



ATTACHMENTS

**Ordinary Council meeting
Separate Attachments 1**

Monday, 11 September 2023

Table of Contents

11.8	2024-2034 - Long-term Plan - Adoption for Audit of draft Long-term Plan Consultation Document	
	Attachment 1 2024-34 LTP Consultation Document - Draft for Audit_PDF	4

Tauranga City Council
Long-term Plan 2024-34
Consultation Document

Draft

Draft for Audit

<Inside Cover>

Water Services Reform

Central government is reforming how three waters services (wastewater, water supply and stormwater) are managed across New Zealand. The Water Services Entities Act 2022 legislates the transition of three waters services from councils to nationally operated Water Services Entities. Tauranga City Council's water services will transition to Water Services Entity C (Bay of Plenty), alongside Western Bay District Council, Whakatāne District Council, Rotorua Lakes Council, Kawerau District Council and Ōpōtiki District Council.

The impacts of Water Services Reform on the Long-term Plan include: -

- Councils have been requested to show they will be responsible for the provision of services for water supply, wastewater and stormwater for the first two years (to 1 July 2026). Budgets for this provision of service have been included in the Long-term Plan 2024-34.
- Associated capital investments and recruitment activities have been included as 'normal' for the first two years, with no impact on 'Business as Usual' activities.
- The pricing strategy is unchanged in any major way.
- A separate budget has been established for 'Flood Control activity', recognising the fact that Council will still need some form of stormwater infrastructure and/or resource to address the issues relating to flooding.

This LTP has been prepared on the basis that Council's management of these services will not continue from year three onwards, with all 10 Water Services Entities to be in place by 1 July 2026. It should be noted that this information is included in the consultation document for information purposes only. Water Services Reform is a central government mandate. The reform or the transfer of water services to Entity C are **not** matters for consultation and **will not** be considered as part of the consultation on this LTP.

Key dates:

Consultation – 15 November – 15 December 2023

This is when you can provide your feedback - we need to hear from you by 5pm on Friday, 15 December

Hearings – 12 February – 15 February 2024

This is your chance to speak with our commissioners in person about your feedback, if you wish to do so

Deliberations – 4 March – 5 March 2024

The commissioners will consider all of the feedback from the community

Adopt Long-term Plan – 22 April 2024

The commissioners will confirm the Long-term Plan 2024-34

How to contact us/We are listening**Go to...**

Visit <weblink>

You can complete the feedback form online.

You can also use our online rating calculator to find an estimate of your proposed rates.

Send...

You can email your feedback to submissions@tauranga.govt.nz or fill in the form at the back of this document and mail it to:

< freepost address>

Talk to us...

Come and chat with us at one of our events.

These are meetings where your views can be shared directly with commissioners and/or staff.

[list of key events here]

For a full list of activities and events, and all the ways you can tell us what you think, go to <weblink>

From 15 November to 15 December, we are also keen to hear your feedback on the following topics:

Revenue and Finance Policy

Development Contributions Policy

User Fees and Charges

Contents

Part one: A message from the Commissioners..... 5

He kupu nā ngā kōmihana 5

Part two: Our Direction 8

Part three: Our biggest challenge: striking the right balance 9

 Fixing a broken funding system..... 10

Part four: Our priorities 11

 Community spaces and facilities 12

 Growth in existing urban areas 14

 Revitalising the city centre 16

 Transport network upgrades 18

 Growth in the West (Tauriko) 20

 Sustainability and resilience 22

Part five: Consultation topics 24

 What we’re asking you for this LTP: 24

 1. Should we commit to a Community Stadium at Tauranga Domain in this decade? 24

 2. Should we introduce two new targeted rates? 28

 3. Should we introduce a new industrial rating category? 32

 Other topics for consideration: 34

 4. Should we introduce new user fees and charges to ensure everyone is paying their fair share? 34

 5. Should we provide more incentives for development that would enable more people to live and work in the city centre? 36

 6. Should we explore SmartTrip variable road pricing to help reduce congestion and fund transport improvements? 37

Part six: Looking beyond this LTP 42

Part seven: Our Infrastructure Strategy 44

Part eight: Financial Strategy 45

 Our finances explained 45

 Capital expenditure priorities 46

Part nine: Other information 53

Part ten: Tell us what you think! 55

Part one: A message from the Commissioners

He kupu nā ngā kōmihana

Welcome – haere mai

The 2024-34 Long-term Plan (LTP) will be the Commission's last contribution to Tauranga City Council's all-important planning for the future of our city, so it's especially important that as a community, we get this right.

