



AGENDA

Ordinary Council meeting Monday, 19 June 2023

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

Date: Monday, 19 June 2023

Time: 9.00am

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

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

**Marty Grenfell
Chief Executive**

Terms of reference – Council

Membership

Chairperson	Commission Chair Anne Tolley
Members	Commissioner Shadrach Rolleston Commissioner Stephen Selwood Commissioner Bill Wasley
Quorum	<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> .
Meeting frequency	As required

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).

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1 OPENING KARAKIA

2 APOLOGIES

3 PUBLIC FORUM

- 3.1 Shane Lye, President of Tauranga Master Builders Association on the topic of Development Contributions**

ATTACHMENTS

Nil

- 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 29 May 2023

File Number: A14780926

Author: Anahera Dinsdale, Governance Advisor

Authoriser: Anahera Dinsdale, Governance Advisor

RECOMMENDATIONS

That the Minutes of the Council meeting held on 29 May 2023 be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of the Council meeting held on 29 May 2023



MINUTES

**Ordinary Council meeting
Monday, 29 May 2023**

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UNCONFIRMED

**MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE,
1 ELIZABETH STREET, TAURANGA
ON MONDAY, 29 MAY 2023 AT 9.30AM**

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

IN ATTENDANCE: Marty Grenfell (Chief Executive), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Gareth Wallis (General Manager: City Development & Partnerships), Anne Blakeway (Manager: City Partnerships), Brendan Bisley (Director of Transport), Reece Wilkinson (Parking Strategy Manager), Josh Logan (Team Leader: Corporate Planning), Coral Hair (Manager: Democracy & Governance Services), Sarah Drummond (Governance Advisor), Anahera Dinsdale (Governance Advisor), Janie Storey (Governance Advisor)

1 OPENING KARAKIA

Commissioner Shad Rolleston opened the meeting with a karakia.

2 APOLOGIES

Nil

3 PUBLIC FORUM

A copy of the documents tabled from submitters at the meeting can be viewed on Tauranga City Council's (TCC) website.

3.1 Mr Grahame Benvie - The Domain

Mr Benvie noted:

Key points

- He had been a resident of the area for 38 years, was a regular user of the Domain and familiar with its usage over that time.
- Prepared the change.org "Hands off Tauranga Domain and Baypark Speedway" petition which 1,060 people had signed, and administered two face book groups that had been set up to save the Domain.
- His vision for the Domain was to keep it as it was, an open green space where people of all ages and abilities within the community could get exercise.
- This was the last open greenspace in the city area and was well away from the traffic noise of the city.
- The submitter made reference to the Joni Mitchell song and quoted the chorus which included - *They paved paradise and put up a parking lot and you don't know what you've got until its gone*. The lyrics were written while Joni was peering out of the hotel she was staying at in Hawaii and instead of seeing the beach all she saw was an asphalt parking lot. The song reflected on why humans take nature for granted.
- The stadium would result in losing the athletic track which was well used as it was in the central city and the immaculate croquet lawns would become a carpark.

- Mr Benvie advised he had attended a presentation by Priority One and was astounded to learn that a survey of community usage had never been done when preparing the preliminary business case.
- Mr Benvie considered it was clear when putting the case together they had no idea of the range of uses and no one came to ask their opinion. He believed this was shameful and ignored the unspoken wishes of thousands of people in the city.
- Mr Benvie noted that if the proposal did not proceed the work done to date would be a huge waste of money, especially when there should have been opportunities for users to have their say.
- The new stadiums at Dunedin and Wellington were built on land that was not the last open greenspace in their cities and they had the infrastructure to get people to and from the venues. Tauranga currently required the road be closed off for big events and that would likely continue.
- The citizens of Tauranga had every right to be outraged when they learn of this proposed stadium being built on the last green open space within the city.
- Mr Benvie was baffled as to why the Council did not confirm they wanted a business case for the Blake Park option at the same time as the Domain.
- The submitter asked that Commissioners remember the money from Council was from assets that had been paid for in the past and requested them to please take time to consider and consult earnestly before rubber stamping the proposal.

Discussion points raised

- Commissioner Tolley advised the submitter that at the 1 May 2023 Council meeting, they had asked staff to look at the funding and operating mechanisms for the Domain and noted that no decision was made at that meeting to include it in the next Long-Term Plan.

Attachments

- 1 Tabled Item - Grahame Benvie

3.2 Mr Christopher Pattison - The Domain and Memorial Park Development

Mr Pattison noted:

Key points

- Mr Pattison was a voluntary member of the Tauranga Model Engineers Club, which ran a model railway and provided a fun rail ride escape at a reasonable price, catering for an excess of 1,000 children and parents most of the days they operated.
- The Club had won a number of awards for the public service they provided and the track was considered one of the most popular tracks in New Zealand.
- The Club had become aware of the possible redevelopment of the Queen Elizabeth Youth Centre in the future and were concerned that this development may encroach upon part of the area that they leased.
- The track had taken a long time and a lot of money to create and any alternations must be properly engineered for safety reasons. The tracks could not be moved easily.
- While the Club realised that ongoing upgrades were inevitable and necessary within the city, members were in a state of uncertainty with the proposal and they were unable to carry out any maintenance on the buildings or track until they were secure in their future of the site.
- Members want to be involved in the planning of this project so they could also plan changes to their assets as these could not be made overnight.
- An invitation was issued to the Commissioners to visit the facilities so they could see for themselves and note the hard work put into it by members.
- In relation to the proposed changes to the Tauranga Domain, the submitter considered that this was less than ideal and would create more problems than it would solve.
- Mr Pattison asked that the Council think outside the square and, if a venue for rugby, soccer and conferences was needed, then start from a clean slate. Mr Pattison, suggested the

stadium be put on a greenfield site, where there was adequate room for support services, future expansion and easy access.

- Mr Pattison suggested that the land adjacent to Bell Road would be an ideal location as it was close to SH2, west of the future Te Tumu township, and could be served by the Pāpāmoa interchange offramp that was currently being built.

Discussion points raised

- Commissioner Tolley thanked Mr Pattison for the invitation to visit their facility saying that they would take up the offer. She was not aware of the impact on the Model Engineering Club as suggested and noted that they would be also considering the fountain and future plans for that area.
- It was noted that a site assessment of various locations had been undertaken a number of years ago and it was requested that this be provided to Mr Pattison for his information.

Attachments

- 1 Tabled item - Chris Pattison - Stadium Tauranga Domain
- 2 Tabled item - Chris Pattison - Stadium Tauranga Domain

3.3 Ms Margaret Murray-Benge - Bethlehem Road Kerb and Channelling

Ms Murray-Benge noted:

Key points

- The group in the audience accompanying the submitters consisted of residents living in the Bethlehem Country Club and Shores Lifestyle Village who lived there because it was flat and easy to move around for walking and cycling.
- The cycle/walkway currently being built on the paper road from Carmichael Road was beautiful and the sculpture would be admired and hopefully stop anti-social behaviour from occurring on the path.
- The submitters were concerned that there needed to be better pedestrian access to the new path, with the footpath on Bethlehem Road needing to be continued along Carmichael Road.
- While the work was on the list to be done, it had not happened and instead humps had been installed that the cars had to bump over, which was an invitation for anti-social behaviour.
- There was a suggestion of a pedestrian crossing with two areas to cross the road, but the path needed to be completed to meet the new paper road. Ms Murray-Benge said that this would be perfect and they were asking the Council to do that.

Mr Ian Travers noted:

- The submitter noted that he supported the completion of the section of Bethlehem Road from the Country Club to the Marae and beyond and the associated widening kerb and channelling that had been on the radar for many years.
- The work was long overdue with the increased usage and housing developments to ensure safety for all users.
- On the undeveloped section of road, there was a discharge of pedestrians from the Bethlehem Country Club, the Shores Retirement Village, Hangarau Marae and the general housing estate at the end of the road.
- The number of residents had increased dramatically in the last 10 years with 170 homes in the Country Club and 200 in the Shores and, with a further 58 units and 25 dementia units approved, it would increase the future traffic and mobile carers.
- There would be an increase in the number of vehicle movements with construction vehicles over the next few years.
- Council needed to be cognisant of the number of older residents living in the area, including their need for ease of access, along with regular ambulance and carers visits and to make the road as safe as possible.

- With tourism at the Marae increasing, the area should have the best access possible.
- The roading was narrow and the berms quickly turned to a quagmire. It was not much to ask for an attractive and functional road without delay.

Discussion points raised

- The Commissioners thanked the submitters for their comments and noted it was a familiar story with the works on the books, that kept getting pushed off.
- Staff had indicated that the work was high on the radar, but Commissioners would find out how high and make sure to give residents a clear written picture of the timeline for the works proceeding.

Attachments

- 1 Tabled Item - Margaret Murray-Benge
- 2 Tabled Item - Ian Travers

4 ACCEPTANCE OF LATE ITEMS**4.1 Appointment of Ngā Potiki ā Tamapahore Trust Board representative to the Wastewater Management Review Committee****RESOLUTION CO7/23/1**

Moved: Commissioner Shadrach Rolleston
Seconded: Commissioner Bill Wasley

That the late tabled report "Appointment of Ngā Potiki ā Tamapahore Trust Board representative to the Wastewater Management Review Committee" be accepted for consideration in the public excluded part of the meeting.

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 1 May 2023****RESOLUTION CO7/23/2**

Moved: Commissioner Bill Wasley
Seconded: Commissioner Shadrach Rolleston

That the minutes of the Council meeting held on 1 May 2023 be confirmed as a true and correct record.

CARRIED

8 RECEIPT OF MINUTES FOR INFORMATION

Nil

9 DECLARATION OF CONFLICTS OF INTEREST

Nil

10 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

11 RECOMMENDATIONS FROM OTHER COMMITTEES

11.1 Nga Poutiriao o Mauao - Membership

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Coral Hair, Manager: Democracy & Governance Services

RESOLUTION CO7/23/3

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Receives the report "Nga Poutiriao o Mauao - Membership".
- (b) Appoints Alison Law, Manager: Spaces and Places to Ngā Poutiriao o Mauao as the first Tauranga City Council representative if one Commissioner is absent to ensure a quorum.

CARRIED

12 BUSINESS

12.1 Letter of Expectation for Te Manawataki o Te Papa Limited

Staff Anne Blakeway, Manager: City Partnerships

Discussion points raised

- Objectives – add to third bullet point - enable *people from around* the region to attend a range of events and activities.
- Objectives – broaden the fifth bullet point to include the whole city centre not just the civic precinct.
- Relationship between Council and the Te Manawataki o Te Papa Limited Board - as elected members did not have the right to attend CCO Board meetings, it was suggested that the second bullet point stating they can attend be removed. The 'governance to governance' relationship should occur outside of the usual board processes, as with the other CCOs. Some reference to the relationship with Otamataha Trust needed to be included in this section.

RESOLUTION CO7/23/4

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

That the Council:

- (a) Receives the report "Letter of Expectation for Te Manawataki o Te Papa Limited".

- (b) Approves the Letter of Expectation from Tauranga City Council to the Board of Te Manawataki o Te Papa Limited, as amended. (Attachment 1).

CARRIED

12.2 Traffic & Parking Bylaw Amendment 44

Staff Nic Johansson, General Manager: Infrastructure Services
Brendon Bisley, Director of Transportation

In response to questions

- The changes were being made as a result of requests from residents, with individual changes outside of these properties being discussed with the business owners.
- There would be a full tidy up of the bylaw at the end of the works on Cameron Road, but as a result of the recent consultation minor changes were needed now.
- The consultation on the Cameron Road multimodal project commenced two years ago and had been ongoing for the past 12 months. Now that the construction had begun, further discussions were being held with owners as the work progressed.
- The plans were live on the website so were available at all times for people to look at. Any changes were communicated directly back to those affected.

Discussion points raised

- It was noted that people were not aware of the availability of parking in the off peak times between 11th and 12th Avenue and it was suggested that a blanket mail out be provided for Cameron Road residents and businesses once the works had finished, making it clear what parking was and was not allowed.
- Commissioner Tolley noted that the Public Transport Joint Committee was seeking a 10 year master plan, with full time bus lanes planned along Cameron Road, therefore the Council would need to make a decision as to whether or not all of the parking was taken out, as there needed to be a signal given that the Council would be working towards implementing the master plan.
- The Cameron Road multimodal project was about the changing face of Tauranga City, and with increased intensification planned along this main route, it was likely to be a different road in 10 years' time, and residents and businesses needed to be taken along on that journey of transformation.

RESOLUTION CO7/23/5

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "Traffic & Parking Bylaw Amendment 44".
- (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 30 May 2023 subject to appropriate signs and road markings being implemented.

CARRIED

12.3 Parking Rule Change

Staff Nic Johansson, General Manager: Infrastructure Services
Reece Wilkinson, Parking Strategy Manager
Brendan Bisley, Director of Transportation

Key points

- The change recommended was for paid parking to end during the week at 5pm and all day Saturday to ensure that the parking worked as it should within commuter hours and to relax them for those coming into the CBD for recreation.
- Consultation had been carried out with all parties.
- There had been a 17% increase in paid parking with many commuters parking 1-2 hours on the road. The turnover was as expected.
- Business owners had seen a drop in footfall outside of business hours.

In response to questions

- There was still work to be done to bring people into town after business hours.
- Staff were looking at an alternative method to use the leased parks in the parking buildings so there were more parks available at the lower levels at the off peak times. 43% of the bays were reserved for leaseholders, with the biggest occupancy rates on Tuesday and Wednesday.
- It would be useful to monitor the parking buildings to see any changes over time and to understand the occupancy of leased bays and to more efficiently use these bays.
- In response to a suggestion that staff liaise with Mainstreet to understand what their needs were and to hear how the hospitality sector was tracking, it was noted that staff had met with Mainstreet who were aware of the changes.
- Parking impacts on businesses would continue to be monitored over the next few months as the rebuilds in the CBD commenced.
- In response to a query regarding the use of the Dive Crescent and Cliff Road car parks in the evening, it was noted that Cliff Road was a pay park and if someone parked before the 7 pm cut-off they were able to leave at any time. As that area was residential it was not encouraged as a parking area in the later evening, as the residents would not want cars to be leaving in the early hours of the morning.

Discussion points raised

- A further recommendation was added asking staff to report on the effectiveness of the changes in six months' time.

RESOLUTION CO7/23/6

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Receives the report "Parking Rule Change".
- (b) Approves the following changes to the Traffic and Parking Bylaw 2012 to come into effect on 5 June 2023
 - (i) Clause 12,13.1 and 14, attachment 7.14 - Change the paid parking finish time to 5pm weekdays (currently 6pm).
 - (ii) Clause 12,13.1 and 14, attachment 7.14 - Introduce free parking on Saturdays in the City Centre.
- (c) Receives a report in six months' time outlining the effectiveness of the parking changes and the utilisation of the parking buildings.

CARRIED

12.4 SmartGrowth Leadership Group (Joint Committee) Membership and Terms of Reference

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

In response to questions

- It was noted that there had been some confusion from iwi regarding the appointment of tangata whenua representatives and it was agreed that this be raised as part of the next strategic review.

RESOLUTION CO7/23/7

Moved: Commissioner Bill Wasley

Seconded: Commissioner Stephen Selwood

That the Council:

- (a) Receives the report "SmartGrowth Leadership Group (Joint Committee) Membership and Terms of Reference".
- (b) Approves the SmartGrowth Leadership Group (Joint Committee) Agreement 2023 and SmartGrowth Leadership Group Committee Terms of Reference (attachment 1).
- (c) Notes that the recruitment process for the Independent Chair position is underway.
- (d) Reviews the appointment process of tangata whenua representatives as part of the SmartGrowth Strategic review.

CARRIED

13 DISCUSSION OF LATE ITEMS

13.1 Approval of extraordinary meeting - 6 June 2023

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

- Extraordinary Meeting 6 June 2023

The above item was not included in the original agenda because it was not available at the time the agenda was issued. Discussion on the 2023-24 Dog Registration fees cannot be delayed until the next scheduled meeting of the Council because a decision was required in regard to this item.

RESOLUTION CO7/23/8

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Approves an Extraordinary Council meeting be held on Tuesday, 6 June 2023 at the end of the Strategy, Finance and Risk Committee meeting to consider and adopt dog registration fees and charges for the year 1 July 2023 to 30 June 2024.

CARRIED

14 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RESOLUTION CO7/23/9

Moved: Commissioner Shadrach Rolleston

Seconded: Commissioner Stephen Selwood

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
14.1 - Public Excluded Minutes of the Council meeting held on 1 May 2023	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
14.2 - Exemption to Open Competition - Maintenance and Operations Services	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
14.3 - Request for Management Reserve for Building our future - Cameron Road, Te Papa Stage 1	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	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
14.4 - Marine Precinct Lot Purchase - 35 Hikuwai Place	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	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

14.5 - Appointment of Ngā Potiki ā Tamapahore Trust Board representative to the Wastewater Management Review Committee	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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CARRIED

At 10.55 am the meeting adjourned.

At 1.24 pm the meeting reconvened.

12 BUSINESS *(continued)*

12.5 Draft User Fees and Charges 2023/24 - Hearings

Staff Paul Davidson, Chief Financial Officer
Josh Logan, Team Leader: Corporate Planning

The following members of the public spoke to their submission to the Draft User Fees and Charges 2023/24.

A copy of all presentations and documents tabled at the hearing can be viewed on Tauranga City Council's (TCC) website.

(1) Sub No.132 – Mark Beech, Mark Rogers, Tauranga City Basketball and Jenny Kirk Tauranga Volleyball

Key points

Mark Beech, Counsel on behalf of the submitters noted:

- The combined basketball and volleyball club membership was 6,700 with 4,500 playing basketball and 2,200 playing volleyball.
- The sports were significant stakeholders as they were high use consumers of the indoor facilities and were adaptive and proactive organisations.
- While they understood the need to increase fees, the current increases would have a crippling effect on their organisations.
- Tauranga promoted community activities and sports and the clubs noted the many positive outcomes they provided, especially with regards to youth.
- The basketball and volleyball clubs ask that the proposal be rethought as increases of 28% to 50% had a damaging effect on these organisations which represent the community with people of all ages, from youth to the elder players, who were all active members of community.
- They also represented a diverse socio-economic base and diverse ethnic groups and asked the Council to help them to help the community.
- The submitters suggested that Council look at a proper analysis as to what user rates and charges may look like, as it was not an apples for apples comparison when comparing Tauranga with major centres. A more correct analysis would be from a regional perspective, with Hawkes Bay being similar in many ways.
- It was difficult to understand the basis for the increases when the facilities were to remain the same, with no capital improvements being proposed.
- The submitters asked the Council to blunt their pencil to better manage the costs of these facilities, noting that there must be cost savings to be made, and it was not good enough to say the increases were caused by inflation.

- The clubs accept that they would have to pay more, it was a matter of just how much, and if the charges were to be significant, they asked that these be grandparented and not short and sharp hits, as the clubs need the ability to plan, to fundraise and find their own cost savings.
- Volleyball was a voluntary organisation and it would be a significant burden to find additional money in such a short space of time.
- The submitters noted that there was a difference between indoor and outdoor sports and asked that an analysis be done, with the differing rates and changes, as there should be equity across codes, especially in relation to the benefits within the community.
- Basketball was the fastest growing sport in New Zealand at present.
- There were significant differences in the charges, with volleyball being incidental through the secondary schools. These clubs also produced a number of top level athletes each year.
- Both organisations attracted a large number of competitions which meant that there was money and benefits coming into the community. Competitions were becoming harder to run and they would have to hike up entry fees, which could make it prohibitive for some.
- The submitters made a plea for Council to have a firm understanding of what all of the charges were, the timing, the need for time to plan, and for equity and fairness, as it was getting harder and harder to play.
- Mr Rogers noted that there were 50 older basketballers who played walking basketball twice a week.
- Basketball was the barrier at the top of the cliff, rather than the ambulance at the bottom, and the submitters asked that Council did not undersell sport and the benefits it provided to the community.

In response to questions

- Commissioner Tolley apologised to the clubs and noted that there were further recommendations proposed to add to those in the report.
- Commissioners were feeling a bit discombobulated as many of the charges were set by Bay Venues Limited (BVL) but as BVL were not at the meeting to hear the submitters they were unable to address the concerns raised.
- Fairness between the indoor versus outdoor activities would be taken up with staff.
- Tauranga was considered a major city however, Commissioners take the point about the lack of investment over the last 20 years and were trying to address that.
- Council became involved as any balance of costs needed to be made up from ratepayer funding.
- Council would hold further discussions with BVL regarding the state of some of the facilities, the methodology with the comparison of fees with other users and the wider benefit to the community to have organisations maintain activities for residents.
- The dilemma being faced by the Council was that if the fees were not raised, and the facilities were not up to grade, the ratepayers had to fund the balance. It was also noted that BVL did not run at a profit.
- Ms Kirk noted that the volleyball players were charged \$1.20 per activity and an increase of 46% would put them close to what you would pay in Hamilton. It was hard to put a per person rate on each session, with 4,000 players per week it was an insignificant way to look at it. Last year there had been a 5.9% increase after covid and the hall hire was 40% of the volleyball club's annual expenses.
- Bay Park was a fabulous venue and Tauranga was a popular venue for national and regional volleyball tournaments.
- Mr Beech noted that there was the cost to players and the cost to the organisation, and if a family had three children playing a sport, you needed to look at what an increase meant to a family. The clubs had to consider how much of the cost it passed on the players and how to make up the shortfall, so it was a balancing act. The cost of the kit and equipment also needed to be taken into the dynamics for families to play.

- Basketball paid \$100,000 in rental each year.
- The submitters asked where the analysis was that these decisions were being based on. The decision put pressure on the sporting community which had caused the reaction that it was not OK.

(2) Sub No.5 - Julie Batten, Fusion Dance

Key points

- The submitter had run a social dance class at the Elizabeth Street Community Centre for some time.
- The standard of the facility does not reflect the price of other facilities around the country or warrant a 96% increase from January 2024.
- The facilities do not match those at the Arataki Community Centre and the submitter was at a loss to understand why the prices were the same. She also had to pay extra costs for heating, the floor was in poor condition and needed to be relayed to cover the holes and she often had to vacuum and sweep before starting her classes. While she had laid complaints, nothing was ever done as some users did not clean up when leaving.
- Most of the dancers were younger adults that were not high income earners or were parents who had to prioritise the needs of their children. The submitter felt that she could not pass on a 96% increase to them.
- The submitter would need to look at moving to another venue if the price was to rise that much, but as it was a good central location, she did not want to do that.
- The submitter understands that Council were tidying up a mess made by the previous Council and that the town was growing with the ratepayers getting hammered at one end and another so it was not easy to sort.

In response to questions

- The submitter noted that she used the facility because it was central and did not get as many people when using other venues like the Arataki Community Centre.
- A casual class was \$15 and it would not be fair to nearly double that. The new fees would mean that a couple would have to pay \$50 to attend a session.
- Hire costs were currently \$300-400 a month and this would increase to \$600 a month, so there would need to be a big jump to cover those costs.
- Dance provided a social and leisure outlet and was a good mental and physical activity.
- There were between 25-40 participants at the sessions and teachers were employed.
- While it was run as a business, it was not profit making, and the charges were made to cover the costs to dance one night a week.

(3) Sub No.43 – Frances Wilcockson – Matua Majors Leisure Marching Team

Key points

- The leisure marching team were made up of a group of ten 70-80 year old's using the Mount Leisure Sports Centre from mid-January to mid-November each year.
- Currently they paid an affordable weekly fee of \$5.00 which all participants could contribute to. The activities needed to be accessible and affordable.
- The group were rated in the youth category for venue hire fees.
- The group delight in keeping fit in mind, body and soul and news of the increase in the rate was devastating and had affected them markedly, as noted in the points made in the submission.
- They were not affiliated to any association and were a standalone group.
- Consideration had been given to practicing outside at no cost, but having done this in the past when it was cold and wet the practices did not happen and had resulted in people missing too many practices. Due to lack of continuity the team would likely fall apart.
- Community halls were too small as they needed a minimum space equal to a basketball court to accommodate the march plan.

- Looking at similar venues, they would put the Aquinas School venue first, Merivale School second and the Mount Sports Centre third as it was more like a community hall with the bare facilities, hot in the summer, cold in the winter and needed money to sort out the work that was needed.
- The submitter questioned why the Council wanted to align the increased costs in one hit and suggested that small steps be taken so that it did not affect a clubs viability. This was more realistic and in keeping with inflation.
- The group object to possibly being priced out of the market with one 79% increase which had impacted on them to a point where they did not know what was envisaged for them in the long term. The submitter suggested charging the increases over 1-3 years instead of in one hit so that users could plan better for their longevity.
- While some groups had a larger financial base, the marchers were only 10 people who were continually working throughout the year to fundraise so that they could compete in regional and national events with the 1,000 other leisure marchers in New Zealand.
- It was better for the community if they stayed actively involved in healthy activities.
- Cutting down on practice time would not allow the ladies to have the time that they needed to learn the routines.

In response to questions

- In response to a query as to whether the group had applied for community funding, the submitter noted that they had not applied for Council funding as they were not affiliated to any group. They had applied to the Lotteries Commission and Pub Charities to attend competitions with varying success.
- Members paid \$5 per session and they did not want to have to raise that to cater for the increase of hire from \$16.50 to \$29.20 per session. If they did not increase their members contribution they would not have any money left in the kitty for other things.
- The Leisure Centre was totally different to the Aquinas School and Merivale School centre, it was the poor cousin so should not be bracketed with those facilities.

(4) Sub No.27 - Perry Farrell

Key points

- The submitter noted that he wanted to put forward a smaller promoter point of view.
- He was not like the bigger organisations, but still had a number of fixed costs to put on feasible events such as the Beast of a Feast.
- There was a price ticket limit of \$50 imposed by the Council's own policy or the price changed for hiring venues from \$340 to \$3,000 per day.
- Increasing the ticket price limit to \$60 would help a lot to reduce costs as there was a minimum of \$60-80,000 to get festivals off the ground. The current charge had resulted in a lot smaller margins and it had taken a while to bounce back from Covid.
- The submitter noted that a recent festival held on the Tauranga waterfront for 1,000 people was helped by the Council waiving part of venue fee, but then the weather was bad so attendance was not as expected. The fee reduction had helped and they would look at running the event again next year.
- Due to fixed and increasing costs, it was hard to run an event for under \$50 a ticket these days.

In response to questions

- The submitter stressed that Council staff were always very helpful, but noted that there was no change in the level of service provided by the Council for the price difference.

General discussion points raised

- Include four further points to the recommendations to better consider the points raised by submitters.
- A decision was needed for adoption of the schedule by 19 June 2023.
- 95% of the submissions related to facilities operated by Bay Venues Limited, so they needed to

be part of the process.

RESOLUTION CO7/23/10

Moved: Commission Chair Anne Tolley

Seconded: Commissioner Bill Wasley

That the Council:

- (a) Receives the report "Draft User Fees and Charges 2023/24 - Hearings".
- (b) Receives the written submissions on the "Draft User Fees and Charges 2023/24" (**Attachment 2**).
- (c) Receives submission numbers 138 and 139 that were received after submissions closed at 5pm on 24 April 2023.
- (d) Receives the verbal submissions from those submitters that wish to speak to their submission.
- (e) Meets with Bay Venues Limited Board to discuss the submissions.
- (f) Discuss the indoor verses outdoor venue costs and charges with Spaces and Places staff.
- (g) Discuss targeted community grants to support community activities with the community grants staff.
- (h) Discuss the future process to hear submissions on user fees and charges where Bay Venues Limited fees and charges are included.

CARRIED

15 CLOSING KARAKIA

Commissioner Shad Rolleston gave the closing karakia.

The meeting closed at 2.28 pm.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 19 June 2023.

.....
CHAIRPERSON

7.2 Minutes of the Extraordinary Council meeting held on 6 June 2023

File Number: A14781058

Author: Anahera Dinsdale, Governance Advisor

Authoriser: Anahera Dinsdale, Governance Advisor

RECOMMENDATIONS

That the Minutes of the Extraordinary Council meeting held on 6 June 2023 be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of the Extraordinary Council meeting held on 6 June 2023



MINUTES

**Extraordinary Council meeting
Tuesday, 6 June 2023**

Order of Business

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2	Acceptance of Late Items.....	3
3	Confidential Business to be Transferred into the Open.....	3
4	Change to the Order of Business	3
5	Declaration of Conflicts of Interest.....	3
6	Business.....	3
6.1	Dog Registration Fees 2023 / 2024.....	3
7	Discussion of Late Items.....	4
8	Closing karakia	4

**MINUTES OF TAURANGA CITY COUNCIL
EXTRAORDINARY COUNCIL MEETING
HELD AT THE GROUND FLOOR MEETING ROOM 1, 306 CAMERON ROAD, TAURANGA
ON TUESDAY, 6 JUNE 2023 AT 4:20 PM**

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

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paula Naude Acting (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Sarah Omundsen (General Manager: Regulatory and Compliance), Brent Lincoln (Team Leader: Animal Services), Nigel McGlone (Manager: Environmental Regulation), Coral Hair (Manager: Democracy & Governance Services), Sarah Drummond (Governance Advisor)

1 APOLOGIES

Nil

2 ACCEPTANCE OF LATE ITEMS

Nil

3 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

4 CHANGE TO THE ORDER OF BUSINESS

Nil

5 DECLARATION OF CONFLICTS OF INTEREST

Nil

6 BUSINESS

6.1 Dog Registration Fees 2023 / 2024

Staff Brent Lincoln, Team Leader: Animal Services
Sarah Omundsen, General Manager: Regulatory & Compliance

Key points

- The dog registration fees were set annually by the Council.
- It was proposed to increase the standard fee by \$3 to \$100 per dog with a penalty of 50% of the standard fee if not dogs not registered by 31 July 2023.

In response to questions

- The activity was funded 70% private benefit and 30% public benefit to recognise the wider public benefit of this activity.
- Comparisons with other councils in the Bay of Plenty showed that Tauranga City Council was the same as Western Bay of Plenty, less than Rotorua Lakes but higher than Whakatane

District, although councils had different levels of public funding which made comparisons difficult.

RESOLUTION CO8/23/1

Moved: Commissioner Bill Wasley

Seconded: Commissioner Shadrach Rolleston

That the Council:

- (a) Receives the report "Dog Registration Fees 2023 / 2024".
- (b) Increases the dog registration standard fee by \$3.00 to \$100.00 per dog.
- (c) Sets the penalty for dogs that are not registered by 31 July at 50% of the standard fee.

CARRIED

7 DISCUSSION OF LATE ITEMS

Nil

The meeting closed at 4:24 pm.

The minutes of this meeting were confirmed at the Ordinary Meeting of the Tauranga City Council held on 19 June 2023.

.....
CHAIRPERSON

8 RECEIPT OF MINUTES FOR INFORMATION

Nil

9 DECLARATION OF CONFLICTS OF INTEREST

10 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

11 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

12 BUSINESS

12.1 Review of Council funding of Bay Venues to ensure ongoing sustainability

File Number: A14392109

Author: Anne Blakeway, Manager: City Partnerships
Susan Braid, Financial Analyst

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The purpose of this report* is to provide Council with options to ensure the ongoing long-term financial sustainability of Bay Venues and to recommend a preferred option for Council approval. This includes reviewing Council's funding of Bay Venues, along with its capital structure and funding principles.
 2. This report proposes changes to the, and also requests an increase of \$5 million to the Intra-Group Two-Way Loan Agreement between Tauranga City Council and Bay Venues.
- * *Noting that this report has been jointly prepared by staff from Tauranga City Council and Bay Venues, and co-authored by Paul Davidson, Chief Financial Officer, and Simon Clarke, Bay Venues Chair, on behalf of the Bay Venues Board.*

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Review of Council funding of Bay Venues to ensure ongoing sustainability".
- (b) Approves the updated Bay Venues Funding Principles, which will be incorporated into the revised Enduring Statement of Expectations coming to Council later this year.
 - Noting that this includes the transfer of Mercury Baypark Arena 6-court, Arena Suites and Stadium, Lounge, Pavilions and Fields, as well as Bay Audio Visual, Bay Events and the Adams High Performance Centre from the "non-funded network" to the "funded network."
- (c) Approves the recommended Option 4, specifically:
 - (i) Fund depreciation to cover renewals for all community assets: increase rates funded depreciation contribution by \$3.6 million per year, taking total depreciation funding to \$7.7 million per year.
 - (ii) Increase the operating subsidy to achieve break-even: increase the operating subsidy by \$3.0 million, taking the total to \$8.2 million per annum, to ensure Bay Venues can deliver its services to the community on behalf of Council.
 - (iii) Re-balance Bay Venues debt structure: Council to re-balance the debt-to-equity ratio by reallocating \$15 million of capital to offset losses incurred as a result of the COVID pandemic and unfunded assets (e.g., Baypark, Adams High Performance Centre and asset revaluations).
 - (iv) Debt retirement from depreciation reserve to no longer fund Bay Venues debt retirement from FY25 onwards, but instead used to retire Council's debt on the capital re-allocation.
 - (v) Increase the annual interest grant to an average of \$921,000 per annum across the Long-term Plan 2024-2034 period (\$997,000 in FY25).
 - (vi) Noting that all of the changes above will be subject to prioritisation within the

Long-term Plan 2024-2034 process, which may include phasing options. If approved, the changes will take effect in FY25.

- (d) Approves a request, on behalf of Bay Venues, for a temporary increase of \$5 million to the Intra-Group Two Way Loan Agreement between Tauranga City Council and Bay Venues, from \$30 million to \$35 million in FY24, to ensure there are sufficient short-term funds available to cover the forecast operating deficit before the recommendations above are implemented in FY25.
- Noting that this is subject to Tauranga City Council being able to remain within its Treasury Policy limits, and to Bay Venues continuing to work with Council staff in monitoring their cashflow position.

