ATTACHMENTS

Extraordinary Council meeting
Separate Attachments 1

Monday, 13 November 2023

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11.4 Adoption of supporting documentation for the proposed Long-term Plan 2024-34

File Number: **A15174328**

Author: **Sarah Holmes, Corporate Planner**

Josh Logan, Team Leader: Corporate Planning

Tracey Hughes, Financial Insights & Reporting Manager

Kathryn Sharplin, Manager: Finance

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

PURPOSE OF THE REPORT

1. The adoption of the supporting documentation for the Long-term Plan (LTP) is a statutory requirement and provides the community with key components of the LTP for reference during consultation.

RECOMMENDATIONS

That the Council:

(a) Receives the report.

(b) Adopts the following for the purposes of public consultation through the 2024-34 Long-term Plan consultation process:

(i) Statement of Proposal for the Draft Revenue and Financing Policy **(Attachment 1)**

(ii) Statement of Proposal for the Draft User Fees and Charges **(Attachment 2)**

(c) Adopts the supporting documentation for the proposed Long-term Plan 2024-34, including:

(i) Draft Policies (including draft Revenue and Financing Policy) **(Attachment 3)**

(ii) Draft Groups of Activities **(Attachment 4)**

(iii) Draft Performance Measures **(Attachment 5)**

(iv) Draft Significant Forecasting Assumptions **(Attachment 6)**

(v) Draft Underlying Financial Statements **(Attachment 7)**

(vi) Draft Financial Strategy **(Attachment 8)**

(vii) Draft Infrastructure Strategy **(Attachment 9)**

(viii) Draft User Fees and Charges **(Attachment 10)**

(d) Authorises the Chief Executive to make minor amendments to the documentation to ensure accuracy and correct minor drafting errors.

EXECUTIVE SUMMARY

2. The supporting documentation that accompanies the Long-term plan consultation document is part of communicating the LTP's proposed investments in Tauranga over the next ten years and inviting feedback on those proposals.

BACKGROUND

3. The Local Government Act 2002 (LGA) requires Council to adopt the information that supports the development of the consultation document and the LTP. Schedule 10 of the

LGA sets out the requirements for the final LTP document, this has been used to form the basis of the supporting documentation.

4. Most of the supporting documentation was adopted for audit at the Council meeting on 11 September 2023. Any major changes since, including as a result of the audit, have been outlined in this report.

5. The supporting documentation will be available on Council's website during the consultation period for public reference, but the legislation makes it clear that other than the draft policies, Council should not be consulting on the supporting documentation.

STRATEGIC / STATUTORY CONTEXT

6. The supporting documentation consists of key components that underpin the LTP, which as a whole, provides Council's investment plan in support of the intention for Tauranga to make strides towards achieving its community outcomes.

DISCUSSION

7. The supporting documentation for Council's 2024-34 LTP and draft consultation items are attached to this report as follows.

8. **Statement of Proposal for the Draft Revenue and Financing Policy (Attachment 1) and Draft Revenue and Financing Policy (within Attachment 3) –** The Draft Revenue and Financing Policy has been prepared on the basis of previous council discussions, and key changes to the 2021 policy have been outlined in the Statement of Proposal. The Local Government Act 2002 requires a separate Statement of Proposal for consultation. Minor changes were made as a result of the audit and through a final review.

9. **Statement of Proposal for the 2024/25 User Fees and Charges (Attachment 2) and Draft User Fees and Charges (Attachment 10)** – Council approved the draft user fees and charges at the 11 September 2023 meeting for audit. The statement of proposal outlines the changes made, and the reasons for those changes, and Attachment 10 includes the full schedule of user fees and charges for year 1 of the LTP. During a final review, a number of changes have been made:

   (a) The fees for events on parks have been aligned to the Use of Council Land fees for commercial ticketed events and market events, due to these activities being of a similar commercial nature.

   (b) A new fee has been added for registration and deregistration of Resource Consent bonds. It is a legal requirement to register most Resource Consent bonds against a property title, which incurs legal fees. Currently the legal fees are being charged as a disbursement, without allowing for staff time. The new $750 fee includes the fees required to register/deregister the bond and includes staff time to coordinate and manage this process.

   (c) A new fee has been added introducing a refundable asset protection bond for residential building consents with 3 or more dwelling units. The existing bond is $1202 per residential property and there is no allowance for multi-units. The multiple unit bond ensures the bond holds the relative risk and cost (up to $20,000) of potential damage to our infrastructure due to heavier and more frequent vehicle movements, and more tradespeople on site when multiple units are being constructed. Asset protection bonds are deposits only.

10. **Draft Policies (Attachment 3)** - All of these have been included in the polices supporting document for completeness:

- Draft Revenue and Financing Policy (reviewed 2023 – as outlined in paragraph 8)
- Draft Rates Remission Policy (reviewed 2022)
- Draft Policy on the Remission and Postponement of Rates on Māori Freehold Land (reviewed 2022)
- Draft Rates Postponement Policy (reviewed 2022)

- Significance and Engagement Policy (reviewed 2021)

11. **Draft Groups of Activities (Attachment 4)** – This document was approved for audit on 11 September 2023. The attachment includes information on what activities we undertake, and why, challenges for each activity, and our plans for the next ten years. The groups of activities attachment includes funding impact statements by activity, and capital programmes by activity. Minor changes were made as a result of the audit.

12. **Draft Performance Measures (Attachment 5)** – This document was approved for audit on 11 September 2023. The non-financial performance measures have been reviewed to streamline and ensure the measures relevant for the next ten years. Minor changes were made as a result of the audit.

13. **Draft Significant Forecasting Assumptions (Attachment 6)** - On 11 September 2023 Council approved Significant Forecasting Assumptions which represent the important trends and projections expected to affect the Council and the city, which form one of the essential building blocks in the development of the LTP. These key assumptions were used to provide a common set of data and direction for the organisation to use in its planning, to be used in conjunction with a wider set of corporate level assumptions and activity-specific assumptions. Minor wording changes have been made. The most significant changes and additions made since the assumptions were presented in September are:

    (a) CPI assumption (your costs) has been updated to reflect the most recent BERL report released by Taituarā in October 2023.

    (b) Asset lives have been updated to correctly align with most recent valuation reports – previous lives were included in early 2023 and have since been updated but were not reflected in the assumptions document.

    (c) Additional mitigation factors have been included for #25 'Revaluation of assets.

14. **Underlying Financial Statements (Attachment 7)** - underpin the summary financial information including rate and debt limits presented in the consultation document. The underlying financials include:

    - Statement of financial position
    - Statement of comprehensive income
    - Whole of council funding impact statement
    - Statement of movements in equity
    - Statement of cash flows
    - Funding impact statement – proposed rates
    - Summary whole of council capital expenditure
    - Financial prudence disclosures

    These are based on the detailed information presented to Council on 11 September. Since September, these financials have been amended to incorporate:

    (a) opening balances arising from changes to the 2023 Annual Report.

    (b) three waters adjustments calculated through our Ibis corporate planning system in place of high level manual adjustments. The main affect has been a reduction in debt in year 10 from $1.8b to $1.7b with associated operational cost reduction.

15. **Financial Strategy (Attachment 8)** - prepared in accordance with s101A of the LGA. The draft Financial Strategy was approved for audit by Council on 11 September 2023. The strategy includes statements on quantified limits on rates, rates increases and borrowing, all of which are outlined in the consultation document. It also confirms Council's ability to provide and maintain existing levels of service and to meet additional demands within these limits. The most significant changes and additions are the following:

    (a) Adjustments to financials have been updated in the graphs and summary financials reflecting the amendments in paragraph 14.

(b) Inclusion of Appendix 4 Changes to Key Financials with Three waters included for Ten Years. The key financials show that in the event of Waters reform not going ahead, Council can remain within LGFA borrowing limits with its debt to revenue peaking at 275%. Based on increasing water and wastewater revenue by 10% per annum over the LTP, additional three waters capital of $1.3b in the remaining 8 years of LTP could be accommodated. Net debt would increase to $2.6b.

16. **Infrastructure Strategy (Attachment 9)** - Council's 30-year Infrastructure Strategy is a requirement of the LGA. The draft Infrastructure Strategy was approved for audit by Council on 11 September 2023. As a result of comments received at that time and advice from Audit New Zealand, a number of changes have been made to the document. The most significant addition is tables for all activities (including three waters) outlining the significant issues faced by council and options to address them, including the costs associated with each option.

FINANCIAL CONSIDERATIONS

17. All costs associated with the production of the Long-term Plan and community engagement can be met within existing budgets.

LEGAL IMPLICATIONS / RISKS

18. The Local Government Act 2002 sets the requirements for preparation of the LTP.

SIGNIFICANCE

19. 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.

20. In making this assessment, consideration has been given to the likely impact, and likely consequences for:

    (a) the current and future social, economic, environmental, or cultural well-being of the district or region

    (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter

    (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

21. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the supporting documentation is of high significance as its implementation will have a large impact on a wide range of people.

ENGAGEMENT

22. Taking into consideration the above assessment, that the supporting documentation is of high significance, the supporting documentation will be made available alongside the LTP consultation document during the consultation period for public reference.

23. As stated above the legislation makes it clear that other than the draft policies, Council will not be consulting on the supporting documentation.

NEXT STEPS

24. Once adopted for public consultation, the supporting documentation will be made available on the website for reference alongside the LTP consultation document from 15 November to 15 December 2023.

