	<b>-692,378</b>

Note that the deficit is a result of the reduced TCC Airport funding.

We have reserves to cover the deficit for 2024 but not 2025 or 2026.

The reduction in reserves may result in not meeting our equity ratio kpi of .5 as per SOI 6.1 Ratio of Funds to assets.

Any extra funding obtained from other sources will likely be project based and not replace operational funding.

We have estimated CPI increases on funding and costs of 3%



## 12. Estimated Value of Tourism Bay of Plenty

The TBOP Board estimate that the commercial value of the shareholders' investment in TBOP is represented by the net assets of TBOP. This value is calculated from total assets less liabilities.

## 13. Significant Decisions

In accordance with the TCC Significance and Engagement Policy, TBOP will not undertake any activity of a nature or scope not provided for in this SOI without prior approval of the Councils. Specifically, prior approval would be required for TBOP to:

- form any subsidiary entity.
- purchase shares in any other entity.
- dispose of any significant assets e.g. land or buildings.
- purchase any significant assets e.g. land or buildings.
- seek partnering solutions that involve the dilution of assets or the commitment of councils.

## 14. Termination

If any party wishes to terminate this three-year rolling arrangement due to non-performance or any other substantive reason within the control of either of the parties:

- the party may give written notice to the other party specifying the issue and if possible requiring remedy within twenty-eight (28) days, and/or
- mediation is set to investigate any remedy of the issue, and/or
- if the issue is unable to be remedied to the party's satisfaction, the party must give written notice of its intention to terminate this arrangement from a date being not less than one year commencing the forthcoming 1 July (that is, the secondary party must have at least one full financial year's notice commencing on 1 July and ending on 30 June).

## 15. Signed by

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Chairperson  
Laurissa Cooney  
Tourism Bay of Plenty

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General Manager  
Oscar Nathan  
Tourism Bay of Plenty



## 16. Glossary of Terms

CCO	Council Controlled Organisation
COVID-19	Coronavirus disease
CPI	Consumer Price Index
ESE	Enduring Statement of Expectations
GM	General Manager
GST	Goods and Services Tax
LOE	Letter of Expectation
MBIE	Ministry of Business, Innovation and Employment
SOI	Statement of Intent
TBOP	Tourism Bay of Plenty
TCC	Tauranga City Council
VES	Tourism Bay of Plenty's Visitor Economy Strategy 2018-2028
VIC	Visitor Information Centre
WBOP	Western Bay of Plenty sub-region
WBOPDC	Western Bay of Plenty District Council
WDC	Whakatāne District Council
YE	Year end

'Western Bay' refers to the area of Western Bay of Plenty and Tauranga City combined.



# STATEMENT OF INTENT FOR 2023-2026



June 2023

**“COUNCILS PARTNERING FOR VALUE AND SERVICE”**

## 1. Introduction

This Statement of Intent (SOI), developed under Schedule 8 of the Local Government Act 2002:

- Declares a public statement of the activities and intentions of BOPLASS Ltd and the objectives to which those activities will contribute.
- Provides an opportunity for the shareholders to influence the direction of BOPLASS Ltd, and
- Provides a basis for the accountability of the Directors to the Shareholders for the performance of BOPLASS Ltd.
- Covers BOPLASS Ltd and any subsidiary company established in pursuance of the objectives herein.

## 2. Background and Benefits

The councils that operate within the Bay of Plenty and Gisborne Regions have formed a Council Controlled Organisation (CCO) to investigate, develop and deliver Joint Procurement and Shared Services projects where delivery is more effective for any combination of some or all of the councils.

Since inception, estimated financial savings of over \$28 million have been achieved by the participating councils through undertaking joint initiatives. BOPLASS is forecast to return in excess of \$2.5 million in savings in the 2022-23 financial year.

Other benefits that have been achieved through collaboration are:

- improved levels and quality of service;
- a co-ordinated and consistent approach to the provision of services;
- reductions in the cost of support and administrative services;
- opportunities to develop new initiatives;
- economies of scale resulting from a single entity representing many councils in procurement.

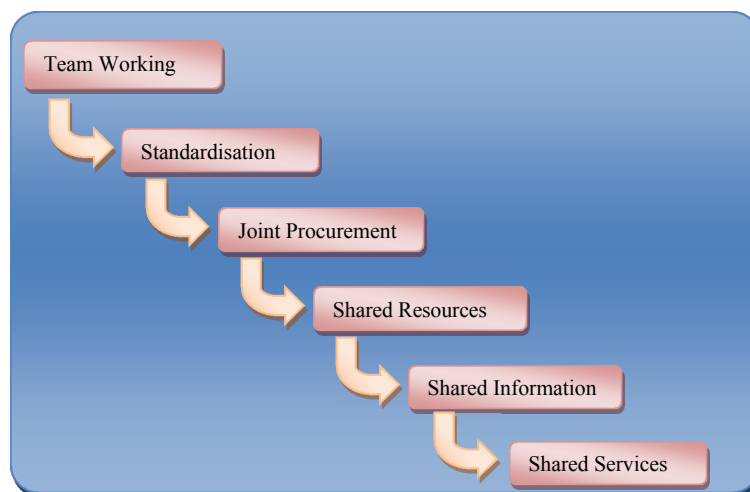
These benefits and opportunities can apply to all councils irrespective of location or size.

Business processes, information architectures and functional tools differ in each council to varying degrees. The BOPLASS strategies facilitate a journey of progressive development using the approach identified in the BOPLASS Strategy and Action Plan to:

- enhance the capability to collaborate;
- encourage the elimination of barriers to collaborative action; and
- identify services that deliver viable business cases.



A generic sequence or stages of collaboration between multiple councils is followed to develop Shared Services, as shown in Figure 1.



Many of the BOPLASS Joint Procurement projects have supported the development of standard products, services or solutions across the councils. These standards assist in creating a foundation for the delivery of collaboration within the councils.

Examples of Joint Procurement and Shared Services projects are:

- Infrastructure Insurance
- Collective Training
- Aerial Imagery and LiDAR
- Provincial Growth Fund Co-funding for LiDAR Capture
- Standardised Community Engagement App
- Lone Worker Field Solutions
- Robotic Process Automation
- Accounts Payable Automation Software
- Print Media Licencing
- Insurance Valuations
- Contractor Online Inductions
- Health and Safety Management Software
- Radio Telephony (RT) Strategy
- Solid Waste Management
- Health and Safety Inter-Council Audits
- Asbestos Protocols
- Sustainable Public Procurement
- Health and Safety Benchmarking
- Video Conferencing Services
- Council Library and Cloud Services
- Inter-Council Network (ICN) Review, Redesign and Renegotiation
- Debt Collections
- Collaboration Portal
- Capital Construction and Civil Works Projects
- Fortigate Firewall Services
- Wireless WAN
- Inter-LASS Collaboration
- Human Resources Information Systems

Full list of projects included as Appendix B.

### 3. Our Vision

#### **“COUNCILS PARTNERING FOR VALUE AND SERVICE”**

### 4. Objectives of BOPLASS Ltd

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

#### **Joint Procurement**

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

#### **Shared Services**

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

### 5. Nature and Scope of Activities

The principle nature and scope of the activities of BOPLASS Ltd is to:

- Use Joint Procurement to add value to goods and services sourced for its constituent councils.
- Establish the underlying technology, framework, platform and policies to enable and support collaboration.
- Facilitate initiatives that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Actively monitor and engage with Shared Service developments across the public sector to identify opportunities for further development and establishing best practice.
- Represent the collective views of its Shareholders in matters with which it is associated.

## 6. Sustainable Future: Environmental, Social and Governance (ESG)

The board recognises the importance of ESG in BOPLASS' role and ensuring that integrated risk management and non-financial outcomes are considered in all BOPLASS joint procurement and shared services initiatives.

The company is committed to operating all aspects of its business with a focus on protecting and enhancing our communities today and in the future through sustainable environmentally responsible business practices, social contribution, and good governance.

The company has always had a stakeholder-centric approach, ensuring the company's objectives, goals and the undertaking of business are aligned with our constituent councils, our wider communities and supporting ESG outcomes that have wide-ranging benefits.

While achieving financial savings for member councils through BOPLASS joint procurement is a key objective, the company recognises the importance and responsibility of social procurement and will continue to consider the broader environmental, social and cultural outcomes as part of all BOPLASS procurement processes.

As examples, BOPLASS is working towards satisfying ESG criteria within social procurement by:

- Increasing access to BOPLASS procurement contracts for NZ businesses and local businesses, with particular focus on those groups that may have limited access to opportunities (such as Māori and Pacific Peoples' businesses).
- Giving consideration to organisations that provide employment opportunities to targeted groups and promote inclusion and diversity within their workforce.
- Recognising vendors that will help future-proof the ability of New Zealand businesses to trade.

With a focus on *Social Sustainability*, BOPLASS ensures a balanced approach is taken with the company's activities to create positive social and cultural outcomes for the local communities it serves while also maximising positive outcomes for Māori and the broader community.

*Environmental Sustainability* is a priority in all BOPLASS business activities – internal and external. Through collaboration and partnership with its constituent councils, BOPLASS will operate in an environmentally responsible way and will embed sustainability considerations (including ethical considerations) in a culture of excellence across its wider business and all joint procurement and shared service initiatives.

## 7. Governance Structure

BOPLASS Ltd will conduct itself in accordance with its Constitution, its annual Statement of Intent, and the provisions of the Companies Act 1993 and the Local Government Act 2002.

The Company is governed by its Directors. To ensure total synergy between the Company's activities and its council shareholders' activities, nine Directors are also the current Chief Executives of their respective shareholding councils. The dual roles recognise the interdependence of BOPLASS and its councils in the undertaking of its activities.

The Board also includes an independent Chair, appointed with specific skills and knowledge to add incremental value. This appointment brings experience and specialist skills that are complementary to those held by the other Directors.

Shareholder	Appointed Director
Bay of Plenty Regional Council	Fiona McTavish
Gisborne District Council	Nedine Thatcher Swann
Kawerau District Council	Russell George
Opotiki District Council	Stace Lewer
Rotorua Lakes Council	Geoff Williams
Taupo District Council	Gareth Green
Tauranga City Council	Marty Grenfell
Western Bay of Plenty District Council	John Holyoake
Whakatane District Council	Stephanie O'Sullivan
<b>Independent Director and Chair</b>	Craig O'Connell

A sub-committee of council delegates has responsibility for regular monitoring and governance of operational aspects of BOPLASS projects, allowing the Board to primarily focus on supporting the strategic development of the organisation.

Each activity or project is managed by an Advisory Group, nominated by the shareholding councils in that particular service. The Board retains the right to approve nominations to the Advisory Groups and all of their material decisions – there is only one Board of Directors and that remains at the umbrella or holding company level.

The Board has established a principle that participation in each initiative is decided by individual councils on an 'opt in' basis.

Services delivered are subject to a formal service level agreement between BOPLASS Ltd and the participating councils, outlining the services and activities provided, where, when and how; and reflecting the capital and operational costs being met by each service shareholder.

Joint Procurement initiatives consistent with their nominated role may be undertaken by any advisory group or as approved by the Operations Committee. In considering

Joint Procurement initiatives, the Company will take into account the opportunities available through All of Government (AoG) purchasing arrangements and, where there is demonstrated benefit to the Company or its constituent councils, support such initiatives. In assessing the benefits of a Joint Procurement initiative, opportunities for integration shall be considered. The Board has recognised that the availability of All of Government Procurement options has the potential to impact on BOPLASS' ability to provide procurement options in some categories.

Subject to the approval of shareholders in accordance with the shareholder agreement the Directors may decide that a particular activity is best managed as a subsidiary company and proceed accordingly. Any subsidiary company whose objectives are in accordance with the objectives set out in this Statement of Intent shall not be required to have a separate Statement of Intent.

## **8. Future Developments**

The company recognises the importance of remaining adaptive in what is a complex and changing working environment. BOPLASS continues to look at new opportunities or alternative approaches to progressing projects that benefit our shareholding councils.

The Board recognise that the drive for change and/or collaboration in some key areas of council business will often be led by other groups, e.g. three waters reform, RMA changes. Although BOPLASS may not be leading these specific projects, the organisation may be considered as one of the vehicles available to assist with managing collective regional outputs from these projects.

BOPLASS Joint Procurement opportunities will continue to be actively pursued to ensure maximum savings and benefits are delivered to the participating councils through existing and new contracts.

Joint Procurement initiatives will be considered by the Board and/or its advisory groups where there is demonstrated support from two or more member councils, with councils participating on an opt-in basis.

BOPLASS will explore opportunities for councils to develop ICT solutions using middleware and cloud technologies that allow for future sharing and the development of Shared Services without the wholesale replacement of IT systems.

The Board will be looking for commitment from councils to participate in collaborative services and to provide a lead in the identification and management of opportunities and projects.

## **9. Inter-Regional Collaboration**

The board recognise the benefits of BOPLASS proactively partnering with other local authorities and Shared Services organisations where they are either developing or considering developing cost effective services or Joint Procurement initiatives that are of value to the BOPLASS councils. The Board is looking to expand on this activity and



the range of opportunities for inter-regional partnering. BOPLASS will work towards providing improved visibility of projects being undertaken in other regions that may provide for multiple councils to participate in.

Where it is practicable, BOPLASS will work with other LASS or councils to leverage off, or participate in, services established by other collective local government groups.

The Collaboration Portal, established by BOPLASS for the sharing of information on Shared Services or Joint Procurement opportunities, has been made available to the wider local government community to provide better visibility of common projects and to encourage further cross-regional collaboration. BOPLASS will continue to market the benefits of inter-region collaboration and assist other councils through providing support and access to the Collaboration Portal.

BOPLASS has provided substantial savings to its shareholding councils through joint procurement and the Board has tasked BOPLASS with leading further inter-regional joint procurement initiatives that will provide benefit to all parties through an aggregated approach.

Significant benefits and savings have been achieved in the placement of councils' insurance through working in conjunction with other LASS. BOPLASS is considered a key contributor to the development of the interLASS insurance collective. Unfortunately, cost-effective placements and coverage are becoming more challenging to achieve as a result of the continued hardening of global insurance markets. Opportunities for the LASS groups to share resources to ensure we maintain our favourable position within the insurance industry will continue to be investigated.

## **10. Stakeholder Engagement**

BOPLASS recognises the ambitious plans our constituent councils have for their communities and endeavours to support these aspirations through:

- Regular engagement at project, management and governance level;
- Including councils' short, medium and long-term goals within BOPLASS planning;
- Using quality information from councils to guide our decision-making;
- Identifying and developing services that directly benefit councils and/or their communities;
- Monitoring councils' future plans and remaining agile to change to include these aspirations in our own planning;
- Ensuring there are regular communications about individual council's LTP developments to assist BOPLASS with aligning with councils' strategic direction;
- Regularly communicating to ensure stakeholders are aware of what we are doing and why we are doing it;
- Involving councils in our decision-making and planning.

## 11. Performance Targets

To ensure the Company continues to operate effectively in both governance and management terms over the next three years the targets are to:

Target	How	Measure
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Manage and/or renegotiate existing contracts.	Contracts reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. (Current identified projects are listed in Appendix B.)	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.	Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.	Number of active users to increase by 5% per year.
Communicate with each shareholding council at appropriate levels.	Meeting with members of Executive Leadership Team.	At least one meeting per year.
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable.

## 12. Balance Sheet Ratios

The Local Government Act 2002 Schedule 8 (9) requires the SOI to include the projected ratio of shareholders' funds to total assets within the Forecast Statement of Financial Position. As at 30 June 2022 the consolidated Shareholder funds comprised \$52,070 and the total assets were \$1,222,864. The resulting ratio is 4.26%.

As asset owning Shared Services are approved, the Board will, if appropriate, provide a mechanism for the recognition of each council's contribution.

## 13. Accounting Policies

### 13.1 Statement of Accounting Principles

The Company will adopt accounting practices that comply with NZ IFRS, the requirements of the LGA and the Financial Reporting Act 1993.

### 13.2 IPSAS Accounting Standards

As a Public Sector Public Benefit Entity (PS PBE), the Company has elected to report using International Public Sector Accounting Standards for Public Benefit Entities under Tier 3 PBE standards.

### 13.3 Measurement Basis

The Company will follow generally accepted international accounting principles for reporting of earnings and financial position.

### 13.4 Specific Accounting Principles

The following are principles which will have a significant effect on the measurement of financial position:

- Accounts Receivable are stated at their expected realisable value after writing off any known bad debts and providing for doubtful debts.
- Investments are valued at the prevailing market value.
- Fixed assets are recorded at cost, less accumulated depreciation.
- Any liability for overseas funding of equipment, systems or services is based on the prevailing exchange rate as at balance date.
- Where intangible assets are purchased, such as intellectual property, these are capitalised and written off on a straight line basis over their expected life, but no greater than four years.
- All assets are depreciated over their expected useful lives. Depreciation is provided on a diminishing value basis over the estimated useful life, at the same rate as is allowed by the Income Tax Act 1994.