EXECUTIVE SUMMARY

3. On 27 April 2021, the McGredy Winder Strategic Review of Bay Venues Limited found that the current business model, with the current level of Council contribution, was not sustainable.
4. It was suggested, along with a number of other recommendations which are now complete, that there needed to be a subsequent review of Council funding to ensure ongoing sustainability, and that the amount of community subsidy not currently being funded to Bay Venues should be included in the Long-term Plan 2024-2034 (LTP).
5. Over the last few months, staff from Bay Venues have been working closely with Tauranga City Council's (TCC) Finance team to ensure it is able to appropriately maintain, operate and invest in the facilities it owns and manages on behalf of Council and the community. As a result, the Bay Venues Board has recommended that the current balance sheet and current funding arrangements with Council are re-set to secure the organisation's long-term financial viability.
6. An earlier component of this work focussed on user fees and charges and was presented to Council on 20 March 2023 and recommended aligning Bay Venues' user fees and charges with a national benchmark.
7. This paper is the next part of this work, and it is recommended that the outcomes are adopted as part of Council's Long-term Plan 2024-34. This paper addresses three key areas:
 - (a) Depreciation funding: the costs associated with replacing the assets that Bay Venues manages on behalf of Council.
 - (b) Operating subsidy: the amount Council contributes to Bay Venues to enable it to deliver its responsibilities to the community in managing and maintaining its network of facilities.
 - (c) Debt structure: the amount of debt allocated by Council to Bay Venues against its assets.
8. This is in line with an agreed revised set of funding principles, outlined in TCC's Enduring Statement of Expectations with Bay Venues (see sections 50 to 57 and Attachment 1 of this report).
9. The paper describes the current state, provides options and makes recommendations to ensure a financially sustainable future state for Bay Venues.
10. PwC has completed an independent review of this paper, the background analysis behind it and the recommendations, which is provided at Attachment 2.
11. While PwC has outlined some further recommendations (page 13, Attachment 2), they have not identified any material calculation errors during the course of their work, nor do they

consider there to be any adverse tax consequences to Bay Venues or TCC if the proposed funding option is adopted.

12. In addressing the ongoing impact of COVID-19, along with the legacy issues identified through the review, Bay Venues has formally requested an interim increase of \$5 million in the Intra-Group Two-Way Loan Agreement between Tauranga City Council and Bay Venues, from the current \$30 million to a proposed \$35 million. This will enable Bay Venues to have the necessary flexibility to manage the timing of cashflows, until the proposed changes can be adopted in the Long-term Plan 2024-2034.
 - This would be subject to Tauranga City Council being able to remain within its Treasury Policy limits, and to Bay Venues continuing to work with Council staff in monitoring their cashflow position, including salaries and wages and other non-essential operating expenses.

BACKGROUND

13. Bay Venues is a council-controlled organisation and kaitiaki of 24 community facilities in Tauranga Moana, creating value for Tauranga City and enriching the lives of its people, now and into the future.
14. Bay Venues was established by Council on 1 July 2013, and there have been no significant changes to the financial operating model or capital structure since November 2014.
15. The original expectation that Bay Venues would be commercially profitable to the point that it would increasingly offset the cost of running Council's community facilities has proven to be unrealistic and unsustainable over the past ten years.
16. Bay Venues' facilities incorporate aquatic facilities, community centres and halls, sports and fitness facilities and event venues such as Mercury Baypark. Within these venues Bay Venues offer a broad range of sport and leisure activities including recreation programmes, event services and high-performance sport services that enhance the lives of Tauranga residents.
17. Bay Venues currently has approximately 350 staff, with staff numbers evenly split between full time, part time and casual staff.
18. Bay Venues' vision is to provide "*the best venues for the Bay*". Their mission is to be "*the kaitiaki of Tauranga's network of community facilities*", and their purpose is to "*connect our community through exceptional experiences*." This requires ensuring the facilities, services and events it operates are appropriately resourced to enable quality outcomes for the community.
19. Tauranga has experienced high population growth of approximately 35% over the last decade, and this is estimated to continue in the decade ahead.
20. The 24 facilities that Bay Venues manages on behalf of Council are ageing, with three quarters between 30 and 80 years old. Due to very limited capital funding from Council, there has been no investment in new facilities and very little investment in the existing facilities over the past ten years.
21. The venues operated by Bay Venues have traditionally been split into the community network of 'funded assets' (i.e., aquatic, sports and community facilities) and what was considered at the time to be more commercially focused 'non-funded assets' (i.e., event facilities and commercial assets). Council has traditionally only provided capital funding for the 'funded' assets. While Council only funding community assets is appropriate, the classification of a few key assets has been re-assessed based on their value to the community.
22. The COVID pandemic has had a significant impact on Bay Venues' financial performance over the past four years, with operating losses of approximately \$5 million having been incurred from 2019 to 2023. These losses have been debt funded via Bay Venues Intra-Group loan with Council.

23. While visitation to the Bay Venues network has nearly recovered to pre-pandemic levels, Bay Venues' ability to grow revenue is limited as the venues are operating at or near full capacity.
24. The current high-cost growth environment in New Zealand has seen significant increases in operating costs for Bay Venues over the past three years. Unprecedented increases in costs are being incurred across all areas of the business (e.g., living wage +9.9%, electricity +34%, insurance, maintenance contracts etc.)
25. Historically, Bay Venues has been able to offset rising costs through attracting more activity into its facilities as the population has grown. However, with revenue growth being limited by constrained venue capacity, along with rapidly escalating costs, this is no longer achievable.
26. For Bay Venues to be financially sustainable in the long-term, either additional Council funding is required, or the existing level of service would need to be reduced significantly (e.g., reducing operating hours, ceasing programmes and/or closing some facilities). With strong population growth continuing, and while new community infrastructure is being planned and delivered, it is not considered desirable to reduce the current level of service.
27. If Bay Venues funding is not re-set, then it is projected that Bay Venues Intra-Group loan with Council will increase to an unsustainable \$112 million by FY34.

- **Legacy decisions by Council**

28. The 17 November 2014 report (DC325) referred to a previous decision by Council not to fund depreciation at Mercury Baypark Stadium and across the wider Baypark site (except for the Arena), as Council had decided that the Stadium would only be replaced if there was funding from a third party.

- However, this decision has had a detrimental impact on Bay Venues' ability to run events safely and efficiently. The Mercury Baypark Stadium must be kept in safe working order for Speedway and other use until at least 2029.

29. On 19 May 2015, the DC138 report provided Council with an update on the Adams High-Performance Centre project in the former Mount Cosmopolitan Club at 52-54 Miro Street, Mount Maunganui. This report included an attachment from the Wardale Group, which provided updated financial implications and suggested that:

- *"BVL will depreciate the asset, but the depreciation remains ratepayer funded. Council will fully fund the depreciation and use this fund to pay for all required building repairs, maintenance and renewals."*

- However, as no resolution was formally approved by Council at that time, depreciation on the Adams High Performance Centre remains only partially funded.

30. Bay Venues has needed to fund the renewal of these assets over their life to date to ensure that they are kept safe and operational. While this has been at a lower than optimal level this expenditure (\$8.2 million) has been funded via Bay Venues' Intra-Group loan with Council.

- **Depreciation funding**

31. Council is currently contributing \$4.1 million per year towards depreciation of Bay Venues' funded assets. The current cost of depreciation on Bay Venues funded assets is \$6.3 million per year, resulting in a shortfall of \$2.2 million per year. This funding gap has resulted from the legacy decisions outlined above, as well as prior asset revaluations which have resulted in higher asset values and associated depreciation.
32. As depreciation has been under funded for some Bay Venues assets since Bay Venues commenced operation (over the past ten years), renewal of these assets has been limited over this time because of this financial constraint. There is now a catch up in renewals work required to ensure that these previously unfunded assets are maintained appropriately.
33. A renewals programme of \$92 million has been budgeted over the next ten years across all funded assets at Bay Venues. To ensure that there is enough funding to cover this programme (in addition to the existing depreciation reserve of \$14 million), an increase of annual depreciation funding by \$3.6 million to \$7.7 million per annum is recommended.

34. The additional \$1.4 million depreciation funding per annum will offset the historic underfunding of depreciation and will ensure funds are available to cover the anticipated renewals programme over the next 30 years. This would reflect the longer-term approach to depreciation reserve sustainability (in line with the infrastructure strategy timeframe).
- This additional funding would be expected to be in place for the next ten years and would be reassessed and updated in future LTPs as needed.
35. Bay Venues has some assets in its network that are currently funded but are not intended to be replaced. Depreciation on these assets has been deducted from the total required depreciation funding.
36. The following table summarises the depreciation shortfall per annum:

Facility	Annual Depreciation
Baypark (excluding Arena as already funded)	\$1.2 million
High Performance Centre	\$0.2 million
New Capital Community Assets	\$0.3 million
Asset revaluations	\$0.9 million
Depreciation for FY24 new capital (lights and office refurbishment)	\$0.1 million
Less: Assets not intended to be replaced	(\$0.6 million)
Total depreciation gap	\$2.2 million
Plus: offset historic underfunding to ensure LTP renewals budget is funded	\$1.4 million
Recommended depreciation increase	\$3.6 million

37. In addition to changes to depreciation charges, TCC's finance team has recommended that the current practice of Bay Venues' debt being retired from the depreciation reserve is discontinued from FY25 onwards, and that funding is instead allocated to retire Council's debt on the proposed capital reallocation outlined below.
- **Operating subsidy**
38. Council has budgeted to provide an annual operating subsidy of \$5.2 million per annum through the Annual Plan 2023/24 to operate the funded network. The funding model has not been reviewed over the past ten years and therefore the level of operating subsidy has been largely unchanged since Bay Venues commenced operation, aside from annual CPI increases and living wage increases.
39. Proposed user fee increases are budgeted to increase funding by \$1.1 million per year from FY24.
40. After the increased user fees, Bay Venues has a budgeted operating deficit of \$3.0 million in FY24. To achieve a sustainable financial model Bay Venues needs to be operating at least to a break-even position.
41. This budget deficit is being driven by:
- Significant increases in operating expenses e.g., a 9.9% increase in the Living Wage, a 34% increase in electricity costs and significant increases across the business in insurance, maintenance costs, audit fees etc.
 - The ability to offset cost increases with revenue is limited as major facilities are at, or close to, full capacity. Plans to address city wide capacity issues will not be operational for some years to come.
 - Increasing staff capacity to manage the maintenance and capital investment required to keep the aging and busier facilities open and safe for the community.
 - Additional funding to address ongoing security, sustainability and maintenance issues.
42. Bay Venues works hard to offset the cost of operating the city's community facilities by operating a range of commercially focused business units that would normally be associated

with public venues (e.g., gyms, learn to swim, catering and audio-visual operations). These commercial operations are expected to offset costs by \$2.5 million (EBITDA) in FY24.

- In addition, by managing these more commercially focused activities in-house Bay Venues can keep a strong focus on the levels of customer service, health and safety and venue maintenance and presentation. Economies of scale are also gained and allow overhead and management costs to be spread across a wider number of business activities (e.g., IT networks, finance systems, training programmes etc).

43. By not providing the additional funding for requirements around security, sustainability and maintenance the budget deficit could be reduced to \$2.4 million in FY24. This would increase the level of risk to the organisation and community.
44. It is proposed that the operating subsidy is increased to allow Bay Venues to achieve breakeven and that it will be adjusted annually in line with the CPI.
45. If there were no or less additional operating subsidy from Council, Bay Venues would need to review the level of service it provides to maintain a sustainable financial position. Reducing the level of service could include reducing operating hours of some facilities, ceasing programmes and/or permanently closing some facilities. With strong population growth continuing, and while new community infrastructure is being planned and delivered, it is not considered desirable to reduce the current level of service.

- **Debt structure**

46. Bay Venues' debt with TCC is currently \$27 million and is forecast to exceed the current ceiling of \$30 million within the next six months.
47. Bay Venues' debt with Council has increased significantly over the last three years, from \$17.1 million in June 2019 to \$27 million today. This increase has primarily been driven by operating deficits during the COVID pandemic, as well as the requirement to debt fund the non-funded renewal assets at Mercury Baypark and the Adams High Performance Centre (as outlined previously).
48. The current Bay Venues debt to equity ratio is 22%, which has increased from 15% compared to same time last year. As a comparison, TCC has a current gearing ratio of 13%.
49. Bay Venues recommends that Council reallocates \$15 million of capital against the existing Intra-Group loan to offset the impact of the following events:
 - (a) Financial impact of the COVID pandemic over the last four years has been approximately \$5 million.
 - (b) Under-funded assets: Bay Venues has previously used debt (from Council) to renew its assets at Mercury Baypark, the Adams High Performance Centre and other smaller community asset improvements, e.g., aqua play at Baywave. The total amount of investment has been \$8.2 million.
50. As each of the three elements considered above are inter-related, Council must consider them together and four options are presented below.

- **Enduring Statement of Expectations – Funding Principles**

51. TCC staff are currently undertaking the five-yearly review of Council's Enduring Statements of Expectation with all of its substantive council-controlled organisations, which will come to Council for approval in July 2023.
52. The current funding principles contained in Bay Venues' Enduring Statement of Expectations are provided at Attachment 1(a) and are no longer fit for purpose.
53. A revised set of funding principles are provided at Attachment 1(b) and, subject to approval by Council, will be included in the Bay Venues' Enduring Statement of Expectations when it is updated.

54. The proposed funding principles include that Bay Venues is expected to meet its approved budget and that its loan should not increase over time on its existing assets, with an aim to decrease debt if possible.
55. The principles outline the expectation that the funded network user fees and charges should align with comparable facilities around the country and be reviewed three-yearly as part of the Long-term Plan process. In addition, the operating grant should fully cover the net cost of running the funded network. Depreciation and debt servicing should be funded by Council on all new capital and renewal assets in this network.
56. Across the non-funded network, Bay Venues' assets should make a profit, and not require an operating subsidy or depreciation funding. Bay Venues will cover its debt and depreciation costs but, where non-funded assets provide significant community benefit, it may apply to Council for funding.
57. All recommendations in this paper are consistent with the revised funding principles.
58. In addition, some changes have been proposed to the *Funded and Non-Funded Facilities and Activities, as related to the Enduring Statement of Expectations*, and provided in Table 1 of Attachment 1.

- **Increase to the two-way loan agreement between Tauranga City Council and Bay Venues**

59. On 11 April 2022, due to the ongoing financial impact of COVID-19, Council approved a request from Bay Venues for an increase of \$5 million to the Intra-Group Two-Way Loan Agreement, bringing the total loan agreement to \$30 million.
60. Since the re-opening of facilities post COVID-19, Bay Venues operating performance has remained in a deficit position, with FY23 forecast Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) at -\$1.7 million.
61. Operating costs have risen significantly over the past 12 months, and Bay Venues' ability to offset costs through additional revenue has been diminished as many of its larger facilities are near capacity.
62. For the Board to be satisfied that Bay Venues is in a position to continue to meet its debts and obligations as they fall due, they have asked for a formal interim extension of the two-way loan agreement of \$5 million, from \$30 million to a proposed \$35 million before the financial year end on 30 June 2023. This will enable Bay Venues to have the necessary flexibility to manage the timing of cashflows, until the proposed changes outlined in this report can be adopted in the Long-term Plan 2024-2034.

STRATEGIC / STATUTORY CONTEXT

63. Council's partnerships with its council-controlled organisations help us deliver our community outcomes.
64. As a council-controlled organisation, it is important to ensure Bay Venues is financially sustainable and able to appropriately maintain and invest in the assets it manages on behalf of the city to enable it to meet its obligations to the community.

OPTIONS ANALYSIS

65. The options analysis below considers the depreciation funding, operating subsidy and Bay Venues' debt structure in turn, before presenting four options that include each as they are inter-related from an accounting perspective.

- **Option 1 - NOT RECOMMENDED**

66. Retain the status quo:
 - (a) Only current funded network asset renewals to be funded from the depreciation reserve, with the balance to be funded by Bay Venues' debt.

- (b) Depreciation contribution consistent with FY24 budget.
 - *Note: Depreciation for new office refurbishment added from FY25 onwards.*
- (c) Bay Venues' debt retirement continues to be funded from the depreciation reserve.
- (d) No change to the operating subsidy or interest funding, resulting in annual losses increasing Bay Venues' debt to Council.

Advantages	Disadvantages
<ul style="list-style-type: none"> • No additional impact on rates. 	<ul style="list-style-type: none"> • Depreciation on assets is not being appropriately funded by ratepayers. • Depreciation reserve unsustainable due to increasing debt retirement over time - \$14 million deficit by end of FY34. • The Intra-Group Two Way Loan Agreement would need to be increased significantly (from \$30 million FY23 to \$112 million FY34). • Council will have poor visibility of Bay Venues' performance under this model. • Debt to equity ratio 73% by FY34 due to annual losses and renewals on non-funded network being covered via debt and non-funded interest on total debt. • Lack of available renewal funding will result in under investment in community facilities and drop in quality. • Bay Venues' operating environment is severely constrained, and it will struggle to provide the agreed levels of service expected by the community. • The community can expect the closure of facilities where funding is not available to keep them maintained. • Does not allow Bay Venues to maintain levels of service to the community.

- **Option 2 - NOT RECOMMENDED**

67. Increase funding to Bay Venues, specifically:

- (a) Transfer assets to the funded network, i.e., Mercury Baypark Stadium and surrounds, Adams High Performance Centre and other community assets - see attachment 1(b).
- (b) Increase depreciation contribution by base level of \$2.2 million per annum, taking total depreciation funding to \$6.3 million per annum, to cover Mercury Baypark, Adams High Performance Centre and asset revaluations, less assets not intended to be replaced from FY25.
- (c) Interest grant increased to an average of \$1.1 million per annum across the Long-term Plan 2024-2034 period.
- (d) A capital reallocation of \$10 million to Bay Venues in FY25, which will offset the financial impact of the pandemic and un-funded asset purchases at Mercury Baypark and the Adams High Performance Centre. The debt ratio should be reviewed every three years. The capital injection will have no direct impact on rates.

- (e) Debt retirement from depreciation reserve to no longer fund Bay Venues' debt retirement from FY25 onwards, but instead used to retire Council debt on the \$10 million capital reallocation.
- (f) Operational subsidy increased to offset operating deficit of \$2.4 million (FY24) adjusted annually by CPI.

Advantages	Disadvantages
<ul style="list-style-type: none"> Bay Venues can deliver much needed investment in the facilities and commit to the first three years of its LTP investment plan. Bay Venues achieves break-even operating position, based on increased operational grant subsidy, which gives TCC good visibility of Bay Venues' performance. 	<ul style="list-style-type: none"> Additional rates funding of \$5.4 million per annum will be required. Depreciation reserve will end up with a deficit of \$10.2 million by the end of year three of the LTP. Limited ability to maintain the standard of Bay Venues' facilities, investment will continue at current rate. Debt will increase by ~\$10 million by FY34. Will not allow Bay Venues to bring facilities up to standard, effectively not catching up on historic under-investment. Gearing ratio will be above target and higher than Council (23% vs 15%). Will not allow Bay Venues to fully fund renewals programme for the current LTP.

- **Option 3 – ACCEPTABLE OPTION, BUT NOT RECOMMENDED**

68. Increase funding to Bay Venues, specifically:

- (a) Transfer assets to the funded network, i.e., Mercury Baypark Stadium and surrounds, Adams High Performance Centre and other community assets - see attachment 1(b). (As per Option 2).
- (b) Increase depreciation contribution by \$3.6 million per annum (\$2.2 million per annum as per Option 2, plus additional \$1.4 million per annum), to ensure a fully funded renewals programme over the LTP. This takes total depreciation funding to \$7.7 million per annum, and includes funding for Mercury Baypark, Adams High Performance Centre and asset revaluations, less assets not intended to be replaced from FY25. The additional \$1.4 million per annum will help to cover the historic shortfall, ensuring sufficient funds are available to cover the planned renewals programme over the next 30-year period.
- (c) Interest grant increased to an average of \$0.9 million per annum across the LTP period.
- (d) Operational subsidy increased to offset operating deficit of \$2.4 million, adjusted annually by CPI. (As per Option 2).
- (e) A capital reallocation of \$15 million to Bay Venues in FY25, which will offset the financial impact of the pandemic and un-funded asset purchases at Mercury Baypark and the Adams High Performance Centre and will ensure that the debt-to-equity ratio is consistent with the Council gearing ratio as per the 2024 Annual Plan. The debt-to-equity ratio should be reviewed every three years. The capital reallocation will have no direct impact on rates. This is an increase of \$5 million on Option 2.

- (f) Debt retirement from depreciation reserve to no longer fund Bay Venues' debt retirement from FY25 onwards, but instead used to retire Council's debt on the \$15 million capital reallocation.

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Advantages	Disadvantages
<ul style="list-style-type: none"> • Enables a re-set for Bay Venues, dealing with the legacy of underfunding depreciation. • Provides a clear and transparent funding model, that is sustainable through the LTP period to 2034. • Depreciation reserve will be sufficient to cover the current level of investment in Bay Venues' assets for the whole LTP period to FY34. • Bay Venues can deliver much needed investment in the facilities and commit to its LTP renewals and investment plan. • Bay Venues will be able to provide the levels of service expected by the community. • Debt-to-equity ratio reset to 21%, consistent with Council's FY24 Annual Plan debt-to-equity ratio. It is forecast to remain at a sustainable level through to FY34. • Bay Venues achieves break-even position, based on current operations. • Will allow Bay Venues to bring facilities up to standard, effectively catching up on historic under-investment. 	<ul style="list-style-type: none"> • Additional rates funding of \$6.8 million per annum required. • Limited ability to ensure the level of service required can be maintained at Bay Venues' facilities, as operating funding will continue at a base level only. • Debt will increase by ~\$5 million by the end of the LTP period (FY34). • Does not address ongoing challenges around security, sustainability and venue maintenance.

• **Option 4 – RECOMMENDED**

69. Increase funding to Bay Venues, specifically:

- (a) Transfer assets to the funded network, i.e., Mercury Baypark Stadium and surrounds, Adams High Performance Centre and other community assets - see attachment 1(b). (As per Options 2 and 3).
- (b) Increase depreciation contribution by \$3.6 million per annum (\$2.2 million per annum, plus additional \$1.4 million per annum), to ensure affordable renewals programme over the 2024-2034 LTP. This would take total depreciation funding to \$7.7 million per year, to cover Mercury Baypark, the Adams High Performance Centre and asset revaluations, less assets not intended to be replaced from FY25. The additional \$1.4 million per annum will help to cover the historic shortfall, ensuring sufficient funds are available to cover the planned renewals programme over the next 30-year period. (As per Option 3).
- (c) Interest grant increased to \$0.9 million per annum across the LTP period. (As per Option 3).
- (d) A capital reallocation of \$15 million to Bay Venues in FY25. This will offset the financial impact of the pandemic and un-funded asset purchases at Baypark and the Adams High Performance Centre and will ensure that the gearing ratio is consistent with the Council debt to equity ratio as per 2024 Annual Plan. The debt-to-equity ratio should be

reviewed every 3 years. The capital reallocation will have no direct impact on rates. (As per Option 3).

- (e) Debt retirement from depreciation reserve no longer funding Bay Venues debt retirement from FY25 onwards, but instead used to retire Council's debt on the \$15 million capital reallocation. (As per Option 3)
- (f) Operational subsidy increased to offset operating deficit of \$3.0 million (FY24), adjusted annually by CPI. The additional \$0.6 million of funding (over and above Option 3) will allow Bay Venues to invest in addressing ongoing security, sustainability and maintenance concerns and challenges.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Enables a re-set for Bay Venues, dealing with the legacy of under-funding depreciation. • Provides a clear and transparent funding model, that is sustainable through the LTP period to FY34. • Depreciation reserve will be sufficient to cover the current level of investment in Bay Venues' assets for the whole LTP period (FY34). • Bay Venues can deliver much needed investment in the facilities and commit to its LTP renewals and investment plan. • Bay Venues will be able to provide the levels of service expected by the community. • Debt-to-equity ratio reset to 21% (in line with TCC) by the end of the LTP period (FY34). • All facilities will be able to remain open until the end of their useful lives, which will allow Bay Venues to bring facilities up to standard, effectively catching up on historic under-investment. • Allows Bay Venues to fund pro-active improvements to community facilities. • Allows Bay Venues to address critical ongoing security, sustainability and maintenance challenges across the network. • Will deliver a consistent level of service for the community. 	<ul style="list-style-type: none"> • Additional rates funding of \$7.4 million per annum required.

70. Under all options an interim \$5 million increase to the existing Intra-Group loan between Council and Bay Venues is recommended, to cover the operating and depreciation shortfalls before the options outlined above would come into effect from FY25 (year one of the new LTP). This would increase the loan from \$30 million to \$35 million and then get reduced to \$20 million under the recommended option (Option 4) above.

Option 5: Approve the proposed increase to the Intra-Group Two-Way Loan Agreement between Bay Venues and TCC - RECOMMENDED

71. Council approves the proposed increase of \$5 million to the Intra-Group Two-Way Loan Agreement between Bay Venues and TCC from the current \$30 million to a proposed \$35 million.

Advantages	Disadvantages
<ul style="list-style-type: none"> Brings the limit in line with Bay Venues' forecast operational spend to 30 June 2023. Ensures a maturity date of greater than one year is maintained for the loan agreement at any time, to enable disclosure as 'non-current debt' for the Annual Report. 	<ul style="list-style-type: none"> Nil

Option 6: Do not approve the proposed increase to the Intra-Group Two-Way Loan Agreement between Bay Venues and TCC – NOT RECOMMENDED

72. Council does not approve the proposed increase of \$5 million to the Intra-Group Two-Way Loan Agreement between Bay Venues and TCC from the current \$30 million to a proposed \$35 million.

Advantages	Disadvantages
<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Keeping the loan limit at the current \$30 million does not reflect forecast operational spend to 30 June 2023. The responsibility for operational funding will likely fall on Council. Does not ensure a maturity date of greater than one year is maintained for the loan agreement at any time, to enable disclosure as 'non-current debt' for the Annual Report.

FINANCIAL CONSIDERATIONS

Impact on the ratepayer

73. The table below provides a summary of changes to funding in each of the options, including the total impact on the ratepayer.

Item	Option 1	Option 2	Option 3	Option 4 (Recommended)
Depreciation Contribution (movement)	\$0	\$2.2 million	\$3.6 million	\$3.6 million
TCC Net Interest Revenue (movement)	\$0	\$0.9 million	\$0.9 million	\$0.9 million
Operating Grant (movement)	\$0	\$2.4 million	\$2.4 million	\$3.0 million
Total Ratepayer Impact	\$0	\$5.5 million	\$6.9 million	\$7.5 million

Debt Restructure (capital reallocation)	\$0	\$10 million	\$15 million	\$15 million
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74. The increased rates requirement under each of the proposed options (including operational, interest and depreciation funding impacts) is less than it would have been in the long term if Bay Venues had been treated in accordance with TCC's own activity areas. This is reflected in the indexing TCC's funding of Bay Venues funding against the 'Spaces and Places' activity and 'All of Council' in Figure 1 below, i.e., if TCC's funding of Bay Venues had increased by the same percentage as the increases to the cost of operating the 'Spaces and Places' activity and 'All of Council' over the same period.
75. The recommended increases to TCC funding are also consistent with population growth and increased demand on Bay Venues' facilities.

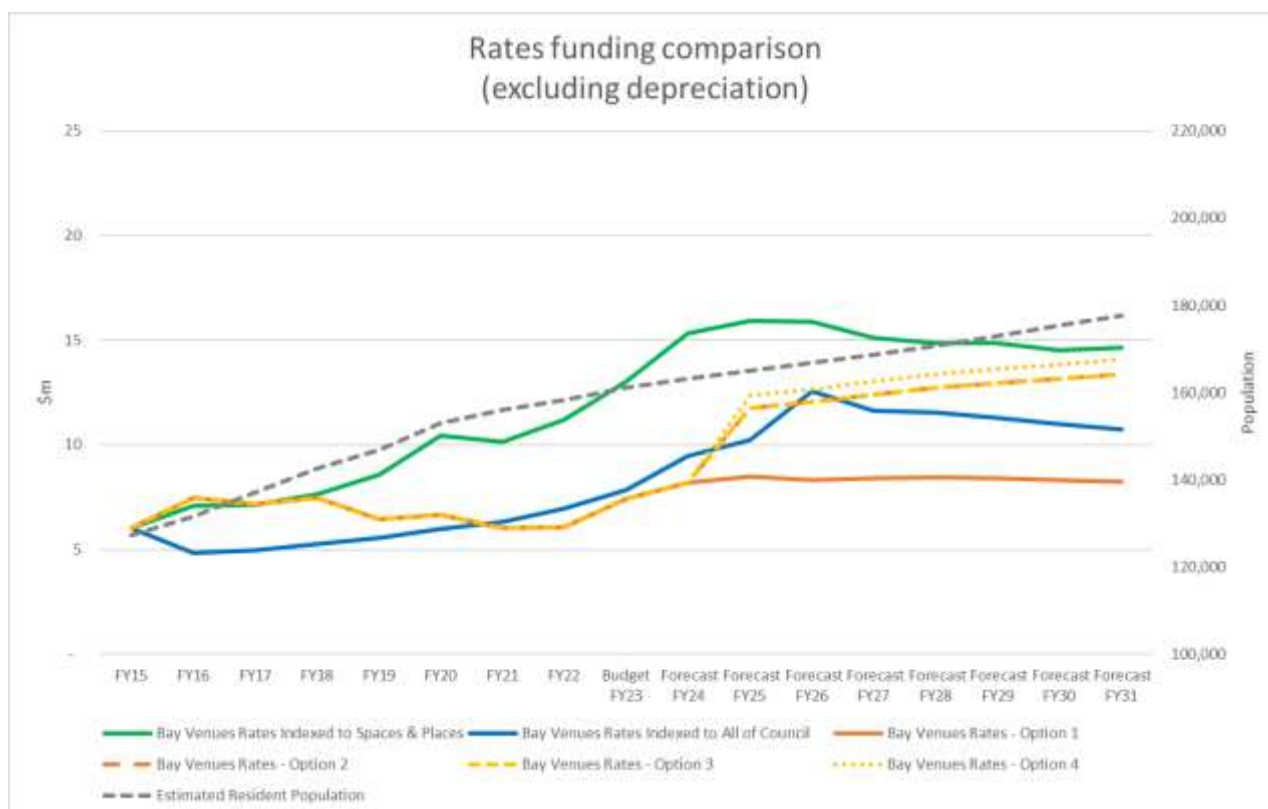


Figure 1: Rates funding comparison

Additional financial considerations

76. Capital funding associated with the Memorial Park project is excluded from this report, as it is intended to be loan funded by TCC and transferred to Bay Venues when the new facility opens.
77. Further, the Bay Venues LTP 2024-2034 new capital bid cards are not considered within this paper, as these are still subject to prioritisation.
78. It is proposed that debt retirement will no longer be funded from the depreciation reserve from FY25. This is a departure from TCC's own approach to retire debt through depreciation reserves. This will enable Bay Venues to have confidence that sufficient funds will be available to deliver on the renewals programme and will serve as an incentive for Bay Venues to seek cost efficiencies within their business so they can retire their own debt.
79. One of the suggested outcomes of the McGredy Winder strategic review, was to investigate transferring the Bay Venues' depreciation reserve from TCC to Bay Venues to simplify accounting. Following further analysis, the variability of the renewals programme makes it difficult to maintain a consistent debt-to-equity ratio. Therefore, it is recommended that the

depreciation reserve remains with TCC, and the current quarterly renewals grant approach continues.

LEGAL IMPLICATIONS / RISKS

80. An assessment of legal implications and risks has not given rise to significant concerns in relation to the proposed resolutions.
81. With Council and Bay Venues staff working collaboratively to prepare this paper and assess options there was a risk that Council's decision could be perceived to lack independence. On this basis, Bay Venues engaged PwC to undertake an independent review of this paper, the background analysis behind it and the recommendations contained within.
82. PwC has completed an independent review of this paper, the background analysis behind it and the recommendations, which is provided at Attachment 2.
 - While PwC has outlined some further recommendations (page 13, Attachment 2), they have not identified any material calculation errors during the course of their work, nor do they consider there to be any adverse tax consequences to Bay Venues or TCC if the proposed funding option is adopted.
83. The proposed increase of \$5 million to the Intra-Group Two-Way Loan Agreement between Bay Venues and TCC from the current \$30 million to a proposed \$35 million would be subject to TCC being able to remain within its Treasury Policy limits and subject to Bay Venues continuing to work with TCC staff in monitoring their cashflow position.

CONSULTATION / ENGAGEMENT

84. Community consultation and engagement will take place as part of the 2024-2034 Long-term Plan process.

SIGNIFICANCE

85. 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.
86. 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.
87. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.

ENGAGEMENT

88. Taking into consideration the above assessment, that the decision is of medium significance, officers are of the opinion that consultation/engagement is required under the Local Government Act (2002) and will take place as part of the 2024-2034 Long-term Plan process.
 - *Click here to view the [TCC Significance and Engagement Policy](#)*

NEXT STEPS

89. Subject to approval of the recommended option by Council, the changes outlined above will be included in the consultation document as part of the 2024-2034 Long-term Plan process.
90. The updated Bay Venues Funding Principles will be incorporated into the revised Enduring Statements of Expectations for all of TCC's substantive council-controlled organisations, coming to Council later this year.

ATTACHMENTS

1. **Bay Venues - Current and proposed ESE Funding Principles - A14705294** [!\[\]\(f15d3c54be60b4fd0ce1da9fb3f67256_img.jpg\)](#) 
2. **PwC Review of Bay Venues Limited Sustainable Funding Calculation - A14781166** [!\[\]\(2bcc37677ea6b96900e4d746ad300082_img.jpg\)](#) 

Attachment 1 - FUNDING PRINCIPLES**1(a) - Current funding principles - found in Tauranga City Council's Enduring Statement of Expectations with Bay Venues [here](#) and summarised below:**

Council's Revenue and Financing Policy sets out the key funding principles, including accessibility, affordability and benefit to the user. The rationale being that user fees and charges are set at an appropriate level to promote the sustainable use of facilities, as well as provide access to a diverse range of events and recreational experiences for residents and economic benefits from visitors.