ATTACHMENTS

1. **Statement of Proposal - Draft Revenue and Financing Policy - A15245695 (Separate Attachments 1)**
2. **Statement of Proposal - Proposed 2425 User Fees and Charges - A15245683 (Separate Attachments 1)**
3. **Draft 2024-34 LTP Policies Section (Including Revenue and Financing Policy) - A15244052 (Separate Attachments 1)**
4. **Draft 2024-34 LTP Groups of Activities - A15245624 (Separate Attachments 1)**
5. **Draft 2024-34 LTP Performance Measures - A15245623 (Separate Attachments 1)**
6. **Draft 2024-34 Significant Forecasting Assumptions for consultation - A15244414 (Separate Attachments 1)**
7. **Draft 2024-34 LTP Other Supporting Financial Information - A15256106 (Separate Attachments 1)**
8. **Draft 2024-34 LTP Financial Strategy - A15249210 (Separate Attachments 1)**
9. **Draft 2024-34 LTP Infrastructure Strategy for consultation - A15249101 (Separate Attachments 1)**
10. **2024-25 Draft User Fees and Charges - A15245708 (Separate Attachments 1)**

11.5 2024-34 Long-term Plan - Adoption of consultation document

File Number: **A15174966**

Author: **Sarah Holmes, Corporate Planner**

Josh Logan, Team Leader: Corporate Planning

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

PURPOSE OF THE REPORT

1. The consultation document is the means for consulting with the community on the proposed 2024-34 Long-term Plan (LTP) under the Local Government Act 2002 (LGA).

RECOMMENDATIONS

That the Council:

(a) Receives the report.

(b) Approves the Consultation Document for the proposed 2024-34 Long-term Plan.

(c) Receives the audit opinion on the consultation document for the proposed 2024-34 Long-term Plan, pursuant to s93C (4) of the Local Government Act 2002.

(d) Adopts the audited Consultation Document for public consultation for the proposed 2024-34 Long-term Plan, using the special consultative procedure pursuant to s93 and s93A of the Local Government Act 2002.

(e) Authorises the Chief Executive to make any necessary minor drafting or presentation amendments to the consultation document before going to print.

EXECUTIVE SUMMARY

2. The consultation document is the primary mechanism for communicating the LTP's proposed investments in Tauranga over the next ten years and inviting feedback on those proposals.

BACKGROUND

3. The Consultation Document summarises the key proposals approved by council for the 2024-34 LTP, on which community feedback is sought. It also provides a summary of the key challenges facing council and the city.

4. The key challenges include:

   - creating the spaces and places for our communities to connect, play and learn
   - enabling more homes in our existing neighbourhoods and designing communities of the future in new growth areas
   - revitalising our city centre so it once again becomes the beating heart of our city
   - improving our transport network to make it easier and safer to get around
   - reducing our impact on our natural environment and strengthening our ability to cope with our changing climate.

5. The consultation topics areas we are seeking community feedback on are:

   - Whether we commit to a Community Stadium at Tauranga Domain in this decade.
   - Whether we sell our two carparking buildings to raise capital for other city projects/help pay for the city centre transformation.

- Whether we introduce new targeted rates.
- Whether we introduce a new industrial rating category.

6. Other ideas that we're seeking feedback on but won't be included in this LTP are:
   - Whether we should provide more incentives for development to enable more people to live and work in the city centre, and;
   - Whether we explore SmartTrip variable road pricing to help reduce congestion and fund transport improvements.
7. This document has been reviewed by Audit New Zealand as required by the LGA and feedback and changes have been incorporated to meet requirements.

STRATEGIC / STATUTORY CONTEXT

8. The Consultation Document is a key contributor to the community's understanding of Council's strategic priorities and the community outcomes it is seeking for the city in the long-term.

FINANCIAL CONSIDERATIONS

9. All costs associated with the production of the LTP and associated community engagement can be met within existing budgets.
10. The financial impacts of the decisions included in the draft 2024-34 LTP supporting documents have been outlined in the consultation document.

LEGAL IMPLICATIONS / RISKS

11. The Local Government Act 2002 sets the requirements for preparation of the LTP. The LTP must be consulted and adopted before 30 June 2024.
12. Adopting the consultation document will enable consultation to occur before Christmas, giving the community an opportunity to have their say on the LTP. Timeframes for the development of the LTP have been brought forward due to the local elections occurring in 2024.
13. If the consultation document is not adopted at this time, the consultation period, hearings, and deliberations dates will need to be deferred and adoption of the final LTP will be delayed beyond April 2024.

SIGNIFICANCE

14. 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.
15. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
    (a) the current and future social, economic, environmental, or cultural well-being of the district or region
    (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter
    (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
16. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the consultation document for the 2024-34 LTP is of <u>high</u> significance as it

has significant financial and level of service consequences for the city, and is of high public interest.

ENGAGEMENT

17. Taking into consideration the above assessment, that the Long-term plan is of high significance, the consultation document will go out for public consultation using the special consultative procedure under the LGA. This will be for a period of one month, from 15 November to 15 December 2023.

NEXT STEPS

18. The consultation document will be published on 15 November 2023, and consultation will close on 15 December 2023 at 5pm.
19. Hearings will be held from 12 February 2024, and deliberations on the feedback will be held from 4 March 2024.
20. The final LTP document is expected to be adopted by council on 22 April 2024.

ATTACHMENTS

1. **Tauranga City Council - LTP 2024-34 - Consultation Document - A15257631 (Separate Attachments 2)**

Attachment 3 AS AT 08 NOVEMBER

Draft underlying financial statements

These statements are draft and will be subject to decisions made during deliberations and the subsequent audit prior to adoption of the final Long Term Plan in April 2024.

In this draft state it is assumed that Water Services Reform will go ahead.

These draft statements include:

1. Statement of Comprehensive Revenue and Expenditure
2. Statement of Financial Position
3. Statement of Cashflows
4. Statement of Movements in Equity
5. Statement of Reserves
6. Financial Prudence and reporting disclosure
7. Funding Impact Statement

Attachment 3

AS AT 08 NOVEMBER

Tauranga City

Prospective Statement of Comprehensive Revenue and Expense

	2024 All of Council AP Budget (000's)	2025 All of Council LTP Budget (000's)	2026 All of Council LTP Budget (000's)	2027 All of Council LTP Budget (000's)	2028 All of Council LTP Budget (000's)	2029 All of Council LTP Budget (000's)	2030 All of Council LTP Budget (000's)	2031 All of Council LTP Budget (000's)	2032 All of Council LTP Budget (000's)	2033 All of Council LTP Budget (000's)	2034 All of Council LTP Budget (000's)
REVENUE											
OPERATING REVENUE											
Rates	290,762	325,167	360,797	297,436	323,073	350,469	380,487	413,845	449,626	480,079	512,427
Grants & Subsidies	37,808	95,653	83,584	24,888	25,830	25,873	19,940	20,359	20,786	21,223	21,737
Fees & Charges	62,098	68,267	72,948	73,079	80,535	85,575	87,489	90,791	95,414	99,713	100,133
Finance Revenue	4,878	10,109	11,271	11,227	11,195	9,486	11,734	12,123	13,380	15,568	15,522
TOTAL OPERATING REVENUE	**395,546**	**499,196**	**528,601**	**406,630**	**440,633**	**471,404**	**499,649**	**537,117**	**579,205**	**616,583**	**649,818**
ASSET DEVELOPMENT REVENUE & OTHER GAINS											
Development Contributions	37,471	33,973	34,532	6,410	7,800	6,867	6,462	3,784	3,014	2,663	3,506
Other Gains	1,436	(875)	(613)	(349)	(283)	(213)	(141)	934	1,012	1,094	2,178
Grants, Subsidies & Other Capital Expenditure Contributions	86,056	144,635	162,466	178,907	199,593	88,486	75,793	78,160	82,413	90,987	87,296
Vested Assets	17,726	39,252	23,155	8,059	5,716	5,704	5,595	5,513	5,332	4,382	4,482
TOTAL ASSET DEVELOPMENT REVENUE & OTHER GAINS	**142,690**	**216,985**	**219,539**	**193,027**	**212,826**	**100,844**	**87,709**	**88,391**	**91,771**	**99,126**	**97,462**
TOTAL REVENUE	**538,236**	**716,181**	**748,140**	**599,657**	**653,460**	**572,248**	**587,358**	**625,508**	**670,977**	**715,710**	**747,281**
EXPENSE											
OPERATING EXPENDITURE											
Personnel Expenses	103,506	116,406	119,686	116,734	122,898	123,790	124,331	127,373	131,061	136,144	139,451
Depreciation & Amortisation Expenses	80,034	101,119	113,195	76,106	86,682	103,126	112,895	137,650	144,866	156,963	171,600
Finance Expenses	43,676	62,697	73,672	55,139	61,458	62,784	71,038	77,623	71,387	82,636	85,352
Other Operating Expenses	219,900	300,176	289,374	181,520	182,185	194,488	199,716	203,475	215,095	222,596	236,138
TOTAL OPERATING EXPENDITURE	**447,116**	**580,398**	**595,927**	**429,500**	**453,223**	**484,187**	**507,979**	**546,121**	**562,409**	**598,339**	**632,541**
NON OPERATING EXPENDITURE											
Other Losses	0	15,000	16,595	0	0	0	0	0	0	0	0
Unrealised Loss on Interest Swaps	0	0	0	0	0	0	0	0	0	0	0
Provisions Expense	1,200	500	500	500	500	500	500	500	500	500	500
TOTAL OTHER EXPENSES	**1,200**	**15,500**	**17,095**	**500**	**500**	**500**	**500**	**500**	**500**	**500**	**500**
TOTAL EXPENDITURE	**448,316**	**595,898**	**613,022**	**430,000**	**453,723**	**484,687**	**508,479**	**546,621**	**562,909**	**598,839**	**633,041**
SURPLUS/(DEFICIT) BEFORE TAX	**89,919**	**120,283**	**135,119**	**169,657**	**199,737**	**87,561**	**78,879**	**78,887**	**108,067**	**116,871**	**114,239**
OTHER COMPREHENSIVE REVENUE & EXPENSE											
Loss on divestment of 3 Waters	0	0	(2,462,528)	0	0	0	0	0	0	0	0
Asset Revaluation Reserve Gains/(Losses)	224,100	226,254	227,354	140,952	147,883	162,610	200,192	165,669	168,898	159,502	207,760
OTHER COMPREHENSIVE REVENUE & EXPENSE	224,100	226,254	(2,235,175)	140,952	147,883	162,610	200,192	165,669	168,898	159,502	207,760
TOTAL COMPREHENSIVE REVENUE & EXPENSES	**314,019**	**346,537**	**(2,100,056)**	**310,609**	**347,620**	**250,171**	**279,071**	**244,556**	**276,965**	**276,373**	**321,999**