- It is not envisaged that the Company will hold inventories, other than those that might relate to providing information services to a number of parties. They will be valued at net realisable value.
- Taxation will be provided as required in line with relevant legislation.
- In accordance with the Public Audit Act 2001 and the Local Government Act 2002, the office of the Auditor General will be responsible for the audit of the Company's financial statements.

#### **14. Distributions to Shareholders**

The Company is not expected to make profits that would ordinarily be distributed by way of dividends. Any surplus funds (after tax) remaining from an activity or the annual operations of the Company shall be carried forward to the ensuing year and may be used to reduce service costs, invest in further developing other services, and/or as the Directors may decide.

#### **15. Information to be Provided to Shareholders**

The Company will deliver the following statements to shareholders:

- On a three-monthly basis the Financial Position and Cashflow.
- Within two months of the end of the first half of the financial year: Financial Performance and Financial Position.
- Within three months of the end of the financial year the following audited statements: Financial Position, Movements in Equity, Cashflows, Service Performance plus a summary of how the Company has tracked against its objectives and prospects for the next financial year, and a report on the Company's medium to long term plans.
- Six monthly summaries of project activities included in Half Yearly and Annual Reports.

#### **16. Procedures for the Purchase and Acquisition of Shares**

The Board will give approval before BOPLASS Ltd subscribes for, purchases or otherwise acquires shares in any company or other organisation, which is external to the group.

#### **17. Activities for Which the Board Seeks Compensation**

The ongoing activities to identify, develop, procure Shared Services will be budgeted for in advance, subject to a business case and either funded by individual councils without BOPLASS Ltd involvement, or agreed by the Board to be funded by BOPLASS Ltd with consequent recovery from participating councils.

Shareholding councils will make a contribution to the operational costs of the Company on an annually agreed basis.

The Company will also seek contributions by way of a levy or administration charges on services provided or administered. In determining an appropriate charge, the Directors may take into account the cost of running the Company, its future operational requirements, the nature and cost of the service provided, benefits achieved and councils' ability to pay.

The Company may provide services (at a cost recovery or a cost plus basis) to other non-shareholding councils within or beyond the region. Any surplus from such activity will be used to either reduce service costs and/or invest in further developing of that or other services, as agreed by the Advisory Group and by the Board.

## **18. Value of Shareholder's Investment**

The Directors estimate that, at this stage, BOPLASS Ltd has limited commercial value. As each shareholder's investment in BOPLASS Ltd is less than \$20,000, the Board believe that fairly represents the value of their investment. The Directors will reassess the value of this shareholding on or about the 1st of March each year.

## **19. Financial Forecasts**

The Forecast Financial Statements for the years 2023-2026 are included (Appendix A).

The Aerial Photography revenue/expenses reflects the flying programme determined by the participating councils which includes interim flying programmes and extensive region-wide flying programmes over the next five years.

A continued increase in Recoveries has been forecast to reflect the direct recovery of purchases made on behalf of councils through Joint Procurement projects.

It is the company's intention to always fully recover costs incurred on behalf of participating councils.



## Appendix A

SOI Forecast 2023/26	Budget 2022/2023	Forecast 2023/2024	Forecast 2024/2025	Forecast 2024/2025
<b>REVENUE</b>				
<b>Revenue - Core</b>	<b>313,992</b>	<b>321,837</b>	<b>329,878</b>	<b>338,120</b>
Bank Interest Received	200	200	200	200
Council Contribution	313,792	321,637	329,678	337,920
<b>Revenue - Projects</b>	<b>1,301,600</b>	<b>1,219,000</b>	<b>1,329,000</b>	<b>1,279,000</b>
Aerial Photography Income	400,000	300,000	400,000	350,000
Bank Interest Received	4,100	9,000	8,000	6,000
Collaboration Portal	50,000	45,000	50,000	52,000
Lease Income - ICN	130,000	130,000	125,000	125,000
Lease Income - Video Confer.	15,000	24,000	24,000	24,000
Rebates	2,500	1,000	2,000	2,000
Recoveries	700,000	710,000	720,000	720,000
<b>Total Operating Revenue</b>	<b>1,615,592</b>	<b>1,540,837</b>	<b>1,658,878</b>	<b>1,617,120</b>
<b>EXPENSES</b>				
<b>Expenditure - Core</b>	<b>384,570</b>	<b>390,103</b>	<b>401,581</b>	<b>410,423</b>
ACC	850	900	950	950
Accommodation & Travel	2,100	2,200	2,200	2,200
Accounting & Audit	21,300	22,000	24,000	24,000
Administration	17,500	18,000	18,500	19,000
Amortisation	7,700	2,000	1,500	1,500
Bank Fees	200	200	200	200
Conferences	2,100	2,200	2,200	2,200
Depreciation	650	5000	4500	4000
Directors costs	21,000	23,000	23,000	25,000
Fringe Benefit Tax	3,500	3,500	4,000	4,000
General & Catering	2,200	2,400	2,400	2,400
Health and Safety	1,000	1,000	1,000	1,000
Insurance	10,500	11,500	13,000	13,000
Interest Paid - TCC Loan	500	0	0	0
Legal	2,000	2,500	2,500	2,500
Salaries	282,170	286,403	292,131	297,973
Salaries - C'Portal Opex	-16,500	-19,000	-18,000	-17,000
Staff Support Costs	17,500	18,000	18,500	18,500
Staff Training Costs	2,000	2,000	2,500	2,500
Subscriptions	1,000	1,000	1,000	1,000
Tax Advice	5,300	5,300	5,500	5,500
<b>Expenditure - Projects</b>	<b>1,231,022</b>	<b>1,150,734</b>	<b>1,257,297</b>	<b>1,206,697</b>
Aerial Photography Expense	400,000	300,000	400,000	350,000
Collaboration Portal Opex	27,122	28,874	30,737	30,137
Lease Expense - ICN	124,800	124,800	120,000	120,000
Lease Expense - Video Confer.	14,100	22,560	22,560	22,560
Projects - Recoveries	665,000	674,500	684,000	684,000
<b>Total Operating Expenditure</b>	<b>1,615,592</b>	<b>1,540,837</b>	<b>1,658,878</b>	<b>1,617,120</b>
<b>Operational Surplus/ (Deficit) before Tax</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Appendix B

### Undertaken Joint Procurement Projects

Requiring ongoing management for performance, renewal or replacement:

- Accounts Payable automation software
- Advertising services
- Aerial imagery and LiDAR
- Air travel
- Antivirus software
- Archaeological services
- Asbestos protocols
- Banking
- Capital construction and civil works
- Cloud services
- Collective training services
- Community engagement app
- Courier services
- Cyber insurance
- Document management – EDRMS
- Document storage
- EFTPOS services
- Electricity
- Electronic purchasing
- EMA membership
- Firewall Services
- FME Server
- Fuel
- Geospatial training services
- GIS regional technical advisor
- GIS software
- GPS vehicle tracking
- Health & Safety benchmarking
- Health & Safety management software
- Health & Safety training services
- Health & Wellbeing online platform
- Historic imagery digitisation
- HR information systems
- Infrastructure as a Service
- Insurance brokerage services
- Insurance – General
- Insurance – Infrastructure
- Internet services
- IPWEA library
- Media monitoring
- N3/GSB membership
- Office supplies
- Postal services
- Print media copyright services
- Provincial Growth Fund co-funding
- Radio telephony
- Rapid antigen tests
- Reprographic – printers/copiers
- Risk management workshops
- Security services
- Telephony – voice, data, mobile
- Tender facilitation
- Transactional banking
- Travel and accommodation services
- Valuation services provider
- Video conferencing services
- Website analytics
- Wireless WAN

## Appendix B

### Identified Joint Procurement Projects

- Agenda management software
- Business continuity
- CD emergency notifications
- Chemicals
- Civil works contracts
- Civil works materials
- Community communication systems
- Contractor online inductions
- Digital signatures
- Document scanning
- Driver training
- Drug & Alcohol testing
- Engineering Codes of Practice
- Fleet purchasing and management
- Health insurance
- High volume print
- ICT security policies
- Infrastructure valuation services
- IT applications
- Lone worker field solutions
- Media distribution services
- PPE & Uniform
- Property valuation services
- Recruitment/Candidate management
- Risk profiling workshops
- Robotic Process Automation (RPA)
- Surveys and research

## Appendix B

### Shared Services

Managed by BOPLASS or by one or more constituent councils:

- After hours call management
- Archive service
- Contractor H&S prequalification
- Debt recovery services
- Employee benefit schemes
- FME licensing pool
- GIS imagery data storage
- GIS support (inter-council)
- GIS web services
- Health and safety auditing
- Historic aerial imagery digitisation
- Insurance COE
- Inter-council network
- Internal audit services
- MahiTahi LG Collaboration Portal
- Media monitoring
- Occupational health
- Radio telephony strategy
- Section 17a reviews
- Shared licence server
- Solid waste services
- Standards NZ
- Video conferencing hosting
- Waste Operator Licensing

### Projects for Consideration

- Asset Management
- Building consents
- Business continuity planning
- Capital Expenditure projects
- CCTV monitoring
- Centralised insurance resource
- Civil Defence Emergency Management
- Civil works projects marketing
- Consents Processing
- Contractor online inductions
- Digital transformation
- Diversion of putrescible waste from landfill
- Document digitisation
- Driver training
- Electronic Document and Records Management System
- Geospatial services
- HR Information Systems
- Information Services
- Infrastructure development codes
- Insurance valuations
- IT hosting
- Joint software support
- Payroll
- Project management office
- Rates Collection
- Regional Civil Defence
- Risk and total assurance
- Shared datacentre
- Solid waste regional facilities strategy
- Smart cities
- Staff engagement survey systems
- Web services
- Windscreen replacement





## 1. Introduction

This Statement of Intent (SOI) sets out the nature and scope of the activities, objectives and performance targets for the New Zealand Local Government Funding Agency Limited (LGFA) for the three-year period 1 July 2023 to 30 June 2026. LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

**Note:** This draft SOI, including financial forecasts, assumes that there are no implications for LGFA from the proposed Three Waters Reform Programme. We are awaiting further information relating to the establishment of the Water Services Entities (WSEs); how WSEs are intending to structure their borrowing; how the transition of revenue and debt will occur between our council members and WSEs, and the impact on future council borrowing intentions from the proposed Three Waters Reform Programme. The final SOI in June 2023 will be updated from this draft to incorporate any future announcements/legislation relating to the proposed Three Waters Reform Programme and will include a statement if there have been any material changes to our forecast assumptions as a consequence.

## 2. Nature and scope of activities

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (participating borrowers).

LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency.

LGFA only lends to participating borrowers that have entered into required relevant legal and operational arrangements and comply with the LGFA's lending policies.

In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidentally to, or in connection with, that business.

## 3. Our purpose Ta tatou kaupapa

**Benefiting local communities through delivering efficient financing for local government.**

**Ka whiwhi painga ngā hapori mā te whakarato pūtea tōtika ki ngā kaunihera.**

## 4. Our values Ō mātau uara

**We act with integrity**

**E pono ana mātau**

We are honest, transparent and are committed to doing what is best for our customers and our company.

**We are customer focused**

**E arotahi ana mātau ki te kiritaki**

Our customers are our council borrowers, investors, and all other organisations that we deal with. We listen to them and act in their best interests to deliver results that make a positive difference.

**We strive for excellence**

**E whakapau kaha mātau kia hiranga te mahi**

We strive to excel by delivering financial products and services that are highly valued at least cost while seeking continuous improvement in everything we do.

**We provide leadership**

**He kaiārahi mātau**

We are here for our stakeholders in being strategically minded, providing resilience and executing our strategy. We embrace a high-performance culture and can be relied upon to deliver results.

**We are innovative**

**He auaha mātau**

To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.

## 5. Foundation objectives

The Shareholders' Agreement is a foundation document and states that, in accordance with the Local Government Act, in carrying on its business the objectives of the Company will be to:

- (a) achieve the objectives of the Shareholders (both commercial and non-commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;
- (b) be a good employer;
- (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- (d) conduct its affairs in accordance with sound business practice.

This Statement of Intent sets out the company's strategic priorities, together with associated objectives and performance targets, which align with the foundation objectives and have been agreed with shareholders.

## 6. Strategic priorities

The following five strategic priorities encompass the foundation objectives and guide the LGFA Board and management in determining our strategy, objectives and associated performance targets.

### Governance, capability and business practice

LGFA is committed demonstrating best practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

### Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to participating borrowers. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

### Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

### Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each participating borrower's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

### Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.

## 7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2023-2026.

The financial performance targets are focused on the 2023-2024 year and, as applicable, are based on the financial forecasts outlined in section 8.

### Governance, capability and business practice

Objectives	How we measure our performance
LGFA will:	
Demonstrate best practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent.	LGFA reports performance against objectives quarterly to shareholders and in our Annual and Half Year Reports.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Financial performance is reported quarterly to shareholders and in our Annual and Half Year Reports.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff	The Annual Report reports on our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2023-2024 target
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times	No breaches
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency	LGFA credit ratings equivalent to NZ Sovereign
LGFA's total operating income for the period to 30 June 2024	> \$19.3 million
LGFA's total operating expenses for the period to 30 June 2024	< \$9.5 million

### Optimising financing services for local government

Objectives	How we measure our performance
LGFA will:	
Provide interest cost savings relative to alternative sources of financing.	Measure LGFA issuance spreads against other high-grade issuers in the New Zealand domestic capital markets.
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	Measure LGFA's share of overall council borrowing. Survey participating borrowers on an annual basis.
Deliver operational best practice and efficiency for lending services.	Monitor settlements errors for new trades and cashflows. Survey participating borrowers on an annual basis.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	Maintain a vibrant primary and secondary market in LGFA bonds. Monitor participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges.

Performance targets	2023-2024 target
Share of aggregate long-term debt funding to the Local Government sector	> 80%
Total lending to Participating Borrowers	> \$16,410 million
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities	> 85% satisfaction score
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due	100%
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements	100%

### Environmental and social responsibility

Objectives	How we measure our performance
LGFA will:	
Assist the local government sector in achieving their sustainability and climate change objectives.	LGFA is committed to assist borrowers financing of projects that promote environmental and social wellbeing in New Zealand. Green, Social & Sustainability (GSS) loan applications from councils are appraised by the LGFA Sustainability Committee, with approved loans monitored for ongoing compliance.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions and formalised processes to measure our greenhouse gas (GHG) emissions, as well as management plans to reduce our company's emissions.

Performance targets	2023-2024 target
Comply with the Health and Safety at Work Act 2015	No breaches
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained
Meet reduction targets outlined in our carbon reduction management plan	Reduction targets met.
Increase our GSS lending book and Climate Action Loans	Two new borrowers enter into GSS loans Three new borrowers enter into CALs
Issuance of LGFA Bonds under Sustainable Funding Framework	Issue Sustainable Funding Bonds
Ensure Annual Report is prepared in compliance with applicable GRI Standards	100%
Meet all mandatory climate reporting standards	100%

### Effective management of loans

Objectives	How we measure our performance
LGFA will:	
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies.	LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list. Participating borrowers are required to complete annual compliance certificates by the end of November each year.
Analyse finances at the Council group level where appropriate and report to shareholders.	

Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested	Number of participating borrowers visited in a year
Assist a smooth transition of Three Water Related loans if the Three Waters Reform Programme progresses during the financial year for a 1 July 2024 implementation date	By 30th June 2024, LGFA will endeavour to facilitate a successful transition of existing council Three Water related loans to the Water Services Entities

Performance targets	2023-2024 target
Review each Participating Borrower's financial position	100%
Arrange to meet each Participating Borrower at least annually, including meeting with elected officials as required, or if requested	100%
Three Waters debt transition plan in place by 30 June 2024	100%

### Industry leadership and engagement

Objectives	How we measure our performance
LGFA will:	
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	Report on actions undertaken and progress made on sector issues. Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions.
Assist the local government sector with significant matters such as the proposed Three Waters Reform Programme.	Assist the local government sector with understanding any legislative or Central Government policy changes that may impact LGFA.
Maintain productive relationships with central government representatives.	Report back on the alignment of LGFA and council's climate and emissions reporting requirements
Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change.	Report back in how we are helping smaller council's understand future reporting requirements.