There are four high level funding principles:

1. As a general principle, BVL should look to provide limitations on user charging within the funded facility network, where appropriate, within the guidelines of the Revenue and Financing Policy.
2. The role of Council is to specify the overall mix and level of services to the community, ideally consistent with Council strategy, and to hold BVL accountable for the use of funding from all sources.
3. The BVL 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.
4. BVL is expected to meet the approved annual budget.

1(b) - Proposed funding principles - for approval by Council, to be included in the revised Enduring Statement of Expectations from Tauranga City Council to Bay Venues:

1. Bay Venues is expected to achieve the approved budget.
2. Bay Venues loan - over and above its existing assets - should not increase over time, and where possible it should decrease. Debt retirement is not mandatory, however if required it will not be funded by the depreciation reserve.
3. User fees and charges for the funded network should broadly align with comparable facilities in other major cities around New Zealand to optimise return on investment and user affordability. User fees and charges in the non-funded network are to be set at market rates and generate a commercial return.
4. Bay Venues will undertake reviews of user fees across the funded network every three years, as part of the Long-term Plan process, managing minimum CPI (Consumer Price Index) increases along the way.
5. The operating grant from Tauranga City Council to Bay Venues should fully cover the net cost of operating the funded network, based on agreed priorities, after optimising user fees, charges and costs.
6. Depreciation should be funded on all assets in the funded network, unless assets are not intended to be replaced. For clarity, this includes both new capital and renewal assets. Bay Venues has full responsibility for asset maintenance and investment in renewals.
7. Tauranga City Council are responsible for managing the depreciation reserve used for renewal funding.
8. Debt servicing should be funded on all assets in the funded network (both new capital and renewal assets).

9. Bay Venues is expected to make a profit in the non-funded network, therefore should not attract any operating grant. Profits made in the non-funded network could be re-invested into the network to ensure future growth and viability or used to retire debt.
10. Assets in the non-funded network are expected to generate a positive return, therefore should not attract depreciation funding. Bay Venues are responsible for covering the costs of debt and depreciation. Where there are instances that assets in the non-funded network have significant community benefit, Bay Venues can apply to Council for depreciation funding.

Table 1 – Funded and Non-Funded Facilities and Activities, as related to ESE principles

<i>Business Outputs Apply</i>	
<i>Community Outputs Apply</i>	
Funded Networks	Non-Funded Networks
Community Aquatic Network <ul style="list-style-type: none"> • Baywave pool • Greerton pool • Otumoetai pool • Memorial pool Community Centre Network <ul style="list-style-type: none"> • Arataki Community Centre • Papamoa Community Centre • Papamoa Sport and Recreation Centre Community Hall Network <ul style="list-style-type: none"> • Greerton Hall • Bethlehem Hall • Tauriko Hall • Welcome Bay Hall • Matua Hall • Waipuna Pavilion • Elizabeth Community Centre • The Cliff Road Building Community Indoor Sports Network <ul style="list-style-type: none"> • Queen Elizabeth Youth Centre (and Memorial Hall) • Mount Sports Centre • Merivale Action Centre • Aquinas Action Centre * Mercury Baypark Arena - 6 court * Mercury Baypark Arena Suites * Mercury Baypark Stadium, Lounge, Pavilions and Fields * Bay AV * Bay Events 	Aquatic Network <ul style="list-style-type: none"> • Mount Hotpools Programmes Network <ul style="list-style-type: none"> • BaySwim • Sports Leagues and Centre Run Programmes • Little Splashes Childcare Indoor Sports Network <ul style="list-style-type: none"> • The Adams Centre of High Performance • Mercury Baypark Arena - 3 Court • Clubfit Events Network <ul style="list-style-type: none"> • Bay Catering • BayStation

* Venues that are in blue and marked with an asterisk (*) have been moved across from the "non-funded network" to the "funded network" in the proposed funding principles.

Review of Bay Venues Limited Sustainable Funding Calculation

Bay Venues Limited

14 June 2023



Important Notice (1/2)

Important message to any person not authorised to have access to this report.

Any person who is not an addressee of this report or who has not signed and returned to PwC a Hold Harmless Letter is not authorised to have access to this report.

Should any unauthorised person obtain access to and read this report, by reading this report such person accepts and agrees to the following terms:

1.The reader of this report understands that the work performed by PwC was performed in accordance with instructions provided by our addressee client and was performed exclusively for our addressee client's sole benefit and use.

2.The reader of this report acknowledges that this report was prepared at the direction of our addressee client and may not include all procedures deemed necessary for the purposes of the reader.

3.The reader agrees that PwC, its partners, principals, employees and agents neither owe nor accept any duty or responsibility to it, whether in contract or in tort (including without limitation, negligence and breach of statutory duty), and shall not be liable in respect of any loss, damage or expense of whatsoever nature which is caused by any use the reader may choose to make of this report, or which is otherwise consequent upon the gaining of access to the report by the reader. Further, the reader agrees that this report is not to be referred to or quoted, in whole or in part, in any prospectus, registration statement, offering circular, public filing, loan, other agreement or document and not to distribute the report without PwC's prior written consent.

4.This report should also be read in conjunction with the terms and conditions of the CSO engagement letter dated 7 June 2023.

This report has been prepared for, and only for, Tauranga City Council and Bay Venues Limited ("TCC" and "BVL" respectively) in accordance with the terms of the Consultancy Services Order ("CSO"), dated 7 June 2023, and the Scope of Services and Restrictions set out in Appendix i, and for no other purpose.

We do not accept or assume any liability or duty of care for any other purpose, or to any other person to whom this document is shown or into whose hands it may come, except where expressly agreed by our prior consent in writing.

This document contains information obtained or derived from a variety of sources, as indicated within the document. PwC has not sought to establish the reliability of those sources or verified the information provided. Accordingly, no representation or warranty of any kind (whether express or implied) is given by PwC to any person (except to our clients) under the relevant terms of the CSO as to the accuracy or completeness of the document.

Important Notice (2/2)

Important message about financial calculation reviews engagements.

1. We will not undertake the Procedures per Appendix ii on hidden worksheets;
2. Whilst our work may identify issues with the calculation, the extent and nature of such issues will be identified solely from the Procedures you have requested. However, as it is not feasible to carry out all possible sensitivity analyses, not all issues can be identified;
3. Our work will not include any work in the nature of a financial audit and we will not verify any of the assets or liabilities involved. Our work will assume that the inputs to the calculation have been properly extracted from relevant underlying documentation and we will not perform any procedures to check such extraction;
4. Any valuation or other methodologies and/or assumptions applied to derive any projections in the calculation should in no circumstances be considered to be the only possible ones for such purpose, and the projections will not be the only possible projections of future events. We therefore will make no comment on the validity or reasonableness of budget or forecast assumptions, and express no opinion as to how closely the results actually achieved will compare with the projections in the calculation;
5. We will not consider the accuracy of external workbook links to other calculations with underlying forecast calculations or assumptions;
6. We will not review the projections produced by the calculation, or make any comment in any form on the outputs produced by the calculation;
7. We will not check whether the accounting assumptions and outputs from the calculation are in accordance with International Financial Reporting Standards (IFRS);

8. Whilst we will provide a summary of tax considerations as it relates to the proposed funding option and structure, this does not constitute tax advice; and

9. Whilst we will discuss with you the data and assumptions that you may have used in the calculation, you are responsible for determining the final values of any data and assumptions used.



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14 June 2023

Review of Bay Venues Limited Sustainable Funding Calculation

Dear Paul and Adam,

In accordance with the Consultancy Services Order (CSO) dated 7 June 2023 between PwC and Tauranga City Council (TCC) and Bay Venues Limited (BVL) (together 'you'), we present our report. As agreed with you, this report is to provide a high level review of the BVL sustainable funding calculation to support TCC's decision making for ongoing sustainable funding to BVL.

Our report is not intended for general publication or circulation and should not be copied to any party without our prior written consent. Should you determine that our report, or elements of it need to be discussed with certain third parties, we are happy to discuss this with you on a case by case basis to ensure that our consent is provided where appropriate.

We accept no responsibility to any party other than yourselves in respect of our advice and we will accept no responsibility to any party if our advice is used by any party including yourselves in breach of our engagement terms. In particular, we note that our report has been prepared on a high level basis over a short period of time, which has limited the degree to which detailed views and conclusions can be formed. Accordingly, the content of this report is subject to amendment should further information become available.

If you have any queries regarding this report, please contact Richard Nacey, Phil Fisher or Darsun Naran.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Richard Nacey'.

Richard Nacey
Partner

A handwritten signature in blue ink, appearing to be 'Phil Fisher'.

Phil Fisher
Partner

June 2023

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Purpose, scope of work and approach

Our scope



We have been engaged by you to conduct a high level review of the BVL sustainable funding calculation and the underlying assumptions that has been developed to support the proposed changes to the ongoing funding structure of BVL. We have not been engaged to recommend an option nor opine on whether the level of funding proposed is adequate to provide sustainable funding to BVL over the forecast period.

Please refer to Appendix ii for further details of our scope of work.

Access to client



Throughout the course of our work we have had a good level of engagement with both Susan Braid (at TCC) and Adam Ellmers (at BVL) over the 12 day period. This included a walkthrough of the funding calculation, BVL's forecasts, and various ad-hoc telephone discussions and Q&A requests.

Access to information



The information requested was limited to that required to complete the agreed scope of services under this engagement. During the course of our work we obtained the funding calculation, reviewed the underlying calculation assumptions and supporting documentation. We identified some areas of consideration and note the limitation of the calculation as it did not link directly to BVL's 10-year financial forecast.

Clarity of information



The information provided, together with access to Management, has allowed us to gain an understanding of the elements impacting the financial sustainability calculation. We have not carried out anything in the nature of an audit. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of the information in this report that has been provided to us and upon which we have relied.

1

Background and executive summary

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Background

Background

Bay Venues Limited (“BVL”) was incorporated in 2013 as a Council Controlled Organisation (“CCO”), a 100% owned subsidiary of Tauranga City Council (“TCC”). BVL owns and / or manages 24 facilities in Tauranga on behalf of TCC. These facilities include: aquatic facilities, community halls and centres, indoor sports facilities, a high performance sports training centre, a stadium with ancillary buildings, along with a recreation and events centre.

These facilities and activities are currently categorised as either “funded” or “non-funded” based on their degree of commercial versus community focus. Facilities and activities with a strong community focus have been included in the funded network of assets.

TCC currently provides BVL with an annual operating grant, renewals grant, interest grants and debt retirement grants to fund BVL. This legacy funding structure has resulted in a situation whereby BVL is currently underfunded for the facilities it manages and has historically been loss-making for the reasons outlined in the table below.

Issue	Comment
Historic funding structure	Renewal for specific assets has not been funded by TCC; BVL has incurred debt to fund the required maintenance program on the facility assets.
Growth of cost base	The cost of operating BVL facilities over the past few years has grown faster than the growth in revenue. BVL has not been able to offset this by offering more activities as the facilities are at, or near, capacity.
Debt levels	BVL’s debt has increased to \$29.1m to fund the cash shortfall and COVID-related losses, with its debt to equity ratio reaching 17%.

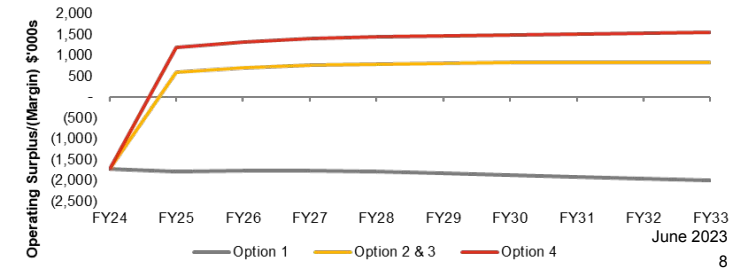
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TCC and BVL have collaborated to reset the funding approach and structure going forward. We note that they have jointly assessed four possible funding options with a range of actions TCC would undertake to increase funding to BVL and ensure that it is sustainable in the long-term. We note that this review also considered the capital structure and long-term impact of asset renewal obligations on BVL. A high-level summary of the funding options FY25 impact are outlined below:

Actions	Option 1	Option 2	Option 3	Option 4
Asset Transfer	Status Quo	Transfer to the funded network		
Depreciation contribution	+\$0	+\$2.1m pa	+\$3.6m pa	+\$3.6m pa
Operational Grant	+\$0	+\$2.4m pa	+\$2.4m pa	+\$3.0m pa
Equity Injection	+\$0	+\$10.0m	+\$15.0m	+\$15.0m

Both TCC and BVL have jointly recommended option 4, whereby the depreciation contribution would increase to \$7.7m (FY25), the operational grant increases to \$8.1m (FY25) and the TCC’s provides a debt forgiveness of \$15m. Outlined in a table on page 9 is a summary of the recommended funding structure / option being proposed for approval. Also, the chart below provides a summary of the financial impact to BVL under the various funding options as compared to the status quo (option one).

BVL Operating Surplus/Deficit



Executive summary

Executive summary

We conducted a review of the calculation that comprised:

1. Developing an understanding of the calculation and the proposed funding options
2. Reviewing the calculation, including the underlying assumptions, for reasonableness and obtained supporting documentation
3. Conducting high level checks over the calculation mechanics

Our analysis of the calculation and underlying assumptions identified that:

- The calculation contains a large amount of hard-coded data that are not referenced to underlying source information.
- Despite the above, no material calculation errors were identified during the course of our work.
- The assumption to increase taxpayer rates by up to 88% to support increased funding to BVL may be challenging for TCC to execute.

- BVL's financial forecast is housed in a separate document and does not link directly to the funding calculation making it difficult to conduct sensitivity analysis and increases the potential for errors.
- Revenue forecasts are linked to the Local Government Cost Index (LGCI) forecasts which we note aligns with RBNZ's forecast CPI in the near-term. We note cost base inflation information is excluded from the calculation making it difficult to opine on its reasonableness.
- From our understanding and analysis of the proposed funding structure, and based on the current tax settings, we do not consider there should be any adverse tax consequences to BVL or TCC if the proposed funding option is adopted.

Outlined in the table below is a summary of the recommended option. We note that the changes to BVL's funding structure will be included in the long-term plan to 2034, and if approved, will take effect in 2025.

Calculation element	Recommendation
Funded network	Approve the transfer of assets to the "funded network" (i.e. Mercury Baypark Stadium and surrounds, High Performance Centre, and other community assets).
Depreciation contribution	Approve an increase in the rates-funded depreciation contribution to Bay Venues by \$3.6 million per year, taking total depreciation funding to \$7.7 million per year.
Equity injection	Approve an equity injection of \$15 million to enable BVL to return to a sustainable level of debt, and recover from the impacts of COVID and the unfunded asset purchases of Mercury Baypark and Adams High Performance Centre, as well as asset revaluations.
Operating grant	Approve an initial \$3.0m increase in BVL's operating subsidy alongside a LGCI-linked annual uplift to ensure financial sustainability and has the ability to deliver its services to the community on behalf of the Council in the future.
Interest grant	Approve the interest grant to retain a net interest revenue due to TCC of \$50,000 per annum.

2

Review of funding calculation




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Review of calculation and assumptions (1/2)

We obtained the calculation from BVL and conducted a high-level interview with Susan Braid (TCC) and Adam Ellmers (BVL). We gained an understanding of how the calculation works and the key underlying assumptions. We conducted a high-level review of the underlying assumptions (as outlined below), and performed high-level checks on the calculation mechanics (as outlined on page 13). This included putting the calculation through a PwC spreadsheet checking tool to identify formulae in cells and to highlight a range of potential errors, as well as performing manual checks of the calculation.

Outlined in the table below are our high level comments and observations to the key underlying calculation assumptions, including a risk rating to reflect the impact of the assumption on the calculation. A summary of our recommendations are noted on the following page.




Assumption	Risk rating	Comment
Depreciation reserve rates funding		Under Options 2, 3 and 4, the depreciation reserve transfer is assumed to increase to accommodate the transfer of assets such as Baypark to the funded network assets account. Options 3 and 4 also include an additional \$900k to ensure an affordable renewals programme over the longer term. We note the amount has historically increased alongside rate changes every 3 years but under the funding calculation it will remain consistent to FY34. Under the recommended option, the total funding will increase from c. \$4.1m to \$7.7m, representing a \$3.6m (88%) increase on FY24 base rate funding. From our discussions with Management, we understand this will be funded by an increase to taxpayer rates. We also note that the balance remains constant to FY34, and we understand that rates are expected to change in future years to reflect revaluation movements however this has not been factored in the calculation. This level of increase to taxpayer rates will require Council consideration.
Revenue growth assumption		We note that total BVL revenue is forecast to grow in line with the cost base and is adjusted based on the LGCI forecast under appendix viii. We also note that the LGCI aligns with the RBNZ forecast CPI, at least for the near term, per appendix vii. As the facilities are at near-full capacity, any revenue growth may only be achieved through price increases to ensure BVL is able to maintain breakeven performance.
Breakeven performance		It is implied in the calculation that BVL will achieve breakeven performance from FY25 onwards as no further operational deficit is forecast. We also note BVL increased their staff costs in line with the minimum wage increase of 7% in 2023 and similar cost increases could be seen during the forecast period. As noted above, the revenue and cost base are expected to increase by the LGCI that is aligned to CPI and that one of the key determinants for BVL achieving breakeven performance (or better) on an annual basis is through price increases (as discussed above) in addition to the increases to grant funding.

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Review of calculation and assumptions (2/2)

Assumption	Risk rating	Comment
Debt ceiling increase		BVL are projected to require debt funding above the \$30m facility limit that is currently agreed with TCC. The calculation assumes a temporary \$5m increase to the facility limit on the two-way loan agreement to be approved for FY24. This temporary limit will fund the expected operational loss for FY24, alongside additional capital expenditure not covered under the current funding calculation. We note the funding increase is anticipated to be reduced through subsequent debt forgiveness.
Operational grant increase		Options 2 and 3 forecast an increase to the operational grant funding of \$2.4m per annum from FY25, with option 4 being \$3.0m (FY25) to cover additional initiatives under Council review. We note this represents a c. 47% increase (for Options 2 and 3) and c. 68% increase under Option 4. Both options 3 and 4 include a further annual LGCI index uplift with the operational grant reaching \$9.1m (option 3) and \$9.8m (option 4) respectively by FY34. As noted earlier, this level of increases to taxpayer rates will require Council consideration.
Capital injection and debt forgiveness		A capital injection through debt forgiveness is assumed under Options 2, 3 and 4, with each option reflecting between \$10m to \$15m of forgiveness, the preferred option being a capital injection of \$15m (with a temporary \$5m facility limit increase in FY24). Debt forgiveness is required to allow BVL to continue to operate within the facility limit and reduce the Debt-to-Equity ratio immediately to 15% (currently at c.17%) before it progressively increases to reach 19% in 2034. Risks to this assumption are low, assuming approval through TCC's governance process are successful,
Future projects funding	n/a	We note that funding for future projects is not considered in the calculation. We understand these are to be funded through the use of the two-way loan between TCC and BVL. Given BVL are not forecasting to generate a surplus, and the debt ceiling is being reduced, we expect it will be challenging for BVL to generate cash flow to fund future CAPEX requirements. This may need to be considered.

Recommendations

Outlined below are some of our recommendations based on our high-level review of the calculation assumptions:

- Consider performing additional analysis over the near-term inflationary impacts on BVL and the breakeven assumption;
- Consider aligning the funding calculation with BVL's forecast calculation to provide robust and accurate analysis;

- Consider the impact (or plan B) if significant taxpayer rate increases are not able to be implemented to fund the proposed increases to the depreciation reserve and operational grant funding structure. This may include further analysis / consideration of other funding options and / or balancing TCC's budget in other areas; and
- Consider other alternative arrangements to funding in circumstances where the debt facility limit increase is not approved.

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Other observations and recommendations

Other observations

In addition to the observations and considerations already outlined, the table below provides further observations for Management consideration:

Observation	Comment / recommendation
Large number of calculation inputs are hard-coded	Calculation inputs should be linked to source documents to reduce the risk of error and provide an audit trail for future reference. Please note that we did not perform any checks over hard coded balances back to source data.
Calculation is not linked to BVL's financial forecast	Consider using the calculation as an input to BVL's financial forecast calculation i.e. the calculator and BVLs forecast are housed in one all inclusive model to provide context and allow for sensitivity analysis.
Rates funding increase appears optimistic	Management should consider alternative funding options in a situation where significant increases to taxpayer rates are not able to be achieved (as assumed under options 3 and 4).
Cost assumptions not included	Consistent including cost assumptions on growth and impact of inflation in the calculation. We note that it is difficult to conclude on financial sustainability without an accurate view on BVL's forecast operating performance.
Circular referencing	We identified the interest cost calculation used a circular reference, however, we note that the impact is insignificant to the analysis in the calculation.
No clear split of funded vs non-funded assets	It may be beneficial to include a breakdown of the future debt-funded renewals for non-funded assets (including the assets not intended to be renewed) in the calculation for completeness.

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Tax considerations

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Tax considerations

To ensure that the proposals have been fully considered, it is appropriate to comment on the tax implications to ensure that there are no adverse consequences to TCC and/or BVL. This is still relevant despite the tax losses carried forward for each entity as at 30 June 2022, amounting to:

- Council: \$18,645,298.74
- BVL: \$44,200,962.48

The preferred recommendation includes:

- Transfer of some assets from the non-funded to the 'funded' network
- An increase in depreciation funding by \$3.1m
- An equity injection/debt remission of \$15m
- An increase in the operating grant of \$3m
- An increase in the interest grant

The transfer of assets from the non-funded to funded network has no tax implications as essentially it is an internal re-categorisation, as opposed to a transaction involving a physical transfer of assets. As such, there are really only two considerations from a tax perspective.

1) Increase in Grants / Subsidies to BVL

When a local authority makes a payment that is in the nature of a grant or subsidy, and the payment is not in the nature of an advance or loan, it will be treated as excluded income (non-taxable), provided it is in relation to a business the recipient carries on and corresponds to expenditure that the recipient:

- Incurs, and for which they are allowed a deduction; or
- Incurs in acquiring, constructing, installing, or extending an asset for which they have an amount of depreciation loss.

However, there is also no deduction, nor depreciation, available for expenditure *to the extent* it is funded by a grant that has been treated as excluded income. Accordingly, the proposed increase in the grants to BVL should be "tax neutral" for BVL, as they will be treated as excluded income and the corresponding expenditure will be non-deductible /non-depreciable.

However, no deduction for the grants/subsidies will be available to Council as there is no *nexus* to the derivation of assessable income.

2) Equity Injection / Debt Remission

There should be no tax consequences arising to BVL from Council increasing the equity it has in BVL. However, for Council the key consideration is how the increase in equity will be funded.

If Council borrows specifically to increase the equity in BVL, provided Council can demonstrate the nexus between those borrowings and the equity interest, a tax deduction is available for the interest costs. This is despite the recent changes to the income tax settings applying to local authorities, contained in the Taxation (Annual Rates for 2021–22, GST, and Remedial Matters) Act 2022, as the original proposals that would have prevented Council from obtaining tax deductions on interest were withdrawn following the submissions made. We note, however, that this withdrawal of the changes is subject to a more fulsome review of the interest deductibility rules for local authorities; as such, a deduction could be denied in the future.

Equally, if Council instead converts existing BVL debt to equity, or undertakes debt forgiveness / remission, there should still be no adverse tax consequences following amendments to the income tax legislation over the last few years. However, as these rules are quite complex, we would recommend a specific analysis if either of these approaches is pursued to ensure there are no unexpected tax 'fish hooks'; ideally the debt conversion or remission results in increased Available Subscribed Capital.

Conclusion

Based on current tax settings, no adverse tax consequences should arise for either BVL or TCC if the preferred proposal being recommended is adopted. However, if progressed we recommend specific step-by-step advice is taken in relation to the equity injection / debt remission.

4 Appendices

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Appendix i: Restrictions

We prepared this report solely for TCC and BVL to use and benefit from, in accordance with and for the purpose set out in our CSO dated 7 June 2023.

We accept no responsibility, duty or liability: In any event, we will accept no responsibility to any party other than yourselves in respect of our advice, and we will accept no responsibility to any party if our advice is used by any party including yourselves in breach of the terms of this letter.

This report is strictly confidential and (save to the extent required by applicable law and/or regulation) must not be released to any third party without our express written consent, which is at our sole discretion.

To the fullest extent permitted by law, PwC accepts no duty of care to any third party in connection with the provision of this report and/or any related information or explanation (together, the "Information"). Accordingly, regardless of the form of action, whether in contract, tort (including without limitation, negligence) or otherwise, and to the extent permitted by applicable law, PwC accepts no liability of any kind to any third party and disclaims all responsibility for the consequences of any third party acting or refraining to act in reliance on the Information.

The statements and opinions expressed herein have been made in good faith, and on the basis that all information relied upon is true and accurate in all material respects, and not misleading by reason of omission or otherwise. Further, we have relied on forecasts and assumptions about future events, which by their nature are not able to be independently verified. Inevitably, some assumptions will not eventuate and unanticipated events and circumstances will occur. Therefore, actual results will vary from the projections.

We reserve the right, but will be under no obligation, to review or amend our report if any additional information which was in existence on the date of this report was not brought to our attention, or subsequently comes to light.

Appendix ii: Scope of Work

TCC and BVL requested that PricewaterhouseCoopers prepare a high level report that covers the following matters:

1. Develop an understanding of the BVL business and operations, including the details outlined in the “Review of Council funding of Bay Venues to ensure ongoing sustainability” Board paper.
2. Perform a high-level assessment of the financial analysis underpinning the Board paper that includes an assessment of the underlying assumptions and calculation mechanics, and any supporting documentation for the four options being presented.
3. Perform a high-level assessment and provide advice on any tax implications associated with the recommended option(s).
4. Prepare a high-level report detailing our findings, observations and recommendations to support the Council’s decision making.

Appendix iii: Option 1 Calculation

BVL Depreciation Reserve (held by TCC)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
TCC transfer to depreciation reserve (rates funded)	4,561	4,096	4,221	4,221	4,221	4,221	4,221	4,221	4,221	4,221	4,221	4,221
Depreciation on new capital - BVL transfer to TCC	1,108	924	1,024	1,074	1,124	1,174	1,224	1,274	1,324	1,374	1,424	1,474
Interest on depreciation reserve	275	205	153	84	18	56	109	155	200	218	239	263
Depreciation in activity (not related to BVL)	- 421	-	-	-	-	-	-	-	-	-	-	-
Renewal grant paid to BVL	- 9,278	- 6,329	- 7,152	- 7,541	- 6,391	- 8,052	- 3,845	- 6,870	- 3,442	- 3,868	- 3,433	- 3,746
Debt retirement (not paid to BVL 2016-2020)	-	-	-	-	-	-	-	-	-	-	-	-
Debt retirement (paid to BVL as grant from 2021)	- 1,126	- 1,000	- 1,346	- 1,605	- 1,783	- 1,944	- 2,151	- 2,347	- 2,527	- 2,691	- 2,882	- 3,186
Renewal funding associated with Memorial Park projects	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Reserve Balance	11,293	9,189	841	(4,815)	(6,354)	(8,871)	(8,629)	(10,909)	(9,040)	(6,849)	(4,924)	(7,173)
Current Debt (Adams Centre Loan)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Term Debt (TCC Borrowings)	28,108	28,108	33,893	45,949	55,018	61,213	66,845	74,038	80,879	87,165	92,909	99,543
add New Capital	-	3,500	9,735	6,563	3,575	2,901	4,375	3,903	3,228	2,570	3,362	7,270
add Operational Deficit	-	2,400	2,448	2,497	2,547	2,598	2,650	2,703	2,757	2,812	2,868	2,926
add Interest Costs on Debt (not covered by TCC grant)	85	885	1,218	1,614	1,856	2,078	2,318	2,581	2,828	3,053	3,285	3,609
less Debt Retirement 2024FY (funded from depreciation reserve)	- -	- 1,000	- 1,346	- 1,605	- 1,783	- 1,944	- 2,151	- 2,347	- 2,527	- 2,691	- 2,882	- 3,186
Total Debt	29,193	34,893	46,949	56,018	62,213	67,845	75,038	81,879	88,165	93,909	100,543	111,162
Assets	139,136	140,136	142,636	143,636	144,636	145,636	146,636	147,636	148,636	149,636	150,636	151,636
add New Capital	1,000	2,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Assets	140,136	142,636	143,636	144,636	145,636	146,636	147,636	148,636	149,636	150,636	151,636	152,636
Debt Ratio	21%	24%	10%	10%	11%	12%	12%	13%	14%	14%	15%	15%
Funding Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Operational Grant	4,030	5,167	5,167	5,312	5,455	5,586	5,709	5,823	5,934	6,035	6,131	6,230
Rates Funded Depreciation	4,561	4,096	4,221	4,221	4,221	4,221	4,221	4,221	4,221	4,221	4,221	4,221
Interest Grant	265	316	316	316	361	361	361	361	361	361	361	361
Interest Revenue TCC	- 515	- 885	- 1,218	- 1,614	- 1,856	- 2,078	- 2,318	- 2,581	- 2,828	- 3,053	- 3,285	- 3,609
Net Interest Revenue TCC	(249)	(569)	(902)	(1,298)	(1,495)	(1,717)	(1,958)	(2,221)	(2,467)	(2,692)	(2,925)	(3,248)

Appendix iv: Option 2 Calculation

BVL Depreciation Reserve (held by TCC)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
TCC transfer to depreciation reserve (rates funded)	4,561	4,096	6,282	6,282	6,282	6,282	6,282	6,282	6,282	6,282	6,282	6,282
Depreciation on new capital – BVL transfer to TCC	1,108	924	256	306	356	406	456	506	556	606	656	706
Interest on depreciation reserve	275	205	89	75	174	242	293	342	376	365	354	388
Depreciation in activity (not related to BVL)	421	-	-	-	-	-	-	-	-	-	-	-
Renewal grant paid to BVL	9,278	6,329	15,887	13,104	8,966	9,953	7,221	9,773	5,670	5,438	5,796	10,016
Debt retirement (not paid to BVL 2016–2020)	-	-	-	-	-	-	-	-	-	-	-	-
Debt retirement (paid to BVL as grant from 2021)	1,126	1,000	200	400	400	400	400	400	400	400	400	400
Renewal funding associated with Memorial Park projects	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Reserve Balance	11,293	9,189	(271)	(7,261)	(10,163)	(14,070)	(15,246)	(18,973)	(18,580)	(17,895)	(17,506)	(21,323)
Current Debt (Adams Centre Loan)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Term Debt (TCC Borrowings)	28,108	28,108	33,893	24,943	25,993	27,043	28,093	29,143	30,193	31,243	32,293	33,343
add New Capital	-	3,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
add Operational Deficit	-	2,400	-	-	-	-	-	-	-	-	-	-
add Interest Costs on Debt (not covered by TCC grant)	85	885	50	50	50	50	50	50	50	50	50	50
less Debt Retirement 2024FY (funded from depreciation reserve)	-	1,000	-	-	-	-	-	-	-	-	-	-
less Debt Retirement 2025FY (capital injection)	-	-	10,000	-	-	-	-	-	-	-	-	-
Total Debt	29,193	34,893	25,943	26,993	28,043	29,093	30,143	31,193	32,243	33,293	34,343	35,392
Assets	139,136	140,136	143,636	144,636	145,636	146,636	147,636	148,636	149,636	150,636	151,636	152,636
add New Capital	1,000	3,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Assets	140,136	143,636	144,636	145,636	146,636	147,636	148,636	149,636	150,636	151,636	152,636	153,636
Debt Ratio	21%	24%	18%	19%	19%	20%	20%	21%	21%	22%	22%	23%
Funding Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Operational Grant	4,030	5,167	7,567	7,779	7,989	8,181	8,361	8,528	8,690	8,838	8,979	9,123
Rates Funded Depreciation	4,561	4,096	6,282	6,282	6,282	6,282	6,282	6,282	6,282	6,282	6,282	6,282
Interest Grant	265	316	1,091	943	982	1,021	1,061	1,100	1,139	1,179	1,218	1,258
Interest Revenue TCC	515	885	1,141	993	1,032	1,071	1,111	1,150	1,189	1,229	1,268	1,308
Net Interest Revenue TCC	(249)	(569)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)