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Attachment 3 AS AT 08 NOVEMBER

Tauranga City

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

	2024 All of Council AP Budget ($000's)	2025 All of Council LTP Budget ($000's)	2026 All of Council LTP Budget ($000's)	2027 All of Council LTP Budget ($000's)	2028 All of Council LTP Budget ($000's)	2029 All of Council LTP Budget ($000's)	2030 All of Council LTP Budget ($000's)	2031 All of Council LTP Budget ($000's)	2032 All of Council LTP Budget ($000's)	2033 All of Council LTP Budget ($000's)	2034 All of Council LTP Budget ($000's)
ASSETS											
ASSETS - CURRENT											
Cash and Cash Equivalents	19,988	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Debtors & Other Receivables	42,256	65,427	55,955	57,186	58,387	59,613	60,865	62,143	63,449	64,781	66,141
Inventories	725	1,107	570	570	570	570	570	570	570	570	570
Derivative Financial Instruments	-	-	-	-	-	-	-	-	-	-	-
Other Investments	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets	50,000	155,884	150,969	180,680	85,851	186,962	166,654	191,178	221,664	297,909	200,471
Financial Instruments Held for Sale	-	-	-	-	-	-	-	-	-	-	-
Non-Current Assets Held for Sale	65,548	17,990	15,840	15,840	15,840	15,840	15,840	15,840	15,840	15,840	15,840
Total Current Assets	**178,518**	**255,408**	**238,334**	**269,276**	**175,647**	**277,985**	**258,929**	**284,731**	**316,522**	**394,100**	**298,021**
ASSETS NON-CURRENT											
Derivative Financial Instruments	3,966	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616	8,616
Other Financial Assets	29,249	37,375	38,962	40,612	42,330	44,117	45,976	47,910	49,922	52,016	54,194
Other Investments - CCOs	118,597	116,726	116,726	116,726	116,726	116,726	116,726	116,726	116,726	116,726	116,726
Other Investments - Other Entities	391	40,254	40,254	40,254	40,254	40,254	40,254	40,254	40,254	40,254	40,254
Investment Property	108,539	126,319	111,874	111,874	111,874	111,874	111,874	111,874	111,874	111,874	111,874
Intangible Assets	74,833	58,036	44,496	43,800	43,655	43,532	43,512	43,548	43,588	43,627	43,836
Forestry	8,996	8,825	4,947	5,080	5,202	5,317	5,423	5,521	5,609	5,693	5,824
Property, Plant & Equipment	6,939,075	7,753,278	5,281,631	5,670,029	6,053,319	6,478,248	6,887,611	7,199,477	7,514,316	7,806,355	8,129,782
Total Non-current assets	**7,283,647**	**8,149,429**	**5,647,505**	**6,036,992**	**6,421,976**	**6,848,683**	**7,259,992**	**7,573,926**	**7,890,905**	**8,185,161**	**8,511,106**
Total Assets	**7,462,165**	**8,404,837**	**5,885,839**	**6,306,267**	**6,597,623**	**7,126,668**	**7,518,920**	**7,858,657**	**8,207,427**	**8,579,260**	**8,809,127**
LIABILITIES											
LIABILITIES - CURRENT											
Payables & Deferred Revenue	84,481	94,138	88,140	90,079	91,970	93,902	95,874	97,887	99,943	102,041	104,184
Provisions	7,019	960	960	960	960	960	960	960	960	960	960
Employee Entitlements	8,873	10,611	10,074	10,296	10,512	10,733	10,958	11,254	11,254	11,254	11,254
Deposits Held	11,480	11,827	11,827	11,827	11,827	11,827	11,827	11,827	11,827	11,827	11,827
Revenue in Advance	4,618	3,887	6,631	6,777	6,919	7,064	7,213	7,364	7,519	7,677	7,838
Derivative Financial Instruments	294	-	-	-	-	-	-	-	-	-	-
Borrowings	175,888	570,843	150,969	180,680	85,851	186,962	166,654	191,178	221,664	297,909	200,471
Total Current Liabilities	**292,654**	**692,266**	**268,601**	**300,618**	**208,039**	**311,448**	**293,486**	**320,470**	**353,166**	**431,669**	**336,534**

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Attachment 3

AS AT 08 NOVEMBER

	2024 All of Council AP Budget ($000's)	2025 All of Council LTP Budget ($000's)	2026 All of Council LTP Budget ($000's)	2027 All of Council LTP Budget ($000's)	2028 All of Council LTP Budget ($000's)	2029 All of Council LTP Budget ($000's)	2030 All of Council LTP Budget ($000's)	2031 All of Council LTP Budget ($000's)	2032 All of Council LTP Budget ($000's)	2033 All of Council LTP Budget ($000's)	2034 All of Council LTP Budget ($000's)
LIABILITIES NON-CURRENT											
Provisions	4	4	4	4	4	4	4	4	4	4	4
Employee Entitlements	-	-	-	-	-	-	-	-	-	-	-
Derivative Financial Instruments	6,943	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084
Borrowings	944,474	861,654	884,931	957,023	953,206	1,123,076	1,248,914	1,312,088	1,346,199	1,358,014	1,355,760
Other Non-Current Liabilities	6,109	6,109	6,109	6,109	40,317	40,220	39,985	39,662	39,310	38,925	38,505
Total Non-Current Liabilities	**957,529**	**868,850**	**892,128**	**964,220**	**994,610**	**1,164,384**	**1,289,987**	**1,352,838**	**1,386,597**	**1,398,027**	**1,395,353**
Total Liabilities	**1,250,183**	**1,561,116**	**1,160,729**	**1,264,838**	**1,202,649**	**1,475,832**	**1,583,472**	**1,673,308**	**1,739,763**	**1,829,695**	**1,731,887**
Net Assets	**6,211,982**	**6,843,721**	**4,725,110**	**5,041,430**	**5,394,974**	**5,650,837**	**5,935,448**	**6,185,349**	**6,467,664**	**6,749,565**	**7,077,240**
EQUITY											
Retained Earnings	1,762,251	2,013,460	1,301,532	1,465,702	1,598,326	1,665,254	1,708,360	1,737,851	1,769,127	1,801,522	1,823,433
General Reserves	-	-	-	-	-	-	-	-	-	-	-
Restricted Reserves	(335,907)	(413,555)	(73,454)	(80,392)	(87,964)	(88,688)	(83,539)	(86,745)	(91,174)	(91,947)	(91,040)
Other Council Created Reserves	101,368	91,427	(16,748)	1,387	81,997	109,046	145,209	203,157	289,727	380,505	477,603
Asset Revaluation Reserves	4,684,270	5,152,389	3,513,781	3,654,732	3,802,615	3,965,225	4,165,417	4,331,086	4,499,983	4,659,485	4,867,245
Total Equity	**6,211,982**	**6,843,721**	**4,725,110**	**5,041,430**	**5,394,974**	**5,650,837**	**5,935,448**	**6,185,349**	**6,467,664**	**6,749,565**	**7,077,240**

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Attachment 3

AS AT 08 NOVEMBER

Tauranga City

PROSPECTIVE STATEMENT OF CASHFLOWS

	2024 All of Council AP Budget ($000's)	2025 All of Council LTP Budget ($000's)	2026 All of Council LTP Budget ($000's)	2027 All of Council LTP Budget ($000's)	2028 All of Council LTP Budget ($000's)	2029 All of Council LTP Budget ($000's)	2030 All of Council LTP Budget ($000's)	2031 All of Council LTP Budget ($000's)	2032 All of Council LTP Budget ($000's)	2033 All of Council LTP Budget ($000's)	2034 All of Council LTP Budget ($000's)
Cash Flows from Operating Activities											
Receipts from Rates Revenue	285,691	320,824	368,564	292,648	318,233	345,528	375,442	408,693	444,366	474,711	506,944
Subsidies and grants Received	123,864	240,288	246,050	203,795	225,423	114,359	95,733	98,519	103,199	112,210	109,032
Development and financial contributions Received	37,471	33,973	34,532	6,410	7,800	6,867	6,462	3,784	3,014	2,663	3,506
Fees and charges Received	62,098	68,267	72,948	73,079	80,535	85,575	87,489	90,791	95,414	99,713	100,133
Interest Received	4,342	9,580	10,734	10,688	10,650	8,934	11,171	11,549	12,793	14,969	14,911
Dividends Received	535	529	538	539	545	551	563	575	587	599	612
Receipts from other revenue	-	-	-								
Cash Flows from Operating Activities	**514,002**	**673,460**	**733,366**	**587,159**	**643,187**	**561,815**	**576,860**	**613,910**	**659,373**	**704,865**	**735,138**
Cash Flows applied to Operating Activities											
Payments to Suppliers	(213,509)	(295,833)	(290,923)	(175,878)	(176,514)	(188,696)	(193,802)	(197,438)	(208,930)	(216,303)	(229,712)
Payments to Employees	(103,256)	(116,406)	(119,149)	(116,956)	(123,114)	(124,011)	(124,556)	(127,669)	(131,061)	(136,144)	(139,451)
Interest paid	(43,676)	(62,697)	(73,672)	(55,139)	(61,458)	(62,784)	(71,038)	(77,623)	(71,387)	(82,636)	(85,352)
Deposits Repaid	-	-	-	-	-	-	-	-	-	-	-
Goods and Services taxation (net)	-	-	-	-	-	-	-	-	-	-	-
Cash Flows applied to Operating Activities	**(360,441)**	**(474,936)**	**(483,744)**	**(347,974)**	**(361,085)**	**(375,490)**	**(389,396)**	**(402,730)**	**(411,379)**	**(435,083)**	**(454,515)**
Net Cash Flow Inflow/(Outflow) in Operating Activities	**153,561**	**198,524**	**249,621**	**239,185**	**282,102**	**186,325**	**187,464**	**211,180**	**247,994**	**269,782**	**280,623**
Cash Flows from Investing Activities											
Receipts from Sale of Financial Instruments Held for Sale	-	-	-								
Short-term Deposits Maturing	-	100,538	155,884	150,969	180,680	85,851	186,962	166,654	191,178	221,664	297,909
Receipts from Sale of Property, Plant and Equipment	2,021	48,383	13,328	10,035	61,543	-	-	-	-	-	-
Receipt from Waters reform	-	-	580,865	-	-	-	-	-	-	-	-
Receipts from Sale Non Current Assets Held for Sale	(2,881)	-	2,150	-	-	-	-	-	-	-	-
Receipts from Sale of Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Receipts from Sale of Investments	-	-	-	-	-	-	-	-	-	-	-
Cash Flows from Investing Activities	**(861)**	**148,921**	**752,227**	**161,004**	**242,223**	**85,851**	**186,962**	**166,654**	**191,178**	**221,664**	**297,909**
Cash Flows applied to Investing Activities											
Purchase of Short-Term Deposits	-	(155,884)	(150,969)	(180,680)	(85,851)	(186,962)	(166,654)	(191,178)	(221,664)	(297,909)	(200,471)
Purchase of Investment Property	-	-	14,445	-	-	-	-	-	-	-	-
Movements of Investments in CCOs	1,000	-	-	-	-	-	-	-	-	-	-
Purchase of Property, Plant and Equipment	(343,224)	(405,638)	(451,034)	(324,931)	(344,883)	(360,834)	(317,658)	(279,569)	(286,703)	(286,341)	(284,224)
Purchase of Intangible assets	(17,965)	(224)	1,352	(34)	(35)	(35)	(36)	(37)	(37)	(37)	(38)
Cash Flows applied to Investing Activities	**(360,189)**	**(561,745)**	**(586,206)**	**(505,645)**	**(430,769)**	**(547,831)**	**(484,348)**	**(470,784)**	**(508,405)**	**(584,287)**	**(484,733)**
Net Cash Flow Investing Activities	**(361,050)**	**(412,824)**	**166,021**	**(344,641)**	**(188,546)**	**(461,980)**	**(297,386)**	**(304,130)**	**(317,227)**	**(362,623)**	**(186,824)**
Cash Flows from Financing Activities											
Proceeds from borrowings	263,388	330,242	155,201	256,425	87,124	361,506	296,884	259,603	260,410	314,505	204,110
Cash Flows from Financing Activities	**263,388**	**330,242**	**155,201**	**256,425**	**87,124**	**361,506**	**296,884**	**259,603**	**260,410**	**314,505**	**204,110**
Cash Flows applied to Financing Activities											