When the new elected council takes office in July next year, we want to provide them with a clear plan which has been consulted with and endorsed by the wider community. To that end, this draft LTP really seeks to confirm the direction laid-out in the 2021-31 LTP and last year's LTP amendment, so it's very much a 'business as usual' approach which takes into account the fact that it costs around 20% more to run our business now, thanks to the effects of inflation, higher interest rates and increased project capital costs. Despite these challenges, our intention for the draft 2024-34 Long-term Plan is to continue with the direction of the previous plan, with a focus on delivery and finishing projects that have started.

All of the things we set out to achieve such as investing in the quality of life for the people who live here, increasing investment in important infrastructure to keep the city functioning and moving forward, and delivering on agreed priorities, still apply.

Key aspects of the vision for the city agreed through those previous consultation processes include investments in community facilities and the amenities provided in our green spaces. This work programme is designed to catch-up on a longstanding underinvestment in our city and ensure that we have the facilities we need to make Tauranga a better place to live, for current and future residents. And of course, we still have to continue investing in renewing and expanding the infrastructure our fast-growing city requires to meet our housing and transport needs.

To date, we've managed to largely stick to our budgeted rates charges and have kept increases close to the levels indicated in the last LTP. This plan will reset the rates for the coming year and set-out expected costs for the following two years of the LTP period. To achieve a fair allocation of the overall cost of running the city, we're looking to continue the review of our rating system and introduce an industrial rate, which will reflect the greater use the industrial sector makes of our infrastructure, particularly our transport network. That would reduce the proportion of rates costs paid by the residential and commercial sectors and contribute to a fairer rating system. We're also looking to review the fees and charges applied to the use of council services and facilities to ensure everyone is paying their fair share for the resources they use.

We also need to find new ways of funding the city's growth needs and two of the possible approaches are explained in this consultation document, so that everyone has a chance to provide feedback on their preferences. We're already using the Infrastructure Funding and Financing Act (IFF) to contribute towards the cost of implementing our Transport System Plan projects and we're now looking to use IFF funding to contribute towards the rates-funded cost of Te Manawataki o Te Papa – the civic precinct projects which will help revitalise the city centre and create much-needed community, cultural and

heritage amenities we can all be proud of. This funding proposal will be considered through a separate community consultation process ahead of the LTP consultation.

Another possible funding approach for our future transport network could see the introduction of 'SmartTrip' variable road pricing at some point towards the end of this decade, subject to community endorsement and the Government passing new legislation to allow it. We're not looking to make any decisions on SmartTrip at this stage, but we would really like the widest possible community feedback on this possible future proposal. See pages 37 to 41 for details, but in brief, SmartTrip would see the current toll charges on Takitimu Drive and the Tauranga Eastern Link removed and the introduction of charges for using the city's main arterial roads during peak travel times. This would have two main effects:

- It would generate revenue to allow future road improvements to be brought forward; and
- It would encourage changes in travel behaviour which would reduce congestion at peak travel times and mean people who do have to use the road at those times would have faster trips and more reliable access to the places they want to go.

One new element in this draft LTP is a proposed community stadium at the Tauranga Domain. We think this proposal has considerable merit, but as indicated above, we already have a number of important community amenity projects on our books and completing those projects has to be the city's first priority. So, while the community stadium is included in this new draft plan, it is not scheduled to start until the end of this decade (2029/30), which would give future councils time to put the necessary funding and planning in place, or reconsider its priority, if they think that necessary.

As we all know, finding solutions to Tauranga's chronic housing shortage is and will continue to be a key priority. It was very pleasing to have confirmation recently that Waka Kotahi NZ Transport Agency has approved the upgrading of SH29 to remove the current bottlenecks affecting travel and freight access from the west of the city into the city centre and Port of Tauranga. That's not only crucial to the efficiency of our transport network, but it also paves the way for greenfield housing development in the western corridor growth areas of Tauriko West and Keenan Road, which could allow some 25,000 new homes to be built over the coming decades and provide for industrial development which will support another 6,000-plus jobs. Together with the work underway to enable development in the eastern corridor (such as the Pāpāmoā East Interchange with SH2), plus moves to provide for new housing on the Council-owned Parau Farms and Smiths Farm blocks, we are at last making progress in dealing with our housing issues, one of which is the extreme unaffordability of home ownership for younger families.

In conclusion, the Commissioners would like to thank the community for recognising and embracing the need for change. Change never suits everyone and can be a cause of significant inconvenience while it's taking place. But it is very necessary in Tauranga, because for too long, we've underinvested in the infrastructure and community facilities our fast-growing city needs.

This draft LTP will help us to put the issues of the past behind us and continue to implement the building blocks for the city of the future – a place we and our children will want to live, work, learn and play.

Kia ora koutou katoa.