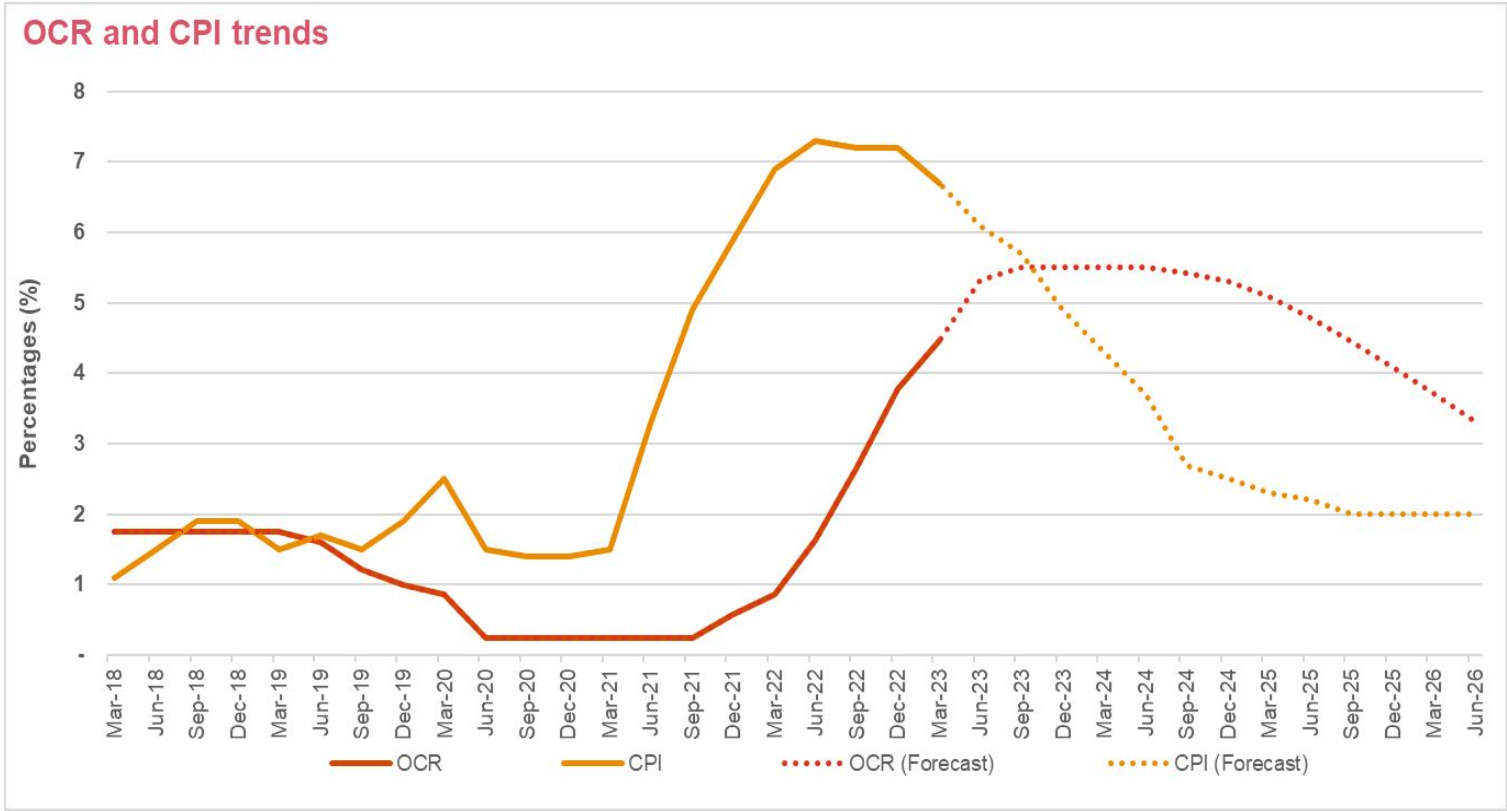
Appendix v: Option 3 Calculation

BVL Depreciation Reserve (held by TCC)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
TCC transfer to depreciation reserve (rates f	4,561	4,096	7,682	7,682	7,682	7,682	7,682	7,682	7,682	7,682	7,682	7,682
Depreciation on new capital – BVL transfer	1,108	924	256	306	356	406	456	506	556	606	656	706
Interest on depreciation reserve	275	205	102	37	111	153	178	200	207	168	129	135
Depreciation in activity (not related to BVL) –	421	-	-	-	-	-	-	-	-	-	-	-
Renewal grant paid to BVL	9,278	6,329	15,887	13,104	8,966	9,953	7,221	9,773	5,670	5,438	5,796	10,016
Debt retirement (not paid to BVL 2016–2020)	-	-	-	-	-	-	-	-	-	-	-	-
Debt retirement (paid to BVL as grant from 2 –	1,126	1,000	300	600	600	600	600	600	600	600	600	600
Renewal funding associated with Memorial I	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Reserve Balance	11,293	9,189	1,043	4,710	6,348	8,966	8,826	11,211	9,449	7,368	5,554	7,917
Current Debt (Adams Centre Loan)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Term Debt (TCC Borrowings)	28,108	28,108	33,893	19,943	20,993	22,043	23,093	24,143	25,193	26,243	27,293	28,343
add New Capital	-	3,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
add Operational Deficit	-	2,400	-	-	-	-	-	-	-	-	-	-
add Interest Costs on Debt (not covered by	85	885	50	50	50	50	50	50	50	50	50	50
less Debt Retirement 2024FY (funded from	-	1,000	-	-	-	-	-	-	-	-	-	-
less Debt Retirement 2025FY (capital inject	-	-	15,000	-	-	-	-	-	-	-	-	-
Total Debt	29,193	34,893	20,943	21,993	23,043	24,093	25,143	26,193	27,243	28,293	29,343	30,393
Assets	139,136	139,136	142,636	143,636	144,636	145,636	146,636	147,636	148,636	149,636	150,636	151,636
add New Capital	-	3,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Assets	139,136	142,636	143,636	144,636	145,636	146,636	147,636	148,636	149,636	150,636	151,636	152,636
Debt Ratio	21%	24%	15%	15%	16%	16%	17%	18%	18%	19%	19%	20%
Funding Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Operational Grant	4,030	5,167	7,567	7,779	7,989	8,181	8,361	8,528	8,690	8,838	8,979	9,123
Rates Funded Depreciation	4,561	4,096	7,682	7,682	7,682	7,682	7,682	7,682	7,682	7,682	7,682	7,682
Interest Grant	265	316	997	755	794	834	873	913	952	991	1,031	1,070
Interest Revenue TCC	-	515	885	1,047	805	844	884	923	963	1,002	1,041	1,120
Net Interest Revenue TCC	(249)	(569)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)

Appendix vi: Option 4 Calculation

BVL Depreciation Reserve (held by TCC)	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
TCC transfer to depreciation reserve (rates funded)	4,561	4,096	7,682	7,682	7,682	7,682	7,682	7,682	7,682	7,682	7,682	7,682
Depreciation on new capital - BVL transfer to TCC	1,108	924	256	306	356	406	456	506	556	606	656	706
Interest on depreciation reserve	275	205	102	37	111	153	178	200	207	168	129	135
Depreciation in activity (not related to BVL)	421	-	-	-	-	-	-	-	-	-	-	-
Renewal grant paid to BVL	9,278	6,329	15,887	13,104	8,966	9,953	7,221	9,773	5,670	5,438	5,796	10,016
Debt retirement (not paid to BVL 2016-2020)	-	-	-	-	-	-	-	-	-	-	-	-
Debt retirement (paid to BVL as grant from 2021)	1,126	1,000	300	600	600	600	600	600	600	600	600	600
Renewal funding associated with Memorial Park	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation Reserve Balance	11,293	9,189	1,043	(4,710)	(6,348)	(8,966)	(8,826)	(11,211)	(9,449)	(7,368)	(5,554)	(7,917)
Current Debt (Adams Centre Loan)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Term Debt (TCC Borrowings)	28,108	28,108	33,893	19,943	20,993	22,043	23,093	24,143	25,193	26,243	27,293	28,343
add New Capital	-	3,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
add Operational Deficit	-	2,400	-	-	-	-	-	-	-	-	-	-
add Interest Costs on Debt (not covered by TCC)	85	885	50	50	50	50	50	50	50	50	50	50
less Debt Retirement 2024FY (funded from depreciation)	-	1,000	-	-	-	-	-	-	-	-	-	-
less Debt Retirement 2025FY (capital injection)	-	-	15,000	-	-	-	-	-	-	-	-	-
Total Debt	29,193	34,893	20,943	21,993	23,043	24,093	25,143	26,193	27,243	28,293	29,343	30,393
Assets	139,136	139,136	142,636	143,636	144,636	145,636	146,636	147,636	148,636	149,636	150,636	151,636
add New Capital	-	3,500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Assets	139,136	142,636	143,636	144,636	145,636	146,636	147,636	148,636	149,636	150,636	151,636	152,636
Debt Ratio	21%	24%	15%	15%	16%	16%	17%	18%	18%	19%	19%	20%
Funding Summary	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34
Operational Grant	4,030	5,167	8,167	8,396	8,623	8,830	9,024	9,204	9,379	9,539	9,691	9,846
Rates Funded Depreciation	4,561	4,096	7,682	7,682	7,682	7,682	7,682	7,682	7,682	7,682	7,682	7,682
Interest Grant	265	316	866	493	532	571	611	650	689	729	768	808
Interest Revenue TCC	-	515	885	916	543	582	621	661	700	739	779	818
Net Interest Revenue TCC	(249)	(569)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)

Appendix vii: OCR and CPI projections



Source: RBNZ Monetary Policy Statement May 2023

Tauranga City Council & Bay Venues Limited
PwC

June 2023
23

Appendix viii: LGCI Forecast

Table 6.7 Local Government Aggregated Cost Adjuster pa % changes

Pa % changes			
Year	OPEX	CAPEX	Total
2019	2.7	2.7	2.7
2020	1.6	1.7	1.6
2021	2.4	2.3	2.4
2022	7.6	7.8	7.6
2023	5.8	6.2	5.9
2024	4.2	4.5	4.3
2025	3.3	3.5	3.4
2026	2.8	3.0	2.9
2027	2.7	2.7	2.7
2028	2.4	2.4	2.4
2029	2.2	2.2	2.2
2030	2.0	2.0	2.0
2031	1.9	1.8	1.8
2032	1.7	1.6	1.7
2033	1.6	1.5	1.6
20 year average % pa	4.4	4.5	4.5

Source: Management

Tauranga City Council & Bay Venues Limited
PwC

June 2023
24

Appendix ix: Glossary of terms

Term	Definition
BVL	Bay Venues Limited
Calculation	Managements calculation analysing funding options 1 to 4
CCO	Council Controlled Organisation
CPI	Consumer Price Index
CSO	Consultancy Services Order
LGCI	Local Government Cost Index
RBNZ	Reserve Bank of New Zealand
TCC	Tauranga City Council
FY	Financial Year
p.a	Per annum

Thank you

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12.2 Rates Resolution 2023/2024

File Number: A14743259

Author: Jim Taylor, Manager: Rating Policy and Revenue
Kathryn Sharplin, Manager: Finance

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. To resolve to set and assess the 2023/2024 rates.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Rates Resolution 2023/2024".
- (b) Sets the following rates under the Local Government (Rating) Act 2002, in accordance with the relevant provisions of the Funding Impact Statement in the Annual Plan for the 2023/2024 rating year, on rating units in the city for the financial year commencing on 1 July 2023 and ending on 30 June 2024.

The rates and charges specified are inclusive of Goods and Services Tax at the prevailing rate.

I. General Rate

A general rate set under section 13(2) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$ 0.00192224 in the dollar of capital value on all residential rateable rating units in the city.
- A rate of \$0.00403671 in the dollar of capital value on all commercial rateable rating units in the city.

("residential" and "commercial" are as defined in the Funding Impact Statement).

II. Uniform Annual General Charge

A uniform annual general charge set under section 15(1)(b) of the Local Government (Rating) Act 2002 at:

- A rate of \$274.00 per separately used or inhabited part of a rateable rating unit.

III. Waste Collection Rate

Uniform targeted rates for the kerbside waste collection services, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, on all rating units in the city on which there is one or more residential use and that will be provided with the low, standard or high waste collection service, at:

-
- A rate of \$200 per low waste service capacity provided for each residential use on each rating unit in the City.
 - A rate of \$235 per standard waste service capacity provided for each residential use on each rating unit in the City.
 - A rate of \$340 per high waste service capacity provided for each residential use on each rating unit in the City.

IV. Garden Waste Rate (optional)

Uniform targeted rates for garden waste collection services, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, on all rating units in the city used for residential purposes and that will be provided with the garden waste collection service, at:

- A rate of \$105 for each garden waste bin (two weekly collection).
- A rate of \$75 for each garden waste bin (four weekly collection).

V. Wastewater Rate

A differential targeted rate for wastewater, set under sections 16(3)(b) and 16(4)(b) of the Local Government (Rating) Act 2002 at:

- A rate of \$671.60 for each water closet or urinal in a connected rating unit in the city.
- A rate of \$335.80 per separately used or inhabited part of a rating unit for any serviceable rating units in the city.

("separately used or inhabited part of a", "connected" and "serviceable" rating units, are defined in the Funding Impact Statement).

A rating unit used primarily as a residence for 1 household will not be treated as having more than 1 water closet or urinal.

VI. Stormwater Rate

A targeted rate for stormwater infrastructure investment, set under section 16(3)(a) and 16(4) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$0.00001942 in the dollar of capital value on all residential rateable rating units in the city.
- A rate of \$0.00003108 in the dollar of capital value on all commercial rateable rating units in the city.

VII. Water Supply Rates

Volumetric rate

A targeted rate for metered water supply set under section 19(2)(a) of the Local Government (Rating) Act 2002 at

- A rate of \$3.40 per cubic metre of water supplied.

Base rate

A differential targeted rate per connection on every rating unit in the City which is provided with a metered water supply service, set under sections 16(3)(b) and 16(4)(b) of the Local Government (Rating) Act 2002, calculated on the basis of the nature of the connection size as follows:

Meter Size	Amount
20mm	\$0.00
25mm	\$0.00
32mm	\$0.00
40mm	\$0.00
50mm	\$0.00
80mm	\$0.00
100mm	\$0.00
150mm	\$0.00
200mm	\$0.00
250mm	\$0.00

VIII. Water Supply Rates (unmetered)

Unmetered rate

A uniform targeted rate on every rating unit in the City which is provided with and connected to an unmetered water supply service, set under sections 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$885.00 for each separately used or inhabited part of a rating unit as defined in the Funding Impact Statement.

IX. Economic Development Rate

A targeted rate for economic development in the City, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 at:

- A rate of \$0.00037982 in the dollar of capital value on every commercial rateable rating unit (as defined in the Funding Impact Statement).

X. Mainstreet Rates

Targeted rates for Mainstreet organisations, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$0.00044546 in the dollar of capital value for every commercial rating unit in the Tauranga Mainstreet rating area as defined in the Funding Impact Statement.
- A rate of \$0.00050048 in the dollar of capital value for every commercial rating unit in the Mt Maunganui Mainstreet rating area as defined in the Funding

Impact Statement.

- A rate of \$0.00151715 in the dollar of capital value for every commercial rating unit in the Greerton Mainstreet rating area as defined in the Funding Impact Statement.
- A rate of \$0.00029648 in the dollar of capital value for every commercial rating unit in the Papamoa Mainstreet area as defined in the Funding Impact Statement.

XI. Special Services Rates'The Lakes' Targeted Rate

A uniform targeted rate for additional levels of service in relation to maintenance and renewal of street gardens, street trees, footpaths and the removal of litter from ponds provided to 'The Lakes' subdivision, located at Pyes Pa, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$102.75 per rating unit located within 'The Lakes' subdivision as defined in the Funding Impact Statement.

'The Coast Papamoa' Targeted Rate

A uniform targeted rate for additional levels of service in relation to maintenance and renewal of street trees and footpaths provided to 'The Coast Papamoa' subdivision, located at Papamoa, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$35.01 per rating unit located within 'The Coast Papamoa' subdivision as defined in the Funding Impact Statement.

'The Excelsa' Targeted Rate

A uniform targeted rate for additional levels of service in relation to maintenance and renewal of street gardens, street trees and up lights under trees provided to 'The Excelsa' subdivision, located at Papamoa, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$51.78 per rating unit located within 'The Excelsa' subdivision as defined in the Funding Impact Statement.

XII. Resilience Rate

A targeted rate for resilience infrastructure investment in Water, Wastewater, Stormwater, Transportation and Emergency Management, set under section 16(3)(a) and 16(4) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$0.00001215 in the dollar of capital value on all residential rateable rating units in the city.
- A rate of \$0.00001944 in the dollar of capital value on all commercial rateable rating units in the city.

XIII. Transportation Rate

A targeted rate for Transportation infrastructure investment, set under section 16(3)(a) and 16(4) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$0.00005360 in the dollar of capital value on all residential rateable rating units in the city.
- A rate of \$0.00027872 in the dollar of capital value on all commercial rateable rating units in the city.

XIV. Community Rate

A targeted rate for Community amenity investment, set under section 16(3)(a) and 16(4) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$0.00011214 in the dollar of capital value on all residential rateable rating units in the city.
- A rate of \$0.00017943 in the dollar of capital value on all commercial rateable rating units in the city.

- (b) That all rates (except the water supply volumetric rate set under section 19 and the water supply base rate for metered connections under section 16 of the Local Government (Rating) Act 2002) be payable in two equal instalments due on:

- 31 August 2023 and
- 29 February 2024

- (c) That all metered water rates will, except as to high users, be invoiced on a quarterly basis dependant on when the water meters are read, in accordance with the table below headed "Due dates and penalty dates for rates for metered water supply". The due dates will also be specified on the invoice. Rating units, which are considered high users of water (namely having an average consumption more than 5m³ per day) will be invoiced monthly, and these rates will be due on the first Thursday after 23 days following the date of the invoice.

- (d) That the Council authorises the addition of penalties to rates that are not paid by the due date, as follows, in accordance with sections 57 and 58 of the Local Government (Rating) Act 2002, and delegates authority to the Manager Finance to apply penalties in accordance with this regime:

- (i) a charge of 10% on so much of any rates instalment after 1 July 2023 which is unpaid after the relevant due date (except for the volumetric rate under section 19 and the water supply base rate for metered connections under section 16 of the Local Government (Rating) Act 2002) will be applied on:

Instalment due date	Penalty Date
31 August 2023	11 September 2023
29 February 2024	11 March 2024

- (i) a charge of 10% on so much of any of the volumetric rate under section 19 and the water supply base rate for metered connections under section 16 of the

Local Government (Rating) Act 2002 invoiced after 1 July 2023 and which is unpaid after the due date will be applied on whichever is the next consecutive date following the due date of the invoice to which the penalty applies, being:

Water Penalty Date
26 October 2023
1 February 2024
2 May 2024
25 July 2024

Due dates and penalty dates for rates for metered water supply and connection

Week	Area	Q1 Due date	Q2 Due date	Q3 Due date	Q4 Due date
1	Mt Maunganui North/ Ind, Omanu, Matapihi,	10-Aug-23	02-Nov-23	15-Feb-24	09-May-24
2	Arataki, Te Maunga, Papamoa West	17-Aug-23	09-Nov-23	22-Feb-24	16-May-24
3	Papamoa West / East	24-Aug-23	16-Nov-23	29-Feb-24	23-May-24
4	Papamoa East / South,	31-Aug-23	23-Nov-23	07-Mar-24	30-May-24
5	Papamoa East, Kairua, Welcome Bay, Hairini	07-Sep-23	30-Nov-23	14-Mar-24	06-Jun-24
6	Hairini / Ohauti, Poike, Pyes Pa, Maungatapu.	14-Sep-23	07-Dec-23	21-Mar-24	13-Jun-24
7	Greerton, Yatton Park, Gate Pa, Avenues	21-Sep-23	14-Dec-23	28-Mar-24	20-Jun-24
8	Tauranga Central/South, TeReti, Judea, SulphurPt	28-Sep-23	11-Jan-24	04-Apr-24	27-Jun-24
9	Brookfield, Bellevue, Otumoetai	05-Oct-23	11-Jan-24	11-Apr-24	04-Jul-24
10	Otumoetai, Matua	12-Oct-23	18-Jan-24	18-Apr-24	11-Jul-24
11	The Lakes, Bethlehem	19-Oct-23	25-Jan-24	25-Apr-24	18-Jul-24
All (including high users)	Penalty Added Date	26-Oct-23	1-Feb-24	2-May-24	25-Jul-24

- (e) Where a ratepayer makes any payment that is less than the amount now payable, the Council, will apply the payment firstly to any rates outstanding from previous rating years and then proportionately across all current year rates due.

EXECUTIVE SUMMARY

2. To set rates for the 2023/2024 year in accordance with the Local Government (Rating) Act 2002 and in accordance with the relevant provisions of the Council's 2021-2031 Long-term Plan, and Funding Impact Statement in the 2023/2024 Annual Plan.

BACKGROUND

3. The total rates requirement is determined through the Annual Plan.
4. The total rates revenue increase between the 2022/2023 and 2023/2024 years (including water volumetric charges) is 6.7% after adjusting for growth of 1.0%.
5. Growth in the rating base was 0.5% less than originally anticipated due to a slowdown in subdivision and building activity, and a reduction in the commercial capital value base because of a reapportionment of the Port of Tauranga Ltd rateable/non-rateable split and reductions in capital value from large retail shopping malls following valuation objections.
6. For residential ratepayers the median increase, including water rates, is 7.2% an increase of 0.5% from the annual plan. Excluding water rates, the median residential rates increase is 9.4%.
7. For commercial ratepayers, excluding water rates, the median for commercial ratepayers is 18%.

(Includes rating policy changes to the commercial differential on the general rate and the transportation targeted rate)

STRATEGIC / STATUTORY CONTEXT

8. The rates resolution is required to set and assess the rates.

CONSULTATION / ENGAGEMENT

9. The community was consulted through the 2021-2031 Long Term Plan and informed through the 2023/2024 draft annual plan.

SIGNIFICANCE

10. 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.
11. 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.
12. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of high significance due to the quantum involved and its impact on the community. This decision affects all Ratepayers of Tauranga City. It is a significant funding source (\$254 Million rates revenue and estimated \$36 Million water volumetric charge revenue for Council).

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

NEXT STEPS

13. Rates will be set and assessed for the 2023/2024 rating year.

ATTACHMENTS

Nil

12.3 Adopt Final 2023/24 Development Contributions Policy

File Number: A14687390

Author: Scott Moriarty, Senior Advisor: Growth Funding

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

PURPOSE OF THE REPORT

1. To adopt the final 2023/24 Development Contributions Policy.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Adopt Final 2023/24 Development Contributions Policy".
- (b) Adopts the 2023/24 Development Contributions Policy
- (c) Delegates to the General Manager: Strategy, Growth and Governance the authority to rectify any minor errors or omissions that are identified in the 2023/24 Development Contributions Policy prior to final publication.

EXECUTIVE SUMMARY

2. TCC reviews and updates its Development Contributions Policy (DCP) annually.
3. In previous years TCC has undertaken a consultation process in line with the requirements of Sections 82-90 of the Local Government Act 2002.
4. TCC has not consulted on the proposed 2023/24 DCP because the proposed changes do not trigger a consultation requirement under the Local Government Act 2002 as they are either:
 - (a) minor administrative changes to the wording of the DCP which are not considered material; or
 - (b) changes to the development contribution charges which are below the Producer Price Index statutory threshold.
5. If adopted, the attached DCP will be published and become operative on 1 July 2023.

DISCUSSION

6. Council is proposing to introduce a new DCP from 1 July 2023. A copy of the proposed policy is attached (Attachment 1).
7. Staff have proposed a small number of minor changes to the wording of the policy – for example, updating job titles, correcting typographical errors and updates to Section 1.3 (which is the section that specifically highlights key changes since the last policy). The only material changes to the policy are the updates to the development contribution fees.
8. In previous years TCC has undertaken public consultation before recommending the adoption of the new DCP. The general requirements regarding consultation are set out in Sections 82 – 84 of LGA.
9. This year staff have not undertaken consultation on the new policy. This is because the content changes are not significant enough to trigger consultation requirements and the

increase in the development contribution fees are less than the limits provided for in Section 106 (2C) (a) of the LGA as set out in the discussion below.

Changes to development contribution charges

10. TCC has proposed small changes to development contribution charges for each catchment. Changes to DCs must be consulted on where they exceed the statutory threshold set out in section 106(2C)(a) of the LGA. This section is set out below.
- (2B) Subject to subsection (2C), a development contribution provided for in a development contributions policy may be increased under the authority of this subsection without consultation, formality, or a review of the development contributions policy.
- (2C) A development contribution may be increased under subsection (2B) only if—
- (a) the increase does not exceed the result of multiplying together—
 - (i) the rate of increase (if any), in the PPI since the development contribution was last set or increased; and
 - (ii) the proportion of the total costs of capital expenditure to which the development contribution will be applied that does not relate to interest and other financing costs; and
 - (b) before any increase takes effect, the territorial authority makes publicly available information setting out—
 - (i) the amount of the newly adjusted development contribution; and
 - (ii) how the increase complies with the requirements of paragraph (a).
11. In order to comply with s106(2C)(a) of the LGA, the DC for each catchment may increase in the 23/24 DCP by up to an amount equal to the capital expenditure in that catchment in 22/23 DCP (excluding financing costs) multiplied by the increase in the Producers Price Index (PPI). TCC has set out below the PPI increase and how it has calculated this threshold for each DC.

Increase in the PPI

12. The PPI increased by 9.84% in the year from March 2022 to March 2023.
13. There are two points to note regarding this figure:
- (a) Section 106 defines the PPI to be the Producer Price Index Outputs for Construction which is a subset of the Producer Price Index – Outputs. This is published quarterly by StatsNZ.
 - (b) We have used the PPI for the period March 2022 to March 2023 as this is the most recent annual data available prior to the DCP becoming operative on 1 July 2023.

Maximum increase for each DC catchment

14. The table below shows each catchment where DC charges have change and the proposed change to DC charges for that catchment in dollars and as a percentage. All proposed increases are below the 9.84% statutory threshold.

Catchment	DC 22/23	Proposed DC 23/24	Change (%)
Bethlehem	\$14,248	\$14,378	+0.9%
Ohauti	\$12,883	\$12,881	+0.0%
Papamoa	\$9,860	\$8,560	-13.2%
Pyes Pa	\$7,898	\$7,948	+0.6%
Pyes Pa West	\$41,357	\$43,839	+6.0%
Tauranga Infill	\$4,227	\$4,227	0.0%
Tauriko	\$402,518	\$424,530	+5.5%
Wairakei	\$651,757	\$652,171	+0.1%
Welcome Bay	\$10,029	\$10,125	+1.0%

West Bethlehem	\$34,460	\$34,748	+0.8%
Citywide	\$33,570	\$34,507	+2.8%

Key drivers of change

15. There are a number of macro factors driving change:
 - (a) Economic conditions – inflation has increased prices for capital projects which are yet to be delivered; and
 - (b) Projected interest costs are expected to persist at higher levels than anticipated in the last DCP which results in higher financing costs for debt-funded projects.
16. There are also several factors which have driven changes in certain catchments.
 - (a) Pyes Pa West has had the largest increase year on year of any individual catchment at +6%. This is largely driven by an increase in the underlying cost of delivery of projects within the reserves and transport infrastructure categories. These increases reflect updates to the actual expected costs of construction.
 - (b) Papamoa's DC charge has notably decreased by -13%. This is primarily because we have stopped charging DCs for reserves as we have collected enough funds for the expected capital cost of the projects. There has also been a faster than anticipated build out rate having positive effects on the cost of capital assumptions.
 - (c) Although the increase to the Citywide DC is minor at +2.8%, it is worth noting that underlying project cost increases and inflation expectation impacts within the Community infrastructure and Wastewater infrastructure categories have been the major factor in the increase.

SIGNIFICANCE

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

ENGAGEMENT

20. Taking into consideration the above assessment, that the matter is of low significance and the statutory exemption from consultation under the LGA, staff are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

21. Once the policy is adopted staff will publish the DCP and notify key stakeholders.

22. Staff are in the process of undertaking a substantial review of the DCP 2024/25 in advance of public consultation alongside the Long-term Plan 24-34 in November 2023.

ATTACHMENTS

1. **Draft 2023/24 Development Contributions Policy - A14773396 (Separate Attachments 2)**



12.4 Deliberations and Adoption Report - User Fees and Charges 2023/24

File Number: A14648225

Author: Kathryn Hooker, Corporate Planner

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. To consider submissions made to the Draft Schedule of User Fees and Charges 2023/24 and adopt the Schedule of User Fees and Charges 2023/24.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Deliberations and Adoption Report - User Fees and Charges 2023/24".
- (b) Approves staff comments on submissions relating to User Fees and Charges 2023/24 in **Attachment 1**.
- (c) Confirms the following approach to the Schedule of User Fees and Charges as a result of feedback from consultation and staff suggested changes:
 - (i) Option 1: Amend the proposed Schedule of User Fees and Charges as suggested in the table in paragraph 19.
 - or
 - (ii) Option 2: Retain status quo.
- (d) Confirms the base water charges to be displayed \$0.00 in the Schedule of User Fees and Charges in line with the decision made at the adoption of the Annual Plan 2023/24 that all fixed charges are removed for 2023/24.
- (e) Notes in paragraphs 13-16 below how recommendations (e) to (h) added during the adoption of hearings held 29 May 2023 have been addressed.
- (f) Notes **Attachment 3** – an email from submitter 13 that has additional information to add to their submission.
- (g) Adopts the Schedule of User Fees and Charges 2023/24 with amendments from resolution (c) contained in **Attachment 2**.
- (h) Authorises the Chief Financial Officer to make any necessary minor drafting or presentation amendments to the Schedule of User Fees and Charges 2023/24 before going to print.

EXECUTIVE SUMMARY

2. At its meeting of 20 March 2023, Council adopted the Draft Schedule of User Fees and Charges and Statement of Proposal for the proposed Schedule of User Fees and Charges 2023/24 with the consultation period opening on 24 March 2023.
3. Public consultation for the Draft Schedule of User Fees and Charges 2023/24 was undertaken between 24 March and 24 April 2023.
4. 139 submissions were received, with five speaking to their submissions at the hearings on 29 May 2023.

5. This report is presented to Council to deliberate on the issues raised and feedback received throughout the consultation period and hearings on Draft Schedule of User Fees and Charges 2023/24.
6. Recommendations are made to confirm the proposals for inclusion in the final Schedule of User Fees and Charges 2023/24 and adopt the Schedule of User Fees and Charges.

DISCUSSION

Comments On Specific User Fees and Charges

7. 78 submitters were unsupportive of the increase in fees and charges relating to Bay Venues, these submission points were directed to Bay Venues to provide comment.
8. Bay Venues will continue to have discounted rates for seniors, youth and families across all five of its aquatic facilities and will also continue to deliver subsidised water safety lessons for schools. However, to be financially sustainable, the organisation needs to increase user fees to offset rising operational costs.
9. Bay Venues had an independent benchmark review carried out in 2023 to assess what was fair and reasonable; creating a balance between what was paid by users and how much was subsidised by ratepayers. The review concluded that the current user fees at Bay Venues were, on average, significantly below national market benchmarks in almost all cases.
10. Issues were also raised with comparisons that indoor and outdoor sports fees and charges were unfair and inequitable with indoor being so much more than outdoor. This was also raised at the hearings by two independent speakers.
11. A resolution was made at the hearings meeting on 29 May 2023 to discuss indoor/outdoor costs and charges with spaces and places staff.
12. 67 submitters raised issues with fees and charges relating to specific activity areas. These submission points were directed to each Activity Manager to provide comment on. The points raised in the submissions and Council's proposed response have been attached to this report as **Attachment 1**

HEARINGS ON USER FEES AND CHARGES

13. The hearings for the user fees and charges took place on 29 May 2023.
14. Five people spoke in support of their submissions at the hearings.
15. At the meeting as Council considered the report, the following resolutions were added:
 - (e) *Meet and discuss submissions with Bay Venues board*
 - (f) *Discuss indoor/outdoor costs and charges with spaces and places staff*
 - (g) *Discuss targeted community grants to support community activities with the community grants staff*
 - (h) *Discuss future process to hear submissions on user fees and charges when Bay Venues fees and charges are included.*
16. The following actions have occurred to address the above resolutions:
 - (a) A meeting between the Commissioners, the Bay Venues Chief Executive and members of the Bay Venues board is booked to occur on 16 June 2023. This meeting will look to address resolutions (e) and (h).
 - (b) Resolutions (f) and (g) have been addressed by meetings taking place with the relevant divisions their GM and the Commissioners.
 - (c) Noting that Spaces and Places are doing further work on the fees for indoor and outdoor sports as part of the 2024-34 Long-term Plan.

CHANGES TO USER FEES AND CHARGES

17. During consultation on the Draft Schedule of User Fees and Charges 2023/24, a number of activity groups have requested to make slight amendments to their user fees and charges.
18. It should be noted that these changes are minor and are not material and would not require any further consultation. The activity groups that have proposed changes to their user fees and charges are Bay Venues, Parks and Recreation/Venues and Events, Cemeteries and Water Supply.
19. The following sets out the proposed changes for each activity group:

Bay Venues	<p>Proposed pricing changes below in response to a large number of submissions. The proposed pricing change will be added via a footnote in the schedule.</p> <ul style="list-style-type: none"> 10% discount for regular users booking multiple lane hires, and off-peak lane hires. Maximum 10% discount for any booking. Discount applies only to Community Regular Hire – local, not for profit Tauranga groups who hire the facilities regularly. <p>There is an estimated \$35,000 revenue impact from the aquatic discounts.</p>
Parks and Recreation/Venues and Events	<p>Events on Parks – it is proposed commercial ticket price is increased from the current \$50.00 to \$59.99. This will reduce the level of fee charged per day for events and responds to submission number 27.</p> <ul style="list-style-type: none"> Ticket price less than \$59.99 – per day = Hire fee of \$339.00 Ticket price more than \$60.00- per day = Hire fee of \$3,922.00
Cemeteries	<p>The price for a burial service package for the first interment is reduced by \$100.00. To also add a burial service package for second interment, which has increased in price to recognise the additional work required.</p> <ul style="list-style-type: none"> Burial Service Package for First casket interment – based on 1 Hour Use of chapel and lounge \$1,677.00 Burial Service Package for Second casket interment – based on 1 Hour Use of chapel and lounge \$2,065.00
Water Supply	<p>As part of the Annual Plan 2023/24, a decision was taken to reduce the burden on the community and as such a one-year relief on fixed meter charge was approved. This decision was made at the adoption of the Annual Plan 2023/24 on 3 April and this amendment is a reflection of that decision.</p> <p>Base charge meter size (mm)</p> <ul style="list-style-type: none"> 20 \$00.00 25 \$00.00 32 \$00.00 40 \$00.00 50 \$00.00 80 \$00.00 100 \$00.00

	<ul style="list-style-type: none"> • 150 \$00.00 • 200 \$00.00 • 250 \$00.00
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OPTIONS ANALYSIS

Option 1: Amend the proposed Schedule of User Fees and Charges as suggested in the table in paragraph 19.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Ensures the user fees and charges list is accurate and takes into account feedback received. 	<ul style="list-style-type: none"> • None

Budget – Capex: N/A

Budget – Opex: N/A

Key risks: None

RECOMMENDED

Option 2: Retain the status quo.

Advantages	Disadvantages
<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • Prices would remain at levels included in the consultation.

Budget – Capex: N/A

Budget – Opex: N/A

Key risks: Council progresses with user fees and charges for 2023/24 without reduction of the above fees and charges for Bay Venues, Parks and Recreation/Venues and Events and Cemeteries as proposed in this report.