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Attachment 3

AS AT 08 NOVEMBER

	2024 All of Council AP Budget ($000's)	2025 All of Council LTP Budget ($000's)	2026 All of Council LTP Budget ($000's)	2027 All of Council LTP Budget ($000's)	2028 All of Council LTP Budget ($000's)	2029 All of Council LTP Budget ($000's)	2030 All of Council LTP Budget ($000's)	2031 All of Council LTP Budget ($000's)	2032 All of Council LTP Budget ($000's)	2033 All of Council LTP Budget ($000's)	2034 All of Council LTP Budget ($000's)
Repayment of borrowings	(55,900)	(115,942)	(570,843)	(150,969)	(180,680)	(85,851)	(186,962)	(166,654)	(191,178)	(221,664)	(297,909)
Cash Flows applied to Financing Activities	**(55,900)**	**(115,942)**	**(570,843)**	**(150,969)**	**(180,680)**	**(85,851)**	**(186,962)**	**(166,654)**	**(191,178)**	**(221,664)**	**(297,909)**
Net Cash Flow Financing Activities	**207,488**	**214,300**	**(415,642)**	**105,456**	**(93,556)**	**275,655**	**109,922**	**92,949**	**69,232**	**92,841**	**(93,799)**
Cash at the beginning of the year	**19,988**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**
Net Increase/(decrease) in cash	**-**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash at end of the year	**19,988**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**	**15,000**

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Attachment 3 AS AT 08 NOVEMBER

Tauranga City

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

	2024 All of Council AP Budget (000's)	2025 All of Council LTP Budget (000's)	2026 All of Council LTP Budget (000's)	2027 All of Council LTP Budget (000's)	2028 All of Council LTP Budget (000's)	2029 All of Council LTP Budget (000's)	2030 All of Council LTP Budget (000's)	2031 All of Council LTP Budget (000's)	2032 All of Council LTP Budget (000's)	2033 All of Council LTP Budget (000's)	2034 All of Council LTP Budget (000's)
Equity at the end of prior year											
Equity at the end of prior year	5,897,962	6,493,487	6,843,721	4,725,110	5,041,430	5,394,974	5,650,837	5,935,448	6,185,349	6,467,664	6,749,565
Comprehensive Revenue and Expense	314,019	346,537	(2,100,056)	310,609	347,620	250,171	279,071	244,556	276,965	276,373	321,999
Other Movements	-	3,697	(18,555)	5,711	5,925	5,691	5,541	5,345	5,350	5,529	5,675
Equity at the end of prior year	**6,211,982**	**6,843,721**	**4,725,110**	**5,041,430**	**5,394,974**	**5,650,837**	**5,935,448**	**6,185,349**	**6,467,664**	**6,749,565**	**7,077,240**
Components of Equity											
Retained earnings											
Retained Earnings at the beginning of the year	1,646,727	1,803,848	2,013,459	1,301,532	1,465,702	1,598,326	1,665,254	1,708,360	1,737,851	1,769,127	1,801,522
Surplus/(Deficit) after taxation for the year	314,019	120,283	135,119	169,657	199,737	87,561	78,879	78,887	108,067	116,871	114,239
Net Transfers to/(from) Other Reserves	34,001	85,631	(215,331)	(11,198)	(73,037)	(26,325)	(41,313)	(54,742)	(82,141)	(90,005)	(98,005)
Other Adjustments	(232,497)	3,697	(631,715)	5,711	5,925	5,691	5,541	5,345	5,351	5,529	5,676
Retained earnings	**1,762,251**	**2,013,459**	**1,301,532**	**1,465,702**	**1,598,326**	**1,665,254**	**1,708,360**	**1,737,851**	**1,769,127**	**1,801,522**	**1,823,433**
Restricted Reserves											
Restricted Reserves at beginning of the year	(308,839)	(347,017)	(413,555)	(73,454)	(80,392)	(87,964)	(88,688)	(83,539)	(86,745)	(91,174)	(91,947)
Net Transfers to/(from) Retained Earnings	(27,068)	(66,538)	340,101	(6,938)	(7,572)	(724)	5,150	(3,206)	(4,429)	(773)	907
Restricted Reserves	**(355,907)**	**(413,555)**	**(73,454)**	**(80,392)**	**(87,964)**	**(88,688)**	**(83,539)**	**(86,745)**	**(91,174)**	**(91,947)**	**(91,040)**
Restricted Reserves											
Trusts	43	45	47	49	51	53	55	58	60	62	64
Other Restricted Reserves	3,428	3,352	3,508	3,664	3,820	3,976	4,131	4,287	4,443	4,599	4,755
Development Contributions	(339,378)	(416,952)	(77,009)	(84,105)	(91,835)	(92,717)	(87,725)	(91,090)	(95,677)	(96,607)	(95,858)
Restricted Reserves	**(335,907)**	**(413,555)**	**(73,454)**	**(80,392)**	**(87,964)**	**(88,688)**	**(83,539)**	**(86,745)**	**(91,174)**	**(91,947)**	**(91,040)**
Council Created Reserves											
Council Created Reserves at beginning of year	108,301	110,520	91,427	(16,748)	1,387	81,997	109,046	145,209	203,157	289,727	380,505
Net Transfers to/(from) Retained Earnings	(6,933)	(19,094)	(108,175)	18,136	80,610	27,049	36,163	57,948	86,570	90,777	97,098
Council Created Reserves	**101,368**	**91,427**	**(16,748)**	**1,387**	**81,997**	**109,046**	**145,209**	**203,157**	**289,727**	**380,505**	**477,603**
Council Created Reserves											
Depreciation Reserves	127,887	110,202	3,786	8,434	25,828	53,249	83,223	141,822	203,081	269,830	340,883
Other Special Purpose Reserves	(26,519)	(18,775)	(20,534)	(7,047)	56,170	55,797	61,986	61,335	86,646	110,675	136,720
Council Created Reserves	**101,368**	**91,427**	**(16,748)**	**1,387**	**81,997**	**109,046**	**145,209**	**203,157**	**289,727**	**380,505**	**477,603**