## 8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2026 are:

Comprehensive income \$m	Jun 24	Jun 25	Jun 26
<b>Net Interest income</b>	<b>17.9</b>	<b>17.1</b>	<b>16.7</b>
Other operating income	1.3	1.3	1.3
<b>Total operating income</b>	<b>19.3</b>	<b>18.5</b>	<b>18.1</b>
Approved Issuer Levy	0.3	0.3	0.3
Issuance & onlending costs	3.8	3.9	4.0
Operating overhead	5.4	5.6	5.9
<b>Issuance and operating expenses</b>	<b>9.5</b>	<b>9.8</b>	<b>10.2</b>
<b>P&amp;L</b>	<b>9.8</b>	<b>8.6</b>	<b>7.9</b>



Financial position (nominals) \$m	Jun 24	Jun 25	Jun 26
Liquid assets portfolio	2,008	2,125	1,934
Loans to local government	16,410	17,137	17,980
Other assets	-	-	-
<b>Total Assets</b>	<b>18,419</b>	<b>19,262</b>	<b>19,914</b>
Bonds on issue (ex Treasury stock)	17,305	18,021	18,676
Bills on issue	600	600	600
Borrower notes	357	388	415
Other liabilities	-	-	-
<b>Total Liabilities</b>	<b>18,262</b>	<b>19,009</b>	<b>19,691</b>
Capital	25	25	25
Retained earnings	96	103	109
Dividend	(2)	(2)	(2)
<b>Shareholder equity</b>	<b>119</b>	<b>126</b>	<b>132</b>
Ratios	Jun 24	Jun 25	Jun 26
Liquid assets/funding liabilities	11.4%	11.5%	10.1%
Liquid assets/total assets	10.9%	11.0%	9.7%
Net interest margin	0.11%	0.10%	0.09%
Cost to income ratio	49.3%	53.3%	56.5%
Return on average assets	0.05%	0.04%	0.04%
Shareholder equity/total assets	0.6%	0.7%	0.7%
Shareholder equity + BN/total assets	2.6%	2.7%	2.7%
Asset growth	5.6%	4.6%	3.4%
Loan growth	5.7%	4.4%	4.9%
Return on equity	8.8%	7.2%	6.2%
Capital ratio	12.9%	13.4%	13.7%

Due to rounding, summary numbers presented in these financial forecasts may not add up precisely to the reported totals. The above forecasts assume a gross bond issuance programme of \$3.20 billion (FY24), \$3.20 billion (FY25) and \$3.15 billion (FY26) based upon term lending to councils of \$2.78 billion (FY24), \$2.90 billion (FY25) and \$3.0 billion (FY26).

Note there is a high level of uncertainty regarding the financial forecasts for both council borrowing and LGFA bond issuance due to the uncertainty relating to the proposed Three Waters Reform and the impact on councils.

Councils prepared their 2021-31 Long Term Plans (and borrowing forecasts) on the assumption that proposed Three Water Reform was not progressing and we have made the same assumption with our forecasts. LGFA projects it could have between \$5 billion to \$6 billion of loans to councils in June 2024 that are related to Three Waters. There have been no final decisions regarding the transfer mechanism for assets, liabilities and revenue from councils to the proposed Three Water entities. We intend to provide an update to stakeholders on implications for LGFA as further information becomes available.

## 9. Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

## 10. Governance

### Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

The Board will meet on a regular basis and no fewer than six times each year.

### Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

## 11. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

### Annual Report

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

### Half Yearly Report

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

### Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrower's (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.
- Commentary on sustainability initiatives.

### Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

### Shareholder Meetings

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

## 12. Acquisition / divestment policy

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly owned subsidiaries and the subscription of shares in such wholly owned subsidiaries.

## 13. Activities for which compensation is sought from Shareholders

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such activities.

Currently there are no activities for which compensation will be sought from Shareholders.

## 14. Commercial value of Shareholder's investment

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considered that at establishment the commercial value of LGFA was equal to the face value of the Shareholders' paid up Principal Shares – \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of \$25 million. This equates to a value per share of \$1.00.

## 15. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice.

### Statement of Accounting Policies

#### 1. Reporting entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

#### 2. Statement of compliance

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

#### 3. Basis of preparation

##### Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

##### Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

##### Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

##### Changes in accounting policies

There have no changes to accounting policies.

##### Early adoption standards and interpretations

LGFA has not early adopted any standards.

##### Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

##### Financial instruments

##### Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

#### Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

#### Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

#### Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

#### Other assets

##### Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

##### Intangible assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

#### Other liabilities

##### Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

#### Revenue

##### Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

##### Expenses

Expenses are recognised in the period to which they relate.

##### Interest expense

Interest expense is accrued using the effective interest rate method.



The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

#### Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

#### Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### Segment reporting

LGFA operates in one segment being funding of participating borrowers in New Zealand.

#### Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

The financial statements as at 30 June 2022 include estimates and judgements of the potential impact of COVID-19 and the proposed Three Waters Reform Programme on LGFA's financial position and performance. Whilst there has been no material impact on the estimates and judgements at the date these financial statements are authorised, it is noted that there is significant uncertainty with regards to the medium and long-term effects of COVID-19, as well as the outcome of proposed Three Waters Reform Programme on the local government sector.

### 11.3 Executive Report

**File Number:** A14405451

**Author:** Nic Johansson, General Manager: Infrastructure  
Barbara Dempsey, General Manager: Community Services  
Paul Davidson, Chief Financial Officer  
Christine Jones, General Manager: Strategy, Growth & Governance  
Alastair McNeil, General Manager: Corporate Services  
Sarah Omundsen, General Manager: Regulatory and Compliance  
Gareth Wallis, General Manager: City Development & Partnerships

**Authoriser:** Marty Grenfell, Chief Executive

#### PURPOSE OF THE REPORT

1. To provide updates on key projects and activities.

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#### RECOMMENDATIONS

That the Council:

- (a) Receives the "Executive Report".

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#### INFRASTRUCTURE

##### Corporate Sustainability Plan Progress

2. We have focused on corporate sustainability in a variety of ways over many years now. Largely, this has been about reducing our energy use, water use and waste in order to reduce our environmental footprint and carbon emissions, as required by regulations.
3. With Council's sustainability commitment now in our new Strategic Framework, the organisation has a mandate to build on past work and embed sustainability at the heart of everything we do. The Corporate Sustainability Plan is our first tangible piece of work focusing on council as an organisation and our operations. It will develop goals, actions and targets that cover reducing carbon emissions, increasing our operational resilience to future threats from climate change, and how we do this in the fairest way possible for our staff and suppliers.

##### How we'll create and deliver the Plan

4. The Project Team will work with external consultants to create the draft plan, in consultation with key staff and external stakeholders (including an expert in mātauranga Māori). We are aiming to have the first pieces of the plan completed by July this year, with good progress made on the three project workstreams over the past three months.
5. Carbon emissions: During March and April, we have been working to identify emission reduction initiatives across Council and supplier/contractor activities. These will be shortlisted and ranked in terms of cost per tonne of carbon reduced. Based on this work, emission reduction targets will be developed and incorporated into a final emissions reduction plan, which will be presented to Council for approval in June.
6. Risk resilience: Around 40 Council and Bay Venues Limited buildings are being included in a pilot to assess which facilities are exposed to natural hazards and climate change risks, and what their vulnerability is. The pilot will be completed in approximately two months and, if successful, extended to cover other assets such as parks and waste infrastructure. The

workstream will provide phased deliverables until the end of the year, also including a review of non-spatial risks and policy/legal climate-related risks.

7. Just transition: staff, suppliers and community partners have had workshops and will be further engaged over the next two months to look into priority issues for Council's transition to a sustainable future. The objective is to identify best-practice and gaps, and to develop appropriate goals and response actions. A draft of the just transition strategy will be circulated around mid-year.

#### 8. Key Project Milestones

January – March 2023:

- Identification of existing work and future priorities
- Hold workshops and interviews with key staff
- Development of preliminary targets and actions.

April 2023:

- Filter preliminary actions/placeholders from plan into LTP process.

July 2023:

- Delivery of final greenhouse gas emissions reduction plan and just transition framework with targets and actions, after review and sign-off by ELT
- Initiate work to embed sustainability goals into plans, policies and processes.

August 2023 onwards:

- Delivery of operational risk and opportunity assessments
- Development of mitigation actions, targets and metrics for monitoring operational risk resilience [TBD].

July 2024:

- Reporting on first year of progress towards emissions reductions and just transition targets.

### Sub-Regional Circular Economy Project

9. Progress has been made on the Circular economy project we are conducting in partnership with Western Bay of Plenty District Council and Bay of Plenty Regional Council.
10. Specialists will investigate three key sub-regional waste sectors (construction and demolition, healthcare, and food & beverage manufacturing).
11. The project will identify actions and deliverables that will support better resource recovery in the sub-region, across a long-term horizon, and support the transition to a circular economy.

### Bee Cards

12. We have rolled out the scheme that provides our staff with a free work travel Bee Card, as a sustainable and convenient way to commute to work and get to meetings.
13. By choosing to take the bus, staff reduce their environmental impact by cutting down on emissions and traffic congestion. They also avoid the hassle of finding parking and navigating busy streets and have a more seamless and relaxing start to their workdays.
14. The project includes a guaranteed get-home scheme for any staff members who may need to get home urgently, ensuring there are fewer barriers to staff signing-up.
15. At the time of writing, 366 staff had already signed-up for a free work travel Bee Card (which exceeded our expectations), with a very high percentage (67%) who weren't regular users now encouraged to use the bus.

How often do you use the bus?	TCC staff getting Bee Cards	% of total staff uptake
I don't currently use the bus	132	36%
Now and again	114	31%
Regularly	120	33%
<b>Grand Total</b>	<b>366</b>	

### Futurefit launch at Council

16. We are close to launching the FutureFit platform, in collaboration with the Bay of Plenty Regional Council and other Bay of Plenty territorial authorities.
17. FutureFit is a simple yet powerful tool to empower Kiwis to engage with climate change and take-up low carbon behaviour. Developed by Auckland City Council, it is now being adopted by councils across New Zealand.
18. The platform provides users with an online carbon footprint calculator that offers a snapshot of one's impact on the planet and helps users to set goals to reduce their personal carbon footprint.
19. The internal launch for us will take place at the beginning of May and the external launch for the community will occur in June/July 2023. Two flagship events will be held over the same period.
20. Overall, it is hoped this campaign will boost climate literacy at council; have a high level of staff engagement (9% at Auckland City Council); let our community know that we can all be part of the climate solution through our own actions; make it known that this tool is available and applies to everyone across a range of everyday actions and decisions; and improve engagement on climate-related issues and actions.

### Kerbside bin options

21. Additional bin size options will be available to the community in early-April 2023, with a low-waste bundle (80L waste, 140L Recycle) and a large-waste bundle (240L waste, 240L recycle) becoming available.
22. These additional options will give community members the ability to move to smaller bins, and by doing so, save money if they produce less waste. Conversely, people would have the ability to move to the larger bundle, if the additional capacity provided better suits their needs.

### Worm farm workshop

23. The behaviour change team has arranged a two-hour worm farm workshop for 25 March 2023.
24. This will provide interested community members with an opportunity to learn the ins and outs of worm farming, how to use bokashi bins correctly, and to discuss composting as an option. All options will teach attendees how to turn food scraps into "liquid gold and/or nutrient-rich compost".
25. Upon completion of the workshop, attendees will receive a \$100 voucher towards the cost of purchasing a bokashi bin, worm farm and worms, or compost bin. There will also be a lucky draw where attendees will have a chance to win one of the demo kits from the day.

### Sustainability projects

26. Progress has been made on several other sustainability initiatives within Council.

<b>Project Description</b>	<b>Status</b>
Energy audit for the Papamoa, Greerton and Mount Library.	A site walk with the energy auditors has been completed. Three final reports for these sites are due by the end of April. Massive saving opportunities exist around heating and cooling for the Papamoa and Mount Libraries. All of the opportunities, along with energy and \$ savings and implementation costs, will be set-out in the final report.
Energy and Water Audits for the Historic Village.	A site walk has been scheduled for 29 March. A final report will be submitted by mid-May.
Solar Panel capacity extension at Beachside Holiday Park.	Installation has been scheduled for 20 March.
Council transition to a low emission fleet.	Four new EV's have been added to the Waters team fleet.
LED replacements and new controller installation at Baycourt.	Electricians have installed approximately 75%, with the remainder to be completed within a month. Controller programming is underway.

### **Cameron Road Stage 2**

27. The Shortlist Options have been identified through the Business Case process.
28. Community engagement on the shortlist has commenced (27 February) and will run until 2 April, with a number of public events planned in addition to a digital campaign.

### **Papamoa East Interchange**

29. Construction of Stage 1 enabling works for the new interchange is 75% complete, with expected project completion in July.
30. Stage 2 – The Sands Avenue and Te Okura Drive intersection tender evaluation is underway. Contract award is anticipated in mid-April.
31. For Stage 3 - construction of the new SH2 grade-separated interchange intersection, detailed design is underway. Procurement planning is progressing, with construction anticipated to commence in September.

### **Maunganui Road Safety Improvements**

32. Median construction between Golf Rd and Tui St is generally complete, with final surfacing and lighting completed prior to Easter. Tree planting will follow in late-April.
33. Works recommenced between Hinau St and Sutherland Ave from 13 March, following a pause over the busier summer trading period, with tree planting to follow in late-April.
34. Initial design works are commencing for the remaining section between Tui St and Hull Rd, which is being coordinated with the Destination Skate Park project.

### **Totara Street Safety Improvements**

35. All work is complete, except for the signalised crossing on Hull Road. Wastewater works on Rata Street have been deferred to accommodate the high volumes of traffic associated with the kiwifruit and cruise ship seasons.

### **Wairoa Cycleway**

36. The construction of the cycle connection between Wairoa Bridge and Bethlehem will commence towards the end of March. The anticipated eight-week construction period will be



undertaken in conjunction with Waka Kotahi road repair work. Construction dates are weather-dependent.

37. An information session about the Wairoa Cycleway project was held at Waimarino Water and Adventure Park on 12 March. More than 60 people attended. Overall, a majority of people were supportive of the change.

### **Accessible Streets for the Ōtūmoetai Peninsula**

38. Delays have been encountered with the update of the cycle model. This model is required to help inform mode shift and associated economic evaluations. Consultation on the concept plans for the preferred option is anticipated to be undertaken in May.

### **Safety Programme**

- The Ngaio Rd/Marine Parade raised crossing is currently being constructed.
- The Vale St & Bureta Rd roundabout and crossing is currently being constructed.
- The first stage of the citywide bus shelter installation works has started.
- Papamoa Beach Rd shared path work is underway.
- 13th Ave, St. Mary's School crossing - construction starts at the end of March.
- Realtime bus information is currently in construction and is planned to finish in April.
- The Windsor Rd and Princess Rd raised crossing has been completed.

### **Asset Management Team Report**

39. Condition assessments will be undertaken across the network over the next few months. These are done regularly to ensure we can monitor asset condition deterioration over time.

### **Condition Assessments**

- High Speed Survey: The road condition survey was undertaken from 15 March, to assess city roads. This will cover the entire Council network and will take more than a month to complete. The results will be used for dTIMS analysis to develop a 30-year plan.

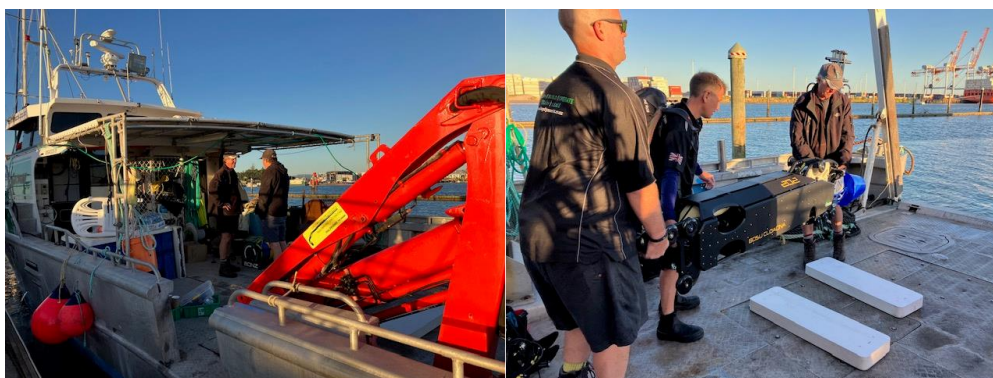


- Road Strength Survey: Currently, the Multi-Speed Deflectometer (MSD) is on the Council road network to assess pavement strength and recent cyclone damage to our roads. The MSD is a new traffic speed structural pavement survey for screening roads at network level and consists of an instrumented tyre mounted on a short (2-to-3 axle) wheelbase truck, enabling access to constrained urban and winding rural roads.
- Visual Condition Survey: The traditional manual condition survey is underway, to capture road surface faults. The survey will be completed by the end of April and data will be used to produce the short-term reseal/rehabilitation programme.
- Footpath Survey: We have just completed the footpath condition survey using the scooter below. The survey covered 100% of Council-owned footpaths in the RAMM database. The scooter picked up the locations of every footpath with (Grade 3), poor

(Grade 4), or very poor (Grade 5) conditions. This includes recording of a digital photographic image of every fault. The data provided has been used for footpath maintenance and renewal programme development.



- Seal Renewal Programme: The reseal programme for the 2023/24 season has been filed, validated and issued for physical delivery. Currently, the team is conducting the pre-seal inspection.
  - Maintenance Programme: The footpath maintenance programme (grinding and replacement) for this season has been issued to the operations team and contractor. The road maintenance programme is under review and will be issued once completed.
40. The Waiāri Water Supply Scheme official launch was on World Water Day, 22 March. Over 100 people attended the opening ceremony.
  41. Inspection of the marine section of the wastewater outfall will be undertaken this week using a remote-operated vehicle (see the photos below). This will provide detailed information on the internal condition of the pipe, to plan for the remediation of this section.
  42. Wastewater Eastern Corridor - this is a major programme linking Te Tumu to Te Maunga WWTP. A comprehensive engagement strategy is almost ready for review. Current works comprising the rising main from Opal Drive are well underway and will be completed in April. Construction of the Opal Drive Pump Station will begin in late-July/August. Neighbours adjacent to the pump station site are aware of the work and further direct communications will be undertaken prior to work starting.
  43. Award of the Clarifier 3 construction of ground Improvement works contract is imminent.
  44. The recent lining of the outfall was unsuccessful, as part of the liner had hardened. We are preparing for a further attempt, when weather allows another outfall shutdown.