STRATEGIC / STATUTORY CONTEXT

20. Setting fees and charges at the correct level enables the funding of council's activities. These activities help deliver out community outcomes and facilitate improved quality of life, quality of economy and sound city foundations.
21. The recommendation meets the requirements of the Local Government Act 2002 (LGA).
22. Council is authorised to set fees and charges under specific legislation, including:
 - Local Government Act 2002
 - Resource Management Act 1991
 - Dog Control Act 1996
 - Building Act 2004
 - Reserves Act 1977
 - Waste Minimisation Act 2008
 - Local Government Official Information and Meetings Act 1987

- Food Act 2014
- Food Hygiene Regulations 2015
- Impounding Act 1955
- Health Act 1956
- Sale of Alcohol Act 2012

CONSULTATION / ENGAGEMENT

23. Consultation has been carried out in accordance with the LGA.

SIGNIFICANCE

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




ENGAGEMENT

27. Taking into consideration the above assessment, that the documents referenced within this report are of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

28. Following Council's decisions, the Schedule User Fees and Charges 2023/24 documents will be prepared, including any changes as a result of this meeting and will be made available on Council's website and in hard copy format where requested.
29. The User Fees and Charges will take effect on 1 July 2023.
30. All submitters will be sent a letter or an email with an individualised response to their submission within one month of adoption of the Schedule of User Fees and Charges.

ATTACHMENTS

1. **Fees and Charges Submissions_ Full _with Response - A14644590 (Separate Attachments 1)** 
2. **Schedule of User Fees & Charges 2023/24 - A14771913 (Separate Attachments 1)** 
3. **Submission 13 - Email from - Stacey Whalen - A14771724 (Separate Attachments 1)** 

12.5 Mauao Annual Report

File Number: A14775006

Author: Taylor Klinefelter, Open Space and Community Facilities Planner

Authoriser: Barbara Dempsey, General Manager: Community Services

PURPOSE OF THE REPORT

1. To provide an overview of project delivery for financial year 2021/22.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Mauao Annual Report".

BACKGROUND

2. The Mauao Trust and Tauranga City Council have partnered to deliver the Mauao Implementation Plan 2018 – 2028. The Mauao Trust are the owners of Mauao, and Tauranga City Council is working alongside the Mauao Trust to jointly manage the reserve for everyone to enjoy. The Implementation Plan reflects a shared vision for Mauao. Funding for the implementation of Placemaking and Interpretation projects was successfully obtained through the 2021-31 Long Term Plan (LTP).
3. The Implementation Plan is underpinned by the principle of integrated management and is an adaptive and holistic tool which recognises the environment as complex, interconnected, and ever changing. The Implementation Plan sets out priorities for actions and provides guidance to the timing and costing of projects which are consistent with the vision to protect, conserve and enhance Mauao as a Taonga of exceptional significance.

SUMMARY OF 2021/22 CAPITAL DELIVERIES

4. Placemaking and Interpretation is identified as project F2 in the Mauao Implementation Plan. This project has multiple aspects and elements which are being delivered in parallel.
5. The Placemaking and Interpretation programme of works has an extended delivery phase, with some smaller and simpler elements able to be fully completed early on, while other more complex aspects require appropriate consents from statutory authorities and input from technical experts likely to extend project delivery over multiple financial years. A total of \$558,152.25 was spent on Placemaking and Interpretation projects across FY21/22.
6. The first placemaking project to be completed was at te tihi o Mauao (summit). The first phase of te kapehu (compass) was unveiled at dawn on Matariki, 24 June. A second phase of this project, involving the installation of the outer rings, is due to be completed in early to mid-2023.
7. Installation of wayfinding signage commenced following the first phase of summit works, te kapehu (compass). The wayfinding signage was designed to enhance navigation of the various routes up and around the maunga, and have been designed with a bespoke aesthetic which reflects cultural heritage of Mauao.

SUMMARY OF 2021/22 OPERATIONAL DELIVERIES

8. The Operational Fund allocated to Mauao for 2021/22 was \$704,193, and this budget was used to deliver a range of operational projects, detailed below:
9. Maintenance and management of approximately 15km of walking tracks was undertaken to ensure that they are kept to a desired level in order to handle high levels of year-round use. A total of 495,400 visitors completed the base track at Mauao, and 556,300 people climbed to the summit. Combined this represents more than a million journeys on the paths network, and management of the designated tracks helps to preserve heritage features.
10. The Oruahine Track surface was upgraded and renewed, including creating an outer track edge which increases safety and reduces the amount of aggregate being lost due to weathering and erosion.
11. Pest Control is identified as project S2 in the Mauao Implementation Plan. The Pest Control project considers established pest control methods and creates a plan for Mauao that yields the most effective results without unnecessary harm or risk to other species or visitors to the maunga.
12. The priority focus continues to be the rabbit population, as their burrowing activity is a significant threat to the archaeological features on Mauao. A programme of fumigation and monthly shooting is proving to be effective at keeping the population low. Based on recent observations the population of rabbits is estimated to be in the range of 20-50.
13. Restoration planting is ongoing to restore Te Korowai o Mauao, with an estimated 13,000 native plants and grasses being installed across an area of approximately 12,000 square metres. In addition to the planting of native species, the removal of invasive and pest species is another aspect of the restoration programme. A total of 18 large exotic trees were removed from the maunga. Due to the challenging location of these exotic trees, removal of the material required the use of a helicopter to preserve sensitive archaeological features with minimal impact on the ground, or to the adjacent karaka.
14. Myrtle Rust was discovered on Mauao on the Oruahine Track, Waikorire Track, and Te Ara Tutanga. Larger areas of infection were marked and then removed by experienced arboriculture specialists. A management/response plan is being developed by a small working group comprising members of Mauao Trust, TCC, and Scion (Forestry Research Institute).
15. In order to maintain visitor safety with the reserve, cyclical monitoring of potential rockfall hazards is conducted by Avalon, who are specialist contractors. An unstable area of rock was identified and determined to pose a potential risk to visitors. The contractor was deployed to mitigate this risk in a controlled fashion.

UPCOMING CAPEX PROJECTS

16. Delivery of capital projects on Mauao will continue in accordance with the Implementation Plan. A review of budget allocations and anticipated project costs will be conducted to ensure successful delivery of the Implementation Plan.
17. Elements of the Placemaking and Interpretation project will be progressed, including installation of ecological and heritage interpretation signage, phase two of the summit, the Karewa Hairpin, replacement of mid-track seating, Te Puna Waitapu, Karewa/Tuhua (base track).
18. Further details of these project elements can be found within the Placemaking and Interpretation Plan.

UPCOMING OPEX PROJECTS

19. Maintenance and management of Mauao is an ongoing activity to ensure that the reserve is safe, accessible, and able to be enjoyed by visitors now and in the future. The following

items are anticipated to proceed in the near future, with more detailed information available in the report for the financial year in which they take place.

20. Planned work for the upcoming financial year includes:
21. Moving forward with the chosen option to remove the current health and safety risk at Te Kuia Rock/North Rock.
22. Identify another batch of large exotic trees for removal which are on or threatening archaeological features. Due to the success of the previous helicopter removal, this option is being considered again to minimise on-ground impacts.
23. Removal of the remaining memorial seating on Mauao to make space for the new benches and seating which adhere to the coordinated design palette and aesthetic set out in the Placemaking and Interpretation Plan. Every effort will be made to make contact with the families prior to removal of the memorial seats.
24. Creation of a plan to source the three varieties of harakeke for future planting at Waipatukakahu.
25. Renew a section of Te Ara Tūtanga (base track) in order to manage the wear and tear from high levels of use.
26. Sign and structure maintenance will continue to ensure that the operational life of the newly installed wayfinding and heritage signage can be maximised, and to keep facilities in proper working order.
27. Pest plant and animal control regimes will continue in order to protect and enhance the natural environment on Mauao and mitigate any negative impacts from non-native species.
28. Further archaeological work will be undertaken to determine areas for additional exploration and examination, to better understand settlement patterns and sites of significance on Mauao.

ATTACHMENTS

1. **Mauao project images - A14781028**  

Placemaking and interpretation signage along the base track



Ecological information and heritage signage along the base track



New seating and placemaking signage



12.6 Pōteriwahi (Parau Farms) further Report to Consultation Outcomes

File Number: A14755346

Author: Nick Chester, Principal Strategic Advisor

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

PURPOSE OF THE REPORT

1. To conclude the public consultation process for the proposed land use change of Pōteriwahi (Parau Farms).
2. To seek approval for a land use change of Pōteriwahi to a mixed-use model that includes retention of land for sports fields, passive reserve/stormwater and river access, with the remainder of land being disposed for housing purposes.
3. To endorse in principle the updated concept plan for Pōteriwahi that reflects revised proposed land use.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Pōteriwahi (Parau Farms) further Report to Consultation Outcomes" and notes the 8 February 2022 report "Pōteriwahi (Parau Farms) further Report to Consultation Outcomes".
- (b) Approves Pōteriwahi land use change to include retention of land for sports fields, passive reserves, stormwater and river access, with the remainder of land being disposed for housing purposes
- (c) Endorses in principle the updated concept plan for Pōteriwahi (Figure 1) that reflects this proposed land use and notes that the concept plan will be further developed and reported back to Council for approval.
- (d) Approves proceeding with the development of a plan change to zone land at Pōteriwahi to enable housing
- (e) Note hapū desire to achieve some housing outcome for their hapū and that TCC will continue to work with them on ways that could be achieved
- (f) Request Ngati Kahu hapū nominate 2 representatives to work with council as planning progresses.

EXECUTIVE SUMMARY

4. Council consulted on a potential change of purpose for council-owned land known as Pōteriwahi (Parau Farms) in 2021, recognising a need to increase housing in Tauranga. Currently the land is zoned Active Open Space and classified for use as future sports fields.
 - (a) Consultation ran from 15 Nov-15 Dec 2021. A total of 153 submissions were received – 31% in favour and 69% opposed.
 - (b) Concerns included: impact on local infrastructure capacity (traffic, water), potential devaluing of neighbouring properties, loss of green space and natural environment, cultural concerns and pressure on surrounding amenities ie schools
5. Council considered feedback on the proposal on 8 February 2022. The decision was deferred allowing further time to engage with hapū before making a final decision. This engagement has been occurring since this time and will continue.

6. The need for increased housing supply remains critical. Staff have used feedback gathered through public consultation to recommend a revised plan for Pōteriwahi that would result in a mixed-use model, incorporating housing alongside recreational and cultural uses.
7. Staff have begun the development of a concept plan for Pōteriwahi. The plan includes the retention of land for 3 sports fields, passive reserve/stormwater and river access, with the remainder of land being disposed for housing purposes. It is anticipated that approximately half of the land (11.4 hectares) would be disposed of for housing.
8. The updated concept plan will also focus on ensuring concerns raised through the public submission process are addressed.
9. Ongoing engagement with hapū will be a key part of further development of the concept plan

BACKGROUND

10. The Council-owned land known as Pōteriwahi (Parau Farms) is located at 287A State Highway 2, Bethlehem on the southern side of State Highway 2, between the Wairoa River to the west and Moffat Road to the east. Pōteriwahi (Parau Farms) incorporates approximately 22 hectares of land and is legally described as:
 - Lot 2 Deposited Plan South Auckland 53048, SA44B/781
 - Part Lot 3 Deposited Plan South Auckland 47016, SA42D/213
 - Part Lot 4 Deposited Plan South Auckland 47016, SA53B/12
 - Lot 5 Deposited Plan South Auckland 47016, SA41D/783.
11. The land is part of the traditional estate of Ngāti Kahu, Ngāti Rangi and Ngāti Tamahapai
12. The land was acquired by Council in 2000 for future development as sports fields and to date has operated as a kiwifruit orchard.
13. In order to meet Council's development capacity requirements under the National Policy Statement on Urban Development (NPS-UD) a site-by-site review of Council-owned developable land was undertaken, as other greenfield and intensification projects are insufficient. Pōteriwahi (Parau Farms) was identified as land having potential to be utilised for housing and urban development.
14. Subsequently a review of the need for sportfields identified that all of land was not required for active sports purposes .
15. The matters were presented to Council in the report of 4 October 2021, following which Council approved in principle "...the utilisation of the Parau Farms site in Bethlehem for housing development and proceeding with:
 - (a) Investigation of housing development options in partnership with Kāinga Ora – Homes and Communities and Ngāti Kahu; and
 - (b) Process of public consultation for the disposal of park under section 138 of the Local Government Act 2002."
16. The public consultation for the disposal of a park under section 138 Local Government Act 2002 (LGA) was undertaken in November-December 2021. A summary and assessment of the submissions received was provided to Council on 8 February 2022.
17. The outcome of this report was that Council:

"Notes a further report will be brought to Council seeking a decision on whether the land should be disposed of for housing development once mana whenua feedback and input has been received"

CONSULTATION/ENGAGEMENT ON CHANGE OF LAND USE

18. Council consulted on a potential change of purpose for the land in 2021, recognising a need to increase housing in Tauranga. Consultation ran from 15 Nov-15 Dec 2021. A total of 153 submissions were received – 31% in favour and 69% opposed.
19. The key themes identified from the consultation feedback were:

Submissions in opposition (107)

- Need to understand how/where sports fields will be provided
- Concern regarding impact of loss of green space on local amenity
- Existing infrastructure/roading/local services already at capacity
- City, and particularly Bethlehem, needs sports/recreational space as much as housing
- Concern regarding type of development and residents.

Submissions in support (47)

- City needs both housing and sports/recreational space
- Looking for intensification and mix of housing opportunities, including green space
- Well located site, close to schools and shops
- Ensure cultural areas protected/enhanced in any development.

Neutral submissions (4)

- Need for both housing and sports/recreational space
- How commitment to biodiversity, climate change and future growth will be delivered on
- Work with schools and Ministry of Education to manage potential role growth.

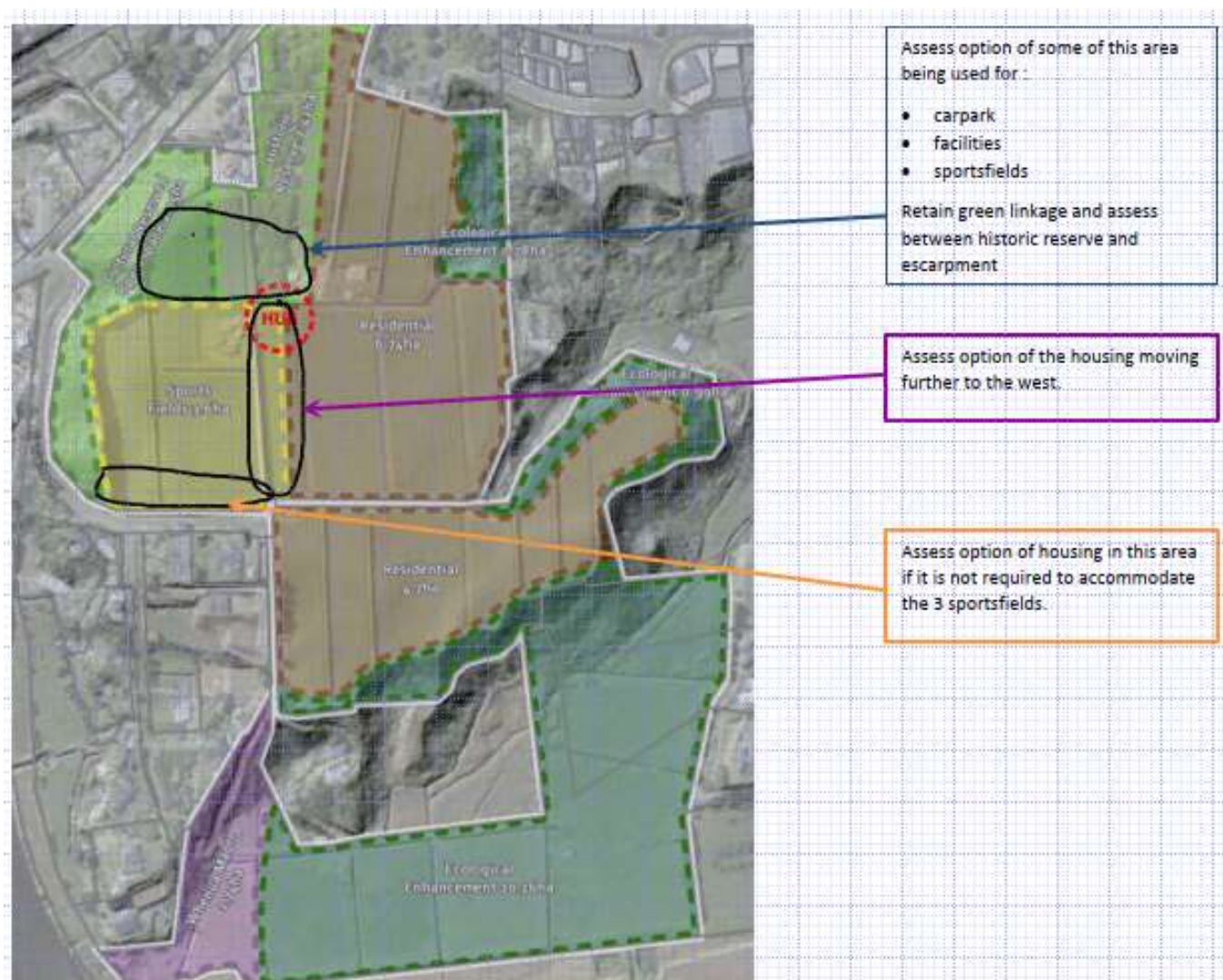
20. Potential responses to concerns were covered in detail in the 8 February 2022 report
21. The initial work undertaken on the draft concept plan has sought to address several of these concerns. Work will continue at the plan is developed to fully address specific issues.

TANGATA WHENUA ENGAGEMENT

22. Pōteriwahi is part of the traditional estate of Ngāti Kahu, Ngāti Rangī and Ngāti Tamahapai
23. A Memorandum of Understanding was signed 8 November 2022 between Council and Ngāti Kahu to explore future land use opportunities in partnership
24. When consulting with Ngāti Kahu, Council is also taking into account the views and preferences of the community expressed through the 2021 consultation which favoured a mixed-use development retaining some sports fields and green space alongside some housing, provided there was infrastructure to support it.
25. Ngāti Kahu were involved in hui in 2022 and 2023 where history and principles were discussed, and a draft concept plan was developed. They were provided a copy of the current proposed concept plan for comment on 13 April 2023 and as at date of writing this report no feedback has been received.
26. Ngāti Kahu have expressed a desire to achieve some affordable housing for their hapū potentially on Pōteriwahi or alternatively on other land in their rohe area. Council has advised we are open to exploring opportunities in this regard.
27. Council will continue to engage with Ngāti Kahu during further development of the concept plan and are requesting that two representatives are appointed to engage with TCC on this project.

DEVELOPMENT OF AN UPDATED CONCEPT PLAN

28. Staff have responded to the concerns raised through the consultation process by developing an updated concept plan for Pōteriwhi. The summary of proposed land uses are listed in Table 1.
29. The updated concept plan looks to address a number of the key concerns raised by the community through the consultation process and seeks to incorporate feedback received to date from tanga whenua.
30. There are several changes to the proposed land use to create a more mixed-use development. Changes include space for sportsfields and recreational use. It also ensures space for cultural, natural and ecologic preservation and enhancement alongside housing development.
31. These changes result in a proposed decrease of land available for housing from 22 hectares to approximately 11.4 hectares. This in turn will reduce reliance on infrastructure in the area, which was a major concern through the consultation process.
32. *Figure 1: Updated Pōteriwhi Concept Plan*



33. Further points to note on the updated concept plan include opportunities to:
 - (a) Elongate the sportsfields to the north, decrease the sportsfield west to east width and increase the residential area.
 - (b) Locate the toilet, carpark and possibly community facility building on either the flat kiwifruit land currently in the open space area or the vegetated area, so that it can service both the Historic Reserve and the sportsfields.

34. The further review could result in greater utilisation of the land, lower capital and lower maintenance costs, while still maintaining the contiguous green linkages.
35. Table 1 below provides a summary of each of the areas within the updated concept plan and arrangements considered.

Table 1: Pōteriwahi Proposed Land Use Summary

Land use	Indicative size (ha)	Description	Arrangements options considered	Comments
Historic reserve	2.4 (Review size **)	Creation of a historic reserve encompassing pa site in TCC ownership. Requires Reserves Act processes	<ul style="list-style-type: none"> Council ownership Joint Hapu / TCC prepared management plan Council funds & maintains site 	Similar approach to Gate Pa Historic Reserve.
Cultural reserve / open space	2.25 (Review Size **)	Land adjoining pa site, largely comprising escarpment. Retain as green space creating buffer between urban development and river as well as connectivity toward the river	<ul style="list-style-type: none"> Council ownership Joint Hapu / Council prepared management plan Council funds & maintains site 	Escarpment slip risks – responsibility and any liability stays with Council.
Sportsfields	3.6 (Review footprint & orientation **)	3 sports fields	Council ownership, management and maintenance	
Community facilities		Facilities such as changing rooms, toilets and parking. Possible community centre	Council ownership, management and maintenance	Services sportsfields, historic site and passive greenspace.
Ecological enhancement	11.93	Primarily existing low-lying floodable area. To be enhanced through planting, walking/cycling tracks etc (similar to Kopurererua Valley). Stormwater will be managed in this area. Also contains areas of undevelopable escarpment. These areas would also be enhanced through further planting.	<ul style="list-style-type: none"> Council ownership Joint Hapu / Council prepared management plan Council funds & maintains site 	
Whenua Māori	1.74	Part of the ecological area above but with greater significance to the hapu due to historic occupation and use associated with the river.	Either same as Historic Site (refer above) or: <ul style="list-style-type: none"> Hapu owned, managed and maintained and Legal public walkway access through site to river provided for (possibly through an easement). 	
Residential	11.44	Medium density housing circa 30 dwellings / ha. Once constraints removed (eg building setbacks from escarpments) approximately 300 dwellings. (Note further analysis required of housing	<ul style="list-style-type: none"> Rezone land to enable medium density housing Strategic divestment (similar to Smiths Farm) with mix of market and affordable housing Social procurement and employment for hapū could be included as preferred 	

		numbers once footprint review completed and residential land area refined).	criteria in divestment market process assessment.
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STRATEGIC / STATUTORY CONTEXT

36. The land was purchased by Council for sports fields and therefore meets the definition of a park under the LGA, being land acquired principally for recreational purposes. Section 138 of the LGA requires that Council consult on the proposal to sell or dispose of the park before it can do so.
37. This process was undertaken in November-December 2021 with significant input received from the community.
38. The recommendations in the report conclude the consultation process. As the recommended land use changes are not materially different from that consulted on (proposed type of land use has not changed, just the exact form and amount dedicated to different uses), staff consider that it is not necessary to undertake further or additional consultation.
39. Progressing a structure planning process and plan change will enable the delivery of this mixed-use development, including rezoning land for housing purposes. Updates on the preparation of the structure plan and planning process will be provided through the Strategy, Finance and Risk Committee. Council is required adopt the plan change for formal public notification
40. There is a national priority for housing, which has led to central government implementing the NPS-UD. Council is legally obliged to meet the development capacity requirements of the NPS-UD.

OPTIONS ANALYSIS

41. Option 1 – Consulted option

Description
Proceed with initial option consulted on to dispose of 22 hectares for housing purposes, whilst retaining flood prone areas for recreational use.



Benefits	Disadvantages
<ul style="list-style-type: none"> Provides an additional 22 hectares of land in the city for housing development to occur Allows for the quickest response to housing shortfall currently experienced in Tauranga 	<ul style="list-style-type: none"> Is the most significant land use change and removes future options for sportsfields. Reduces opportunities for land for cultural, recreational and ecological uses. Largest future demand on for infrastructure in the Bethlehem area. Does not reflect the feedback from Ngāti Kahu and the majority of community submissions.

42. Option 2 – Modified option **(Recommended)**

Description
Retain part of the land area for sports fields, passive reserve/stormwater and river access, with the balance of land being disposed for housing purposes.



Benefits	Disadvantages
<ul style="list-style-type: none"> Provides an additional 11.4 hectares of land in the city for housing development to occur A concept plan can establish the exact design of the space and ensure that recreational and cultural concerns can be addressed. Creates a more mixed-use approach initially favoured by Ngāti Kahu. Strikes a balance in terms of housing needs and concerns around provision of open space 	<ul style="list-style-type: none"> Reduced opportunities for recreational space in the city Increased need for infrastructure in the Bethlehem area and strain on existing infrastructure. No specific response received yet from Ngāti Kahu on the updated concept plan - there may be matters that they wish to raise with Council. However, there is opportunity for further refinement through the continued engagement between Council and Ngāti Kahu.

43. Option 3 – Original intent of all recreation use

Description	
Retain land in current status for use as future sports fields and recreation space (status quo)	
Benefits	Disadvantages
<ul style="list-style-type: none"> Reduced reputational risk to council that comes with a change in land use Closer alignment to the majority of submitter responses during consultation Provides more space for recreational and cultural use as initially intended when the land was purchased 	<ul style="list-style-type: none"> Continued strain on housing provision in the city that will need to be met elsewhere No contribution to addressing the housing shortfall.

44. Staff recommend Option 2 as the most appropriate to address current issues and maximise current opportunities. Option 1 and 3 are not recommended.

FINANCIAL CONSIDERATIONS

45. There are no financial considerations associated with this report. The cost associated with preparing a plan change will be met within existing budgets and concept / development costs will be met from the development proceeds or existing active reserve budgets as appropriate.

LEGAL IMPLICATIONS / RISKS

46. Under the Local Government Act 2002 (LGA) notes that with respect to the Significance and Engagement Policy, *“Any transfer of ownership or control, or the construction, replacement or abandonment, of a strategic asset as listed in this policy is considered to be a matter of high significance”*. The strategic assets listed in the TCC Significance and Engagement Policy include *“Open space networks, parks, walkways, sportsfields and indoor facilities”*.
47. It is the view of staff that the definition of “strategic asset” in the policy is intended to apply to networks of assets rather than individual assets. This is supported by the introductory wording of paragraph 5.2 which provides *“the council considers a strategic asset to be an asset class (ie. A network) that delivers the service”. A network is deemed to include those components which are integral to the functioning to the functioning of the network as a whole.”* Furthermore, LGA section 5 includes a definition of an asset as *“that the local authority needs to retain if the local authority is to maintain the local authority’s capacity to achieve or promote any outcome ...”*
48. Staff have assessed that the transfer of ownership and control of parts of Pōteriwahi site is not a transfer of a strategic asset. The rationale supporting this is:
- The policy and the LGA both provide for a ‘strategic asset’ disposal which is all or substantive part of a network such that it is integral to the overall functioning of the network and/or impacts materially on the ability to achieve the outcomes. It is the staff view that the policy was not intended to apply to individual parks and sportsfields which are not necessary to maintain Council’s capacity to achieve community outcomes.
 - Only part of the land is transferring, and active reserve and park outcomes will still be delivered on the land.
 - The land is only one part of a wider network of active reserves and parks
 - There is currently no delivery of service, and it has been assessed that there are sufficient other opportunities for TCC to secure the land required to achieve the desired outcome.

SIGNIFICANCE

49. 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.

50. 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.
 - (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.
51. In accordance with the considerations above, (including the assessment in paragraphs 46 to 48), criteria and thresholds in the policy, it is considered that the decision is of medium significance.

ENGAGEMENT

52. Taking into consideration the above assessment, that the decision is of medium significance, and that consultation has occurred, staff are of the opinion that no further engagement is required prior to Council making a decision. In forming this view consideration was also given to the elapsed time since the consultation was undertaken and it was assessed that community views and preferences are unlikely to have changed over this period, and there are no material changes to or within the community which would require further engagement.
53. The recommendation takes into account Ngāti Kahu and community feedback, and the concept plan has been updated to reflect the feedback received. The updated concept plan still retains a mix of housing and recreation, however the scale of these has changed.
54. The next step to enable the mixed-use development will require consultation as part of the preparation of a structure plan and plan change.

NEXT STEPS

55. Staff will continue to develop the Pōteriwahi concept plan further through an engagement process with Ngāti Kahu.
56. Staff will commence the process to prepare a structure plan and plan change to enable the mixed-use development which will include rezoning land at Pōteriwahi to enable housing.
57. The further developed concept plan will be presented to Council for approval later in 2023.

ATTACHMENTS

Nil

12.7 Arataki Community Liaison Group Pilot Review

File Number: A14761895

Author: Ceilidh Dunphy, Community Relations Manager

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

1. To outline the key learnings from the pilot project of establishing and running the Arataki Community Liaison Group ("ACLG"). The learnings captured in this report will be used to improve council processes and understanding for future community engagement.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Arataki Community Liaison Group Pilot Review".
- (b) Note the key findings of the review when considering the use of community panels and liaison groups in the future.

BACKGROUND

2. Over the last decade the Arataki area has transformed dramatically, particularly as Bayfair has expanded. Tauranga City Council (TCC), Bay of Plenty Regional Council (BOPRC) and Waka Kotahi have numerous transport and infrastructure projects underway in Arataki, resulting in higher levels of community frustration. Traffic flow changes from the B2B project, the bus interchange installed in Farm Street and changes to Links Ave have all impacted the community significantly.
3. Early in 2020 council received a petition on cycle safety on Links Ave. As a result of that meeting council agreed to establish a reference group to discuss that issue and others.
4. In June 2020, a pilot approach was approved to explore how we can better work with the Arataki community.
5. The objectives were:
 - (a) Establishing a stakeholder reference group, or similar structure, made up of delivery agencies and representatives from the various interest groups within the Arataki community bringing all views into one arena
 - (b) Establishing a formalised programme structure to coordinate project engagement that builds in the input of the reference group
 - (c) Maintain the liaison group for at least 12 months.
6. The initial 12-month trial was extended because of an internal restructure which created a facilitation gap and because significant progress hadn't been made in achieving group objectives.

FEEDBACK ON COMMUNITY LIASION GROUP PILOT

7. A survey was conducted, at the then mid-point of the trial, in May 2021. Key themes at that point were:

Working Well

- Group was well supported from TCC engagement advisors
- Great group dynamic with wide range of views and openness to engage and collaborate
- Great cross section of the community
- Starting to identify what the group thought was important rather than what council thought was important
- Good to hear about the bigger picture and all the different influences on council decisions and what is happening in our community
- Group was getting some traction with Commissioners on the Links Ave issue.

Areas for improvement

- Feeling of not achieving much. Needed some specific tasks to complete
- Lack of clarity on how the group is intended to fit/interact with council projects and have effect on decision making
- The group needs to be guided by the community, not the council
- Felt like a tick box solution to make sure community discussion has taken place before things are started
- Needed a few smaller more manageable projects happening to make a difference
- Need to meet more regularly with an agenda of issues
- Need clear outcomes and more updates from TCC.

In March 2023 council staff meet with remaining members of the ACLG to agree next steps. It was jointly agreed to conclude the trial at that point. The majority of the group had already left by then. In April 2023 all members of the ACLG were invited to share learnings to contribute to this report. Their feedback is below. To note the sentiment of each theme might not be how the whole group felt as individuals had difference experiences and opinions.

What worked well

- Calibre of community members who were patient, willing, thoughtful and genuinely cared about Arataki
- Collaborative process of defining values and terms of reference. Formed a cohesive group that shared a common vision and valued and respected each other's perspectives
- Worked best when there was good cross section of the community present. Members from Matapihi, teachers from local schools, Neighbourhood watch, and a range of others from different areas within Arataki
- Highlight was presenting submission for the Long-Term plan, which laid out some clear hopes for developments in our community
- Commissioners did a great job getting projects moving and introducing positivity
- Evidence of wider engagement in the community outside of the group, i.e., council visiting schools. Making sure positive change happens is the next step.

What needed to be improved

- Priorities and hopes were not addressed. Specifically, no changes have been made to the streetscape or consideration given to the insights from the people living in the area. The Girven Road Crossing, the number 1 priority on the Long Term Plan (LTP) submission, has not been addressed.
- Thought the council's original intentions for the group were noble but little appetite to collaborate.
- Impact of restructuring TCC Engagement Team and not explaining rationale or resourcing implications. Gap in resourcing meant meetings were rescheduled and momentum lost with meetings covering the same ground.
- Group were asked to input into a solution for traffic levels on Links Ave, but then decision was made to introduce the cul-de-sac trial without engaging with them again leading to a loss of trust and opportunity to help communicate with wider community on the trial.
- Once the group lost a strong presence it was hard to continue with four to five people.

Additional observations from council staff

- The ACLG members who agreed to take part in the trial came from varied sectors and represented a variety of different interests/communities. They were hugely passionate and genuinely invested in working with council to improve their community. Individuals will dedicate a huge amount of time and expertise for an area they care about
- Where council is currently at with a number of projects, and playing catch-up, makes it difficult to fully embrace this kind of model of engagement in that many infrastructure projects are already in an implementation phase with limited scope to amend designs
- Waka Kotahi's funding model, where detailed design is required to obtain funding, often means that projects, once they are funded, don't have enough scope for the community to influence
- Group could have been more impactful with a single tangible project that had sufficient scope to influence or co-design
- When there has been a loss of momentum and a break in trust it is very difficult to regain
- Group had significant influence over Farm St bus interchange, with BOPRC pausing to re-consider locations after feedback
- Liaison groups require significant amount of council resource to adequately support, both in administration and from the wider business who have projects under consideration or in delivery in the area
- Past issues some members of the group had with council (Farm Street in particular) carried through to the new group and consequent feeling of mistrust of TCC. This was compounded when there was not scope to influence the aspects of projects that they had hoped to influence

KEY LEARNINGS

8. Community Liaison groups should be considered for specific programmes of work, where there is enough scope, budget and time for groups to shape and steer projects. This will help ensure its a meaningful process for both community representatives and council.
9. Supporting liaison groups is resource heavy. At a minimum it needs a ½ Full Time Equivalent (FTE) if not a full FTE dedicated to the group.
10. Clarity of purpose of the group, scope and avenues to influence need to be crystal clear.

NEXT STEPS

11. Consider feedback and key learnings when establishing any new community groups.

ATTACHMENTS

Nil

12.8 Executive Report

File Number: A14645713

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.