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Attachment 3

AS AT 08 NOVEMBER

	2024 All of Council AP Budget (000's)	2025 All of Council LTP Budget (000's)	2026 All of Council LTP Budget (000's)	2027 All of Council LTP Budget (000's)	2028 All of Council LTP Budget (000's)	2029 All of Council LTP Budget (000's)	2030 All of Council LTP Budget (000's)	2031 All of Council LTP Budget (000's)	2032 All of Council LTP Budget (000's)	2033 All of Council LTP Budget (000's)	2034 All of Council LTP Budget (000's)
Asset Revaluation Reserves											
Asset Revaluation Reserves at beginning of the year	4,451,774	4,926,135	5,152,389	3,513,781	3,654,732	3,802,615	3,965,225	4,165,417	4,331,086	4,499,983	4,659,485
Net Impact of Revaluations on Revaluation Reserves Gains/(Losses)		226,254	227,354	140,952	147,883	162,610	200,192	165,669	168,898	159,502	207,760
Deferred Tax on Revaluation											
Impact of Waters reform		-	(1,849,367)	-	-	-	-	-	-	-	-
Net Transfers to/(from) Retained Earnings on Asset Disposals	232,496	-	(16,595)	-	-	-	-	-	-	-	-
Asset Revaluation Reserves	**4,684,270**	**5,152,389**	**3,513,781**	**3,654,732**	**3,802,615**	**3,965,225**	**4,165,417**	**4,331,086**	**4,499,983**	**4,659,485**	**4,867,245**
Asset Revaluation Reserves											
Heritage	1,580	1,834	1,935	2,029	2,115	2,195	2,270	2,338	2,400	2,460	2,552
Distribution Systems	1,195,584	1,598,858	(166,321)	(150,135)	(124,872)	(85,142)	(28,587)	26,310	85,309	146,966	226,549
Library	334	2,055	2,256	2,442	2,612	2,772	2,920	3,056	3,179	3,297	3,479
Land, Building and Improvements	2,655,487	2,734,582	2,785,099	2,832,344	2,875,976	2,918,050	2,958,378	2,994,427	3,027,615	3,059,722	3,106,803
Roading Network	844,376	806,817	880,864	956,523	1,033,812	1,113,024	1,214,851	1,288,215	1,363,695	1,428,259	1,507,531
Airport	-	21,333	23,038	24,619	26,062	27,416	28,675	29,830	30,875	31,871	33,421
Deferred Tax on Asset Revaluation	(13,090)	(13,090)	(13,090)	(13,090)	(13,090)	(13,090)	(13,090)	(13,090)	(13,090)	(13,090)	(13,090)
Asset Revaluation Reserves	**4,684,270**	**5,152,389**	**3,513,781**	**3,654,732**	**3,802,615**	**3,965,225**	**4,165,417**	**4,331,086**	**4,499,983**	**4,659,485**	**4,867,245**
EQUITY AT THE END OF THE YEAR	**6,211,982**	**6,843,720**	**4,725,110**	**5,041,430**	**5,394,974**	**5,650,837**	**5,935,448**	**6,185,349**	**6,467,664**	**6,749,565**	**7,077,240**

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Attachment 3 AS AT 08 NOVEMBER

PROSPECTIVE STATEMENT OF RESTRICTED RESERVES - DEVELOPMENT CONTRIBUTIONS					
Reserve	Activities to which the reserve relates	Opening Balance 2023/2024 $000's	Transfers In 2024/2034 $000's	Transfers Out 2024/2034 $000's	Closing Balance 2024/2034 $000's
Bethlehem					
	SPACES AND PLACES	226	-	114	341
	STORMWATER	1,497	61	(1,558)	-
	TRANSPORTATION	955	(710)	2,710	2,955
	WASTEWATER	1,804	158	(1,962)	-
	WATER SUPPLY	808	13	(821)	-
Bethlehem West					
	SPACES AND PLACES	3,198	(465)	1,881	4,615
	STORMWATER	2,897	107	(3,004)	-
	TRANSPORTATION	4,433	(1,633)	(662)	2,139
	WASTEWATER	783	130	(913)	-
	WATER SUPPLY	(144)	10	134	-
Building Impact Fees					
	COMMUNITY SERVICES	2,902	-	9,024	11,926
	SPACES AND PLACES	(9,413)	(13,365)	40,080	17,301
	STORMWATER	(60)	-	60	-
	TRANSPORTATION	1,276	(3,533)	2,000	(257)
	WASTEWATER	28,817	7,373	(36,190)	-
	WATER SUPPLY	192,090	12,102	(204,191)	-
Kaitemako South					
	WASTEWATER	1	-	(1)	-
Mt Maunganui Infill					
	SPACES AND PLACES	(1)	-	31	30
	WASTEWATER	2,482	-	(2,482)	-
	WATER SUPPLY	(192)	-	192	-
Neewood					
	WASTEWATER	2	-	(2)	-
North West Bethlehem					
	STORMWATER	-	-	-	-
	TRANSPORTATION	-	-	-	-
	WASTEWATER	()	-		-
Ohauiti/Hollister					
	SPACES AND PLACES	842	-	490	1,332
	STORMWATER	308	3	(312)	-
	TRANSPORTATION	(247)	(99)	(38)	(384)
	WASTEWATER	752	25	(777)	-
	WATER SUPPLY	2,106	24	(2,130)	-
Papamoa					
	SPACES AND PLACES	(386)	-	(860)	(1,246)
	STORMWATER	(2,988)	510	2,478	-
	TRANSPORTATION	538	(2,406)	3,116	1,249
	WASTEWATER	(289)	100	189	-
	WATER SUPPLY	(313)	27	286	-
Papamoa East I					
	SPACES AND PLACES	-	-	5,027	5,027
	STORMWATER	(2,852)	1,856	996	-
	TRANSPORTATION	(7,624)	(10,792)	10,895	(7,520)
	WASTEWATER	(5,161)	784	4,376	-
	WATER SUPPLY	(5,790)	548	5,242	-
Papamoa East II					
	SPACES AND PLACES		-	5,028	5,028
	STORMWATER	1,498	110	(1,609)	-
	TRANSPORTATION	19,462	(26,186)	40,146	33,422
	WASTEWATER	8,537	523	(9,061)	-
	WATER SUPPLY	(168)	227	(60)	-
Pukemapu					
	WASTEWATER	3	-	(3)	-
Pyes Pa					
	SPACES AND PLACES	(51)	-	(57)	(108)
	STORMWATER	18	19	(36)	-
	TRANSPORTATION	713	(192)	429	950
	WASTEWATER	(420)	69	351	-
	WATER SUPPLY	(78)	8	71	-

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Attachment 3 AS AT 08 NOVEMBER

Reserve	Activities to which the reserve relates	Opening Balance 2023/2024 $000's	Transfers In 2024/2034 $000's	Transfers Out 2024/2034 $000's	Closing Balance 2024/2034 $000's
Pyes Pa West					
	SPACES AND PLACES	2,105	(404)	3,704	5,404
	STORMWATER	19,729	600	(20,329)	-
	TRANSPORTATION	15,105	(2,756)	2,420	14,769
	WASTEWATER	(2,786)	381	2,405	-
	WATER SUPPLY	1,874	58	(1,932)	-
South Ohauiti					
	TRANSPORTATION	-	-	-	-
South Ohauiti					
	WASTEWATER	3	-	(3)	-
South Pyes Pa					
	STORMWATER	-	-	-	-
	TRANSPORTATION	4,923	(863)	2,839	6,898
	WASTEWATER	397	-	(397)	-
	WATER SUPPLY	131	-	(131)	-
Southern Pipeline					
	WASTEWATER	69,111	-	(69,111)	-
Tauranga Infill					
	SPACES AND PLACES	(200)	-	(167)	(367)
	STORMWATER	27	-	(27)	-
	TRANSPORTATION	1,882	-	1,095	2,977
	WASTEWATER	(1,010)	612	398	-
	WATER SUPPLY	(556)	-	556	-
Tauriko Business Estate					
	SPACES AND PLACES	-	-	-	-
	STORMWATER	(530)	390	141	-
	TRANSPORTATION	(14,179)	(10,579)	(1,192)	(25,949)
	WASTEWATER	(2,638)	1,277	1,360	-
	WATER SUPPLY	1,316	207	(1,523)	-
Tauriko West					
	SPACES AND PLACES	1,190	-	23,014	24,204
	STORMWATER	(222)	215	6	-
	TRANSPORTATION	283	(7,519)	(69)	(7,305)
	WASTEWATER	4,656	1,021	(5,677)	-
	WATER SUPPLY	5,254	444	(5,698)	-
Waitaha/Waikite					
	SPACES AND PLACES	(21)	-	(100)	(121)
	STORMWATER	(162)	19	143	-
	TRANSPORTATION	(813)	(249)	(388)	(1,450)
	WASTEWATER	1,085	87	(1,172)	-
	WATER SUPPLY	1,532	31	(1,563)	-
		350,256	**(51,622)**	**(202,776)**	**95,858**

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Attachment 3 AS AT 08 NOVEMBER

PROSPECTIVE STATEMENT OF DEPRECIATION RESERVES				
Activities to which the reserve relates	Opening Balance 2023/2024 $000's	Transfers In 2024/2034 $000's	Transfers Out 2024/2034 $000's	Closing Balance 2024/2034 $000's
CITY & INFRASTRUCTURE PLANNING	(220)	(399)	(213)	(832)
COMMUNITY SERVICES	(12,733)	(85,426)	36,828	(61,331)
COMMUNITY,PEOPLE & RELATIONSHIPS	254	(610)	25	(331)
ECONOMIC DEVELOPMENT	(9,184)	(31,539)	3,476	(37,247)
EMERGENCY MANAGEMENT & CIVIL DEFENCE	1,390	(2,285)	904	8
REGULATION & COMPLIANCE	(1,449)	(790)	(16)	(2,255)
SPACES AND PLACES	(25,966)	(336,173)	341,122	(21,018)
STORMWATER	(35,390)	7,426	27,964	()
SUPPORT SERVICES	(1,408)	(129,477)	63,523	(67,361)
SUSTAINABILITY & WASTE	(2,314)	(26,074)	(3,123)	(31,511)
TRANSPORTATION	6,288	(395,214)	269,920	(119,006)
WASTEWATER	(38,032)	14,979	23,053	-
WATER SUPPLY	(32,572)	10,240	22,332	-
	(151,336)	**(975,343)**	**684,975**	**(340,883)**

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Attachment 3

AS AT 08 NOVEMBER

PROSPECTIVE STATEMENT OF RESTRICTED RESERVES AND TRUST FUNDS

Restricted Reserves	Description of Reserve	Activities to which the reserve relates	Opening Balance 2023/2024 $000's	Transfers In 2024/2034 $000's	Transfers Out 2024/2034 $000's	Closing Balance 2024/2034 $000's
Endowment Land Fund	Proceeds received from the sale of endowment land in Devonport Road.	SUPPORT SERVICES	(72)	-	(35)	(107)
EV Flower Family Trust	For city museum maintenance of aviary.	SUPPORT SERVICES	(24)	-	(12)	(35)
Landscape Impact Fee	To develop street planting - funds from impact fee in industrial areas.	SUPPORT SERVICES	(135)	-	(66)	(201)
Museum Collection Reserve	For the provision & development of the museum collection.	SUPPORT SERVICES	(205)	-	(100)	(305)
Parking Fees Reserve (JOG)	Funds for parking management and Joint Officials Group (JOG).	SUPPORT SERVICES	(3)	-	(1)	(4)
Parking Impact Fee	The City Plan imposes an impact fee on development related to Parking.	SUPPORT SERVICES	(811)	-	(396)	(1,207)
Roading Land Purchase Reserve	For roading land purchases (funded by roading land sales).	SUPPORT SERVICES	(1,783)	-	(869)	(2,652)
Strategic Fundraising Reserve	Revenue from external parties for projects.	SUPPORT SERVICES	(1)	-	-	(1)
Strategic Roading Network Reserve	Roading fund for strategic roading network and sub-regional transportation.	SUPPORT SERVICES	(8)	-	(4)	(11)
TDC Eden Family Trust	For city museum maintenance of the steam engine.	SUPPORT SERVICES	(19)	-	(9)	(28)
Water Future Land Purchase Reserve	To purchase additional land in water catchment areas when it becomes available.	SUPPORT SERVICES	(180)	-	(88)	(267)
			(3,239)	**-**	**(1,579)**	**(4,818)**