## COMMUNITY SERVICES

### Community Development

45. Homelessness Point-in-Time Count - On 7 March, the Kāinga Tupu Network partnered with Statistics NZ to undertake the first ever Homelessness Point-in-Time Count across the Western Bay of Plenty.

Tauranga City Council housed a base on the evening, from which 24 Census workers and 20 volunteers moved out across the city, Mount Maunganui and Papamoa, surveying people sleeping in cars, tents, buses and under bridges. Census staff and volunteers also attended community meals to survey attendees. In addition, Te Tuinga Whanau and Waiariki Whanau Mentoring surveyed their clients. Over 60 volunteers from organisations including the Salvation Army, Tauranga Community Housing Trust, St Peters Church and Under the Stars were involved in the count.

The results of the Point-in-Time Count are due at the end of April and will be added to the WBOP homelessness and housing dashboards. This will inform decision-making, advocacy and support services, media responses and public information on the extent of homelessness.

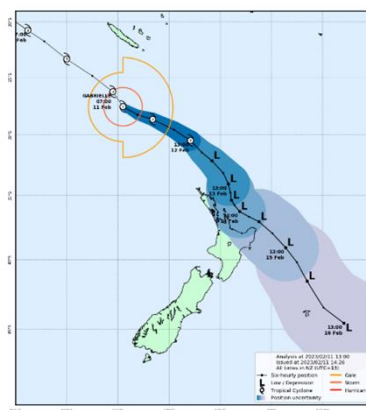
46. Inclusion and Accessibility at the forefront - In early-March, the first Disability Special Interest Group meeting of the year was held. These meetings connect staff with our disabled community, helping to break down barriers and ensuring everyone can fully-participate in city life. The Customer Service and Emergency Management teams presented to the group on two council projects – the digital payment kiosk and the creation of more accessible resources to improve emergency preparedness. The group provided invaluable input which will help shape these projects for the benefit of all.
47. Community Grants: Second Round – We received 27 community grants applications for a range of projects across a range of areas, including heritage and arts, water safety, child and youth development, and sports and recreation. The community grants assessment panel members are currently scoring the applications and met at the end of March to decide which applications would be funded.

### Emergency Management

48. Cyclone Gabrielle Response - In the week following the severe weather event on the Auckland Anniversary Weekend, Cyclone Gabrielle began making its way down from the tropics on a direct path for the North Island. Given that this event was forecast to bring some destructive force, the Tauranga City Council Emergency Management team moved into an active monitoring state from 7 February. As the cyclone moved south-east, the team noted the impacts in the Far North and on Sunday 12 February, the decision was made to activate our Emergency Operations Centre (EOC) at Spring Street.

Over the next three days, 39 Tauranga City Council staff were activated, while numerous Council departments worked overtime in their business-as-usual space, in response to the large number of support requests received via the Contact Centre (86 Customer Contact Modules in total). While there were no formal evacuation orders, 18 businesses and 60 residential properties were contacted and asked to remain vigilant. 322 properties lost power, 3 local roads were closed and 9 people self-evacuated to local marae.

Compared to many other areas, Tauranga City avoided the worst impacts, with the majority of clean-up and response managed by BAU processes. The EOC was deactivated on Tuesday 14 February and operations reverted to normal.



49. **Deployments:** It has been evident from ongoing news coverage that other parts of the country are still reeling from the impacts of the cyclone. As a result, there have been numerous requests for support from these regions and we are proud to have been able to deploy six of our staff to Tairāwhiti, Wairoa and Hawke's Bay.

It is likely that there will be more requests for surge staff in the coming weeks. A report on Council's readiness to activate in a full-scale emergency will be presented to the next Strategy, Finance & Risk Committee meeting.

50. **Tsunami Hikoi Filming:** After two postponements due to bad weather, the *Tsunami Hikoi* film project was finally delivered on 22 February. This short promotional video follows students and staff from Mount Maunganui Primary School as they discuss the importance of knowing your evacuation route, in the event of a tsunami warning. Being located in a vulnerable area by the sea, the school is well-practised in knowing what to do and how to make a plan. The footage is currently being edited and will be available on our intranet and public facing sites.
51. **Japan Research Trip:** Our Senior Advisor: Emergency Management has recently returned from a research trip to Japan. The opportunity was made available by Prof. Nomoto of the Tokyo Metropolitan University, with the University meeting all costs for our advisor for the duration of the trip. Our advisor was accompanied by an advisor from Western Bay of Plenty District Council and the trip involved guided visits to some of the hardest hit areas in the 2011 Tsunami, providing information on the actions taken since the event to build a prepared and resilient city, and how these learnings can be transferred to the New Zealand context. Our advisor will now run a series of information sessions with BOP CDEM group members on the learnings and opportunities which should be included in local planning, as well as providing internal briefings for the CE, Controllers and Recovery Managers.

## Libraries

52. Local Government New Zealand (LGNZ) recently commissioned a report on libraries as a vehicle for public service delivery and how they might provide a model for a more joined-up approach that enhances community wellbeing. Tauranga City Libraries' work on the [Waka Hourua model](#) featured as a case study. The full research paper is available to read here: <https://www.lgnz.co.nz/assets/FFLG/Frank-Advice-Libraries-as-a-vehicle-for-service-delivery.pdf>. Other institutions, such as Rotorua Museum, are adopting this model.
53. The "Living Libraries" report found New Zealand's public libraries contribute massively to people's feelings of happiness and wellbeing, and help them feel connected to their community in many practical ways. The report featured a case study on the move to He Puna Manawa and plans for the new community hub at Te Manawataki o Te Papa. [https://taituara.org.nz/Story?Action=View&Story\\_id=478](https://taituara.org.nz/Story?Action=View&Story_id=478)
54. The Bay of Plenty Times recently donated a large number of negatives, prints and digital images dating from the mid-1980s to the early-2000s to the library archive.
55. Timed to coincide with Cultural Diversity Awareness Month activities, the library services brochure has been translated into seven languages. Programmes have been focused on new community co-designed initiatives. These include, Pēpi Play, a playgroup for under-1s at



the Mount Maunganui Library, led by an ECE teacher and sleep consultant. Wergengezwitscher – Vorlese und Singspass (German Storytime) – Led by Dr Katrin Thoma, has proved more popular than we had expected and is now scheduled to run through to the end of the year. Te Wanānga Reo Māori – inspired by some keen adult Te Reo Māori learners coming along to share their language with others – has had some very enthusiastic and appreciative participants. Pride Tauranga Moana was supported with library events and received positive engagement and publicity.

### Space and Places

12. Gordon Carmichael Reserve Connections: Work on the Eden Crescent bridge/boardwalk connection into Gordon Carmichael Reserve is now complete and is being well-used by residents. After some delay due to the recent bad weather, work is now progressing at the Gordon Carmichael Road Connection, with the retaining wall now complete and installation of the remaining shared walkway well-underway.



13. Destination Skatepark: Fencing has been erected around the site and arborists have commenced work to remove or relocate trees (some will be relocated onsite, with the rest going to Porotakataka and Blake Park). Enabling works are planned to start in early-April, with GT Civil undertaking earthworks, completing water and sewerage connections and installing soakage cells. They will be followed by AMC (Angus MacMillan Concrete) constructing the skate features.



56. Marine Parade Coastal Path: Work has commenced on the construction of the Coastal Path from the Cenotaph, with the project team working down Marine Parade. The intent is to be clear of this area prior to the ANZAC day commemorations.
57. The Kopurererua Stream Realignment project reach two major milestones recently.
- The ceremony for the livening of the new stream alignment was celebrated this month, with the project partners attending a morning blessing before the new stream alignment was “unplugged”. Commissioners, Regional Councillors, hapū members, contractors and staff all enjoyed this amazing milestone for the project.





- De-fishing of the old Kopurererua Stream alignment: Tonkin and Taylor, hapū members and Council staff have been working to remove aquatic life from the old stream before infill works commence.
  - 1,200 individual native fish, including long and short finned eels, red bullies, giant bullies, common bullies, inanga, koura and shrimp, have been removed and relocated to the new stream.



58. Cyclone Gabrielle was a significant event for the city, with extreme winds causing some damage to the urban forest.

The Avenues and Welcome Bay areas were the most affected and unfortunately, we did lose some significant trees. The largest tree lost was a huge poplar at Yatton Park, which fell during the night of the storm.

Since the event, contractors and staff have worked to clean-up the damage, inspect trees, identify hazards, and prioritise their importance. This has involved a huge effort, with the work involved done efficiently and safely by a number of contractors.

We still have a few large sites to attend to. These have been made safe and we are now planning the tidy-up work.



59. Renovation works have been ongoing this month to repair damage caused by the One Love and Summer Haze/Lab concerts on Wharepai Domain. Work has been hampered by ongoing wet weather.

Updates are as follows:

- Tauranga Domain Cricket/Rugby blocks - Soil has been brought onsite and levelling has been completed to the damaged areas, to bring the Domain back to pre-concert conditions. The site has now been seeded and irrigation is in place to promote new turf growth;
- Tauranga Domain #1 – In between a busy athletics programme, the contractor has managed to truck and spread sand onto the damaged areas ready for planned seeding;
- Wharepai Domain - The event-affected areas have been levelled and seeded, new grass growth is well-established and daily watering is in place.

Both of these sites are being monitored by our contractor, to look-after seed strike rates and water usage.

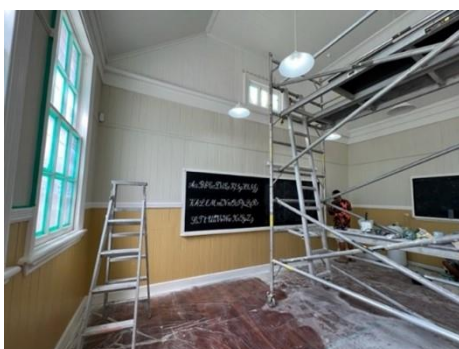
60. Mt Beachside Holiday Park: As part of our sustainability focus, we are expanding our grid-connected solar electricity system at the Holiday Park. Currently we have a 3.8kWp system, which will be increased to a 13.04kWp system, providing an estimated output of 17,754kWh per year. The installation is planned for 20 March.

### Venues and Events

61. Activating The Cargo Shed as a new hire venue is being managed by the Baycourt team and enquiries are already being received, with a strong interest for corporate meetings and functions. The building will soon have all necessary building compliance documentation, with the first events likely to take place in late-March. A blessing with the Otamataha Trust and Tauranga City Council representatives was held on 21 March.
62. On 27 February, Baycourt revealed its 40th anniversary programme. The week-long programme begins on Friday 21 April with a variety concert celebrating four decades of community creativity. The programme features art, exhibition and performance, culminating in a free Whānau Day event on the Baycourt lawn, with attendees invited to take a tour 'behind the curtain'. Information on the festivities can be found [here](#).
63. In early-2022, 20 secondary school students from across Tauranga joined the Tauranga Teen Techs programme, a unique theatre technician training initiative developed by Baycourt. On 14 February, an informal graduation was held at Baycourt to reflect on the learnings over the year and provide a final opportunity for the students to work with Baycourt's extensive lighting and sound equipment. New Zealand has a significant shortage of theatre technicians, and this programme is designed to help address that skills gap, creating a pathway for students to enter the entertainment technology industry. In the photos below, Jordan Bailey, Baycourt's Technical Operations Coordinator, is shown supporting two of the students as they navigate the lighting desk.



64. The multi-building renewal project at The Historic Village is tracking well, with completion due at the end of June. Building 32 (The Men's Shed) asbestos removal and reclad is now complete and Building 22 (The School House) interior is near completion, with exterior remediation finished and a repaint underway. Building 6 (The Incubator Barn) is fully-scaffolded and wrapped, with exterior remediation well-underway. Building 36 A & B (The Nissan Huts) are also fully-scaffolded and wrapped, with an end-wall demolition and rebuild underway.
65. A new retail tenant has been secured for Complex 1 at The Historic Village. Kayla Holland of Ataahua Creations specialises in custom-made korowai (woven Māori cloaks) with a modern twist, jackets made from retro woollen blankets, and more. The store will contribute to the culture and vibrancy of the village and will showcase toi Māori. This tenant was secured through a marketing campaign run by the Venues and Events Marketing and Communications team.



66. The 7th New Zealand Chinese Folk Culture Festival was successfully held at The Historic Village on Saturday 4 March, with over 1650 people attending. Festival hosting continues, with Tauranga Multi-Cultural Festival being held at The Village on Saturday 18 March.

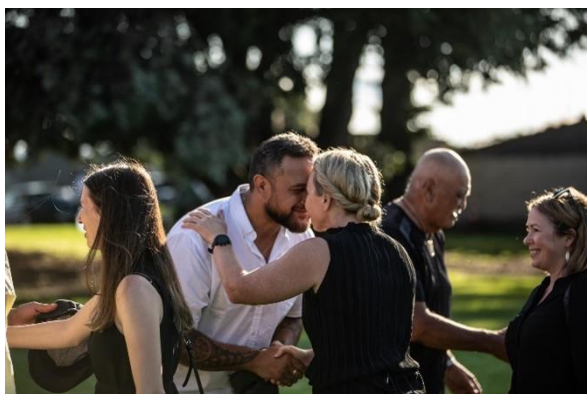


67. Facilitated event numbers across Council parks this financial year is tracking to be the highest on record, with 306 events booked in Q1 – Q3 this year, already well above the previous year's total of 276. This demonstrates a community demand for shared experiences



in our spaces and places, despite the weather having significantly impacted events throughout the summer season.

68. Tauranga hosted the GWA Wingfoiling World Cup and Waterborne Festival from Saturday 4 to Saturday 11 March. The weeklong event on Mount Main Beach showcased our ocean and beaches and received [positive media coverage](#). It's the first-time the Wingfoiling World Cup has been hosted in the Pacific, with athletes from around the world competing, many making their first visit to New Zealand. The events team worked closely with Te Pou Takawaenga, Ngāti Kuku and Ngāi Tukairangi hapū, and Tūtara Kauika to host a pōhiri at Whareroa Marae to welcome the international athletes. This is an important part of the Tauranga Events Action and Investment Plan, to enhance manaakitanga and authentic engagement with local hapū.



69. As part of the City Centre Events and Activation Programme trial, the team hosted a Children's Day event on the Tauranga Waterfront on Sunday 5 March. The event was a great success, attracting thousands to the waterfront, that popularity meaning there is a desire to make this an annual occurrence. Staff are working through how to include this in the suite of annual events Council delivers.



## Customer Services

70. Customer Service facilities are provided in the Papamoa library for two days each week. Enquiry numbers have grown by 48% in the year to February 2023 (1692), compared to the corresponding period in 2021/22 (1144). This shows an increasing number of customers preferring to do business in their part of the city, rather than travelling into town for face-to-face services. The Customer Services team is currently recruiting additional staff to enable services to be expanded to five days a week in Papamoa and Greerton later this year.

## Arts & Culture

71. Staff convened an arts funding workshop at the Historic Village, with guests from Creative New Zealand, Creative Bay of Plenty and TECT discussing the current funding landscape for arts and culture in Tauranga and the Western Bay. The workshop was well-attended by a diverse range of arts organisations and practitioners. The workshop included guidance on

applying for the Creative Communities funding and other Council-managed funding programmes.

72. Creative Bay of Plenty delivered its six-monthly report, which outlines progress against the key performance indicators in its funding contract. The organisation is delivering well across all areas that we measure, with sector feedback indicating that Creative Bay of Plenty is delivering value to the local creative sector. The organisation has strong and stable governance, following a board refresh in 2022, which has enabled greater clarity on the strategic objectives of the organisation. The full report can be viewed [here](#).
73. The Heritage Collection team is making excellent progress with the digitalisation programme, photographing and uploading images of artefacts in the collection to the public-facing website. There are currently 13,915 objects available to view online, with more than 3,000 objects documented in the past 12 months. The team is targeting having at least two-thirds of the collection (20,000 items) online by the end of July 2024.
74. The second of three Creative Communities funding rounds was held in February, with 15 projects being awarded a total of \$43,151. Twenty-six applications were received for the fund, an increase on the previous round held in November. Three new assessors joined the community peer assessment panel - Toni Henderson (Musical Theatre Director), Ayesha Kee (Multi-disciplinary producer) and Reena Snook (Manager, Baycourt). Projects supported include:
  - Opus Orchestra - towards a community concert and conducting workshop.
  - Bookrapt Children's literature association - towards a book celebrating 40 years of Bay of Plenty authors writing for children.
  - MACA productions - towards a young people's contemporary music performance and production initiative.