RECOMMENDATIONS

That the Council:

- (a) Receives the "Executive Report".

INFRASTRUCTURE REPORT

FutureFit launch within Bay of Plenty Regional Council and Tauranga City Council

2. Future fit has been launched across the Bay of Plenty and as of 26 May, 674 people have signed up to FutureFit (FF) in the region.
3. Several promotions are in place to encourage individuals in the community to use FF, including radio ads, magazine articles, and bus advertising.
4. We co-hosted an event with EnviroHub to promote FF on 7 June at the Historic Village. The event included an introduction to the FF launch and a screening of the film "2040". We are hosting Sustainable BOP's Green Drinks event on 22 June to promote FF to businesses and future engagement is planned with schools and businesses.
5. Following our internal launch on 1 May we recorded over 10% staff engagement in the first two weeks of launch. Testimonials in the prize giveaway demonstrated that staff are keen to learn about how to reduce their impact on the planet and were motivated by their FF learnings. A sample of testimonials is included in the table below (many more were collected).

Sample of TCC staff learnings re: FutureFit learnings	
Overall FutureFit learnings	<i>Lots of great tips and tricks to reduce my carbon footprint I learned that my household's carbon footprint is more than the NZ average and that we can make simple changes and better choices to reduce our impact. I found it quite fascinating to see what our impact is and that mine was pretty good as I am already doing a few positive things I'm really surprised how big my footprint is. I now have something to aim towards to lower my family's score. How almost every action has an impact – power use, travel, even what we eat.</i>
Travel	<i>Just how carbon intensive international travel can be. The significant difference between biking and driving I need to make changes to the way I get around as this will have the biggest</i>

	<i>impact on my current score!</i> <i>That my commute to work is a big emitter. I was aware of this and am currently looking to move closer to town as I want to be able to either bus or cycle to work.</i> <i>To use bus instead of car more often so I can lower my footprint</i>
Eat	<i>The biggest thing I could easily do to reduce our household emissions would be to reduce the amount of meat we eat.</i> <i>That I just have to take out 1 meat meal to make a difference!</i> <i>How much red meat eating had an impact</i>

Kerbside Bin Options

6. Additional bin size options - a low-waste bundle (80L waste, 140L Recycle) and a large-waste bundle (240L waste, 240L recycle) - are now available to the community.
7. These additional options give households the ability to move to smaller bins if they produce less waste and by doing so, save money. Conversely, larger families etc. will have the ability to move to the larger bundle, which will provide additional capacity to better suit their needs.
8. To date, 6% of residential households have opted for the low-waste bundle, and 2% have opted for the high waste bundle, leaving 92% on the standard bundle.

Community Education on Waste Reduction

9. During April and May, four community workshops on waste minimisation have been delivered by Waste Free and Mainstream Green. The workshops are advertised widely throughout the community and attracted good numbers.
10. The purpose of the workshops is to raise awareness of easy ways people can reduce their household waste, contributing to our overall goal of reducing waste to landfill.

Cameron Road Stage 1

11. Cameron Road is the key movement corridor for the city and is also an area planned for intensification, with an additional 20,000 residents expected to live in the streets that come off Cameron Road over the next 30 years. It's therefore important that the corridor allows for the movement of the people who will live in the immediate area, as well as people travelling between Tauriko and the Mount. To do this, we need to cater for vehicles, but also add additional capacity for walking, cycling and buses. Over time, the focus for businesses along the road will change to meet the needs of the increased residential population in the immediate area and the upgrades underway on Cameron Road will cater for this changing environment.
 - The Cameron Road upgrade is being done in two stages, with Stage 1 (Hamilton to 17th Ave) under construction and Stage 2 (17th Ave to Barkes Corner) in the planning phase.
 - In relation to Stage 1: Work is currently underway on planting and mulching in the new garden beds along Cameron Road. The gardens will help to complete the look and feel of the new streetscape and enhance the experience for people journeying along Cameron Road. The garden beds will feature a range of plants that will grow well in the area, including rengarenga, piopio, hebe, pinātoto, New Zealand daphne, wild iris, dwarf New Zealand tea tree and pohuehue.
 - At completion of the project, approximately 30,000 new trees, plants and grasses will have been planted.
 - A communications campaign is underway to educate drivers and cyclists on Cameron Road about the new bi-directional cycle facility, with cyclists having right of way and drivers needing to look both ways before turning into or out of side roads or entranceways.
 - Construction is forecast to reach practical completion in January 2024.

Cameron Road Stage 2:

12. Community engagement on the shortlist options for Stage 2 were held over March, closing on 2 April. Public events were held and well-attended. The project team is working through the community and stakeholder feedback received, which will inform the preferred option to be taken through to detailed design.
13. Overall, 449 people provided feedback. Improvements which included a safety and active mode focus received the greatest level of support.
14. The Detailed Business Case will be completed in October this year, with detailed design commencing early in 2024, subject to funding approval from Waka Kotahi.

Safety Programme

15. Council has a large programme of safety works to address known accident areas, improve safety at schools, improve intersections, provide safer pedestrian access, etc. There are 90+ projects planned over the current three-year financial period and significant design work was underway in year one, to allow construction to get underway this year and next. Recent construction activity has included a Ngaio Rd/Marine Parade raised pedestrian crossing, a Kennedy Road raised pedestrian crossing near Taumata School, Vale St / Bureta Road roundabout, a 13th Ave crossing at St Mary's school, and Papamoa Beach Road shared path construction.
16. Citywide bus shelter installations are underway, with 13 completed to date.
17. To assist in the delivery of these projects, we have established a Low Cost, Low Risk construction panel, with 13 contractors appointed to the panel across five different categories.

Travel Safe Education

18. School Road Safety Workshops - Five school workshops were delivered from the end of March through to the end of May involving primary school teachers, secondary school students focused on promoting Road Safety (SADD), and primary and intermediate school Travel Smart Leaders. Workshops participants trialled new education resources to promote road safety and have also shared any road safety issues requiring attention at their schools with the Travel Safe team.
19. Four Be Bright Pit Stops were held in May at different locations around the city, promoting the need for pedestrians, cyclists and scooter users to make sure that they can be seen during the darker winter months.

Tauranga Transport Operations Centre (TTOC)

20. TTOC is the Council's traffic operations centre and looks after the traffic signals and Intelligent Transport System (ITS) infrastructure in the wider Bay of Plenty, Rotorua and Taupo areas. In addition to running the traffic signal network, staff permanently monitor the CCTV cameras in the city and work closely with emergency services to respond to incidents. Staff have also been working with Police to assist enforcement activity on the transport network, with Police issuing tickets using the video footage recorded by the CCTV cameras. TTOC Operators carried out 42 hours of Strategic Traffic Safety Monitoring in April.
21. Operators concentrate on an intersection or stretch of road, looking for drivers using mobile devices, not wearing seatbelts or vehicles running red lights. This assists in improving safety for the other drivers on the network. During this time, infringements have been issued relating to:
 - 6 drivers using mobile phones.
 - 16 occupants not wearing seatbelts.
 - 6 vehicles caught running redlights.

- 120 drivers committing driving offences in Burrows Street.

22. Lately, dangerous driving behaviour occurring on Burrows Street during peak afternoon traffic included drivers entering Burrows Street on the wrong side of the road, or driving vehicles along the footpath to get ahead of queued traffic.



23. TTOC assisted Western Bay of Plenty Police targeting boy racers and illegally modified vehicles over the weekend of 20 May, as part of an operation focusing on disrupting anti-social road user behaviour. This operation is deemed a success, with results including more than 120 infringement notices issued, 12 vehicles impounded and five licence suspensions.
24. A team of more than 100 officers took part in the operation, sending a clear message to boy racers that anti-social and dangerous behaviour on roads won't be tolerated in the Bay of Plenty.
25. In addition to the 12 vehicles impounded, 15 unsafe vehicles were ordered off the road due to illegal modifications.
26. New cameras have been installed at Kuihi St and SH29A to detect illegal U-turn behaviour and pedestrians crossing SH29A. Using advanced analytics, TTOC can detect and report these behaviours.

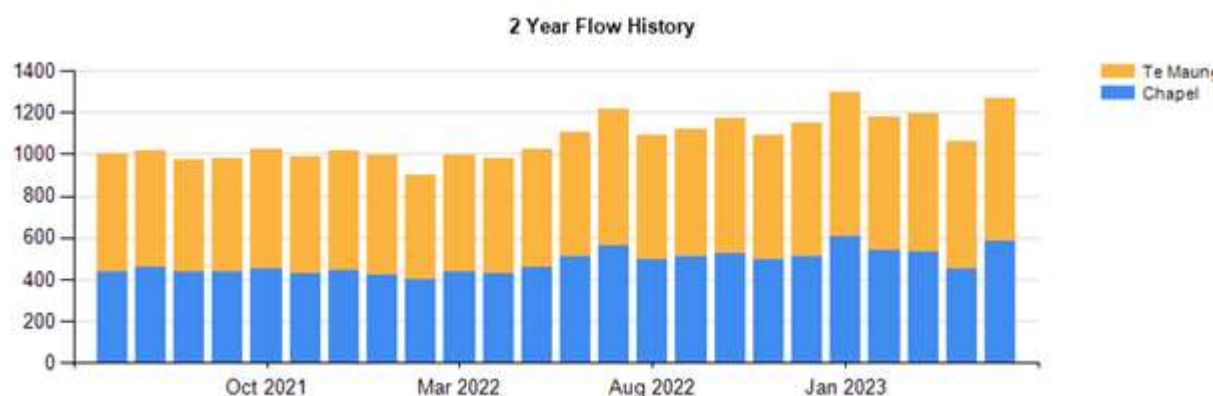
Waiari Project Review

27. The Waiari Water Plant and associated network upgrades represent the largest programme Council has undertaken, by dollar value. Given the project scale, it is very appropriate to look at what was done well and where we could do better, and then ensure those lessons are shared. Of the 22 themes or individual lessons identified, the following are recommended as focus areas that are likely to realise the most benefit to future Council capital projects.
- Implementing a robust and formalised decision-making framework.
 - Ensuring an appropriate level of value engineering.
 - Ensuring fit for purpose procurement models.

- Implementing robust and engaged project governance.
 - Committing to appropriate levels of project resourcing throughout the project life cycle.
28. A formal review of the lessons learned is well underway and a report and/or presentation will be available in early-July. Some lessons are now being embedded in other projects and we have already identified improvements in the future Te Maunga stages of work.
29. The real benefit across the organisation will be the delivery of exceptional community outcomes using best practice.

Wastewater Outfall

30. The wastewater outfall is the city's most important wastewater asset. It is essential that it is maintained in good order and also has the capacity necessary to deal with growth and climate impacts. The new section of outfall was completed some months ago and the latest phase has seen the remaining old pipe section relined with a structural liner. This work is complete and the pipe will now be tested at higher flows and pressures to determine safe maximum flows. Concurrently, we will be dye-testing the marine section of the outfall to determine if there are leaks that require repair. The objective of this work is to maximise the life of the marine section.
31. The table below shows the increase in wastewater flow resulting from the past year of wet weather – 2021-22 had a base flow of 1000ML per month. From mid-2022 onwards the base flow has been about 20% higher due to wet weather inflow. This graph illustrates the importance of an outfall capable of withstanding climate shocks.
32. The good news is that if we had a very leaky wastewater network the flows would be dramatically higher due to infiltration from ground water – most of the increase is rainfall derived inflow/infiltration such as flooded gulley traps, manholes under water, etc.



Stormwater Conference May 2023

33. This was the largest stormwater conference in NZ to date, with 573 attendees. Three papers presented by staff were well-received. These were: Freshwater Management Tool, the Harrisons Cut project and the Kennedy Road project.
34. The Freshwater Management Tool models the water flowing from the ranges through the earth to the three streams that provide the city's water for treatment, and then the downstream relationship for abstraction/residual flows impacts on biota. This goes beyond other freshwater management tools in New Zealand that typically focus on surface waters only. This is a highly collaborative project with tangata whenua, Bay of Plenty Regional Council, Western Bay of Plenty District Council and Tauranga City Council.
35. A point of interest from the conference is the "new" approach to flood management being proposed in Auckland. They see it is too expensive (and impossible) to fix the flooding, so are adopting a hazard-to-persons approach. This approach was adopted by Tauranga about eight years ago, with many projects completed.

Project Management Assurance

36. The 2022/23 Capital programme is tracking at 87% YTD and is forecast to be at around 90% by year end (\$300m).
37. A number of initiatives are currently being rolled-out within the business, including:
 - A consistent approach across the business to determining the RAG (Red/Amber/Green) status of projects.
 - Single-page reports for projects accessed through Powerbi.



38. There are also a number of other initiatives planned over the next few months, including:
 - **Change control** – setting standards for managing the shifting nature of projects, this follows on from the RAG training to manage and control the Baseline of projects across time/scope/budget);
 - **WBS structures** – new programme, portfolio and projects structures that will work for you.

COMMUNITY SERVICES

Community Development

39. On 15 June, the Rangatahi Advisor will be partnering with BOPRC and WBOPDC to host a combined breakfast for the Instep Young Leaders forum, a Priority One programme that gives secondary students a voice on local issues of importance, as well as building future networks in the bay. This is an opportunity to speak with young leaders about the value of civic participation; to share and seek feedback on the draft youth engagement and action plan that is in development; and see what rangatahi would like to see included or emphasised in the plan.
40. The Kāinga Tupu strategic review will be undertaken from June this year, involving engagement with the Kāinga Tupu Taskforce and the Homelessness Provider Network. This review will include advice on streamlining and prioritising actions and a review of the monitoring and evaluation framework.
41. In March, alongside the nationwide Census, a Homelessness Point in Time Count was completed. The final report and findings have now been received by the Kāinga Tupu Taskforce and they are finalising ways for information to be shared with stakeholders, in addition to the data being profiled on the Homelessness and Housing Dashboards. A total of 308 surveys have been included within the statistical analysis.

42. Tai Timu Tai Ora is a collaborative approach to Learn 2 Swim and Aquatic Survival Skills, which is aimed at addressing inequity and access issues for our Māori kura. In the coming weeks, we will see the first cohort of Kaiako Māori and Kaimahi from our respective Runanga become qualified Learn 2 Swim instructors, which will empower and enable them to deliver these services to their kura in Te Reo Māori, thus beginning to bridge the knowledge gap that has existed in these communities for some time.
43. In partnership with Spaces and Places, the Community Development team has been working closely with the various stakeholders of Arataki Park to address underlying concerns and develop a more holistic masterplan of the park which embraces the aspirations of the community and users of the facilities. This is an opportunity for this community to participate in conversations around achieving holistic wellbeing outcomes grounded in the Te Whare Tapa Wha model of Ta Mason Durie.
44. An internal workshop on the Cultural Inclusion in Community Spaces feasibility study was held in April. This was part of the Welcoming Communities programme and aims to ensure our spaces are welcoming and inclusive. Initial community engagement was completed earlier this year with stakeholders from across ethnic, pacific and migrant sector representative groups, with the first draft of the report being completed in June alongside two workshops. The recommendations from the report will be shared across the Spaces and Places, Events, Arts and Culture and Strategy groups, to be implemented as part of AIP actions around inclusion of diversity.
45. The Diversity & Culture Advisor is currently undertaking a review of the Tauranga/Western Bay of Plenty Global Ambassadors youth programme. Tauranga City Council (through Welcoming Communities) is a partner in the programme, alongside Education Tauranga and Enigmatic Global, with the goal of supporting culturally diverse young people in their leadership journeys, helping programme participants to be local role models for diversity and inclusion. The ambassadors have contributed to a number of council projects over the past two years, providing their unique youth perspectives – including the Climate Change workstream, Social Isolation and the Youth Hub Feasibility study. The learnings from the review will support the future delivery of the programme.
46. On 27 May, the Community Development team participated in a Whanau Day hosted by Te Manu Toroa, which is the largest health and social service provider in Tauranga. The team were able to promote Whakahou Taketake – Vital Update Tauranga 2023.
47. We partnered with Tourism Bay of Plenty - in conjunction with Makingtrax Foundation, the benchmark of inclusive Tourism in NZ - to host two inclusive tourism workshops to encourage and enable our destination and tourism operators to provide a safe and inclusive experience for everyone. As part of our Tauranga Matarauui - Inclusive City Strategy, we're working to remove barriers so that everyone is included. This involves improving all elements of physical access and ensuring new places and spaces and experiences are designed with accessibility as a priority.

Emergency Management

48. **Tsunami Mapping Project** - the Emergency Management team continues to work closely with our regional partners as part of the Tsunami Readiness Programme. The programme, which is led by Emergency Management Bay of Plenty, is preparing to roll-out updated tsunami inundation maps to reflect the latest tsunami modelling provided by Tonkin+Taylor. There are already some existing challenges with evacuation zones, particularly around the Papamoa and Papamoa East areas, where some tsunami evacuation routes and safe locations are inaccessible due to private land development and the construction of sound barrier walls alongside the Tauranga Eastern Link (TEL). The new maps indicate that some areas within the city that were previously regarded as safe will now be impacted, based on a maximum credible event. We are expecting a number of inquiries when the maps are released (planned for July 2023) and a comprehensive communications plan will be required to help address community concerns.

49. **Vertical Reality VR Project** - the Emergency Management team is working on an exciting new project with Auckland-based company Skills VR to create a virtual reality experience showing earthquake and tsunami impacts. The interactive programme places the user in a virtual reality world based in Mount Maunganui and educates them about the recommended actions to take if an earthquake and subsequent tsunami were to occur. This programme will provide a realistic experience of a natural disaster – something that is difficult to replicate for people in the real-world. The programme is scheduled to be completed by September this year and ready to be rolled-out to community groups in summer.
50. **9 May Activation** - the run of bad weather continued this month when a significant low-pressure system moved across the North Island on 9 May. The Emergency Management team and Duty Controller were monitoring the system for some days in advance and during the event, were receiving updates from their counterparts at Regional Council, Emergency Services and the Stormwater team. By Tuesday afternoon, severe rain was falling in the city and the decision was made to activate our Emergency Operations Centre (EOC) at Spring Street. 12 members from the EOC staff group volunteered their time to monitor the situation and respond to any community requests for help. Thankfully, the city was able to cope with the rain with only minimal impacts. Thanks go to all of our EOC staff for making themselves available, as well as the Contact Centre staff, Stormwater team and others that assisted.

Libraries

51. Library Programmes, outreach and visits continued to increase in May and June. School visits in collaboration with the Art Gallery focused on stories of early migration to Tauranga. After listening to a story of Kupe and Te Wheke, learners put themselves in the place of an adventurer and created a class story of migration to Tauranga. Stories at Your Place, our interactive story-telling sessions for new entrants to year 2 students, has been in such high demand that we have added an extra day per week. Ki te Whaiao, a weekly songs, stories and crafts session delivered in te reo Māori, launched at Mount Maunganui Library and Greerton Library and has been well-received. Iti Pounamu, songs, rhymes and stories for under-5s has been extended to Saturdays. These have all been well-attended with working parents and family members appreciating having access to these fun, bonding sessions. We had 1,132 children take part in 31 school holiday activities and challenges. In June, He Puna Manawa will be host to the Otago Museum travelling exhibition Aotearoa in Space.
52. Our Programmes team was represented at Siblings Connect and Create Day run by Parent to Parent. A local artist presented a workshop for children with disabilities and their siblings at the Historic Village. As part of the day, children could listen to library staff read stories that were specially chosen to be interactive. It was not only a fun day, but also a great way to connect with ethnic communities over kai, hear what each group is up to, and share information about library offerings including resources like books in world languages and spaces available for community. The team also represented at the first ever Latin Expo at the Cargo Shed. Many community groups have had talks and showcases in the libraries, including Deaf Aotearoa Sign Language workshops.
53. Engagement on the Te Manawataki o Te Papa Community Hub has begun with two successful workshops held with the STEM (science, technology, engineering, and mathematics) community and experts in special needs education. These workshops provided valuable feedback and connections to support the development of the innovation and multisensory spaces in the new Community Hub.

Space and Places

54. Construction of the Marine Parade Coastal Path has progressed well, with approximately 540m of concrete laid by the construction team. Work will commence in the next month on the boardwalk sections located in some of the more environmentally sensitive project areas.



55. Work commenced in May on the construction of the Papamoa Shared Path. The path creates a connection from the Papamoa Domain to Taylors Reserve and will formalise some of the key access points along this stretch of coastal reserve.
56. As part of the Mauao Placemaking project delivery, work for the next Matariki celebration on Mauao is well-advanced. Work includes installation of the final bundle of signage, stone sculptures installed at significant points of interest, seating installation, and the completion of the compass on the summit.



Base to complete Summit Compass



New Sculptures to be installed



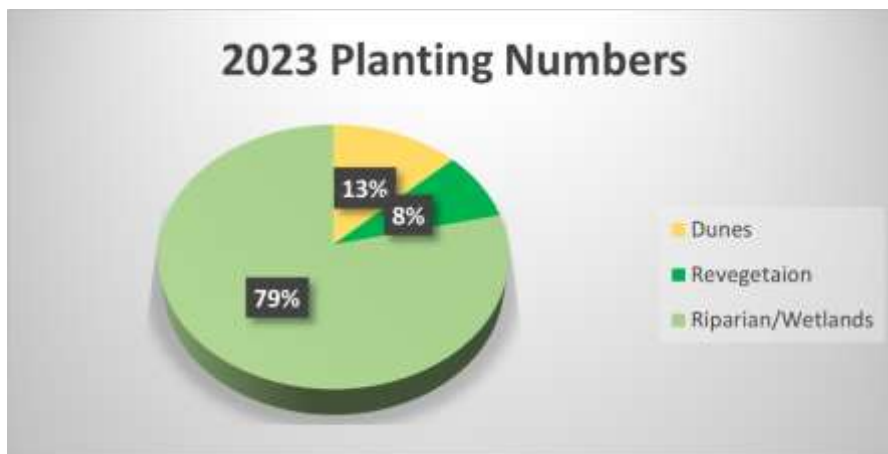
Final bundle of signage

57. A new toilet block has been installed at Waterford Domain in Papamoa. This adds additional amenity to the local neighbourhood reserve, which currently has a large open green space and playground.



New toilet block installed, and with wrap applied

58. The Pyes Pa Connections project progressed with the installation of the connection from Te Otinga Place to Cheyne Road. This project connects the network of stormwater reserves that runs through Pyes Pa.
59. Planting has started across the city. Weather conditions have been great for planting but not site preparation. Contractors are doing their best with the fine days that they get. This programme includes:
 - 16,490 plants going into vegetation sites across the area
 - 25,440 plants across the dunes system
 - 14,650 plants into Wairakei Stages 4/5
 - 140,000 riparian plants in the Kopurererua Stream realignment.



60. *Pest Animal Control*

- We have had many notifications of rats in reserves and on private property across the city. Our contractors have been out over the last month completing a bait pulsing regime and have noticed a very high take, which is good. This has led to many rats being more active during the daytime, hence more public sightings.
- Our night shooting has been put on pause for more monitoring as rabbit and pigeon populations have dropped.
- New larger bait stations are to be deployed across the city once our new pest animal control contract has been renewed with contractors.

61. *Dunes and Marine Parade*

- Lots of action across this area with the new boardwalk under construction at Marine Parade and the new pathway at Papamoa.
- We have trialled a large-scale drone capable of carrying 40L of agri-chemical spray. An amazing machine that will cut down on man hours, plant damage caused by staff walking through vegetation and reduce health and safety issues relating to accessing tricky sites across the city. The drone can spray a hectare and a half in an hour and will be used for inaccessible areas across the city.

62. Mauao - recent pulse pest control showed no rats on the maunga. This is aiding in the increase of biodiversity across the area. Capping of the lower summit to protect archaeology has taken place in preparation for a future project there. The new signage is looking great and helps tell the stories/history of Mauao.
63. Cyclone Gabrielle affected the urban forest across a wide area of the city. During this major event, there were multiple call-outs to clear debris from pathways and footpaths. These areas were cleared efficiently, even in some very trying conditions. Post-cyclone our teams were extremely busy tidying up the many walkways, and clearing 'hangers' and unstable trees and mess from fallen trees or tree parts. Some of the more significant areas of clean-up were along Devonport Road, where a large poplar fell across the road; along Cameron Road, where a large tree fell within a protected tree group; and at Tutarawānanga – Yatton Park, where one of the largest trees in the city succumbed to the wind.
64. Maunganui Road saw the addition of more large grade trees in the centre berm. These large trees have made an instant impact and have really enhanced the amenity of this area.
65. Tree planting is part of our BAU, but this year we have significantly upped the number of enhancement plantings to help work towards increasing the canopy cover across the city. 1,400 new specimen trees will add to the city tree canopy this year.
66. With the handover of the Mount/Papamoa TC40/17 Maintenance contract to the new City Operations unit fast approaching, a concerted effort was made over the last few months, in

conjunction with the incumbent contractor, to have contract assets in specification, ready for handover and a smooth transition in July.

Tauranga Domain renovation - One Love renovation work began in early-February and work was completed to schedule in April. REC Services managed to have the #2 field ready for use on 15 April, and the Domain #1 was available the following week.



Before 31 January



Completed renovation

67. McLaren Falls Park

- The road slump repairs above the power station has now been completed. This now provides better stability and allows access for the larger machinery and vehicles which are required for both park management and Manawa Energy.
- The park experienced further damage on top of the Anniversary Weekend and Cyclone events, with new slips encountered at the end of the waterfall track and at the base of the nikau track. This has resulted in full and partial closures of a number of tracks while we assess repair needs and work through next steps.

68. Cemeteries

- The Cemetery staff continue to make significant progress with improvements to city cemeteries since taking over the maintenance of these amenities from contractors earlier in this year. Staff have implemented a higher specification than the contractor, with further maintenance and spraying to make the city cemeteries more presentable. A number of compliments have been received about these improvements.
- The demand for ash gardens has been increasing, and the installation of a further rows behind the Tui Lounge will help cater for this demand.
- Cemetery staff attended the cemeteries conference in Wellington, which had a focus on natural burials. We do not currently provide this option, but this is something that needs serious consideration. Staff are working through the information gathered.

69. *Mount Beachside Holiday Park* - Two more family cabins have arrived and are being setup on sites P1 & P2, with furniture being installed. Both cabins have great views of the ocean from their decks. The blessing took place and the cabins were available for King's Birthday weekend.

Venues and Events

70. Baycourt's 40th anniversary celebrations took place from 21-29 April. Influenced by the whakataukī '*ki mua, ki muri*', which speaks to the value of looking to the past to inform the future, a variety of events and special activities were delivered to celebrate the milestone.
71. A sold-out [Gala Concert](#) and stakeholder dinner, and a free whānau day and exhibition were among the highlights, giving Baycourt staff the opportunity to work with an array of local artists and industry-leading creative partners. Public feedback on the programme has been overwhelmingly positive, lifting Baycourt's profile in the community and emphasising the its integral role for Tauranga's arts, culture and creative sectors.

72. Following approval of The Cargo Shed fire evacuation scheme in mid-April, the venue opened for business in May, starting with two corporate workshops and a Tech Week event for Priority One. The first large-scale event took place on 27 May with the inaugural Latin-American Community Expo. Supported by Tauranga City Council and Multicultural Tauranga, this successful event attracted over 600 attendees and was the city's first Latin market, reinforcing what a fantastic venue The Cargo Shed is for market or stall-based events.



The Latin-American Community Expo at The Cargo Shed

73. The Historic Village sign at the intersection of Cameron Road and 17th Avenue has been replaced with more impactful artwork that clearly shows where The Village is located.



74. Total web traffic to The Historic Village increased by 83% for the 1 July 2022 – 13 January 2023 period, compared to the same period the previous year.* A significant portion of this increase can be attributed to digital advertising. More than 47,000 visits have been made to the Village website in this period, with the leasing page traffic increasing by 229% and the venue hire page by 31%. The 'what's on' page has also performed well, with a 69% increase in traffic year-on-year.

*(Note: due to the global shift from Google Analytics to GA4, web traffic can only be fairly measured until January 13, 2023. This traffic does not include any staff website activity).

75. Thousands of members of the Tauranga community came together on Tuesday 25 April to attend Anzac Day dawn and civic services across the city. The Tauranga City Council Event Facilitation and Marketing team worked with local RSAs and community groups to deliver, facilitate and publicise these important commemorations.



Anzac Day services, 25 April

76. The Event Facilitation team has started the annual event planning process, scheduling event activity across the city for the coming summer event season. This involves all event organisers submitting their preferred event dates and locations to the Facilitation team which then schedules the event, taking into account activity such as planned infrastructure projects, roading works and cruise ship movements, as well as road closure impacts in Mount Maunganui and operational clashes with other events. The draft calendar has been consulted on with internal and external stakeholder groups including NZ Police, BOP Regional Council (public transport and Harbour Masters' office) and our Spaces and Places and Transport teams. Dates are now confirmed with event organisers through to June 2024. Currently there are around 300 confirmed event bookings for the 2023/24 year, with many more still anticipated.
77. Preparations are well underway as Tauranga gets ready to host Team Netherlands (the Orange Lionesses) as a Team Base Camp Host City during the FIFA Women's World Cup 2023™ this July and August. On 25 May, Commissioner Shadrach Rolleston and members of the Bay Oval and TCC Venue & Events teams welcomed Dutch Ambassador Ard van der Vorst and representatives of the Dutch Embassy to Tauranga. This visit aimed to explore opportunities to work together, so Tauranga locals can support the Netherlands as their second home team.
78. There has been strong traffic to My Tauranga, the Tauranga City Council event website, with visits increasing by 136% for the 1 July 2022 – 13 Jan 2023 period compared to the same period the previous year. This is due to strategic digital marketing to drive people to the site to find out what events are on in Tauranga.
79. The Event Development team has worked with Tauranga Western Bay Community Event Fund partners Acorn Foundation, Bay Trust, TECT and the Western Bay of Plenty District Council to offer Tauranga and Western Bay community event organisers access to more funding than ever. The fund has received a \$200,000 boost, with the 2023/24 funding pool totalling \$900,000 and the maximum grant amount increasing to \$50,000. Launched in July 2022, the fund was established to streamline the application process for community events taking place across the region.
80. This year marked the 60th National Jazz Festival, which was popular with our community and visitors alike. The festival returned to its usual Easter weekend slot with a full programme of events across city streets, venues and even the moana. Revellers particularly enjoyed the return of the TECT Jazz Village at The Historic Village, with one attendee commenting: *"the event was outstanding. Thank you Council and other sponsors"*. Council provided funding and facilitation for the festival, as well as utilising our two key venues - Baycourt Community Arts Centre and The Historic Village.

Customer Services

81. Customer Services will provide a 5-day per week, Monday to Friday service to the community at the Papamoa and Greerton Libraries from 19 June. This will improve accessibility to Council services in local neighbourhood centres and reduce the need for travel to the city centre to access these services.

Arts & Culture

82. Staff have been invited by Creative New Zealand to contribute to a “working bee” focusing on improving support for regional audiences, artists and arts organisations, which will take place in Hamilton in June. This is part of a co-design process, which will inform Creative New Zealand’s funding and investment strategy from 1 July 2024 onwards.
83. The third round of Creative Communities 2022/23 funding has recently closed, with 22 eligible applications received, bringing the total applications for the year to 50. The panel will meet in June to assess applications. The panel is based on a peer-assessment model and includes representatives with sector and community knowledge. Four new panellists have been appointed - Reena Snook (Baycourt Manager), Ayesha Kee (independent producer), Serena Bentley (Tauranga Art Gallery), Toni Henderson (musical theatre practitioner) and Andrew Gregg (Manager, The Elms).
84. Manatū Taonga has recently announced that \$10 million of funding from the COVID-19 Recovery fund has been re-purposed to support festivals. This funding will be distributed through Creative New Zealand, with a new commissioning and presentation fund available for festivals commissioning work from their local communities. \$1.2 million of this funding will be distributed through the Creative Communities scheme, targeted to support delivery of local community festivals. Final details of funds that Tauranga City Council will receive for distribution will be confirmed in June, with the Creative Communities programme likely to receive a boost of \$30-35k for the 23/24 financial year.

Tauranga Museum & Exhibition Centre

85. The recently-appointed Director: Tauranga Museum & Exhibition Centre, Greg McManus, has worked with the Te Manawataki o Te Papa team of architects, engineers and project managers to review the concept plans and ensure the museum and exhibition buildings are fit for purpose. It is critical we get this right at the developed design stage, to ensure the buildings will deliver the best possible visitor experience. This has been a valuable process and the changes recommended will make the museum much better for visitors and easier for staff to operate.
86. A project establishment team will be created over the next year to plan for the opening and operation of the new facility and to source and secure the temporary exhibitions required to fill the new exhibition spaces. As well as temporary exhibitions, work will soon begin on planning for the permanent exhibitions in the museum, which will tell the stories of Tauranga Moana and the wider Bay of Plenty.

Heritage Collection

87. Work continues to progress the digitisation programme, which involves photographing and uploading images of taonga and objects from the collection to our public-facing website, Treasures from the Tauranga Heritage Collection. Currently there are 14,633 objects available to view online at <https://www.handsontauranga.co.nz/>.
88. Hands on Tauranga Snapshot.
 - There are 44 schools within the Tauranga City boundaries. Forty of these are registered with our Hands on Tauranga education service, with a further 197 teachers registered as a result of promotion of the service over the year. These results have been achieved through staff meetings and professional development sessions for teachers.
 - This year has seen the focus turn towards connecting with our Tauranga tamariki and rangatahi (children and young people). Weekly outreach sessions in schools have begun this year, where objects are taken to the school and discussed with students.
 - Teachers can select their chosen topic from the following: Te Tiriti o Waitangi ki Tauranga, The Rena Disaster, Kiwi or Kororā (Little Blue Penguin). So far, our educator Megan Hoskin has presented to 850 students, with a further 150 booked in over the next 3 weeks.