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Attachment 3 AS AT 08 NOVEMBER

PROSPECTIVE STATEMENT OF OTHER COUNCIL CREATED RESERVES

Other Council Created Reserve	Description of Reserve	Activities to which the reserve relates	Opening Balance 2023/2024 $000's	Transfers In 2024/2034 $000's	Transfers Out 2024/2034 $000's	Closing Balance 2024/2034 $000's
Airport Tourism Contestable Reserve	Funding for toursim linked projects.	ECONOMIC DEVELOPMENT	(952)	(9,000)	(313)	(10,265)
Asset Realisation Reserve Assoc Debt	Offsets gross proceeds from asset realisation	MARINE PRECINCT	-	-	4,370	4,370
		SUPPORT SERVICES	-	-	109	109
Asset Realisation Reserve Gross Proceeds	Funds received from the divestment of assets	SUPPORT SERVICES	-	-	(66,817)	(66,817)
		TRANSPORTATION	-	-	(48,988)	(48,988)
Better Off Funding Reserve	Funding received from central government to part fund future Council projects that demonstrate a benefit to the community.	COMMUNITY SERVICES	-	-	869	869
		SUPPORT SERVICES	2,035	(3,314)	1,062	(217)
Biosolids Reserve	Reserve to provide for biosolids maintenance.	WASTEWATER	(3,817)	5,716	(1,899)	-
Community Facilities Targeted Rate Reserve	Targeted rates collected to fund the operating costs generated from capital investment in community amenities.	COMMUNITY SERVICES	-	-	1,205	1,205
		SPACES AND PLACES	-	-	2,682	2,682
		SUPPORT SERVICES	(4,048)	-	(1,876)	(5,925)
Elder Housing Sale Reserve	Sale of Elder Housing Assets.	COMMUNITY SERVICES	(35)	-	-	(35)
Event Investment Fund	Funding of major events.	COMMUNITY SERVICES	(601)	-	-	(601)
General Contingency Reserve	Miscellaneous expenditure for operational items not foreseen in annual plan.	SUPPORT SERVICES	(90)	-	(772)	(862)
Kerbside Targeted Rate Reserve	Targeted rates collected for kerbside collection.	SUSTAINABILITY AND WASTE	(1,347)	(188,887)	205,709	15,474

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Attachment 3 AS AT 08 NOVEMBER

Other Council Created Reserve	Description of Reserve	Activities to which the reserve relates	Opening Balance 2023/2024 $000's	Transfers In 2024/2034 $000's	Transfers Out 2024/2034 $000's	Closing Balance 2024/2034 $000's
Resilience Targeted Rate Reserve	Targeted rates collected to fund the operating costs generated from capital investment in infrastructure resilience.	EMERGENCY MANAGEMENT	-	-	2,293	2,293
		SPACES AND PLACES	-	-	418	418
		STORMWATER	-	-	245	245
		SUPPORT SERVICES	(753)	(12,602)	1,495	(11,860)
		TRANSPORTATION	-	-	6,062	6,062
		WASTEWATER	-	-	245	245
		WATER SUPPLY	-	-	1,478	1,478
Risk Management Reserve	For the purpose of managing Council's financial risk and to fund unforeseen events.	SUPPORT SERVICES	(5,360)	(13,040)	(2,423)	(20,823)
Stormwater Reactive Reserve	Levy collected for stormwater remedial works.	STORMWATER	(13,255)	1,496	11,759	-
		TCC FLOOD CONTROL	-	(11,526)	(10,726)	(22,252)
Tauranga Hockey Turf 1	For the purpose of replacing turf.	SPACES AND PLACES	(100)	-	(232)	(332)
Tauranga Hockey Turf 2	For the purpose of replacing turf.	SPACES AND PLACES	(512)	(36)	228	(320)
Tauranga Hockey Turf 3	For the purpose of replacing turf.	SPACES AND PLACES	(202)	(378)	716	136
Transportation Targeted Rate Reserve	Targeted rates collected to fund the operating costs generated by capital investment in transportation assets.	TRANSPORTATION	(4,948)	-	2,412	(2,536)
Unfunded Liabilities Reserve	To retire debt incurred through unfunded expenditure.	SUPPORT SERVICES	21,657	(26,994)	9,883	4,546
Waste Levy Reserve	To receive funds from waste management levy for approved activity.	SUSTAINABILITY AND WASTE	(2,924)	(15,239)	17,177	(987)
Waste Resources Reserve	The purpose is to record the grant funding and costs relating to the Central Government Grant Funding.	SUSTAINABILITY AND WASTE	2,931	-	-	2,931
Wastewater Enhancement Reserve	For the purpose of mitigating the cultural and environmental affects of the wastewater scheme.	WASTEWATER	(745)	-	745	-
Weathertight Reserve	For the purpose of managing Council's future exposure to leaky home payments.	SUPPORT SERVICES	53,884	(71,434)	30,587	13,037
			40,816	**(345,239)**	**167,704**	**(136,719)**

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Attachment 3 AS AT 08 NOVEMBER

Financial Reporting and Prudence

Under the Local Government Act 2002 Financial Reporting and Prudence Regulations 2014. All Councils are required to report performance against standardised benchmarks.

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.
The council is required to include this statement in its long term plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Attachment 3 AS AT 08 NOVEMBER

Rates Affordability Benchmarks

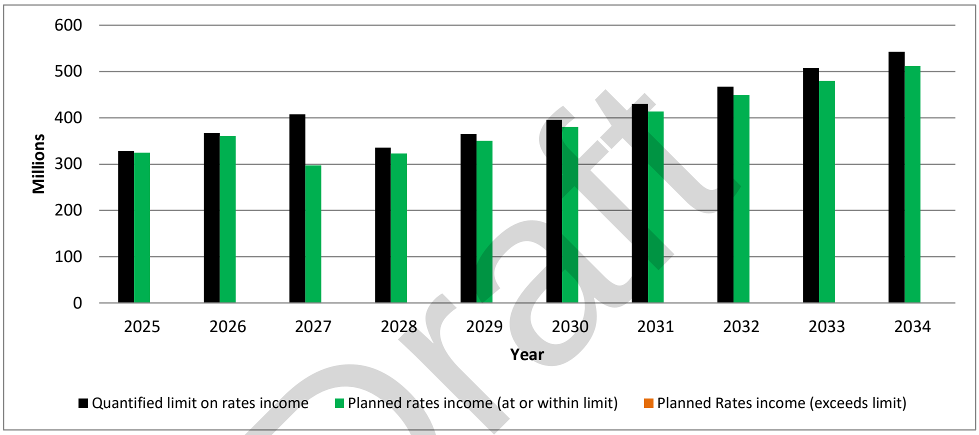
The Council meets this benchmark if:
- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal, or are less than each quantified limit on rates increases

Rates (Income) Affordability Benchmark

Quantified Limit on Rates

The total rates requirement for each year of the long term plan will be no more than the rates increase % limit applied to the previous years rates requirement as adopted in the long term plan.

The following graph compares Council's planned rates with a quantified limit on rates contained in the financial strategy included in this Long Term Plan. The quantified limit for each year of the Long Term Plan is the rates requirement for the previous year multiplied by the % limit on rates increase specified for that year.



The reduction in year three is as a result of water reforms, reflecting the removal of rates revenue for the three waters activities from year three onwards.

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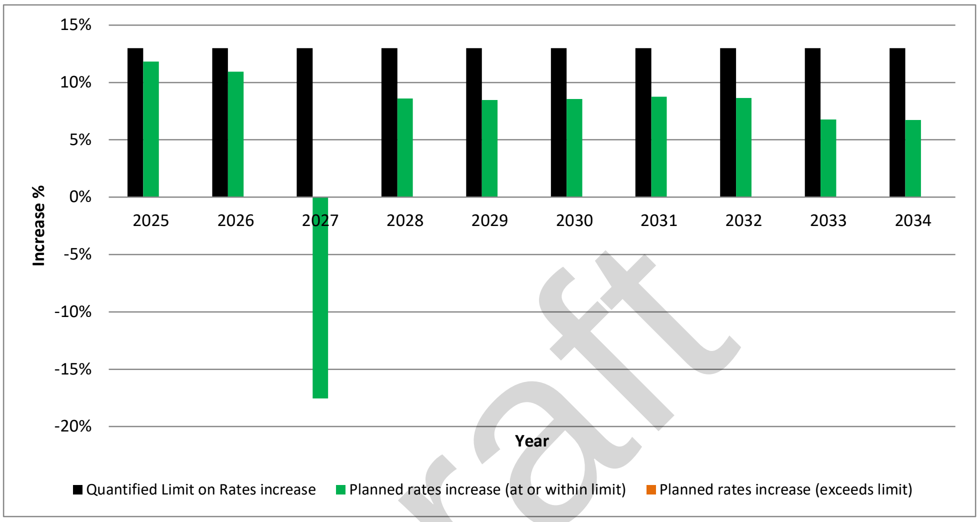
Attachment 3 AS AT 08 NOVEMBER

Rates Increases Affordability Benchmark

Quantified Limit on Rates Increases

The following graph compares the councils planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this long-term plan. The quantified limit is 12% per annum after allowing for the estimated percentage growth in the number of rateable properties in the city in the year to 30 June preceding the relevant rating year in question.