## CHIEF FINANCIAL OFFICER

### Tauranga Airport

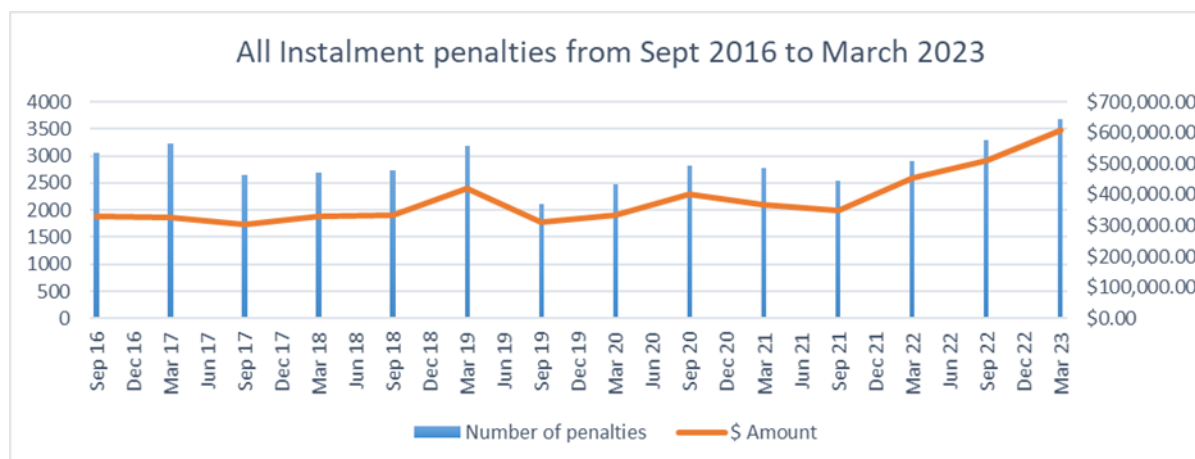
75. There were 764 flights operated by Air New Zealand during March, carrying 37,907 passengers. This volume is about 20% lower than forecast due to the weather events experienced across the country. Bookings going forward are strong.
76. There were a significant number of missed approaches over the last three months. With this in mind, it is planned to upgrade the runway edge lighting to a high intensity system, as operated at Auckland, Hamilton and Queenstown airports. This work will be part of the purchase and replacement of lighting and navigation equipment currently operated by Airways NZ, which is already underway.
77. The Terminal precinct project progress has been affected by the weather events, but there were no operational impacts. Relocation of the Z fuel tank and pumps is now complete, as are the new taxiways, with the dry pound area for the new hangar development nearing completion.
78. Due to demand, the initial plan for six new hangars has grown to 16, which is the maximum for the space available. The 16 new lessees are in the final stages of agreeing their individual contracts with Letts construction.

### Finance

#### Rates

79. The second instalment of the 2022/2023 rates, totalling \$131 million, was sent to over 60,000 ratepayers in February.
80. On 10 March, the collections team sent out 3,686 penalty emails and letters for \$608,000 (\$6 million overdue). This is higher than the penalties issued in the last eight years, as shown in the graph below.





81. A number of factors may be influencing this increase, including the new Bay of Plenty Regional Council rates collection, with residents still updating their payments to the separate entities. The revenue and arrangements teams remit penalties when they are paid within two weeks of the penalty being issued, or after a suitable arrangement has been agreed to clear overdue rates by 30 June. We continue to push for smaller, regular payments, directing customers to WINZ, rates rebates and other potential ways of paying rates. Ongoing debt positions will continue to be monitored.
82. The revaluation 2023 project has started, with staff and external experts meeting in late-February/early-March. Council planners, the building team and the property team met first, followed by ten external private valuers, property managers and real estate agents, who provided their view of the market leading up to the 1 May revaluation basis date. The consensus was that the market in general was dropping from the peak in late-2021/early-2022. The new rating valuations will be audited in October and released when approved.

## STRATEGY, GROWTH & GOVERNANCE

### Democracy & Governance Services

83. The Government introduced the Severe Weather Emergency Legislation Bill on 14 March 2023, which is an omnibus Bill designed to assist in the recovery from Cyclone Gabrielle. The Bill received Royal Assent on 20 March 2023 and came into effect on 21 March 2023. The legislation suspends the requirement for members to be physically present to count as 'present' for the purposes of quorum from 12 February 2023 to 30 September 2024. This is identical to the provision that was in place during the COVID-19 response. This provision is not limited to the affected areas, like other parts of the Severe Weather Emergency legislation.

### Takawaenga

84. We were invited by Ngāti Ruahine to hold the joint standing committee at Waimapu Marae. To our knowledge this was the first time Council has ever been invited to that marae.
85. Waiata Wenerei had ceased when the person leading this initiative left Council, but has been reinstated as a vital part of our organisational cultural capacity, especially as need to participate in waiata has significantly increased. Although fun and low-pressure, the learnings are authentic and led by the talented Harmonic Resonators' lead singer.
86. Ngāti He has been an inactive member of Rangapū for several years, but has indicated they are ready to return and participate. We have maintained our relationship obligations via our Kaiarahi, but this is a strong show of support.

## CORPORATE SERVICES

### Community Relations

87. The Media Impact Score for February was 2.2. The focus on weather impacts resulted in a higher volume of neutral reporting, and also contributed to a rise in very positive reports and a sharp fall in negative coverage. Positive storm response reporting cited council sources conveying essential safety information to residents or emphasised the extent of our work to prepare for the event or clean-up after it. This included reports that noted we were behind on some maintenance services, such as lawnmowing, but had kept up with more urgent services, such as water treatment, road safety, management of fallen and at-risk trees, and kerbside waste collection.
88. Our dedicated webpage for Mount projects is now live at [www.tauranga.govt.nz/mountprojects](http://www.tauranga.govt.nz/mountprojects). The page includes a summary of the bigger Mount growth story, which acknowledges the current disruption and explains the longer-term benefits, followed by key projects grouped into themes so people can easily find the projects that interest them. The web team is also working on an interactive map for the page, which will make it easy to pinpoint exactly where work is happening. We've also created a 'latest news' feed on the page, so people can read all our Mount-related news in one place.

### Digital Services

89. Mail Service Improvements

To create more time for the mail and print room team to support staff at Cameron Rd, inbound mail that comes into council is now processed by a third party and, where possible, digitised. This is then sent via email, resulting in a faster and more efficient inbound mail delivery service. While some services still require a physical document, it is more efficient to have these processed externally and sent as collated bulk mail to the respective Council departments.

90. Pay Card Industry Digital Security Standards

We are currently undertaking a programme of work to gain PCIDSS (Pay Card Industry Digital Security Standards) compliance. This work is being driven by ANZ on behalf of Visa and Mastercard, who now require us to be compliant. This is due to the higher number of digital payment transactions we now process. Gaining compliance is essential for the business to continue to transact electronic payments. This affects all electronics payments and methods, including non-credit card electronic payments, so it is quite wide-ranging. We have currently completed an internal discovery and our chosen independent PCIDSS Qualified Security Assessor (QSA) is now analysing the information and formulating the work programme required for us to become compliant. This report/plan is due in mid-April.

91. Digital Prioritisation

To ensure Digital is supporting the organisation and the community by delivering the highest value outcomes, we and the Executive team come together twice a year to review progress and discuss any new initiatives or focus areas for the organisation, which are then prioritised. Following our last session, we prioritised initiatives to focus on engagement with our community, our business partners and internal teams, so we can gather meaningful feedback and provide information for better decision-making. These initiatives included Digital engagements tools; support for Transport to provide digital visibility of parking in the city centre and increased data insights around housing.

92. Digital Capital Programme – Enterprise Resource Planning (ERP) Programme

The ERP programme is currently focused on data migration. Customer, Property, Human Resources and Environmental Planning information is currently being migrated from the legacy environments into our central data management platform SAP. This is an important milestone for the programme and the organisation, leading up to a number of 'Go-Live' opportunities in the final quarter of the financial year, including:

- HR Employee Central initiative (Phase 1) – Employee data and employee self-service
- Property Leasing processes in SAP, including Billing Revenue & Collections
- Resource Consents application pilot in SAP.

### **Legal, Risk and Procurement**

#### **93. Business Continuity Testing**

We have begun rolling-out business continuity testing across the organisation. These are simulated business disruption drills that test the ability of the organisation to continue to deliver, even if access is lost to premises, systems and power, plus a number of other scenarios.

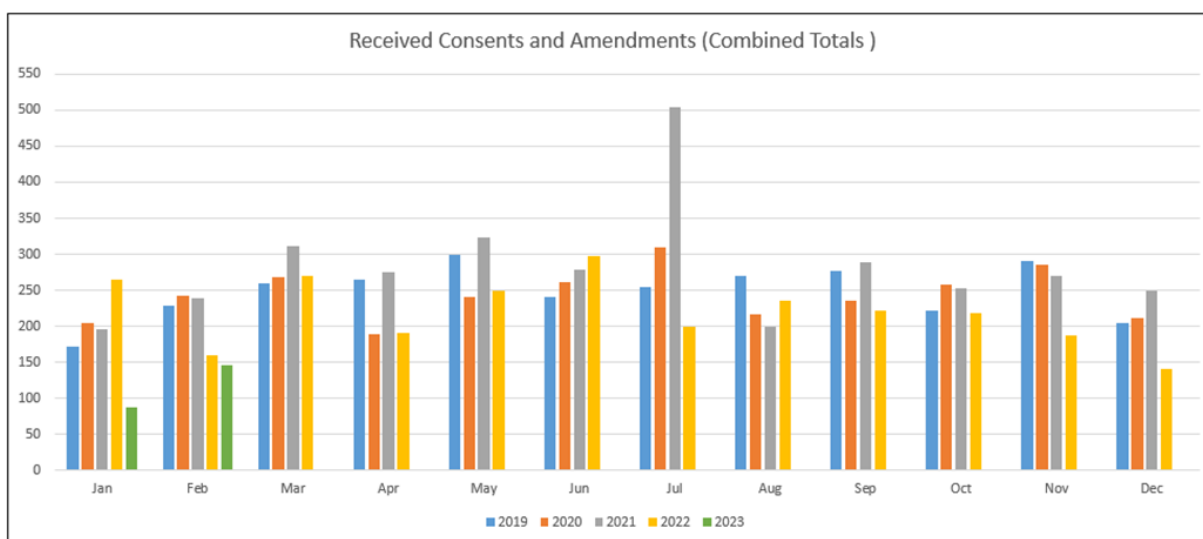
### **Human Resources and Health, Safety & Wellbeing**

94. Our Human Resource system Success Factors is due to 'go live' at the end of May. This will automate tasks and become a single source of truth for employee and position data across Council. Once deployed, we will be able to report on our contractor exposure – an improvement will be understanding how much we are paying contractors, their tenure and related security risks.
95. We have completed surveying the entire organisation via MyTeamPulse during March 2023. This is a quarterly survey that all staff complete and provides a better understanding of how team members are feeling individually and as a whole. While results are being compiled, one of the likely areas of focus is wellbeing and ensuring staff 're-charge their batteries'. We plan to run the next MyTeamPulse survey in July/August.
96. The Health Safety and Wellbeing team is taking a practical approach in aligning with the international standard ISO-45001 (Occupational health & safety management system). This standard will provide clarity and consistency across all of council, on our minimum requirements to meet Health Safety and Wellbeing best practice.

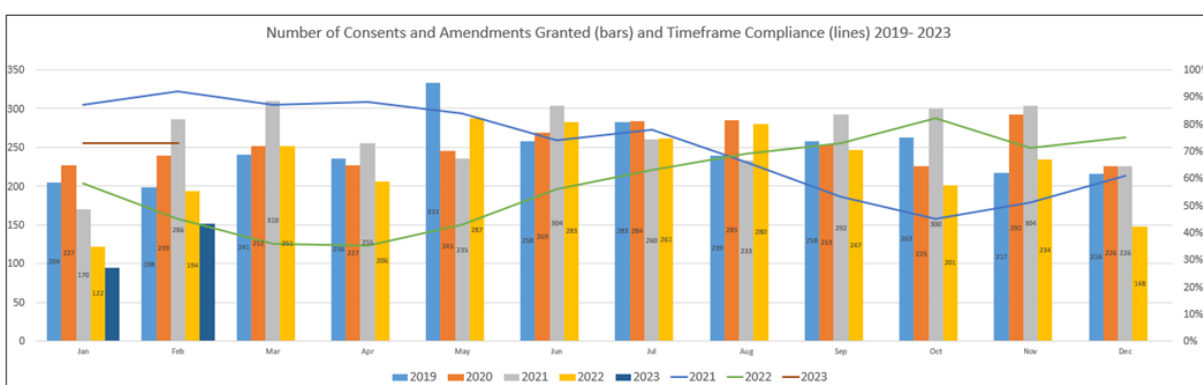
## **REGULATORY AND COMPLIANCE**

### **Building Services**

97. We received 146 Building Consent and Amendment applications in February, which is significantly lower than in previous years. Conversations with our colleagues in other metro councils suggest this is consistent with the nationwide trend. We are expecting volumes to remain significantly down for the remainder of the financial year, based on information shared with us by our industry partners. The reduction in volume is most pronounced in the Residential 1 and 2 categories, whereas the number of Residential 3 and Commercial consents is comparatively strong. This is possibly a reflection of a move towards more townhouse-style developments by developers and ongoing commercial development by those who are perhaps less-reliant on the normal lending market.



98. We granted 152 consents and amendments in February. The tapering-off of volumes mirrors the reduced number of applications received and also our reduced use of external contractors, now that we are through our backlog of consents.



99. Compliance with statutory timeframes has plateaued at 73% of consents and amendments being issued within 20 working days in February. We are looking to increase our contractor use again in the short-term to help improve timeliness. We have also done some further analysis on what consents are going over time. It seems there are two main areas - those that are particularly complex and older consents. When we look at new consents issued in February, but received in the past 3 months, our timeframe compliance jumps to 90%.
100. Inspection wait times for standard (45 minute) inspections have remained low, generally around 1-2 days. The wait time for our most complex inspection types (for instance R3 Finals) remained at 10 days or below throughout February.
101. We have begun preparations for our next IANZ assessment in September. Our last assessment in September 2021 concluded that we were a low-risk BCA and noted significant improvements had been made. In preparation for this year's assessment, we are undertaking a targeted audit of our systems and processes in March, in addition to our normal regular audits, with a particular focus on areas where we have received feedback from IANZ in previous assessments.

## Building Compliance

102. The volume of complaints received about potentially illegal building work remained steady at 28 for February. We issued seven notices to fix (NTF) and one dangerous building notice (DBN). Six of those NTFs related to Building Warrants of Fitness, predominantly involving incomplete documentation.

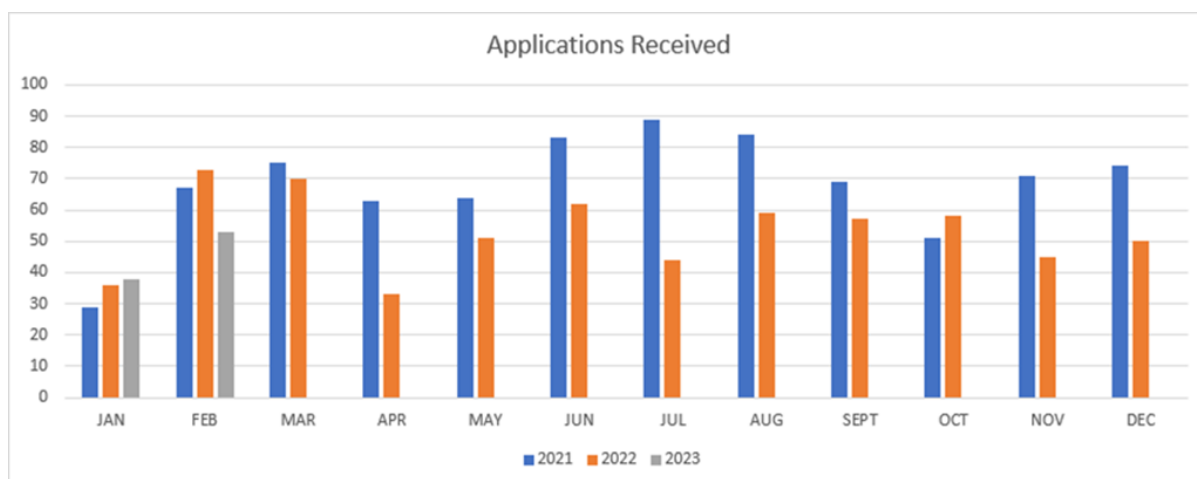
103. We have continued to put extra effort into our pool inspection programme over the summer, with 122 properties inspected in February. Ninety-one properties passed with full compliance, 20 failed and we could not access 11. Most of the failed inspections related to pool gates not being sufficiently maintained.

### Matters of Interest

104. We currently use the AlphaOne programme as our end-to-end building consent computer system. This is being progressively upgraded and replaced with a new product called Objective Build. The first change is a new customer portal, which is scheduled to go-live in late-April. Testing and customer workshops are underway at present to make sure the go-live goes without a hitch. An improved inspection module is being developed and should be live early in 2024. One significant benefit of Objective Build is that it will be a consistent across the majority of councils, once they have all gone live. We are working collaboratively with our colleagues at Western Bay of Plenty District Council, who are going live this month, as many of our customers work across both territorial areas.