- We ran two professional development sessions at The Elms for 95 teachers in February and March this year, helping teachers learn more about Tauranga history and the significance of The Elms as a place of first contact for Māori and Pākehā in Tauranga.
- Heritage Collection staff create regular displays in He Puna Manawa, with a new display celebrating Matariki to be revealed next week. Staff also contributed to a recent Samoan Language Week display in the Tauranga Girls' College library.
- 'Glimpses' booklets are publications produced by the team to share parts of the collection with community groups and the wider public. The two previous booklets are "Te Whakaata I te Matapihi", a glimpse into the Taonga Māori collection, and "Through Embroiderers Eyes", which gives an insight into our textile collection, in partnership with the Tauranga Embroiderers Guild. This year the Glimpses publication is in partnership with local rangatahi, and the Global Ambassadors youth programme, which is providing a wonderful opportunity to engage with young people about the collection and explore their thoughts on objects that could be accessioned into the collection.

CHIEF FINANCIAL OFFICER

Tauranga Airport

89. There were 1898 flights operated by Air New Zealand during March and April, carrying 96,503 passengers. The 50,935 passengers carried during March was a monthly record (up 10%). Bookings going forward are strong.
90. Commercial agreement has been reached with Airways NZ to purchase existing runway lighting, visual navigation aids and standby power. This equipment will be upgraded over the next 12 months to allow better operating conditions in poor weather conditions.
91. The Terminal precinct project is progressing slower than planned due to consenting issues. 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 also complete.

STRATEGY, GROWTH & GOVERNANCE

Tauriko West Flooding Issues

92. On 26 April, a memorandum was prepared for the Chief Executive providing an overview of the recent flood events affecting the Tauriko West area. This explained how such events are being planned for through modelling and proposed earthworks to ensure homes are above flood levels. The memorandum is attached as **Attachment A**, for information.

Land Transport Management (Regulation of Public Transport) Amendment Bill – Tauranga City Council submission

93. On 28 April, Council submitted a submission on the Land Transport Management (Regulation of Public Transport) Amendment Bill. This bill establishes the Sustainable Public Transport Framework (SPTF), to replace the existing Public Transport Operating Model. The SPTF is a new framework for the planning, procurement, and delivery of public transport services such as buses and ferries. Specifically, it includes new objectives that would prioritise:
 - (a) Supporting mode-shift and the transition from private motor vehicles to public transport services
 - (b) Ensuring fair and equitable treatment of employees
 - (c) Supporting improved environmental and health outcomes
 - (d) Providing value for money and efficiency from public transport investment.
94. Council's submission is attached as **Attachment B**, for information.

Local Government Electoral Legislation Bill

95. On 4 April, the second reading of the Local Government Electoral Legislation Bill (the Bill) took place. A Supplementary Order Paper (SOP) will be introduced during the next stage of the Bill. The SOP will delay the provisions requiring councils to consider Māori representation as part of their representation review until after the 2025 local government elections. The delay would allow councils severely impacted by the recent weather events to focus on their recovery and not be burdened with any new requirements. Councils can still opt to consider Māori representation.
96. Other provisions in the Bill include:
- (a) Updating the process for tied elections, including an automatic judicial recount before any coin toss, and an ability for candidates to withdraw after a judicial recount if there is still a tie;
 - (b) First meetings of council to wait until any recounts are complete; and
 - (c) Enabling all candidates to submit electronic nominations.

Submission on the Inquiry into the 2022 Local Election

97. Commissioner Bill Wasley made an oral submission to the Justice Select Committee on Thursday, 4 May, in support of the Council's submission on the Inquiry into the 2022 Local Election.

Takawaenga Maori Unit

98. Te Rangapū Mana Whenua o Tauranga Moana has focused on providing strong input into Three Waters Reform, hosting visits from the incoming CEO of Entity B and Maori relationship staff to highlight the relationships between Tangata whenua and the bodies of water they exercise kaitiakitanga over. Takawaenga has supported this focus by hosting the data sovereignty team from DIA, to share the systems we use to support those relationships.
99. Takawaenga has seen the benefit of a full team on board, with greater support available for Council's work programme across the city. This included the start to works on the Wairoa section of the Omokoroa to Tauranga cycleway, strong input into the completion of the Otumoetai Spatial Plan and the compilation of the Mount Spatial Plan. We are also pleased to report that the Cultural Training Programme has been reinstated, now that we have a dedicated facilitator in place.

CORPORATE SERVICES**Community Relations**

100. The Media Impact Score for March and April remained consistent at 1.7 and there were around 300 reports featuring TCC in each month.
101. The Community Relations team continues to support various parts of the business across an extensive work programme. Over March and April 123 new requests for support were received, ranging from one off graphic design support to full communications and engagement plan development and implementation.
102. In May, we launched a new digital engagement portal. The goal of the portal is to make it easier for the community to learn about and give feedback on council initiatives. As new projects go out for consultation, this platform will be used to complement traditional digital surveys. An engagement newsletter has also been launched to broaden the reach of our engagement and increase participation.

Civic Digital Infrastructure

103. Digital continues to take a holistic view and support technology required for CBD projects, including 90 Devonport Rd, the Library and Community Hub, Museum, Civic Whare and public realm spaces. A technology brief and associated programme of activity has been established for 90 Devonport Rd. Effort is currently focusing on developing the technology brief for the Library and Community Hub.

Business Continuity Plan Scenario Testing

104. Throughout May, Business Continuity Plan scenario testing was undertaken, with Digital Services playing a supporting role alongside the Business Continuity Team. This was a significant scenario testing programme involving all parts of the business, including the Emergency Operations Centre.
105. This testing highlighted several digital and non-digital improvements for the business unit. It also highlighted interdependence needs between various “core” service-based business units that need to be put in place or improved. It was valuable to run the Emergency Operating Centre team through how they would operate if there were both a major cybersecurity incident and an Emergency Operating Centre activation at the same time.

Pay Card Industry Data Security Standards (PCIDSS) Compliance

106. Late in 2022, our merchant services providers, led by the ANZ, required the Council to become PCIDSS compliant. This means we must adhere to global standards for the protection of electronic payments and supporting processes. Failure to comply with these standards would have resulted in Council being unable to process electronic payments. To support becoming compliant, an audit was undertaken with an independent auditor and a significant programme of work was identified that needs to be completed.

The programme team has produced a detailed plan of this work, which towards the end of May achieved a significant milestone of having the plan agreed and accepted by our merchant services providers, ANZ, Visa and Mastercard. This means we have a clear and realistic path/timeframe to achieving and maintaining PCIDSS compliance that will see us reach full compliance in February 2024.

Digital Capital Programme – Enterprise Resource Planning (ERP) Programme

107. The ERP programme is currently focused on migrating core data and processes from legacy systems to the new SAP platform, creating a modern Digital foundation to enable other business processes to follow.

The following key initiatives are now well underway, with planned go-lives between June - November 2023:

- Property Leasing Management, including Billing Revenue & Collections;
- Customer Master Data migration;
- Resource Consent applications;
- HR Employee Central (Phase 1&2) - Employee data and employee self-service.

The programme is well through the design of the new Property and Rates model in SAP, in preparation to commence planning and delivery once the Property Leasing and Customer Data initiatives are completed.

Legal, Risk & Procurement

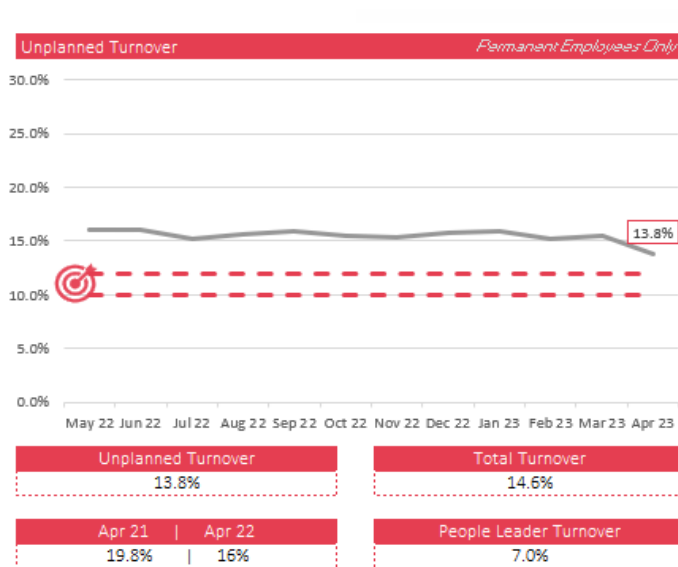
108. The procurement team has worked to deliver its broader outcomes framework. This gives the organisation the tools to implement sustainability and supplier diversity initiatives.

Human Resources

109. Recruitment is currently a key area, with 143 active jobs available (this includes 32 City Operations positions). The recruitment team is working hard to fill the vacancies, with a plan

to employ further recruitment specialists to help support our growing business and reduced reliance on recruitment agencies.

The employment market continues to be strong. Our staff turnover is consistently tracking around 15%.



110. The team is planning for the next MyTeamPulse survey in late-July. This survey is an important part of listening to our employees and ensuring that the Council is a great place to work. Exit interview feedback indicates that Council is generally considered a good place to work.
111. The 2023 remuneration review is due to be completed in June and take effect in July.
112. The team is currently working on upgrading our employment software Success Factors, which will go live towards the end of 2023. It will become a single source data point for employee and position information across Council. Once deployed, we will be able to track employee history and also support efficient workforce planning for the future.

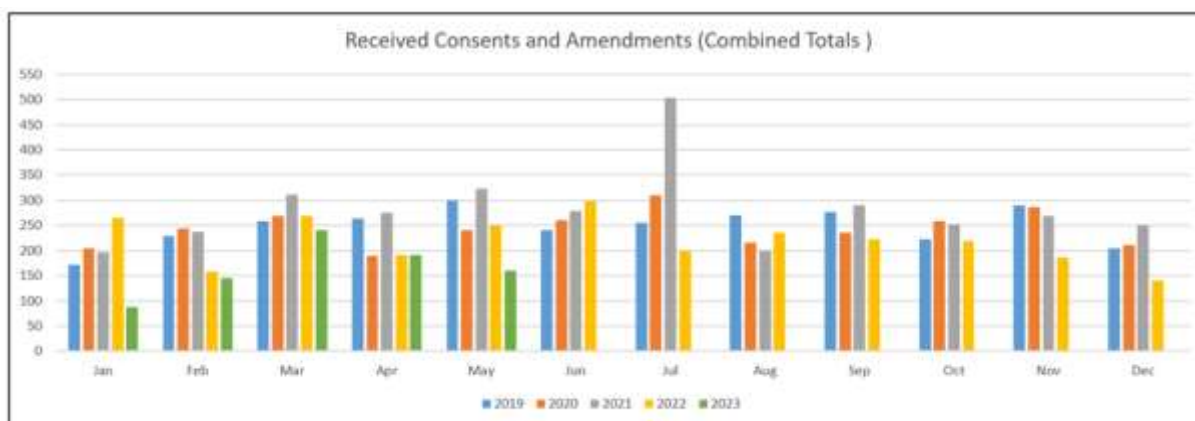
Health, Safety & Wellbeing

113. The Health, Safety and Wellbeing team is working towards the ISO-45001 (Occupational health & safety management system) standard. This standard will provide a best practice health and safety framework for Council and will align us with our contractors.
114. Our health and safety online learning module is now available for new and existing staff and forms a key part of the standard TCC online learning induction material to better support the business on how to manage and mitigate health and safety risks.

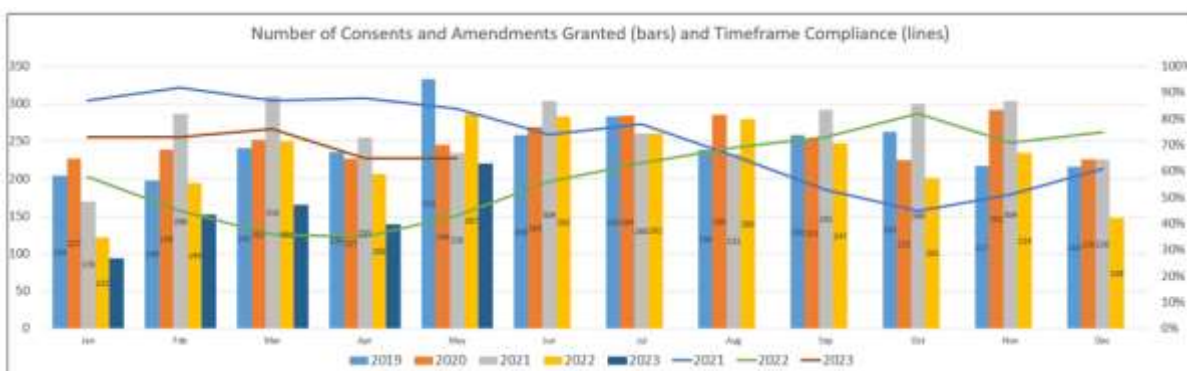
REGULATORY AND COMPLIANCE

Building Services

115. We received 241 Building Consent and Amendment applications in March, 192 in April and 160 in May. While the March volumes are noticeably higher than the rest of 2023, and nearly at the level seen in previous years, the number received continues to be down compared with previous years. Changes to the rules around insulation of buildings (H1 of the Building Code) came into effect on 1 May and, anecdotally, a number of designers were working hard to get applications in before then, to avoid additional costs. We suspect this explains the increased numbers received in March and the corresponding drop in May.

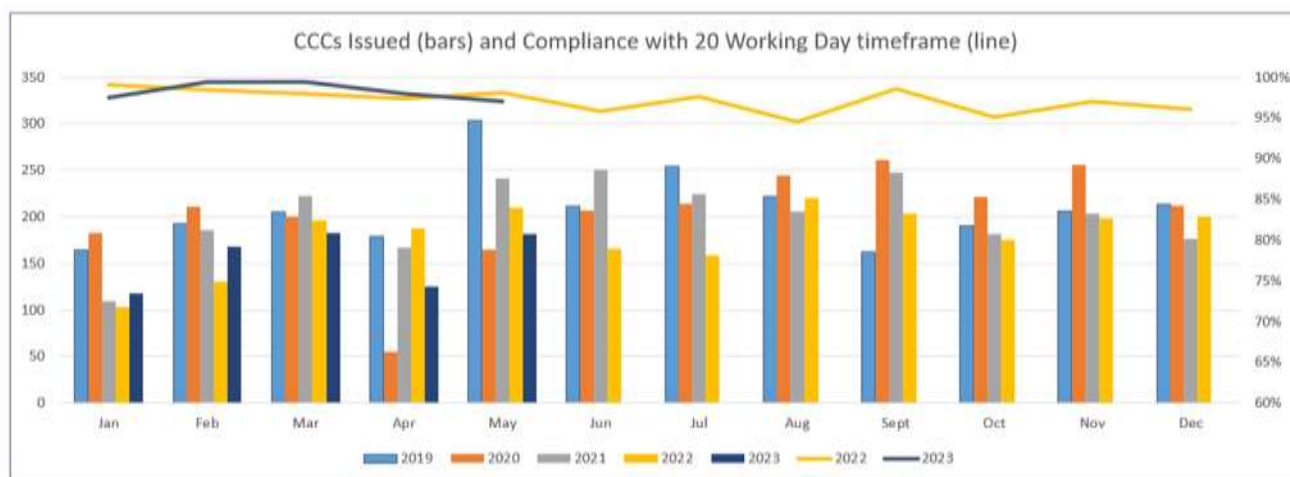


116. We granted 165 consents and amendments in March, 139 in April and 220 in May. The volumes of consents granted is clearly also down, compared with previous years, reflecting the reduced number of applications received. This has also allowed us to reduce our utilisation of external contractors, however we have temporarily increased them again to prevent the backlog in applications from growing too high. Applications are currently being allocated to a BCO for processing within two weeks of lodgement, but we would like to get that down to one week.



117. Compliance with statutory timeframes went up slightly to 76% of consents and amendments being issued within 20 working days in March, however that has dropped off to 65% in April and May. There are three areas resulting in a struggle to meet timeframes: 1) resourcing of our Development Engineering (DE) team, 2) complex consents and 3) Building Consent Officer (BCO) workloads.
118. The biggest contributor in April and May was a bottleneck in the Development Engineering space. We have recently had one Senior DE leave and another DE on unexpected leave. We have been supported with DE resource from the Environmental Planning and Infrastructure teams to help patch this gap in the short term, but that still had an effect on a number of consents. We are recruiting for permanent resource and are looking for more suitable contractors to help out in the short-medium term.
119. Complex consents continue to take longer than 20 working days. This will always be a challenge as complex consents simply take longer. We have however been working to increase our resource in the C3 building category (most complex risk category) and expect to have another BCO achieve this competency within the next month.
120. Lastly, we are also increasing our contractor usage again to hopefully help increase the timeliness. Unfortunately, a few of the contractors we have previously used are no longer available as they have reduced staff numbers due to the dip in the market and others are particularly busy at the moment due to the H1 changes discussed above (and probably as a result of those other companies reducing size).
121. It is worth noting that our average time to issue building consents in March-May was 13.2 statutory days and 19.46 elapsed days. This is a measure other Councils often use to report on timeliness through their Annual and Long Term Plans.

122. 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) has remained at 10 days or below throughout March, April and May. This is a significant improvement on previous years. For example, in May 2021, wait times for standard (45 minute) were between 6-18 days, and R3 Finals were 17-21 days.
123. Inspection numbers are roughly 20% down on previous years, with between 400 and 450 inspections completed most weeks. Because wait times are low, there is reduced demand for our remote and weekend inspections.
124. We implemented a new online minor variation process in March. The minor variation process has historically been completed on-site by our building inspectors and allows builders and designers to make minor changes to a building design, provided that these don't change compliance with the building code. However, it has relied on the inspector having sufficient time to consider the changes after completing their inspection and could be further compounded by the volume of material submitted and the inspector's level of experience. Now we are receiving minor variations via email and have an experienced, office-based inspector review them. Feedback to date has been excellent and on-site minor variations have all but stopped.
125. We issued 183 code compliance certificates (CCCs) in March, 125 in April and 182 in May. The numbers of CCCs issued this year are slightly down on previous years, but not as much as the applications received and applications granted. Compliance with statutory timeframes is consistently high, with 99% in March, 98% in April and 97% in May.



126. Preparation for our next IANZ assessment in September is well underway. In March and April, we had an external quality specialist do a targeted review of some high-risk aspects of our BCA, with no serious issues found.

Building Compliance

127. In 2022, MBIE completed an audit of our Building Warrant of Fitness (BWOFF) compliance programme. The only adverse finding from that audit was that we weren't completing a high number of on-site inspections of properties that have a BWOFF. They recommended we should be inspecting 20-33% of all properties with a BWOFF each year. We have since implemented a risk-based inspection regime where we inspect high-risk buildings every two years, medium-risk every four years, and low-risk every six years. In the June 2022 – May 2023 year, we have completed 352 on-site inspections, or 22% of properties with BWOFFs.
128. It is worth noting that the Building Warrant of Fitness regulatory system is reliant on independent qualified persons (IQPs) regularly completing testing and maintenance of life-supporting specified systems, such as fire alarms and sprinkler systems, on behalf of the owners and providing this information to the council annually for review. The audit in 2022 found that we have a very robust system in place for this aspect.

Matters of interest

129. We have now moved, as of 29 May, to our new customer portal for lodging and tracking building consents called Objective Build. The go-live went particularly well thanks to the hard work from our team in Building Services led by Karl Blackwood, as well as a number of teams in Digital and of course Objective themselves. The most immediate benefit of Objective Build is that our customers now have a consistent building consent portal across Tauranga and Western Bay (and 8 other BCAs nationwide). We are continuing to work with Objective to develop further modules of Objective Build.

Environmental Planning

130. 460 resource consent applications have been received so far in the 2022/23 financial year, with 132 of those received in the third quarter. There has been a notable and sustained decrease since February 2023, which is likely influenced by the current economic situation and the pending hearing and outcomes of the Plan Change 33 process.



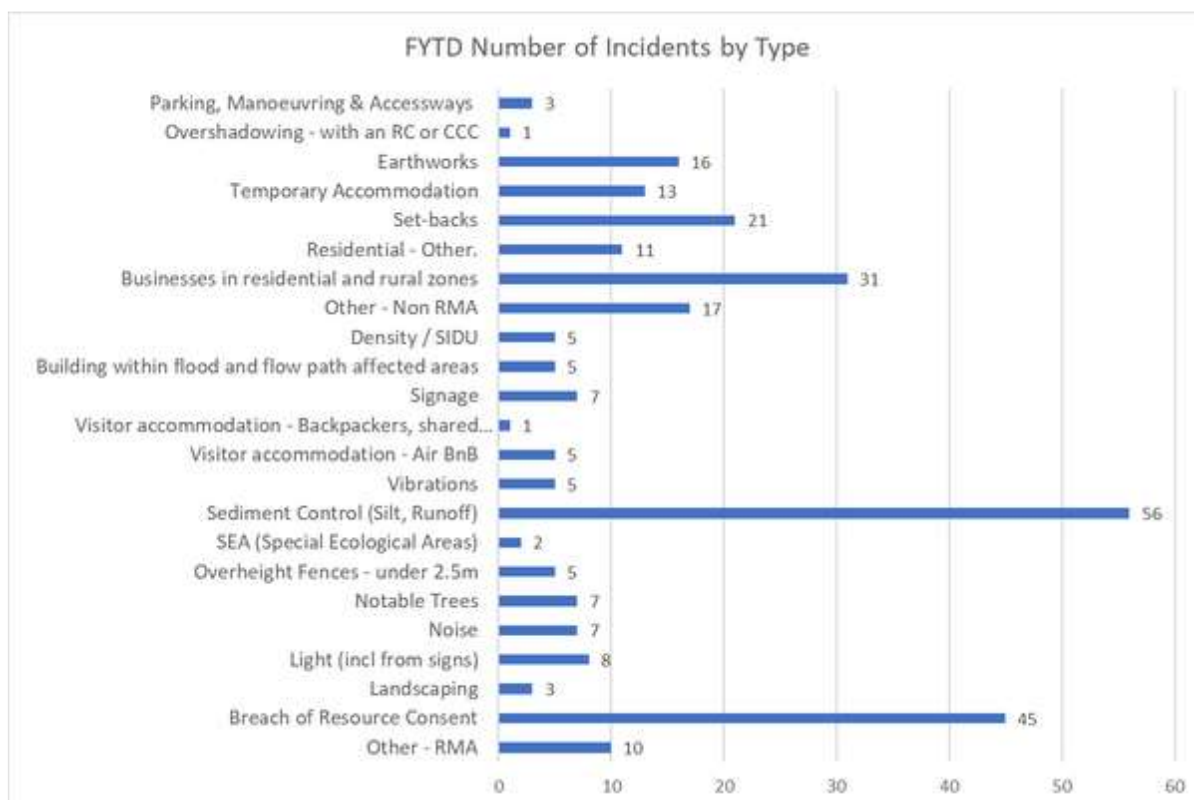
131. Resource consent timeframe compliance for Q3 was 69%, which is an improvement on Q2 results (61%). Preliminary results for Q4 are expected to show further improvement, based on performance across April and May 2023. As noted above, although there has been a reduction in new applications, there is a considerable backlog of older and/or deferred consent applications which are currently being progressed, and results will continue to be impacted as we work through these.
132. Following a detailed review of Council's resource consenting process, staff are currently progressing a number of process and structural improvements, with a view to improving future performance against statutory timeframes, without undermining quality decision-making.
133. In addition to process improvements, the Environmental Planning function is continuing to work towards a significant system upgrade from Ozone to SAP C4C, which will be live and operational on 1 July. Once fully-implemented, this change will provide a more efficient basis for consent processing, while also providing better reporting tools for improved oversight and administration of applications.
134. This is a significant system change and there are likely to be some impacts, but we are working hard to minimise disruptions through the roll-out. Customers and stakeholders are being proactively informed of the changes and if or how they may be impacted.
135. The Urban Design Panel is now fully-operational, which was recognised with a public launch event at the University of Waikato's Tauranga Campus on 18 May. The Panel has convened five times since 5 April. The reception from the development community has been positive, which is reflected in the fact that the panel is currently fully-allocated until July.
136. One notable proposal which has been through the urban design panel is for a redevelopment on the corner of Fraser Street and 15th Avenue, which is proposing over 100 units over six floors.

Development Contributions

137. During Q3, 315 building consents have been assessed for citywide Development Contributions, with an estimated amount of \$6.4 million. The total for 2022/23, to date, is \$30.8 million across 1,588 consents.

Environmental Monitoring

138. So far this year, 284 incidents have been responded to, following complaints received from the community. The majority of incidents relate to sediment control (56), consented activities (45) and businesses in residential and rural zones (31). As a result, Council has issued seven abatement notices and one infringement notice for RMA matters.



139. We continue to receive a large volume of noise complaints relating to 243 noise incidents so far in 2022/23. We have issued seven abatement notices and seven infringement notices in relation to noise incidents.

Matters of Interest

140. There has been significant public interest in a recent application by The Sanderson Group for a proposed development at Pitau Street to be considered through the Covid fast-track process. The Ministry for the Environment is currently considering the application and is the lead agency for this matter.
141. Concerns have been raised regarding the potential non-compliant use of hotels for emergency accommodation, particularly in Mount Maunganui. Staff are working with the Ministry for Social Development, the Ministry of Housing and Urban Development, and the community, with a view to finding a more suitable and coordinated approach to this activity.
142. There are currently two applications from Waka Kotahi for designation alterations to provide significant infrastructure allowing access to the Tauriko Industrial Estate and Tauriko West future housing developments. Both these applications have been notified and are progressing towards hearings.

Environmental Regulation*Alcohol Licensing*

143. During the period from mid-March through to May, the Alcohol Licensing Team has forwarded 213 alcohol licensing applications to the District Licensing Committee for consideration and determination. A breakdown of the applications is provided in the table below.

Applications forward to the District Licensing Committee	
Application Type	Number
OFF Licence (New)	2
OFF Licence (Renewal)	11
ON Licence (New)	2
ON Licence (Renewal)	14
Club Licence (New)	
Club Licence (Renewal)	3
Temporary Authorities (ON & OFF)	8
Manager (New)	32
Manager (Renewal)	67
Special Licence	74
Total:	213

144. The team completed 16 premises inspections within this period.
145. There were six applications prepared by the Alcohol Licensing Team and scheduled for District Licensing Hearings. However, two applications were withdrawn by the applicants within a days of the hearings being held. Of the remaining four hearings, two applications were granted by the District Licensing Committee, with stringent licence conditions, and the other two were declined.

Licence Type	Status	Premises	Applicant	District Licensing Committee Decision
OFF	New	The Bottle O – Mount Maunganui	Graduate Mount Limited	Granted
OFF	New	Greerton Liquor Centre	SS Holdings Limited	Granted
ON	T/A*	Greerton Sports Bar	Kooner Bars Limited	Declined
ON	New	Greerton Sports Bar	Kooner Bars Limited	Withdrawn
ON	VARIATION*	Brew Co	Stella Concepts Limited	Withdrawn
OFF	New	Country Fare Convenience Store	H & V Alliance Limited	Declined

146. There is a need to ensure that new duty managers have the required knowledge and skills in place to be competent and successful managers of licensed premises. We recently held our first multi-applicant “Duty Managers – Discussion and Questionnaire Session” to help address this issue. Feedback from the applicants and staff that took part in the session was very positive and future sessions will be provided.

Sale and Supply of Alcohol (Community Participation) Amendment Bill - update

147. Council submitted to the Sale and Supply of Alcohol (Community Participation) Amendment Bill on 10 February 2023. The Bill seeks to increases the influence of local communities on

alcohol licensing in their area. The Justice Select Committee received and considered 420 submissions. The Committee released their report on 8 June 2023 recommending that the Bill be passed with some amendments. The key amendments are set out in the table below.

Select Committee proposed amendment	Reason for amendment	Potential impact on Local Alcohol Policy (LAP) process
Change to the commencement date for changes relating to licence hearings.	To allow local government time to prepare for changes this bill would make to the licensing process – includes updating guidance and training of staff.	None as these changes only relate to the licensing process
Removal of reference and requirement of provisional LAPs	To dispense with the requirement to produce provisional LAPs. This removes confusion in the bill and aligns with its attention.	Following commencement of the bill a final LAP can be adopted by Council after deliberations
Transitional provisions relating to LAPs	To clarify that the current rules would apply to provisional LAPs where an appeal had already been made but the new rules (following commencement of the bill) would apply to all other cases.	
Ensuring the licensing process cannot be exploited by competitors	To strengthen the bill to restrict trade surrogates objecting to applications	None
Remote access to District Licensing Committee (DLC)	To require DLCs to consider requests to submit remotely	None
Provide a list of factors that a DLC could consider to make hearings less formal	To make DLCs more accessible	None
Recognising the importance of tikanga	To ensure tikanga Māori can be incorporated into DLC proceedings	None
Increasing timeframe to submit an objection	To give communities adequate time to gather evidence	None
Remove sections giving DLCs and the Alcohol Regulatory and Licensing Authority (ARLA) the power to limit oral evidence when it is likely that multiple parties will present similar evidence	Concern that the provisions could exclude valid objections and discourage participation	None

148. The Select Committee also noted that the government intends to progress further alcohol reforms in 2024 and suggest that the Government consider the following in these further reforms:

- (a) Greater Māori involvement in developing LAPs
- (b) Improving notification requirements

149. If the Bill gets passed this year, Council will not need to re-consult on its Local Alcohol Policy review and can carry on with deliberations on views heard through the submission process.

Supreme Court Decision on the Auckland LAP

150. On 5 May 2023 the Supreme Court dismissed judicial review proceedings by Woolworths and Foodstuffs challenging a 2017 decision of the Alcohol Regulatory and Licensing Authority (ARLA) that largely upheld Auckland Council's Provisional Local Alcohol Policy.

This judgement should give territorial authorities greater confidence that they can adopt LAPs which reflect their communities' preferences, without being at risk of merits-based legal challenges to their policies. These preferences can include off-licence trading hours that are shorter than those that were adopted in the first round of LAPs under the Act.

Environmental Health

Activity type	Reporting time period: 11 March to 26 May	YTD	Comments
Verifications of Food businesses	91	343	
Food Registrations - New	58	158	New registrations during the March to May time period include a number of businesses who let their registrations expire
Food Registrations - Renew	133	699	
Health Registrations – New	10	16	
Health Registrations - Renew	8	197	These generally renew August, September, October
Food complaints and investigations	14	48	20 total investigations, in most cases complaints are not substantiated or education and advice is given, and in 3 cases enforcement action taken (improvement notice issued and complied with)

Matters of Interest

151. A surveillance audit of the QMS system was undertaken by JazAnz in April and was passed successfully. In addition, three verifiers were externally audited byASUREquality, on behalf of MPI, and their approvals renewed for a further three years.
152. The food registration team implemented the following improvements for customers:
 - (a) While food businesses are reminded to renew their registrations 42 days before they expire, the team has now started sending friendly reminders to those who don't apply, just before they expire. Applying for new registrations after they expire can create considerable extra costs for businesses.
 - (b) Warning procedures for food businesses who allow their registrations to expire, resulting in improved compliance rates for unregistered food businesses
 - (c) Improved the new food business registration process, to ensure a quicker turnaround for applicants and a more transparent vetting and approval process, with better records kept.
153. The team presented to hospitality students studying at Toi Ohomai on understanding and complying with Food Control Plans.

Animal Services

154. Staff are experiencing an increase in tension in the community when dealing with dog owners. De-escalating these situations is time-consuming and often requires staff to now work in pairs when dealing with known, volatile owners. Some examples are:

- (a) An increase in upset owners requesting reviews of fees for impounded dogs;
- (b) An increase in the number of people objecting to Council processes and requesting formal hearings opposing disqualifications, menacing classifications or abatement notices for barking dogs. After a period of two years with no objections, we have had four hearings so far this year, with another three ready to be heard;
- (c) Aggressive behaviour at the pound, where Police were called after a person threatened staff with a rock;
- (d) An unknown driver stopped his car in the middle of the road in front of one of our vans, jumped out and gestured at the driver before driving off.

	Warnings / Notice	Abatement Notices	Dangerous / Menacing Classifications	Infringements Issued	Prosecutions Commenced
April 2023	Barking 43 Roaming 15 Aggression 7	4	Dangerous - 0 Menacing - 3 Section 62 Muzzle - 1	40	0
May 2023	Barking 23 Roaming 11 Aggression 4	3	Dangerous - 0 Menacing - 1 Section 62 Muzzle - 0	40	0

Parking and Bylaws

155. For the periods of March and April, over 10,000 paid parking offences have been identified and enforced. Over 8,700 of these offences were for failing to pay for parking. Almost 600 of these infringements have been waived with a warning.
156. We've seen a 10% increase in parking complaints received over these months, which is consistent with previous trends and increased workloads.
157. There has been a significant increase in complaints regarding homelessness and related issues. Our officers have investigated 70% more complaints this year in comparison with March-April 2022 (70 so far this year, versus 41 this time last year).

Key Account Management

158. Our Key Account Management function continues to support the delivery of good regulatory outcomes, primarily operating across the Environmental Planning and Building Services teams, while working closely with Infrastructure, providing a single point of contact for engagement and communication with applicants and their teams.
159. Key projects include the Civic Precinct redevelopment, 2 Devonport Road, Haumoana private hospital, Bethlehem Shores, MetlifeCare, Northern Quarter, Kainga Ora, Ministry of Education, Bluehaven developments, and Group Home Builders.

Events & Communications

160. During the April School Holidays, Tessa's Treasure Hunt was held by the Animal Services team for the second year. The event comprised of 17 locations spread across parks and reserves in Tauranga, Mount Maunganui and Papamoa. Members of the public, regardless of whether they owned a dog or not, were invited to locate TESSA (Tauranga Education Services Safety Ambassador), scan the QR code on the sign, and enter the draw to win prizes provided by the Animal Services team, Spaces and Places team and Naturally Pet.