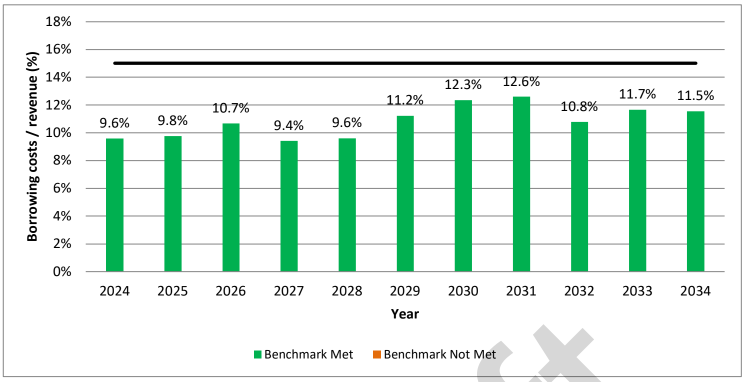
The significant decrease in year three is as a result of water reforms, reflecting the removal of the general rate for Stormwater and the targeted rates and water by meter charges for Wastewater and Water Supply from year three onwards.

Attachment 3 AS AT 08 NOVEMBER

Debt Servicing Benchmark

The following graph compares Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment).

Because Statistics New Zealand projects the council's population will grow faster than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal, or are less than, 15% of its planned revenue.



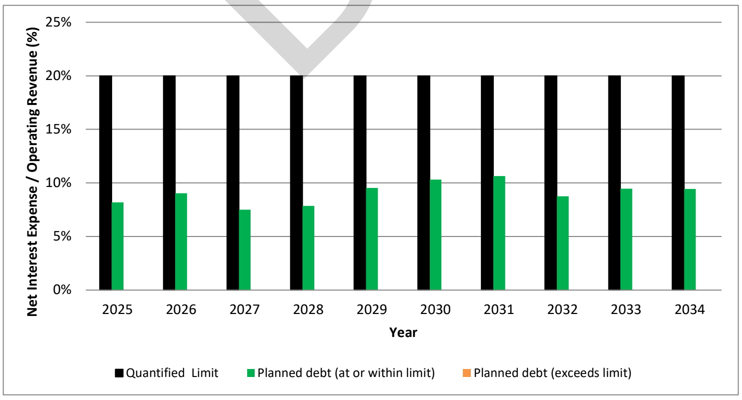
Interest expense is gross interest not net interest. Interest expense also includes CCO's interest expense.
Income resulting from Infrastructure Funding and Financing (IFF) arrangements is included in this benchmark between 2024 and 2034.

Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. Tauranga City Council has 3 quantified limits on borrowing.

Net Interest Expense on External Debt as a Percentage of Operating Revenue

The following graph compares the council's planned borrowing with the first quantified limit on borrowing stated in the financial strategy included in this long-term plan. The quantified limit is Net interest expense (after interest rate risk management costs/benefits) on external debt as a percentage of annual operating revenue (excluding development contributions) will not exceed 20%.



Income resulting from Infrastructure Funding and Financing (IFF) arrangements is included in this benchmark between 2025 and 2034.

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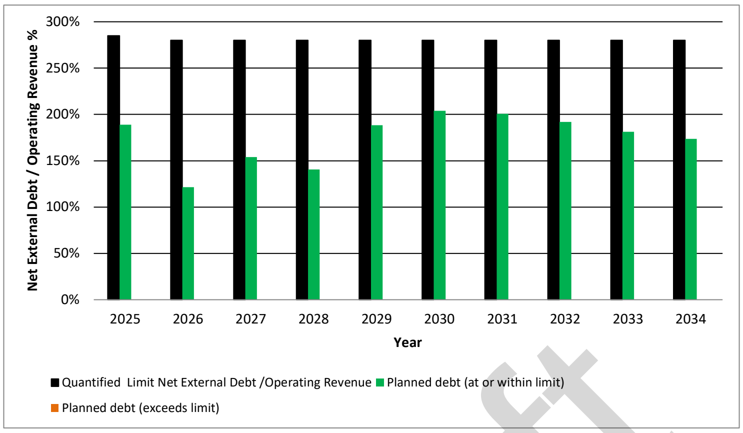
Attachment 3 AS AT 08 NOVEMBER

Net External Debt as a Percentage of Annual Operating Revenue

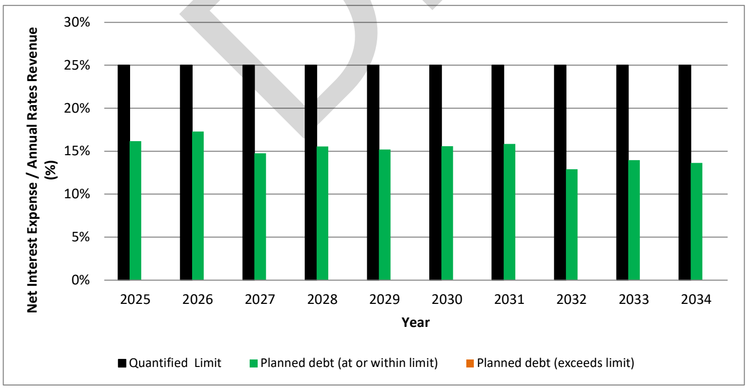
The following graph compares the council's planned borrowing with the second quantified limit on borrowing stated in the financial strategy included in this long-term plan. The quantified limit is Net External debt as a percentage of annual operating revenue (excluding development contributions) will not exceed 285% in year one, reducing to 80% thereafter.



Income resulting from Infrastructure Funding and Financing (IFF) arrangements is included in this benchmark between 2025 and 2034.

Net Interest Expense on External Debt as a Percentage of Annual Rates Revenue

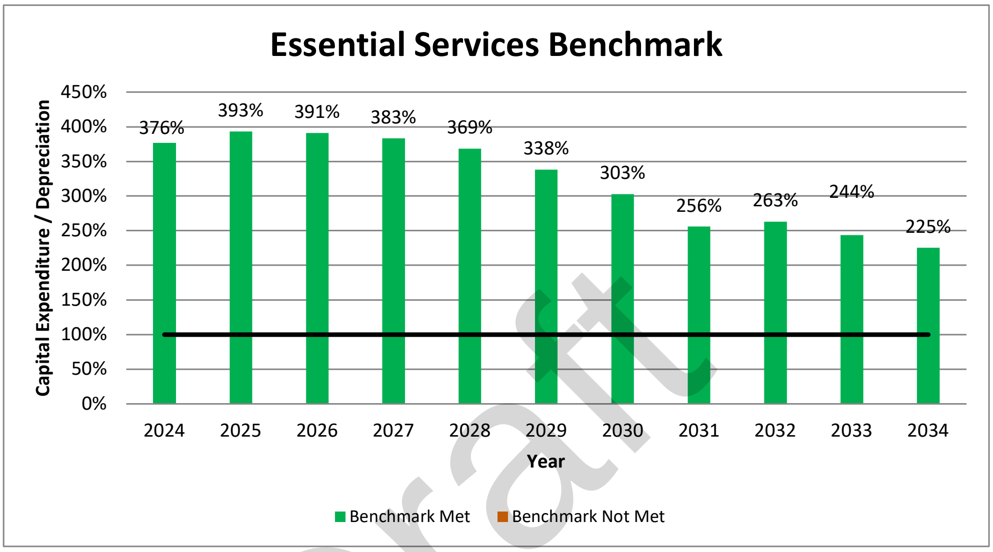
The following graph compares the council's planned borrowing with the first quantified limit on borrowing stated in the financial strategy included in this long-term plan. The quantified limit is Net interest expense (after interest rate risk management costs/benefits) on external debt as a percentage of annual rates revenue will not exceed 25%.



Attachment 3 AS AT 08 NOVEMBER

Essential Services Benchmark

The following graph shows the Council's planned capital expenditure on network services as a proportion of depreciation on network services. The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.



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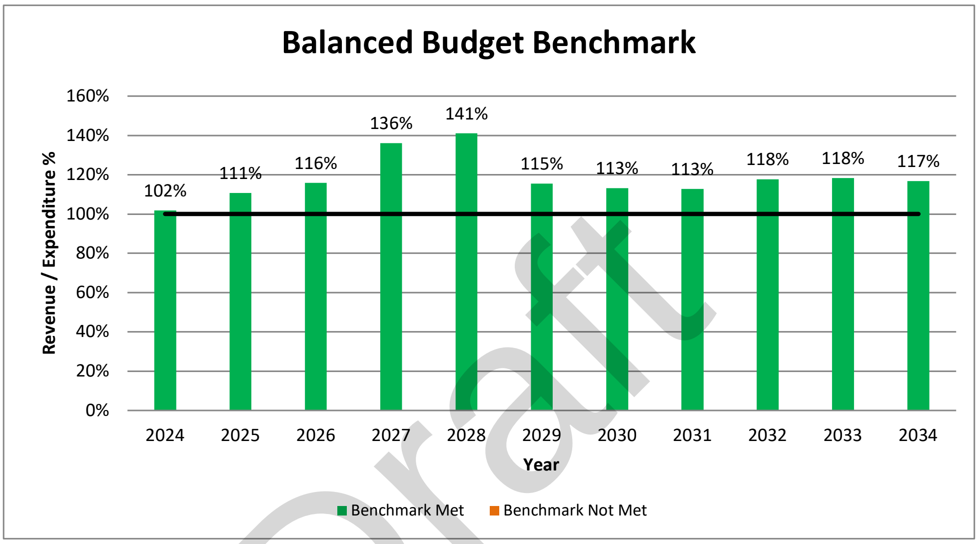
Attachment 3 AS AT 08 NOVEMBER

Balanced Budget Benchmark

The following graph shows the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



Income resulting from Infrastructure Funding and Financing (IFF) arrangements is included in this benchmark between 2024 and 2034.