### Environmental Planning

105. Ninety-five resource consent applications have been received so far in this third quarter, including 56 applications for new activities and 9 applications for variations. This is a decline on last year, however a high number of those coming in are complex in nature. Application complexity is influenced by development opportunities provided by the National Policy Statement for Urban Design and Plan Change 33, and often include some challenging assessments around Urban Design outcomes. New developers to Tauranga in this space include Wolfbrook, which has five active Comprehensive Designed Development (CDD) applications in process. Kainga Ora continues to advance smaller scale CDDs.



106. We are now using 16 consultant planners to support the Environmental Planning activity. The use of consultants for resource consent processing has assisted with workflow and allocation. However, it does introduce additional management challenges. The newer consultants are becoming more efficient and are proving to be a valued source of support for the team.
107. Timeframe compliance for the second quarter was 60%. While we are yet to report on the third quarter, we have seen a significant improvement in the time taken to make decisions and expect that the next timeframe compliance report will reflect this.
108. The Development Engineering Team is also noticing a slowdown in applications. This has meant less reliance on consultant support, with no applications having to be allocated externally in February or March.
109. Our Urban Designer started at the end of February and is already beginning to process consent reviews for urban design, with three referrals received to date at various stages of the consent process. This will eventually mean we will no longer need to use external consultants for these reviews.



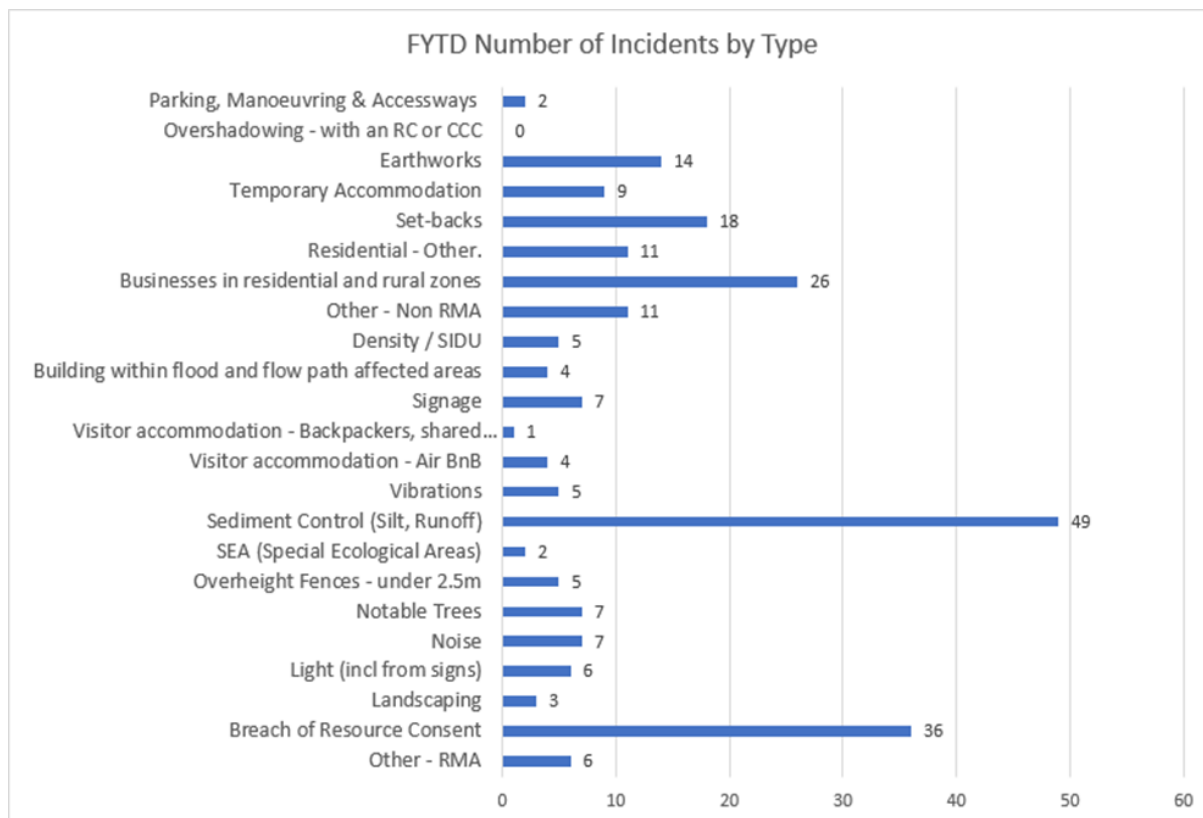
110. The first meeting of the Urban Design Panel is scheduled for 5 April and will focus on the Merivale Community Centre and an Urban Design Panel launch event scheduled for 18 May at the Waikato University Campus building.

### Development Contributions

111. The Development Contribution Team has been working with Cooney Lees Morgan to develop a deferral template agreement and is in discussions with Finance around a debt management process. This will provide a consistent and equitable pathway to dealing with scenarios of non-payment of Citywide Development Contributions on issuing of the building consent.
112. The number of Development Contribution assessments completed on building and resource consents is starting to increase after a slow start to the year. There has been an increase in multi-developments projects and a reduction in the number of standard 3-bedroom new builds.

### Environmental Monitoring

113. So far this year, 238 incidents have been responded to (to 16 March 2023), following complaints received from the community. These incidents generally require onsite assessment and are broken down by type below, with the most significant issues around sediment control and breaches of resource consents. One warning and four abatement notices were issued.



114. We continue to receive a large volume of noise complaints. Noise Control has received 2848 complaints to date this year, with 809 complaints received so far this quarter (January - 16 March). Most tend to be residential complaints about neighbour noise. Four abatement notices and three infringement notices were issued.

### Matters of Interest

115. There were no appeals of decisions or hearings during the reporting period. Significant consents underway include the Sanderson Group for Pitau St, the Ballance Agri-Nutrients S139A Existing Use Rights application, and numerous high density housing developments, predominately across the Te Papa peninsula.

116. The Tauranga Northern Link construction is proceeding well. Although the site suffered significant inundation due to heavy rains during February, the construction and earthworks remained intact, with no significant effect on the environment.

## Environmental Regulation

### Alcohol Licensing

117. During this last period, the Alcohol Licensing Team forwarded 140 various alcohol licensing related applications to the District Licensing Committee (DLC) for consideration and determination. Of those applications, two New Managers Certificates have been opposed by the inspector and will proceed to a hearing in due course. Currently the team has eight DLC hearings scheduled through to May.
17. Below is a breakdown of the applications forwarded to the DLC:

Applications forward to the District Licensing Committee	
Application type	Number
OFF Licence (New)	1
OFF Licence (Renewal)	3
ON Licence (New)	4
ON Licence (Renewal)	1
Club Licence (New)	
Club Licence (Renewal)	1
Temporary Authorities (ON & OFF)	6
Manager (New)	28
Manager (Renewal)	44
Special Licence	52
Total:	140

118. Twenty-three alcohol licensing premises inspections were conducted during the period and the single large event ('Beast Of A Feast') that occurred was monitored, in conjunction with the Medical Officer of Health. At that event, the inspector noted a number of incidents of minor to moderate levels of intoxication and management issues that will be dealt with by the inspector.

## Environmental Health

	1 Feb up to 10 March	YTD	Comments
Verifications of Food Businesses	42	250	Contractors are now undertaking verifications to help manage a backlog of work
NB: Of the 250 verifications completed YTD, 234 received 'acceptable' outcomes and 16 received 'unacceptable' outcomes. Unacceptable outcomes mean that the businesses' verification frequency will increase until issues are resolved. Of the 16 businesses with unacceptable outcomes, we have: 2 on Step 4 (every 12 months); 13 on Step 3 (every 9 months); 1 on step 2 (every 6 months); and 1 on step 1 (every 3 months). When a food business receives an unacceptable outcome, they must gain two acceptable outcomes before their verification frequency can be decreased.			
Food Registrations - New	16	100	
Food Registrations - Renew	75	566	
Health Registrations - New	0	0	
Health Registrations - Renew	0	189	These are generally renewed in August, September and October.

Food complaints and investigations	3	20	20 total investigations - in most cases, education and advice have resolved the issues. In one case, enforcement action was taken.
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### Animal Services

119. As a result of the impact on displaced families and animals created by Cyclone Gabriel, Animal Services coordinated a collection of dog support across councils in the Waikato and Bay of Plenty. As a result, we have been able to supply two pallets of dog food, animal cages, pet blankets and worm and flea treatment. The focus of this collection was to assist more remote properties of Tairāwhiti which weren't being supported by mainstream support groups.



120. The number of registered dogs continues to increase, as shown in the table below. The total for the current year expected to reach close to 15000 by year-end.

Year	Registered Dogs	% Increase
2018/2019	12962	2.03
2019/2020	13594	4.88
2020/2021	14215	4.57
2021/2022	14554	2.38
2022/2023*	14678	0.85

\*to 28 February,

121. Compliance and enforcement for the month of February 2023.

Warnings / Notices	Abatement notices	Dangerous/Menacing classifications	Infringements issued	Prosecutions commenced
Barking 41 Roaming 5 Aggression 5	Nil	Menacing 3 Dangerous 1 Section 62 Muzzle 2	73	Nil

### Parking and Bylaws

122. Paid parking was reintroduced on 1 December. Over a 3-month period, 1627 warning notices have been issued for failing to pay for parking and in March, the LPR vehicle will be used to enforce paid parking. It is expected that the efficiencies of this system will drive better compliance levels.
123. There are currently three defended hearings set down for Judge alone trials in relation to bus lane infringement notices. This month there have been a further two similar matters set down for a first plea hearing.
124. The Bylaws team has successfully facilitated moving two vehicle sleepers from Memorial Park. These two vehicles and individuals have generated a number of complaints and have

been living in the reserve for almost 12 months. Although these individuals are homeless, they have refused to engage with any social support agencies and have made no attempt to move to legal accommodation. A section 3 trespass notice was issued, giving two weeks' notice to vacate the reserve. A section 4 trespass notice was served on one individual, who eventually relocated out of Tauranga.



## Events & Communications

125. The Animal Services Facebook page (Tauranga Animal Services) has been running for over eight months, after launching in July 2022, and has gained a following of 2,585 Facebook users. This is close to double the expected number of users for an entire year. We are hosting the Twilight Trails dog walk events and Tessa's Treasure Hunt in March and April 2023 and the team's involvement in these these events and their promotion on Facebook is expected to bring a further increase in page followers.
126. Our most popular post for February was the adoption of a 'rottie' named Boss. His adoption post was the third most popular post since launching in July (not including paid posts). Boss was adopted within days and is now living a happy life in Wellington.
127. Building Services hosted two successful industry events over the last few weeks, including the Group Home Builders Forum and a 'meet the team' luncheon, as well as a Plumbing and Drainage Industry Forum. These events generated extremely positive feedback and we intend to host them again in the near future.

## CITY DEVELOPMENT & PARTNERSHIPS

### City Partnerships

128. We have a funding strategy underway for Te Manawataki o Te Papa that takes into account the recent changes in central government direction, post-cyclone and pre-election. Distinct funding workstreams include partnerships with regional and local funding agencies and central government (where possible); divestment and asset utilisation; community and gaming trusts; corporate sponsorships; and individual and family gifting programmes.
129. Staff recently presented several community projects to our local Gaming Trusts, with a view to potential partnerships over the next five years. These projects included Te Manawataki o Te Papa and the Destination Skatepark.
130. An application for \$550,000 has been submitted to the Lottery Environment and Heritage Fund for the Omanawa Falls Safe Access Project. If successful, this will enable us to carry out landscaping of the carpark area, as well as Mahi Toi – including the carving of four poupou, a pouwhenua, tomokanga, palisade fencing and seating.
131. The Chair and first Director have been appointed to the Board of Te Manawataki o Te Papa Limited, the new council-controlled organisation (CCO) that will govern and lead the delivery of Te Manawataki o Te Papa projects. Appointments will be for three-year terms, effective 31 March 2023. The appointment process for the remaining director vacancies is continuing. The Board will look to appoint a Chief Executive of the new CCO who is experienced in delivering similar large-scale projects. A transition from the current Governance Group of Te Manawataki o Te Papa will take place over the coming months.
132. A recruitment process is currently underway for a trustee for Tauranga Art Gallery Trust and two trustees for Tourism Bay of Plenty.

133. We continue to support the Aspiring Directors programme, which concludes on 30 April, and are working on a storytelling campaign to attract diverse applicants in future.
134. Our City Partnerships Specialist has been supporting Greerton Mainstreet through its change in management, with meetings held with the Chair and new Manager to discuss Council requirements and timeframes, as well as the Council support available to them.
135. AGM documentation, including audited accounts for each of the four Mainstreets, is now available on the Council website.
136. A survey has been completed of members of the four Mainstreets and key themes are being reviewed, with a view to providing feedback that supports ongoing improvements.
137. The draft Mainstreet Policy will go to the Strategy, Finance and Risk Committee in May, following review by relevant staff and the Mainstreets. It will support greater accountability and higher levels of performance for Mainstreets.
138. The Impact Lab at the University of Waikato has commenced, with five students working on a transport-related problem. This work is led by both Priority One and the Work Integrated Learning Team at the university and is supported through our Employment Pathways and Transport teams within Council. Student feedback on choices for travel to the University will be reported in June and will assist our transport planners.
139. The Tauranga Māori Business Association has reported its half-yearly progress and has achieved its growth in membership target already. The Association is working with our Procurement team through Amotai.

#### **Te Manawataki o Te Papa – Civic Precinct**

140. Powerco is completing detailed design work in preparation for relocation of the existing transformer in the Civic Precinct to a temporary site, to allow construction activity to begin. The work is scheduled to commence in June this year.
141. A work programme for the next six-months is being developed by project managers RCP. The work programme will include potholing around the site, to provide surety over the location of third-party utility services.
142. The architect, Studio Pacific, has held several workshops with staff during March to gain their input into aspects of the developed design for the Library and Community Hub. The developed design is due for completion in June.

#### **Tauranga Moana Waterfront**

##### **The Strand Reserve**

143. The developed design and cost estimates for the north, central and south areas of The Strand Reserve are progressing and are expected to be presented to Council in May.
144. A strong response was received to the ROI process for the new Strand Playground. Three specialist consultants were shortlisted to proceed to Stage 2 of the evaluation. Final presentations have been held and contracts are expected to be awarded by mid-April. Community engagement will take place as part of the upcoming design process.
145. Concept designs for the new Wharewaka and public conveniences are currently being developed. Discussions with Otamataha Trust on the location of the Wharewaka are underway and are expected to be finalised by April.
146. Detailed design of the seawall renewal is due in April. Construction will be coordinated with the uplift of the carpark and landscaping of The Strand North area.

##### **The Strand South – Te Hononga ki Te Awanui**

147. The rail underpass has been rescheduled for installation in early-April, with the preparation of the necessary preliminary works currently underway.



148. The boardwalk 50% developed design has been delivered, with a preferred option for timber supporting piles. Following on from the ROI, the project team has invited three companies to participate in the RFP process closing in April.
149. In-person landowner engagement is underway in relation to the Memorial Link between Tunks Reserve and Memorial Park, prior to the development of a concept design. Concepts are scheduled for delivery in late-April.

#### Masonic Park

150. The landscape architect is currently finalising the detailed design, with construction scheduled to commence by mid-2023.
151. The project team is working with the Tauranga Art Gallery Executive and Board to coordinate construction of the new Art Gallery entrance onto Masonic Park. Engagement with adjoining food and beverage operators is also in progress.

#### Dive Crescent Carpark

152. The project commenced in mid-January and is progressing well. The focus of this first phase is the development of the northern section of the carpark. It is expected this phase will be completed at the end of April, with over 100 carparks provided for public use.
153. The second phase involving the conversion of the southern car park will commence in October this year.
154. Pricing is in progress for the upgrade of the KiwiRail boundary fence from The Strand level crossing along Dive Crescent to Marsh Street.

#### Beacon Services Wharf

155. Stakeholder engagement concluded in late-February. The engagement reinforced that the original concepts for the wharf are on track and was useful in providing the project team with insights into recreational water users' use patterns.
156. The concept design prepared by Tonkin & Taylor will now move into the developed design phase over the coming months. Geotechnical assessment of the harbour floor substrate has been moved to June, when a suitable barge is available. Results from this study will be used to validate the engineering considerations reflected in the detail design.
157. Interest in the project will be solicited from potential construction contractors with the necessary marine experience through a "Registration of Interest" process. This process will lead to the procurement of an Early Contractor Involvement (ECI) contractor to support the design work, and early procurement of necessary materials.
158. Construction of the new facility is not expected to commence until October this year.



*Initial concept design for Beacon Wharf*

**Spring Street Carpark Seismic Strengthening**

- 159. The project team is managing the strengthening design and revising the drilling schedule and bracket design at various strengthening locations.
- 160. Due to the complexities of this work, the contractor has issued a new construction programme, including a three-month extension to the original completion date.
- 161. Strengthening work to the public toilets in the building has begun, which includes an upgrading of the women's WC. The toilets will be closed for the next 2-4 weeks and temporary portaloos have been provided while the upgrade is in progress.