161. The competition lasted for 16 days and received 368 entries in total. We awarded three winners with a year's free registration for their dogs, a bag of dog food, and a \$50 Prezzy Card.
162. We paired this with community dog walks, which we received great feedback about from the community, with many saying they enjoy this type of engagement and want to see more.
163. Tauranga Home Show 2023 was held earlier in May this year. We had many visitors to our booth, which had a focus on Regulatory and Compliance, Sustainability and Waste and Emergency Management. For Regulatory and Compliance, the focus was:
 - a. Environmental Planning & Monitoring, our customer touchpoints, Resource Consent application overview, etc
 - b. Environmental Regulation, highlighting 'Pay my Park' app, where to park in the city, a reminder of upcoming dog registrations
 - c. Building Services around pool safety compliance and the new processing platform for applications.



164. The Q2 Group Home Builders forum was hosted at Toi Ohomai, with industry and council presentations focused on consent trends, the Construction Waste and Water Forum, Objective Build, and key account management.
165. Three workshops were held for users of Objective Build to educate and field any questions and concerns about the system, prior to our go live date. We have a review session coming up on 15 June, to see how are customers are finding the new system and where we can improve.
166. Two sessions were held for the Energy Efficient Building Code Update (H1), to gain an understanding of what this looks like for us and our customers and what support may be required.

CITY DEVELOPMENT & PARTNERSHIPS

City Partnerships

167. Implementation of our funding strategy continues for Te Manawataki o Te Papa and we are making good progress in our conversations with regional and local funding agencies. We are also looking to appoint a dedicated resource to develop and implement a corporate sponsorship programme, along with individual/family gifting programmes.

168. An application for \$1.4 million was submitted to the seventh and final round of MBIE's Tourism Infrastructure Fund in May to complete the final stage of the Marine Parade Coastal Pathway Project. A decision will be communicated in July/August.
169. Staff are progressing the appointment of a mana whenua representative for the Tauranga Art Gallery Trust board, while continuing proactive collaboration and conversations with the Gallery around Te Manawataki o Te Papa civic development plans.
170. Conversations have begun with Tourism Bay of Plenty and relevant agencies around the 2023/24 Tauranga cruise ship season.
171. The first Letter of Expectation for the newly formed Te Manawataki o Te Papa Limited Board has been issued, which will inform their Statement of Intent (to be received by 30 June, as applies to other council-controlled organisations).
172. The City Partnerships Specialist has been assisting the new Mainstreet Tauranga Chair through organisational changes and Council reporting requirements and timeframes.
173. The new Mainstreet Agreement, supporting greater accountability and higher levels of performance, has been drafted and circulated for feedback from staff, before sharing with the four Mainstreet organisations. Annual Plans are due from the Mainstreets to Council on 30 June.
174. Staff have supported the four Mainstreets with a collaborative digital advertising campaign, which is now live and highlights the four Mainstreet areas:
<https://sponsoredinteractive.stuff.co.nz/tantalising-tauranga/index.html>.
175. The Safe and Resilient Communities Advisor has been seconded from Community Development to work closely with the City Partnerships Specialists in assisting businesses to resolve issues in the city centre. In the meantime, a report will be finalised in early-June detailing what a potential City Ambassadors programme might look like.
176. Several workstreams are underway as part of the City Centre Development and Incentive Fund, to increase vibrancy in the city centre. These include short-term parking interventions, development stimulation, support of existing businesses with activation, and increasing foot traffic. There has been a positive response from the business community to the recent approval by Council of free parking on Saturdays and from 5pm on weekdays, and for the short-term Licence-to-Occupy relief of 80% for city centre hospitality businesses.
177. The City Partnerships Specialist is progressing some investigative work, in collaboration with landlords and commercial real estate agents, that could potentially see the activation of some vacant spaces in the city centre. We are also working on acquiring a vacant space for secure end-of-trip bike facilities and investigating options for relocatable public bike stands.
178. The City Partnerships Specialist is supporting the University of Waikato with student attraction activities. An Impact Lab presentation regarding student behaviours for transport to and from study has provided TCC's Transport Team with some good insights to assist transport planning.

Te Manawataki o Te Papa – Civic Precinct

179. PowerCo has completed the detailed design work in preparation for relocation of the existing high-voltage cable and transformer within the civic precinct. A change in the proposed methodology will result in shorter power outages for Baycourt as the new switching equipment is installed. This work is scheduled to commence in the third quarter of this year.
180. A physical works programme for the preconstruction phase of the project is being finalised by LT McGuinness.
181. The pre-construction phase includes potholing around the site to provide surety over the location of third-party utility services (see images below). A representative from Ngai Tamarawaho and Ngati Tapu will provide cultural monitoring for the work. Eight sites in Hamilton and Wharf Streets will be inspected.

182. Further datasheet workshops were held with staff during April 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.
183. Workshop E has been engaged to assist the Civic Whare, Exhibition Gallery and Museum team on museum and exhibition spaces.
184. High-level design concepts of improvements to Baycourt have been presented by Warren & Mahoney to the Steering Group. A site walk with Commissioners was undertaken on 31 May.
185. A structural assessment of the Art Gallery is to be proposed prior to confirming capital works. The concept design has now been completed.

Tauranga Moana Waterfront

The Strand Reserve

186. The developed and detailed designs, and cost estimates for the Waterfront Reserve, are being finalised for presentation to Council in June.
187. Waterfront North and Sea Wall – An Early Contractor Involvement (ECI) has commenced to seek contractor expertise into final design and material selection.
188. A contract for design of the waterfront playground has been awarded to Beca/Aspect Studios. An engagement plan has been developed and initial engagement with TCC staff and the Cultural Advisory Group (CAG) has been completed. The concept design is scheduled for completion in November.

Te Hononga ki Te Awanui (Harbour Link) Stage 1: Boardwalk and railway underpass

189. The railway underpass, including the wing wall installation at the southern end of The Strand Extension, was completed at the end of May. Temporary security and access measures through the underpass have been installed and remediation of the footpath on The Strand South is scheduled for completion in early-January 2024.
190. Additional geotechnical investigations have been completed by Tonkin & Taylor to inform the 100% design of the waterfront boardwalk. A wave loading report has also been completed by Tonkin & Taylor and discussions with our Consenting team have been initiated to define design criteria.
191. The contract for completion of the boardwalk is expected to be awarded in June, with construction due to commence in August.

Masonic Park

192. An initial detailed design pack, including methodology for protecting the archaeological site, has been completed for both Masonic Park and Willow Street and a Resource Consent application lodged. A full coordinated detailed design pack will be received in early-June.
193. Engagement to coordinate physical works with nearby food and beverage outlets is ongoing, as well as with the Tauranga Art Gallery Trust.
194. Further work is being undertaken to have a fully-coordinated design set for tender, with physical works scheduled to commence in early-September.

Dive Crescent car park

195. The first phase is now due for completion at the start of July. In the coming weeks, the programme focus will be on Dive Crescent, with completion of the bus bay, footpath, retaining wall, and installation of the stormwater collection and filtration system. This work will impact traffic flows along Dive Crescent over the next three weeks. Impacts from the ongoing repair and replacement of the failed watermain along Dive Crescent during April and May has slowed the completion of the first phase of the development.

196. The second phase involving the conversion of the southern car park will commence in October.



Dive Crescent – area/footpath prepared, compacted fill now completed.

Beacon Services Wharf

197. The demolition of the existing dilapidated wharf is to commence in early-June. HEB Construction Ltd will be undertaking the work programme. The methodology provides for demolition from a barge, thereby limiting any impact on Dive Crescent.
198. The design and construction methodologies are scheduled to be delivered in mid-June and Early contractor Involvement process will be initiated to source a suitable contractor to complete the works.
199. Construction of the new facility is not expected to commence until October.
200. Geotechnical assessment of the harbour floor substrate has been rescheduled to June due to availability of the specialised barge. Results from this study will be used to inform design of the future wharf, and replacement of marine structures as part of the waterfront development.

Spring Street carpark seismic strengthening

201. Recent issues have arisen with the concrete corbel spalling (pieces of concrete have broken away). On recommendation by Beca Structural Engineers, limitations on the number of vehicles parking on the upper levels have been implemented. Seismic strengthening works will address the issues of the concrete spalling as part of the upgrade works.
202. Due to the complexities of this work, the contractor has issued a revised construction programme with a new completion date at the end of September.

90 Devonport Road (Civic Administration building fit-out)

203. The base build construction of 90 Devonport Road continues to progress well. Piling works have been completed on schedule and the piling rig disestablished. Construction of ground beams and foundation K-bracing is in progress.
204. The Executive has approved the 100% Fitout Developed Design. WELL and NABERS reviews continue in parallel with the design.
205. The Steering Group has approved proceeding with the three suite co-working offices and a commercial-size café kitchen. Design work on this ground floor space is in progress.
206. The security brief and design has progressed. TCC security strategy workshops are scheduled to take place in June.



90 Devonport Road Construction site.



LT McGuinness site model

Elizabeth Street East/Tunks Reserve

- 207. The contract has been awarded to CSL Tauranga Ltd. A karakia was held at Tunks Reserve on 10 May, ahead of CSL Tauranga Ltd setting up on site. The project is expected to be completed by the end of December.
- 208. Communication with stakeholders is underway and will be ongoing for the duration of the project.

Memorial Park

- 209. The project scope, as defined within the completed feasibility study, includes development of new aquatic facilities, a wellness centre and indoor court facilities. Refinement of the scope is ongoing with Bay Venues for a combined Memorial Park Recreation Hub.
- 210. A recommendation for appointment of an Architectural-led, multidisciplinary team has been provided. The concept design is programmed to commence by July. The concept phase will look at an option to align with the current budget and scope.
- 211. A recommendation for appointment of a masterplan consultant has been provided. This is on schedule to be completed in parallel with the concept design for the Memorial Park Recreation Hub project.
- 212. Recommendation for appointment of a Early Contractor Involvement contractor has also been provided. This is so that they are available to provide their specialist construction and pools' knowledge from the outset of the design process.
- 213. Requests for Proposals are in the market for a project Quantity Surveyor and project management support.

City Centre Development

- 214. Council is progressing the design of a new mid-block laneway to connect Durham Street and Grey Street, which will support pedestrian connections between the retail precinct of Grey Street, the University of Waikato, and the future public transport spine. Council purchased 79 Grey Street to enable the link and the former tenant, 'The Importer', moved out prior to settlement. Landscape architects at Beca are working on design options for the full laneway, including navigating the significant gradient drop between Durham Street and the service lane, and are considering short-term tactical urbanism interventions.
- 215. The final draft of the City Centre Public Realm Design Guidelines is going through a final round of internal consultation before finalisation and review by the Urban Design Panel. The guidelines are intended to provide design guidance and direction to proposed, and future city public realm projects. The intent is to establish a cohesive, consistent and high-performing public realm that captures the identity, sense of place, and future aspirations of Tauranga. The Guidelines will implement the four pou articulated in the City Centre Action and Investment Plan, build on the Tauranga Moana Design Principles, and will achieve a city centre-wide approach to design.

216. The city centre access and movement framework has been updated and Stantec has been engaged to test the movement scenarios through a transport model of the city centre. This work will inform the interventions required to support multi-modal shift and improve the flow of general movements around and through the city centre, taking the civic centre transformation projects into consideration.

City Development Communications and Engagement

217. An overarching communications and engagement strategy that encompasses raising awareness and sharing progress about the city centre transformation, while supporting and activating the city centre during the construction period, has been developed and is being implemented.
218. This strategy envisages a multi-faceted approach, including signage as way of telling our stories, regularly showing progress through Council's own channels, proactive advertising, and ongoing engagement with local businesses and partners. A signage kit and guidelines for other development partners is being developed as part of this.
219. Project-specific communications and engagement plans have also been developed.
220. Successful targeted stakeholder engagement sessions for two specific spaces in the new community hub building plan – the innovation space and multi-sensory room – have taken place. These sessions were led by the project team and held with STEMWana Trust for the Innovation Space, and with key disability organisations and professionals at Tauranga Special School for the multi-sensory room.
221. With parking in the city centre an important issue for our community, we continue to work closely with the Transport team to ensure our communications and engagement around any parking decisions are clear and consistent. A recent example of this was the decision to return to free parking on Saturdays and after 5pm during weekdays, which resulted in media coverage and an interview on Newstalk ZB to talk about the changes.
222. The refurbishment of the Cargo Shed along the waterfront has received some positive news coverage, including a double page spread in the Weekend Sun, interviewing. Article below – titled 'Grand old lady finds a new life'.



ATTACHMENTS

1. **Attachment A - Tauriko West Area Flooding Issues Memorandum April 2023 - A14733865** [↓](#)
2. **Attachment B - Submission to Land Transport Management (Regulation of Public Transport) Amendment Bill - A14733866** [↓](#)

Memorandum



To: Commissioners
CC: Marty Grenfell
From: Andrew Mead, Christine Jones
Date: 26 April 2023

TAURIKO WEST FLOODING ISSUES

Purpose

The purpose of this memo is to provide information on the Tauriko West flooding issues. These were discussed at the growth briefing of 19 April and there was a request for further information to be circulated by staff to Commissioners.

Summary

The flooding recently experienced in the Tauriko corridor was consistent with our existing flood modelling but less than what we would expect in a 100-year flood event. When Tauriko West is developed, substantive earthworks will occur to ensure homes are well above the flood level. TCC planning will deliver full compliance with BOPRC's Natural Hazard provisions in respect of flooding. In summary what was experienced may have looked concerning, but it was completely consistent with what we would expect to occur in a significant rainfall event and does not compromise our plans for Tauriko West.

Discussion

Below are model outputs from earlier 100yr flood modelling work which was based on 1.25m of sea level rise which predicted flood levels of between RL6m-8m¹ due to the gradient of the stream. TCC staff have been working towards minimum building platform levels of RL7m-9m respectively as a result.

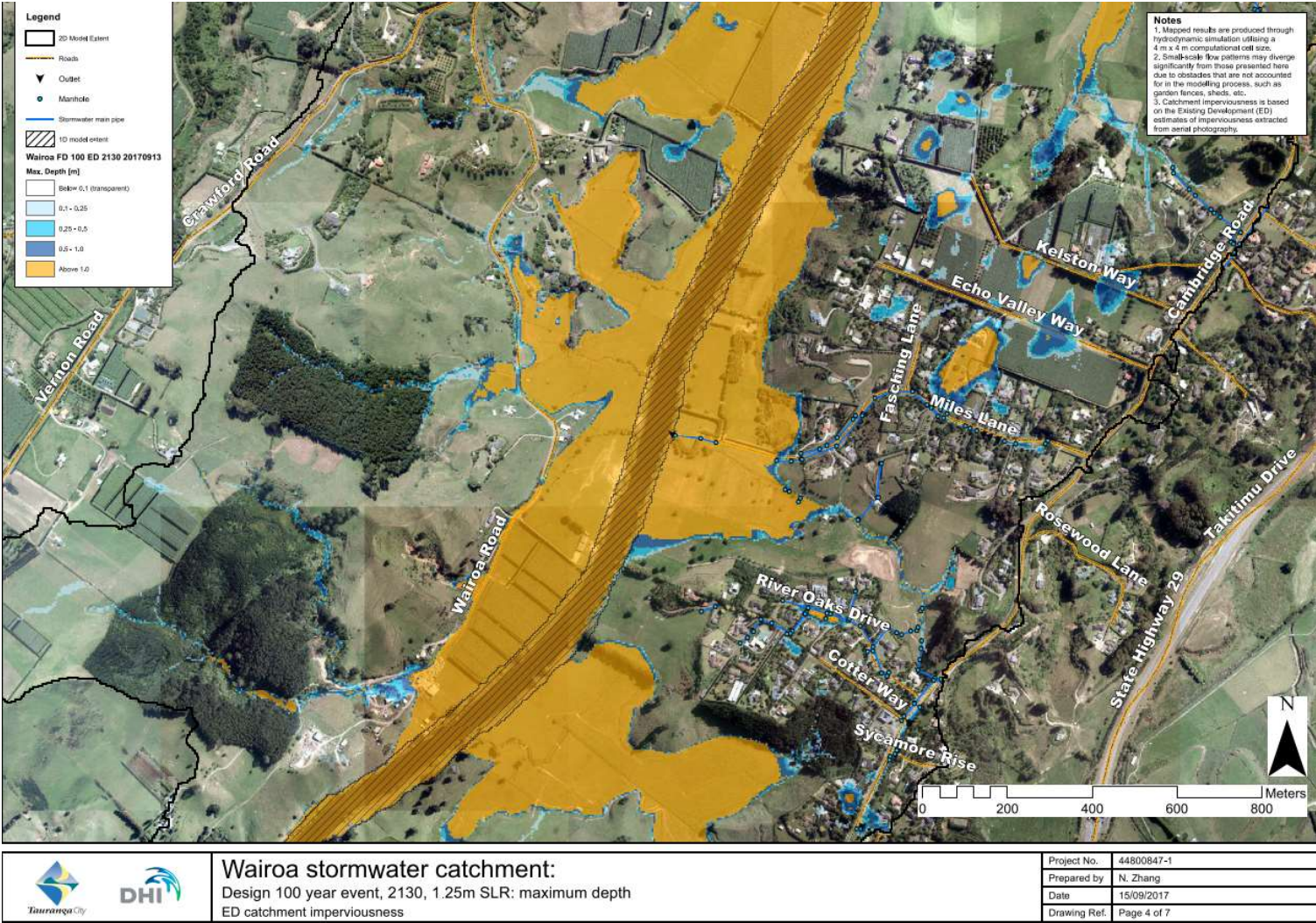
The technical work is being refreshed currently with sea level rise up to 1.59m for 2130 as part of the compliance with the RPS. We will then be running scenarios to test the effects of filling in Tauriko West along with proposed SH29 works and TBE stage 4, so we have a complete picture. This will be shared with BOPRC in the coming months as the results become available.

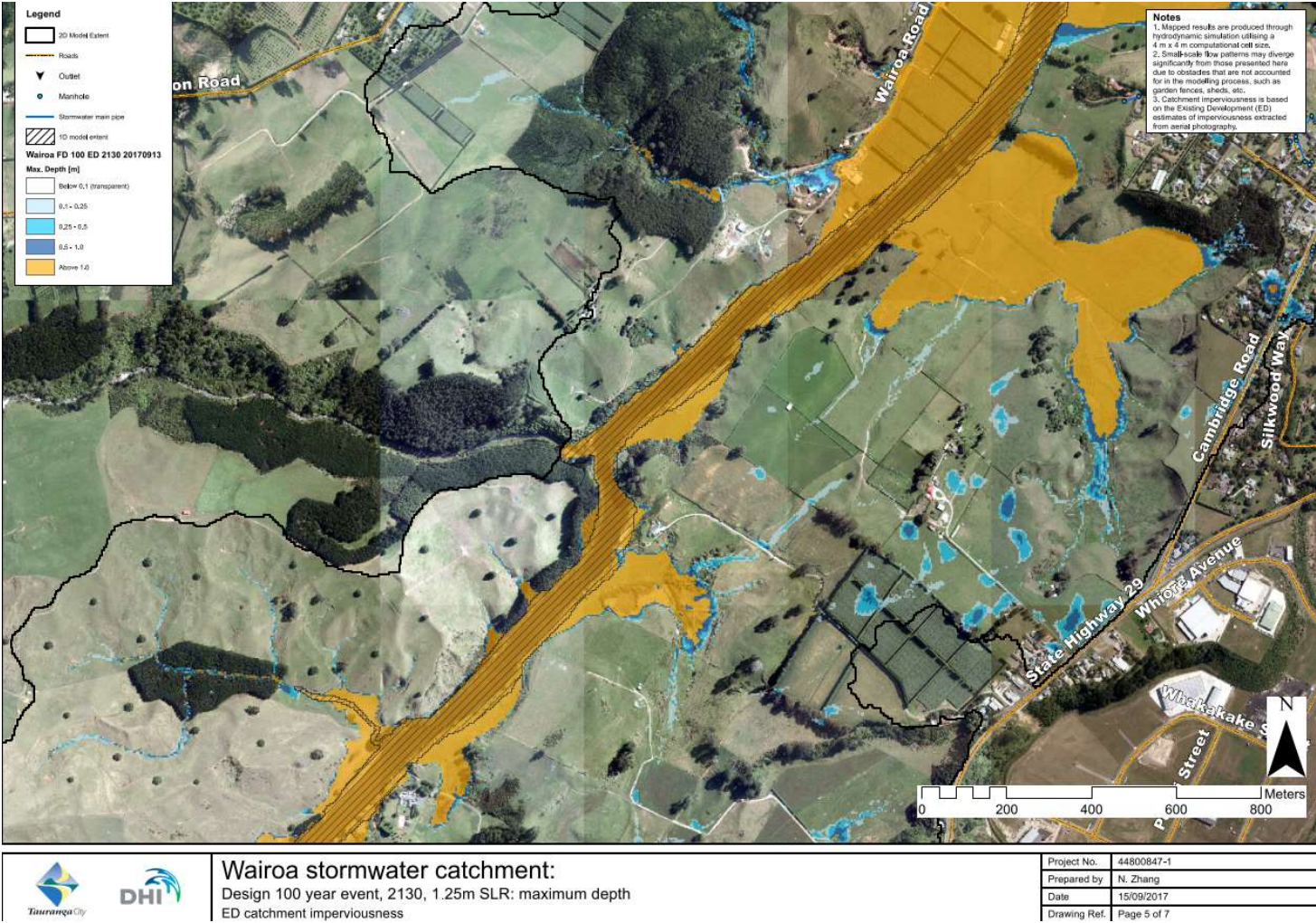
The recent rainfall event was in the order of a 1 in 20yr storm based on BOPRC data. Photos showing the extent of this are below. Interpretation of the extents against landform indicate that the level reached was approximately RL4m. The 2nd photo is taken from a ROW off Redwood Lane and the last two are the KO land at Cambridge Road. This gully is not intended to be filled to limit displacement effects.

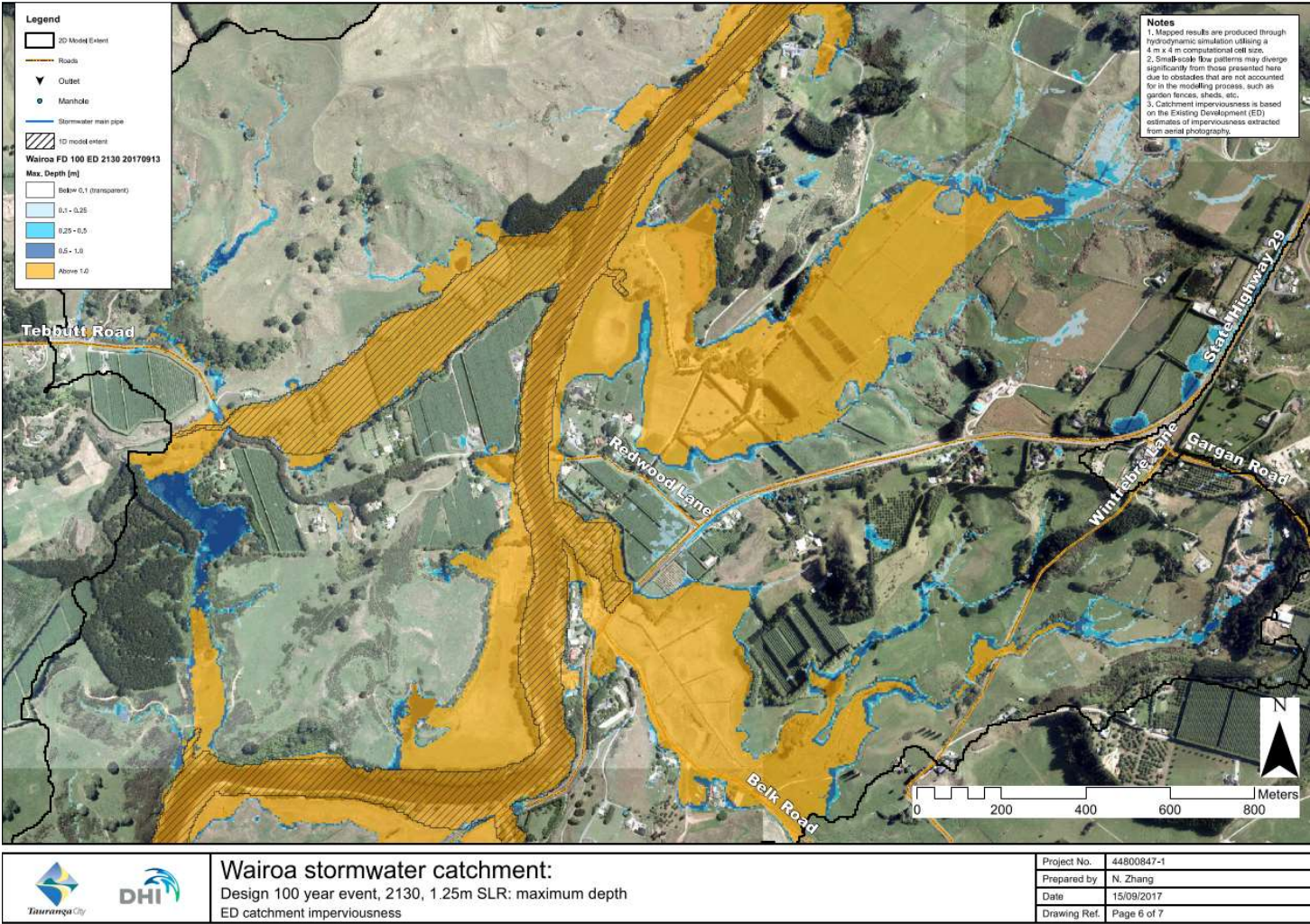
¹ RL is 'Reduced Level' and refer to equating elevations of survey points with reference to a commonly assumed datum. It is a vertical distance above the datum plane. The most common datum used is Mean Sea Level.











Tauranga City Council's submission on the Land Transport Management (Regulation of Public Transport) Amendment Bill

Introduction

1. Tauranga City Council is pleased to submit feedback on the Land Transport Management (Regulation of Public Transport) Amendment Bill. Our submission is informed by a review of the Amendment Bill, The KPMG and Mott MacDonald Evaluation of the PT Operating Model report, the Bay of Plenty's Regional Public Transport Plan (RPTP), and discussions with Council staff involved in the development of the RPTP and public transport planning. This submission has been reviewed by Tauranga City Council's Commissioners, and represents the views of Tauranga City Council.

About Tauranga

2. As one of New Zealand's fastest-growing metropolitan areas, Tauranga faces unique challenges stemming from our geography, dispersed urban form, and prominence as a port city and freight gateway for Aotearoa New Zealand. Our high reliance on private vehicles has contributed to low public transport usage, significant congestion and transport-related greenhouse gas (GHG) emissions.
3. Tauranga City Council is actively addressing these challenges at both a local and sub-regional level through initiatives like the Urban Form and Transport Initiative – Connected Centres programme and the Western Bay Transport System Plan (TSP). These efforts focus on promoting a more compact urban form and a shift to sustainable transport options and improving urban development to accommodate our growing population.
4. Tauranga City Council, both staff and Commissioners, have actively been involved in the development of the Bay of Plenty's Regional Public Transport Plan (RPTP), which was endorsed by Tauranga City Council and adopted by the Bay of Plenty Regional Council in 2022.
5. Tauranga City Council is currently working together with the Bay of Plenty Regional Council and Waka Kotahi on the 'Public Transport Services & Infrastructure Detailed Business Case', which is expected to be completed later this year. This work is undertaken in partnership to reflect the shared responsibility for a high-quality public transport network across Tauranga Moana.

General feedback on the Amendment Bill

6. We welcome the Land Transport Management (Regulation of Public Transport) Amendment Bill, recognising the need for an increased uptake of, and improvements to, the public transport network. We consider this as part of a comprehensive approach encompassing urban form, mode shift towards walking, cycling and public transport.
7. We support the Amendment Bill's objectives and proposed changes, in particular:
 - a. The proposed changes are consistent with TCC's approach of improving mode shift from private vehicles to more sustainable modes of transport. PT is a key

component of Tauranga and the Western Bay of Plenty's Spatial Plan / Urban Form and Transport Initiative delivery. A system that better enables PT to be planned, funded and operated is essential.

- b. We are supportive of the proposed changes and objectives in the Amendment Bill that will allow PT to be better integrated from planning, funding and delivery perspectives with the broader transport and urban development systems.
8. We would like to share the feedback regarding the following clauses more specifically:
- a. Clause 4 - Supportive of more flexibility on how services are to be provided, as this could allow for services to be more tailored to local circumstances, e.g. on-demand services are often considered a niche that may be used to provide public transport accessibility to areas in which large or frequent public transport services cannot be justified. We support the expansion of the definition of PT to include on-demand services and shuttle services. We support that such smaller vehicles will be exempt from being registered with the regional council, as this can improve the viability of such on-demand services.
 - b. Clause 7 - Supportive of the introduction of the ability for councils to directly own buses and other assets such as depots or bus driver facilities. For example, bus driver facilities such as toilets, lunchrooms, coffee corners etc. are currently often owned or leased directly by the bus operating company, whereas both territorial authorities and regional councils may have a much longer time horizon for investments which can help justify more permanent investments in such depots or driver facilities, in line with e.g. planned urban growth or anticipated future changes to the public transport network. It will also be beneficial for light rail or tram services, whereby both the infrastructure and the fleet can be owned and operated by the one authority.
 - c. Clause 9 - Section 115 lists the 'principles' that must guide staff involved in planning public transport. Whilst all principles are good, there is no reference to the urban form, urban planning or land-use. Integrating land-use planning with public transport planning is an essential principle to deliver a high-quality public transport network, and as such we recommend including 'integrating public transport and land-use planning' as one of the principles.
 - d. Clause 10 – Strongly supportive of the proposed ability for territorial authorities to operate public transport services that are identified in an RPTP, integral to the public transport network, and under a contract with the regional council. This may allow more flexibility to operate public transport services for certain communities or certain type of services that are more suited to be operated by territorial authorities (such as light rail or dedicated shuttle services).
 - e. Clause 10 – Request that consideration be given to a pathway where Tier 1 Metro territorial authorities can operate public transport services in their own right rather than under a contract with the regional council. This would simplify contract management, enable stronger integration of urban planning, better alignment with management of the transport network and transport corridor, and closer connection and accountability to the communities served by the bus service etc. It would remove the complexities of working through a Regional Authority. It is suggested that an appropriate mechanism which would be utilised is Section 17 of the Local Government Act which provides for a regional council to transfer 1 or more responsibilities to a territorial authority. Section 17(3) of the LGA provides for an agreement between the local authorities concerned and the

terms and conditions agreed on. This provides an appropriate mechanism to address any issues. This could be achieved by either referencing to the LGA or creating / parallel provisions in the Land Transport Management Act.

- f. Clause 13 - Supportive of the expansion of the RPTP to include infrastructure necessary to support PT services, which in the [Bay of Plenty's RPTP](#) already is considered in tandem through both the RPTP and other planning mechanisms such as a combined business case process undertaken in collaboration by the Bay of Plenty Regional Council, Tauranga City Council and Waka Kotahi. We note that many infrastructure projects have a very long lead time between project initiation and completion, often including required business case processes which may, or may not, confirm the required co-funding for those infrastructure projects. Proposed timeframes of delivery of those projects in an RPTP can therefore only be indicative at best. This may need to be clarified in clause 13(2).
- g. We wish to emphasise that sufficient funding should be available for both planning, development and operation of public transport services is vital to urban transport networks. It is acknowledged that the Amendment Bill cannot fund projects, however we would like to stress that an RPTP is very much a policy-level document, whilst infrastructure projects often require business case processes, and the delivery of infrastructure projects requires significant financial investments from territorial authorities; adoption of an RPTP sets the direction, but does not confirm financial commitment.
- h. Clause 14 - Development of the RPTP already occurs in close cooperation between BOPRC and TCC. We would like to see more clarification in Clause 14 as whether '*the views of the territorial authorities in the region*' refer to staff level or requires sign off by elected members.
- i. Clause 15 - In line with the above, it appears Section 125 is too narrow by only specifying 'Kainga Ora', as there are numerous developments occurring by both councils or the private sector that would benefit from consultation on the RPTP. We recommend to include after Kainga Ora' and both councils and developers involved in planning large-scale new developments.
- j. Clause 15 – Staff are supportive about section 125(1) that requires a regional council to prepare the draft regional public transport plan in collaboration with territorial authorities. Whilst an RPTP is typically policy level and therefore high-level, it will include direction on investment. Consideration should be given in the Bill to what extent an RPTP should also be endorsed or adopted by elected members from territorial authorities given the requirement to collaborate and the ability to operate services under contract with a regional council.
- k. Clause 15 – Staff are supportive to include the Minister of Education in the list of organisations/person to consult, however Staff considers that more clarity should be given to the role of school bus services throughout the Amendment Bill (either funded by the Ministry of Education, or otherwise not available to the public generally), as the proposed ownership clauses in the Amendment Bill appear to open up opportunities for both local and regional councils to own fleet and/or operate services as long as these services are included in an RPTP and under contract with a regional council. Synergies and more effective public transport services could be accommodated by incorporating or consideration of school buses in the scope of an RPTP, regardless of whether these are funded and operated by the Ministry of Education or a Regional Council. We note school buses were not part of the 'Evaluation of the Public Transport Operating Model' in

2020, despite catering for a large part of Tauranga's public transport usage. We recommend consideration should be given in the Bill to include further clarification about the relation between School Buses, the role of the Ministry of Education and the role of an RTP.

9. Overall, TCC are supportive of the Amendment Bill. Given our general support, we wish to speak to the Transport and Infrastructure Committee about our submission.

Thank you for the opportunity to provide feedback on this important matter. Any queries or points of clarification may be directed to Tauranga City Council's contact person as outlined in the submission system.

13 DISCUSSION OF LATE ITEMS

14 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
14.1 - Public Excluded Minutes of the Council meeting held on 29 May 2023	<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)(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
14.2 - Tauriko West Funding Agreement Approval	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
14.3 - Exemption from Open Competition - Grounds maintenance for Te Maunga Waste Management Area	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
14.4 - Exemption to Procurement Policy for Project Management Resource for Transport Team	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	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
14.5 - Appointment of Board Members to Te Manawataki o Te Papa Limited and Tauranga Art Gallery Trust	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(c)(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>	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

15 CLOSING KARAKIA