**90 Devonport Road (Civic Administration Building Fitout)**

- 162. The new civic administration building marked another key milestone on 3 March with a sod turning to acknowledge the start of construction. LT McGuinness carried out a blessing of the site and mana whenua joined with a karakia to make it an extra special ceremony.



*Members of the project team at an official sod turning ceremony at 90 Devonport Road last month.*

- 163. Specialist workshops and design reference group meetings have recommenced, and work is underway on the 'look and feel design' of the of the building.
- 164. A site visit to Red Stag Timber Mill in Rotorua was held on 15 March. The visit provided Commissioners and the project teams from Council, Willis Bond and LT McGuinness with an opportunity to view the production process involved in creating the cross-laminated timber that will be used for the future civic administration building. The timber is sourced from New Zealand-grown pine and exemplifies sustainability, in that this innovative process uses timber that would otherwise have been exported and processed overseas and then returned to New Zealand as a building product.



*The Commission on-site at the Red Stag factory in Rotorua*

**Memorial Park**

165. The project scope, as defined within the completed feasibility study, includes development of new aquatic facilities and an extension to the existing indoor court facilities. A procurement and delivery plan for the design and construction phases of work has been established.
166. Procurement of the Architectural-led, multidisciplinary team is underway. The RFP was released in March and tender submissions are due in late-April. The concept design is programmed to commence around July. The concept phase will look at an option to replace the courts as significant seismic strengthening of the existing building is necessary.
167. A parallel workstream is also being formed, so that the overall master-planning of Memorial Park is mapped at the same time the concept design is developed for the aquatic facilities and courts project.
168. It is intended to procure an ECI contractor over the next period, so that they are available to provide specialist construction and pools knowledge from the outset of the design.

**Communications and Engagement**

169. We commenced the first of our staff walking tours around the city centre last month, which was well-received by those involved. Feedback is being collated and will be applied to future tours. While the focus is currently on staff, we will look to roll these tours out with our partners and potentially the wider community in the future.
170. We are working alongside Willis Bond and Lt McGuinness to implement ongoing communications and engagement around the construction at 90 Devonport Road, in particular highlighting its sustainable credentials. Willis Bond has created a [live blog](#) to keep neighbours (and other interested parties) updated on progress.
171. Temporary signage will soon be going up along the hoardings at 90 Devonport Road, until permanent signage can be erected after a second, larger crane arrives onsite next month (which will require separating a section of the hoardings for it to enter the site).
172. As part of our goal to raise awareness and inform and engage with our community, we are developing a suite of collateral showing high-level plans for the city centre, which will be used at various community events across the city. This includes having an onsite presence at Baycourt's 40th birthday celebrations.
173. We are currently developing signage and hoarding creative collateral to be placed at Masonic Park and Dive Crescent. These will have a similar look and feel to what is at Te Manawataki o Te Papa.
174. We continue to roll-out communications and engagement plans for all of the city centre projects currently, or soon to be, underway.

**ATTACHMENTS**

**Nil**

## 11.4 Adoption of the Annual Plan 2023/24

**File Number:** A14490479

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

**Authoriser:** Paul Davidson, Chief Financial Officer

### PURPOSE OF THE REPORT

1. For Council to adopt the final Annual Plan 2023/24.

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Adoption of the Annual Plan 2023/24".
- (b) Adopts the Annual Plan 2023/24.
- (c) Agrees that the increase to the Bay Venues Limited grant included in the annual plan of \$600,000 has been partially replaced by an increase in user fees with the balance put to risk reserve.
- (d) Agrees that the temporary operating deficits generated by the timing of the funding arrangements for the Tauriko West enabling works be loan funded until such a time as all third-party contributions have been received.
- (e) Authorises the Chief Executive to make any necessary minor drafting or presentation amendments to the 2023/24 Annual Plan, prior to final printing.
- (f) Notes that the Rating Resolution will be presented for adoption in June 2023.

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### EXECUTIVE SUMMARY

2. Following decisions made by Council during the meeting of 12 December 2022, the final 2023/24 Annual Plan is presented to Council for adoption.

### BACKGROUND

3. The Local Government Act 2002 (LGA) requires Council to adopt an annual plan for each financial year, prior to commencement of that year. The annual plan's purpose includes setting the proposed budget, identifying variations from the Long-term Plan, providing for integrated decision making, and providing accountability to the community.
4. The Council and Strategy Finance and Risk Committee considered and provided direction on issues related to the content and development of the draft Annual Plan 2023/24 through a series of meetings from November 2022 to December 2022. The reports, agendas and minutes relating to these annual plan meetings can be found on Council's website (<https://www.tauranga.govt.nz/council/about-your-council/council-meetings-agendas-and-minutes>). These decisions are reflected in the Annual Plan 2023/24. These documents were not presented to the community for consultation as per the decision from Council not to consult made at the December 2022 meeting.
5. The draft annual plan was endorsed in December 2022, including agreement to loan fund specified operational costs and confirming the second phase of the commercial differential increases.



6. The final Annual Plan 2023/24 (**Attachment 1**) incorporates these decisions and is presented for adoption by Council.

### Key financial indicators and consistency with LTP and Financial Strategy

7. The table below summarises the financials for 2023/24 to be adopted. The full financials including explanations of variances are included within the final Annual Plan 2023/24 document at **Attachment 1**.

#### Key Financials for Annual Plan 2023-2024

	LTP 2024	Draft AP 2024	Final AP 2024	2024 AP Variance to LTPA Y3
	\$m	Dec-22	\$m	\$m
<b>Debt Summary</b>				
Capital Programme	434	352	355	(79)
Other capital <sup>1</sup>	0	55	52	52
Net Debt <sup>2</sup>	1,038	1,066	1,050	12
Debt to revenue ratio (inc BVL Revenue, inc IFF Grants)	214%	210%	207%	-7%
Debt to revenue ratio (inc BVL Revenue, excl IFF Grants)	226%		223%	-3%
Financial Limit on Borrowing (debt to revenue ratio)	290%	290%	290%	0%
<b>Operational Summary</b>				
Total Rates <sup>3</sup>	288	293	291	3
Other operating revenue <sup>4</sup>	72	104	105	33
Subsidies and grants received for capital <sup>5</sup>	144	86	86	(58)
Total operating revenue including grants	504	483	482	(22)
Operating Expenditure	369	445	447	79
Operating surplus / (deficit)	136	38	34	(101)
<b>Total Rates Increase average incl metered water and after growth<sup>6</sup></b>	<b>6%</b>	<b>7.1%</b>	<b>6.2%</b>	<b>0.2%</b>

<sup>1</sup> Net land sales and capital delivered by others (developers including vested assets, WBoP, BoPRC, BVL and payments to Waka Kotahi to deliver Tauriko West).

<sup>2</sup> Approximately 62% of debt is funded through rates and user fees. The remainder is funded by development contributions.

<sup>3</sup> Includes metered water income of \$36m

<sup>4</sup> Includes Infrastructure Funding and Financing funding for the Transport System Plan programme of works.

<sup>5</sup> Best estimate based on expected delivery of NZTA approved business cases

<sup>6</sup> This is a gross average across all rating classes and properties.

### Updates following endorsement of the draft annual plan

8. A limited number of updates have been made since December, resulting in a final TCC-delivered capital programme of \$355m, net debt of \$1,050m, and an average rates increase (including metered water) of 6.2%, a rate below current inflation. These key metrics remain broadly consistent with year 3 of the LTP. There are some minor differences since the December draft which have arisen as a result of further accounting review.
9. The reduction in rates against the draft of 0.9% has been achieved through removing the remaining debt retirement from the Water Supply activity. This reduction has allowed the increase in the water supply unit rate to be held at 2%, with the fixed charge for water supply reduced to \$0 for the year. The unit rate over the two preceding years had been significantly increased and with the 2% increment this year remains sufficient to cover costs.
10. A provision has been made for an increase to our support of Bay Venues Ltd of \$600k pending agreement on user fees. Due to reconsideration of user fees to be charged, this additional support may not be required, in which case the funding will be transferred to a risk reserve.



11. This annual plan properly accounts for the funding of the Tauriko West enabling works through operating income and expenditure (as identified assets will be delivered and owned by Waka Kotahi). The timing of the funding arrangements is not completely in line with expected expenditure which requires a resolution to loan fund the resulting temporary operating deficits.

## STRATEGIC / STATUTORY CONTEXT

12. The Local Government Act 2002 (LGA) requires local authorities to prepare and adopt an Annual Plan for each financial year. This report is in relation to the 2023/24 financial year, which is the third year of the Long-term Plan 2021-31 (LTP). Consultation on the annual plan is only required if there are changes that are significantly or materially different from the LTP.

## OPTIONS ANALYSIS

### Option 1: Adopt the Annual Plan 2023/24

13. This option would adopt the Annual Plan 2022/23 as presented at **Attachment 1**.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>An annual plan is adopted for the 2023/24 financial year.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

Recommended? Yes

### Option 2: Amend or do not approve the Annual Plan 2023/24

14. This option would not approve the Annual Plan 2023/24, which has been developed in accordance with Council's direction from decisions made in December 2022.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Council would be at risk of not adopting an annual plan prior to the financial year to which it relates.</li> </ul>

Recommended? No

## LEGAL IMPLICATIONS / RISKS

### The role of the Annual Plan

15. The Annual Plan is Council's resource-allocation document for the year ahead.
16. Legally, the purpose of the Annual Plan is set out in section 95(5) of the Local Government Act 2002 ("the Act") as being to:
- contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and*
  - identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and*
  - provide integrated decision making and co-ordination of the resources of the local authority; and*
  - contribute to the accountability of the local authority to the community.*
17. The Act also requires, at section 95(6), that the Annual Plan be prepared in accordance with the principles and procedures that apply to the Long-term Plan.

## SIGNIFICANCE

18. 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.
19. 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,
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
20. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the Annual Plan 2023/24 is of high significance.


## CONSULTATION / ENGAGEMENT

21. There was no formal engagement or public consultation on the Annual Plan 2023/24 in line with the Council decision of 12 December 2022.
22. Taking into consideration the above assessment, that the Annual Plan 2023/24 is of high significance, the relatively minor changes from the LTP and the decision not to consult, officers are of the opinion that no further engagement is required prior to Council making a decision.

## NEXT STEPS

23. Following Council adoption, the Annual Plan 2023/24 will form the basis of the Council's budget and workplan for the 2023/24 financial year (1 July 2023 – 30 June 2024).

## ATTACHMENTS

1. **TCC - Annual Plan 2023-24 - A14533727 (Separate Attachments 1)** 

## 11.5 2023/24 Annual Plan - Borrowing Programme

**File Number:** A14429890

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

**Authoriser:** Paul Davidson, Chief Financial Officer

### PURPOSE OF THE REPORT

1. This report seeks approval for the borrowing programme for the 2023/24 financial year.

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### RECOMMENDATIONS

That the Council:

- a) Receives the report "2023/24 Annual Plan - Borrowing Programme".
- b) Approves the borrowing resolution for the 2023/24 financial year:
  - i) The borrowing required for the 2023/24 financial year is \$274 million ("the borrowing"). This borrowing is made up of:
    - \$218 million of new loans approved for the 2023/24 financial year in the 2023/24 Annual Plan
    - \$56 million of maturing loans during the 2023/24 financial year.
  - ii) The borrowing is to be secured against rates revenue of Tauranga City Council under the Debenture Trust Deed.
  - iii) That Tauranga City Council may also fund the capital expenditure programme and its working capital requirements from its cash reserves and other internal/external sources of funds.
- c) Approves that authority is delegated to the Chief Executive and the Chief Financial Officer, subject to the Local Government Act 2022 and the Treasury Policy to:
  - i) Determine the details and timing of the borrowing whether in this financial year or in the future and to raise long and short term loans, whether by one or more bank facility or other facilities, or by one or more issues of stock, whether by internal funding or external, and whether by wholesale issue or by private placement to habitual investors, to yield a maximum external borrowing identified in (b)(i) above, of \$274 million secured under the Debenture Trust Deed as the Chief Executive and Chief Financial Officer consider appropriate and in accordance with the Council's Treasury Policy; and
  - ii) Execute all loan and security documentation in relation to the borrowing on behalf of Tauranga City Council, including any loan and/or credit agreements and stock certificates, investment statement and any other documents which Council may be required to enter into in respect of the borrowing and to give one or more certificates in respect thereof for the purposes of Section 118 of the Local Government Act in respect of Councils entry into such borrowing security or related documentation.
- d) Approves that authority is delegated to the Chief Financial Officer to borrow internally to manage the funding requirements, subject to availability of internal funding and reassign approved borrowings between activities for the approved projects.
- e) Approves that authority is delegated to the Chief Financial Officer to enter into interest rate risk management tractions with institutions.

## EXECUTIVE SUMMARY

2. Council's external borrowings are forecast to reach \$1.12 billion with net debt of \$1.1 billion by 30 June 2024 as per the 2023/24 Annual Plan. The borrowing programme allows funding for the delivery of the capital programme and enables the delivery of community outcomes.

## BACKGROUND

3. Council's total external borrowing requirement is \$274 million comprising \$218 million of new borrowing for projects and \$56 million of refinancing maturing debt for the year 2023/24 as per the 2023/24 Annual Plan.
4. Carry forward projects from the 2022/23 Annual Plan were largely rebudgeted into the 2023/24 Annual Plan and therefore are included in the above borrowing resolution. Due to the early adoption of the 2023/24 Annual Plan there may be further carry forwards or unbudgeted projects which will be prioritised and managed within the proposed borrowing programme. If further borrowing is required a report for additional borrowing will be presented to council.
5. The capital programme for 2023/24 excluding non cash items (vested assets) is \$390 million. This has been reduced by \$50 million (capital delivery adjustment) to determine the closing debt as at 30 June 2024 from a cashflow perspective.

## Interest Rate Management

6. Council is exposed to interest rate fluctuations on existing and future borrowings. Interest rate risk is minimised by managing floating and fixed interest rate exposures within the Treasury Policy limits framework.
7. Council has previously resolved to enter into Master Agreements with various institutions which provide the framework under which risk management transactions are varied out.

## Form of Borrowing

8. It is planned to source all external borrowing requirements from the following sources:
  - The Local Government Funding Agency (LGFA)
  - Housing Infrastructure Fund (HIF)
  - Wholesale market by way of wholesale tender, private placement and/or bank funding.

## Bank Facility

9. Currently Council has a \$100 million undrawn bank facility as at 30 June 2023. This facility is available to be drawn down at short notice to manage short and long term funding requirements. The facility maturity is 31 October 2024. This facility is required to ensure compliance with the Treasury Policy.

## Security

10. Council's Treasury Policy states that Council will generally offer security for its borrowing by way of a charge its rates under the Debenture Trust Deed (Section 5.1.6 Treasury Policy).

## Purpose of the Loan

11. The purpose of the loans is to generally finance capital projects, or capital projects that offer long term benefit even when expenditure is categorised as operational and debt repayment as provided in Council's Long Term Plan.

## Compliance with the Treasury Policy

12. The borrowing proposed is consistent with Council's Treasury Policy. The Treasury Policy prescribes that net interest expense should not exceed 20% of annual operating revenue and that net external debt should not exceed 290% of the annual operating revenue for the

2023/24 financial year. The proposed borrowing will not result in the Council exceeding the above limits.

### **Working Capital for CCO's**

13. To assist with the smooth financial running of the CCOs, Council provides working capital funding to Bay Venues Limited and BOPLASS. By the nature of their size and type of businesses, these companies experience "lumpy" cash-flows throughout the year. It is prudent and cost effective for Council to provide working capital funding.

### **STRATEGIC / STATUTORY CONTEXT**

14. Council's external borrowing (net) is forecast to reach \$1,120 million as at 30 June 2024 as per the 2023/24 Annual Plan. The borrowing programme allows Council to fund the delivery of our capital programme and enables the delivery of community outcomes.

### **OPTIONS ANALYSIS**

15. There are no options associated with this report.

### **FINANCIAL CONSIDERATIONS**

16. These resolutions are required to enable the delivery of Council decisions as per the adoption of the 2023/24 Annual Plan budgets and to satisfy the requirements of the Treasury Policy.

### **LEGAL IMPLICATIONS / RISKS**

17. The Local Government Act 2002 provides the authority to borrow in section 12. Borrowing falls within the 'full rights, powers and privileges' that a local authority has to undertake any activity, do any act or enter into any transaction for the purpose of performing its role. The Treasury Policy also requires the approval of all borrowing by Council resolution.

### **CONSULTATION / ENGAGEMENT**

18. The Annual Plan budgets to be covered through this borrowing have been consulted on as part of the annual planning process.

### **SIGNIFICANCE**

19. Borrowing programme matters are significant. However, these approvals are a result of prior decision making and allow implementation of the 2023/24 Annual Plan. All risk management activities are undertaken in accordance with the Treasury Policy.

### **ENGAGEMENT**

20. 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**

21. Implementation of the Borrowing Programme 2023/24.

### **ATTACHMENTS**

**Nil**



## 11.6 Temporary Road Closure Report - Jazz Festival 2023

**File Number:** A14457784

**Author:** Lindsay Cave, Team Leader: Corridor Access & Temporary Traffic Management  
Jenna Quay, Events Facilitation Manager

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

### PURPOSE OF THE REPORT

1. To seek Council approval for a temporary road closure for the Jazz Festival 2023.

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Temporary Road Closure Report - Jazz Festival 2023".
- (b) Pursuant to Clause 11(e) of the Tenth Schedule of the Local Government Act 1974, grants approval to close the roads and car parks listed on Attachment A to ordinary vehicular traffic on the dates and during the hours stated for the purposes of facilitating safe and successful operations during the following events in Tauranga.

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### EXECUTIVE SUMMARY

2. Pursuant to Clause 11(e) of the Tenth Schedule of the Local Government Act 1974 this report seeks the Council approve the temporary road closures associated with events and activities in Tauranga.
3. Temporary road closures:
  - (a) **National Jazz Festival 2023 – Downtown Carnival**  
The Strand from Harington Street to Devonport Road (excluding the roundabout), and Hamilton Street from Willow Street to The Strand from 5am Friday 7 April – 9pm Sunday 9 April 2023
4. The road closures aim to provide safe and well-organised events for public to attend, protect competitors, manage the transport network and minimise impacts to residents and businesses while events are taking place.
5. The organiser of the event will:
  - Undertake engagement with affected residents and businesses prior to the event occurring.
  - Submit a temporary traffic management plan for approval as part of the overall event approval process. This plan stipulates all traffic signage indicating sections of roads or carparks closed, alternative detours and, any other appropriate signage for traffic control and advance warning of road closures in accordance with the Code of Practice for Temporary Traffic Management (CoPTTM).

### BACKGROUND

6. Temporary road closures had previously been approved by Council on 15 August 2022. These new closures are required after operational planning meetings were undertaken for these events and play an important role to ensure the safety of event participants and the public is maintained.

7. Road closures allow for safe access to, during and from events by creating separation of traffic from pedestrians. Event activities are managed within any City Plan, resource consent and corridor access approval conditions which include requirements such as noise management and communication plans.
8. The Jazz Festival is taking place on the same weekend that the pedestrian underpass is planned to be installed under the rail corridor on The Strand Extension. Traffic Management for the festival and the underpass works is being undertaken by the same contractor. Arrangements have been made to deliver the preformed underpass to site in the early hours of Good Friday before The Strand is closed. All other movements for the construction works will be via Devonport Road. The contract company constructing the underpass has agreed to reduce noise levels during the time the festival bands are playing to ensure attendees can enjoy the music without extraneous noise.

### STRATEGIC / STATUTORY CONTEXT

9. Tauranga City Council has the authority to close roads under the powers of the Local Government Act 1974 – Clause 11(e) of Schedule 10.

### LEGAL IMPLICATIONS / RISKS

10. The formal approval of road closures by the Council is part one of a two-part approval process.

In addition to seeking this approval under the Act part two requires a warranted Site Traffic Management Supervisor (STMS) to submit a traffic management plan (TMP) to the Corridor Access team who has delegated authority as a Traffic Management Coordinator (TMC) to review and approve a temporary road closure in accordance with the Code of Practice for Temporary Traffic Management (CoPTTM).

The traffic management contractor has a duty to ensure so far as reasonably practicable the safe and efficient movement of all road users through and around the working space. This requires a risk assessment be completed prior to the implementation of a traffic management operation.

### CONSULTATION / ENGAGEMENT

11. All temporary road closures must be publicly notified by Tauranga City Council allowing a 21-day period for the public to submit comments. Any objections must be considered by the Committee before making a decision on the requested temporary road closure.
  - (a) The temporary road closures were publicly notified on 6 March 2023 in the Bay of Plenty Times.
  - (b) The consultation period finished on 27 March 2023. Staff to advise if any objections have been received at the Council meeting on 3 April 2023.

### SIGNIFICANCE

12. Under the [Significance and Engagement Policy 2014](#), these decisions are of low significance and do not require public consultation.

### ATTACHMENTS

Nil

## 11.7 Traffic & Parking Bylaw Amendment 43

**File Number:** A14491728

**Author:** Will Hyde, Senior Transportation Engineer

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

### PURPOSE OF THE REPORT

1. To obtain approval from the Commission to introduce amendments to the appropriate Attachments within the Traffic and Parking Bylaw (2012)

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Traffic & Parking Bylaw Amendment 43".
- (b) Adopts the proposed amendments to the Traffic and Parking Bylaw (2012) Attachments as per Appendix B, relating to minor changes for general safety, operational or amenity purposes, to become effective on or after 4 April 2023 subject to appropriate signs and road markings being implemented.

---

### EXECUTIVE SUMMARY

2. The Traffic and Parking Bylaw 2012 includes Attachments each of which lists various traffic and parking restrictions.
3. Council can amend the Attachments by Council Resolution.
4. This report sets out proposed amendments to the following:
  - (a) Attachment 3.1: Shared Pedestrian/Cycle Paths and Cycle Paths (in road Reserve)
  - (b) Attachment 4.3: Special Vehicle Lanes – Cycle Lanes
  - (c) Attachment 7.1: No Parking Behind Kerb
  - (d) Attachment 7.2: Prohibited Stopping and Standing of Vehicles
  - (e) Attachment 7.9: Parking Time Restrictions
  - (f) Attachment 7.28: Passenger Service and Other Vehicle Stands (Electric Vehicles)
5. These amendments are proposed for general operational reasons, principally requests from the public or other stakeholders for numerous small changes to parking controls.
6. These amendments are summarised in Appendix A, with details listed in Appendix B.

### BACKGROUND

7. The amendments set out in Appendix B are changes proposed to reflect and support operational and safety needs on the road network.
8. A number of "house-keeping" amendments have been proposed, to include several lengths of shared paths and cycle lanes on and around Te Okuroa Drive. These have been built over the last five years and are in use, and while the development and structure plans would have been adopted by Council, these features are not listed in the Bylaw Attachments, and it is not clear whether they have been resolved by Council. This amendment seeks to address this issue.

9. The proposed additions and amendments to parking restrictions (yellow lines) are minor changes to parking restrictions across the city which have arisen through requests from the public to address sight line deficiencies at driveways and intersections. These requests have been reviewed and deemed necessary by the Network Safety and Sustainability team.
10. Changes to the time limits and conditions on electric vehicle charging spaces within the parking buildings have been proposed to make corrections to the time limits (amending the Attachment to match the existing sign-posted limits), and to prevent use of charging spaces by both non-electric vehicles, and by electric vehicles which are not being charged.
11. New sections of parking restrictions (yellow lines) and berm parking restrictions have been proposed around the intersection of Gargan Road, Unutoto Place and Taitimu Road. This intersection is about to undergo a safety upgrade to address significant layout issues, and engagement has been undertaken with adjacent businesses regarding the changes to parking.
12. The amendments achieve the vision and strategic transport priorities to help make our network safer and easier for people to get around the city.

### **FINANCIAL CONSIDERATIONS**

13. Negligible – the associate signs and markings costs have been or can be accommodated within existing project or operational budgets.

### **LEGAL IMPLICATIONS / RISKS**

14. The bylaw amendment is needed to allow enforcement of changes deemed necessary for safety and amenity purposes.

### **CONSULTATION / ENGAGEMENT**

15. The changes identified in Appendix B have been assessed as being of a minor nature.
16. Consultation is not required for minor stopping and parking amendments, or other minor amendments required to support operational improvements.
17. For larger projects, engagement has been carried out with affected landowners.

### **SIGNIFICANCE**

18. 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.
19. 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.
20. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

### **ENGAGEMENT**

21. 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.

## ATTACHMENTS

1. **Appendix A - T&P Bylaw Amendment 43 - A14513231** [!\[\]\(86b7331e04fe40a56bcff2e9c065738b\_img.jpg\)](#) 
2. **Appendix B - T&P Bylaw Amendment 43 - A14513505** [!\[\]\(497b6684f704c0aa6fbea9f0fd4d56c7\_img.jpg\)](#) 



## APPENDIX A: Summary Table of Amendments to Traffic and Parking Bylaw 2012 (Amendment 43)

Proposed amendment Location	Details of amendments	Reason	Consultation
<b>Attachment 3.1 – Shared Pedestrian / Cycle Paths &amp; Cycle Paths (in Road Reserve) (Bylaw clauses 5.5 &amp; 6.1)</b>			
Various locations on Te Okuroa Drive	Inclusion of existing shared paths.	Shared paths have been constructed over the last five years and are in use, but have not been resolved by Council.	Not required.
<b>Attachment 4.3 – Special Vehicle Lanes – Cycle Lanes (Bylaw clause 6.1)</b>			
Various locations on Te Okuroa Drive and adjoining roads	Inclusion of existing on-road cycle lanes.	Cycle lanes have been constructed over the last five years and are in use, but have not been resolved by Council.	Not required.
<b>Attachment 7.1 – No Parking Behind Kerb (Bylaw clauses 12.1 and 12.3)</b>			
At and around the intersection of Gargan Road, Unutoto Place and Taitimu Road	Lengths of berm parking restrictions on the four corners of the intersection.	The layout of this intersection is being changed for safety reasons. Berm parking blocks sight lines on all approaches to the intersection. Following a road safety audit. Alternative parking is available close by for displaced demand.	Affected businesses have been consulted as part of the project..
<b>Attachment 7.2 – Prohibited Stopping and Standing of Vehicles (Bylaw clauses 12.1 and 12.3)</b>			
Various locations	Short lengths of yellow lines at various locations.	On request, and following assessment by safety engineer, to address situations where parked vehicles block property access, or restrict sight lines. Alternative parking is available close by for displaced demand.  At Gargan Rd, extension of existing restrictions to protect sight lines at intersection.	Not required.  At Gargan Rd affected businesses have been consulted as part of the project.
<b>Attachment 7.9 – Parking Time Restrictions (Bylaw clauses 12.1 and 12.2c)</b>			
Spring Street and Elizabeth Street parking buildings	Time limit for electric vehicle parking spaces increased from 120 minutes to 240 minutes.	Correction to match existing signed and marked time limits in the car parks.	Not required.
<b>Attachment 7.28 – Passenger Service and Other Vehicle Stands (Electric Vehicles) (Bylaw clause 20.1)</b>			
Spring Street and Elizabeth Street parking buildings	New wording adding clarity to the description of allowable use of these spaces.	Wording modified to clarify that only electric vehicles may use these spaces, and only when charging the vehicle.	Not required.

**APPENDIX B: Proposed Amendment No.43 to the Traffic and Parking Bylaw 2012****Attachment 3.1: Shared Pedestrian / Cycle Paths & Cycle Paths (in Road Reserve)**

*Pursuant to Clauses 5.5 and 6.1 of the Traffic and Parking Bylaw 2012 the following portions of footpath are declared to be shared pedestrian/cycle paths.*

<b>Road Name</b>	<b>Road Portion</b>	<b>Direction</b>	<b>Use</b>
Te Okuroa Drive	From Parton Road to approximately 50m south-east of the roundabout at The Boulevard intersection.	Bi-directional, both sides of road.	Shared
Te Okuroa Drive	For 60m on each side of the Montiicola Drive intersection, measured from centre of roundabout.	Bi-directional, both sides of road.	Shared
Te Okuroa Drive	For 60m on each side of the Livingstone Drive intersection, measured from centre of roundabout.	Bi-directional, both sides of road.	Shared
Te Okuroa Drive	From 60m west of the Stevenson Drive intersection, measured from centre of roundabout, to the eastern end of the road excluding frontages of Nos251 to 273 inclusive.	Bi-directional, both sides of road.	Shared

**APPENDIX B: Proposed Amendment No.43 to the Traffic and Parking Bylaw 2012****Attachment 4.3: Special Vehicle Lanes – Cycle Lanes**

*Pursuant to Clause 6.1 of the Traffic and Parking Bylaw 2012 the following portions of road are declared to be cycle lanes:*

<b>Road Name</b>	<b>Road Portion</b>	<b>Direction</b>
Golden Sands Drive	From The Boulevard to approximately 150m east of Kapuka Street.	Both directions
Livingstone Drive	From Te Okuroa Drive to The Boulevard	Both directions
Monticola Drive	From Te Okuroa Drive to The Boulevard	Both directions.
Stevenson Drive	From Te Okuroa Drive to The Boulevard	Both directions
Te Okuroa Drive	Between the intersection with The Boulevard* and the eastern end of Te Okuroa Drive  <i>*Note: For clarity, until The Boulevard is fully constructed, this means the intersection where The Boulevard will join Te Okuroa Drive once fully constructed.</i>	Both directions.

**APPENDIX B: Proposed Amendment No.43 to the Traffic and Parking Bylaw 2012****Attachment 7.1: No Parking Behind Kerb**

*Pursuant to clause 12.1 and Clause 12.3 of the Traffic and Parking Bylaw 2012 the parking of motor vehicles is at all times prohibited between the kerb line and road boundary in the locations listed below:*

**Other Locations**

<b>Location</b>	<b>Details</b>
Gargan Road South-west side	From a point 18m east of the east boundary of Taitimu Road, westwards and north wards for 85m.
Gargan Road North-east side	From a point 7m east of the corner boundary of No2 Unutoto Place, westwards and north wards for 140m.
Taitimu Road East side	From a point 20m south of the south boundary of Gargan Road, northwards to Gargan Road.
Unutoto Place Both sides	From the southern corner boundary of No1 Unutoto Place eastwards for 26m.

**APPENDIX B: Proposed Amendment No.43 to the Traffic and Parking Bylaw 2012****Attachment 7.2: Prohibited Stopping and Standing of Vehicles**

*Pursuant to Clause 12.1 and Clause 12.3 of the Traffic and Parking Bylaw 2012, the parking of motor vehicles is prohibited at all times in the following locations:*

<b>Prohibited Stopping and Standing of Vehicles</b>	
Churchill Road West side	From a point 5m north of the common boundary of No85 and No 87, northwards for 21m
Churchill Road East side	From the common boundary of No85 and No 87, northwards for 25m
Darraghs Road South side	From a point 5m east of the centre line of Fern Way, westwards for 32m.
Gargan Road West side	From the northern corner boundary of No2 Taitimu Road, southwards to Taitimu Road.
Gargan Road East side	From a point 73m north of the north kerb line of Unutoto Place, southwards to Unutoto Place.
Palm Springs Boulevard East side	From a point 3m north of the common boundary of No89/No93, south to Cassinia Close.
Papamoa Beach Road North Side	Commencing at the intersection with the eastern kerb of Motiti Road West extending <del>15.5</del> 24 metres east.
Papamoa Beach Road North Side	Commencing at the intersection with the western kerb of Motiti Road West extending <del>15</del> 37 metres west.



**APPENDIX B: Proposed Amendment No.43 to the Traffic and Parking Bylaw 2012****Attachment 7.9: Parking Time Restrictions**

Pursuant to Clause 12.1 and Clause 12.2(c) of the Traffic and Parking Bylaw 2012 no vehicle (except for passenger service vehicles in vehicle stands) may park on the following roads for longer than the applicable time limit listed below:

<b>Parking Time Restrictions: 120 minute parking</b>	
<del>Elizabeth Street Parking Building</del>	<del>All electric vehicle (EV) charging spaces.</del>
<del>Spring Street Parking Building</del>	<del>All electric vehicle (EV) charging spaces.</del>

<b>Parking Time Restrictions: 240 minute parking</b>	
Elizabeth Street Parking Building	All electric vehicle (EV) charging spaces.
Spring Street Parking Building	All electric vehicle (EV) charging spaces.

**APPENDIX B: Proposed Amendment No.43 to the Traffic and Parking Bylaw 2012****Attachment 7.28: Passenger Service and Other Vehicle Stands (Electric Vehicles)**

Council resolution dated 19 December 2017 and Minute Number M17/121.9

Council resolution dated 2 June 2020 and Minute Number CO11/20/5

As approved at Council Meeting held on 17 November 2020

~~Pursuant to Clause 20.1 of the Traffic and Parking Bylaw 2012 the following areas of road are declared to be vehicle stands for Electric Vehicles. Electric Vehicles may park in the area as described below to re-charge batteries for a maximum time period of up to P120 (two hours) at any one time:~~

**Replace with:**

*Pursuant to Clause 20.1 of the Traffic and Parking Bylaw 2012 the following areas of road are declared to be vehicle stands for Electric Vehicles only. Electric Vehicles may park in the area as described below while charging subject to any conditions indicated by signs or markings at each space or group of spaces.*

<b>Passenger Service and Other Vehicle Stands (Electric Vehicles)</b>	
Elizabeth Street Parking Building	All spaces with signs or markings denoting electric vehicle (EV) charging spaces.
Spring Street Parking Building	All spaces with signs or markings denoting electric vehicle (EV) charging spaces.

## 12 DISCUSSION OF LATE ITEMS

## 13 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
<b>13.1 - Public Excluded Minutes of the Council meeting held on 20 March 2023</b>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.2 - Appointment of Board Members to CCO Boards 2023</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of

		information for which good reason for withholding would exist under section 6 or section 7
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14      CLOSING KARAKIA