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Attachment 3 AS AT 08 NOVEMBER

2024 LTP Financial Prudence - Benchmarks

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Current Long Term Plan Rates Budget	290,762	325,167	360,797	297,436	323,073	350,469	380,487	413,845	449,626	480,079	512,427
Quantified Limit - Long Term Plan	303,761	328,561	367,439	407,701	336,102	365,073	396,030	429,950	467,644	508,077	542,490
Rates Increases Affordability											
Rates Revenue Budget	254,940	283,577	316,927	297,436	323,073	350,469	380,487	413,845	449,626	480,079	512,427
Water by Meter Revenue Budget	35,822	41,590	43,870	-	-	-	-	-	-	-	-
Rates Increase	8.6%	11.8%	11.0%	-17.6%	8.6%	8.5%	8.6%	8.8%	8.6%	6.8%	6.7%
Rating limit/ CPI increase	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Growth	1.5%	1.5%	1.5%	1.5%	1.5%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Total Rates Increase Limit	13.5%	13.5%	13.5%	13.5%	13.5%	13.7%	13.7%	13.7%	13.7%	13.7%	13.7%
Balanced Budget											
Operating Revenue Budget	395,546	499,196	528,601	406,630	440,633	471,404	499,649	537,117	579,205	616,583	649,818
Plus: Capital subsidy revenue	59,766	144,635	162,466	178,907	199,593	88,486	75,793	78,160	82,413	90,987	87,296
Plus: Investment property revaluation movements	-	-	-	-	-	-	-	-	-	-	-
Plus: Other gains or losses on non financial instruments	1,436	- 875	- 613	- 349	- 283	- 213	- 141	934	1,012	1,094	2,178
Total Operating Revenue	456,748	642,956	690,453	585,188	639,944	559,676	575,302	616,211	662,631	708,664	739,292
Operating Expenditure Budget	447,116	580,398	595,927	429,500	453,223	484,187	507,979	546,121	562,409	598,339	632,541
Plus: Other gains or losses on non financial instruments	-	-	-	-	-	-	-	-	-	-	-
Plus: Investment property revaluation movements	-	-	-	-	-	-	-	-	-	-	-
Plus: Provisions Expense	1,200	500	500	500	500	500	500	500	500	500	500
Total Operating Expenditure	448,316	580,898	596,427	430,000	453,723	484,687	508,479	546,621	562,909	598,839	633,041
Revenue/Expenditure	101.9%	110.7%	115.8%	136.1%	141.0%	115.5%	113.1%	112.7%	117.7%	118.3%	116.8%
Essential Services Benchmark											
Capital Expenditure											
Storm Water	13,808	19,103	14,599	-	-	-	-	-	-	-	-
Waste Water	44,553	50,787	64,862	-	-	-	-	-	-	-	-
Water Supply	19,433	50,187	50,028	-	-	-	-	-	-	-	-
Transportation	106,700	141,541	154,018	156,162	166,047	181,749	169,859	178,465	188,092	191,671	194,914
Capital Expenditure on Essential Services	184,494	261,618	283,507	156,162	166,047	181,749	169,859	178,465	188,092	191,671	194,914

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Attachment 3 AS AT 08 NOVEMBER

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Depreciation											
Storm Water	7,642	7,935	8,691	-	-	-	-	-	-	-	-
Waste Water	14,215	15,691	16,153	-	-	-	-	-	-	-	-
Water Supply	11,764	11,257	12,720	-	-	-	-	-	-	-	-
Transportation	15,404	31,648	34,978	40,727	45,052	53,746	56,104	69,739	71,501	78,636	86,445
Depreciation on Essential Services	49,025	66,530	72,542	40,727	45,052	53,746	56,104	69,739	71,501	78,636	86,445
Capital Expenditure as a proportion of Depreciation	376.3%	393.2%	390.8%	383.4%	368.6%	338.2%	302.8%	255.9%	263.1%	243.7%	225.5%
Debt Servicing Benchmark											
Planned Operating Revenue	456,748	642,956	690,453	585,188	639,944	559,676	575,302	616,211	662,631	708,664	739,292
Interest Expense	43,676	62,697	73,672	55,139	61,458	62,784	71,038	77,623	71,387	82,636	85,352
Interest Expense/Operating Revenue	9.6%	9.8%	10.7%	9.4%	9.6%	11.2%	12.3%	12.6%	10.8%	11.7%	11.5%
Limit	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Debt Affordability Benchmark Limit 1 - Net Interest Expense on External Debt as a Percentage of Operating Revenue											
Interest Expense	43,676	62,697	73,672	55,139	61,458	62,784	71,038	77,623	71,387	82,636	85,352
Interest Revenue	4,878	10,109	11,271	11,227	11,195	9,486	11,734	12,123	13,380	15,568	15,522
Net Interest Expense	38,799	52,588	62,401	43,913	50,263	53,298	59,304	65,500	58,008	67,068	69,830
Operating Revenue	456,748	642,956	690,453	585,188	639,944	559,676	575,302	616,211	662,631	708,664	739,292
Net Interest Expense/Operating Revenue	8.5%	8.2%	9.0%	7.5%	7.9%	9.5%	10.3%	10.6%	8.8%	9.5%	9.4%
Quantified Limit	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Debt Affordability Benchmark Limit 2 - Net Interest Expense on External Debt as a Percentage of Annual Rates Revenue											
Interest Expense	43,676	62,697	73,672	55,139	61,458	62,784	71,038	77,623	71,387	82,636	85,352
Interest Revenue	4,878	10,109	11,271	11,227	11,195	9,486	11,734	12,123	13,380	15,568	15,522
Net Interest Expense	38,799	52,588	62,401	43,913	50,263	53,298	59,304	65,500	58,008	67,068	69,830
Annual Rates Revenue	290,762	325,167	360,797	297,436	323,073	350,469	380,487	413,845	449,626	480,079	512,427
Net Interest Expense/Planned Rates Revenue	13%	16%	17%	15%	16%	15%	16%	16%	13%	14%	14%
Quantified Limit	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%

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Attachment 3 AS AT 08 NOVEMBER

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Debt Affordability Benchmark Limit 3 - Net External Debt as a Percentage of Annual Operating Revenue											
Planned Net External Debt											
Cash and Equivalents	19,988	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Current deposits	50,000	155,884	150,969	180,680	85,851	186,962	166,654	191,178	221,664	297,909	200,471
Borrowing's Current	175,888	570,843	150,969	180,680	85,851	186,962	166,654	191,178	221,664	297,909	200,471
Borrowing's Non Current	943,474	861,654	884,931	957,023	953,206	1,123,076	1,248,914	1,312,088	1,346,199	1,358,014	1,355,760
Total Borrowings	1,119,362	1,432,497	1,035,900	1,137,703	1,039,057	1,310,038	1,415,568	1,503,266	1,567,863	1,655,923	1,556,231
Planned Net External Debt	1,049,375	1,261,613	869,931	942,023	938,206	1,108,076	1,233,914	1,297,088	1,331,199	1,343,014	1,340,760
Planned Net External Debt/Operating Revenue	217.9%	189.0%	121.5%	154.0%	140.6%	188.4%	204.0%	200.6%	191.8%	181.2%	173.5%
Quantified Limit	290.0%	285.0%	280.0%	280.0%	280.0%	280.0%	280.0%	280.0%	280.0%	280.0%	280.0%

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Financials - Funding Impact Statement

FUNDING IMPACT STATEMENT (FIS)

The purpose of the funding impact statement is to provide information about the income and funding streams Council will use and an indication of the amount of funding Council will generate from each stream.

Council will use a mix of revenue sources to meet operating expenses, with major sources being general and targeted rates, land transport subsidies and fees and charges. Capital expenditure for new works will be funded from loans and development contributions, with capital renewals being funded from reserves (funded by rates) set aside for this purpose. Council has resolved to rate fund reserves for stormwater and risk management and to fund a depreciation reserve for Bay Venues Limited.

Where the revenue stream is rates an indicative level of rate, the mechanism used to assess the rate, and the activities that the rate funds, is described.

These indicative figures support the calculations in the rate sample models and are included to provide you with an indication of the level of rates Council are likely to assess on your rating unit in the coming year. So long as we set the rates in accordance with the system described in this statement, the amounts may change.

The Funding Impact Statement should be read in conjunction with the Revenue and Financing Policy which can be obtained from our web site.

Attachment 3

AS AT 08 NOVEMBER

Tauranga City

Forecast Funding Impact Statement Whole of Council

	2024 All of Council AP Budget ($000's)	2025 All of Council LTP Budget ($000's)	2026 All of Council LTP Budget ($000's)	2027 All of Council LTP Budget ($000's)	2028 All of Council LTP Budget ($000's)	2029 All of Council LTP Budget ($000's)	2030 All of Council LTP Budget ($000's)	2031 All of Council LTP Budget ($000's)	2032 All of Council LTP Budget ($000's)	2033 All of Council LTP Budget ($000's)	2034 All of Council LTP Budget ($000's)
Sources of Operating Funding											
General Rates, Uniform Annual General Charge, Rates Penalties	174,564	216,859	245,656	271,055	295,315	321,099	349,129	379,694	415,759	444,594	475,175
Targeted Rates	116,198	108,308	115,141	26,381	27,758	29,370	31,357	34,150	33,867	35,486	37,251
Subsidies and Grants for Operating Purposes	36,585	94,430	82,332	23,608	24,523	24,539	18,577	18,967	19,366	19,773	20,256
Interest and dividends from investments *	4,878	10,109	11,271	11,227	11,195	9,486	11,734	12,123	13,380	15,568	15,522
Fees and Charges	61,425	66,739	71,382	71,478	78,899	83,903	85,780	89,044	93,629	97,889	98,269
Local Authorities Fuel Tax, Fines, Infringement Fees & Other Receipts	1,896	2,750	2,819	2,882	2,944	3,007	3,072	3,138	3,205	3,274	3,345
Total Operating Funding (A)	395,546	499,196	528,601	406,630	440,633	471,404	499,649	537,117	579,205	616,583	649,818
Applications of Operating Funding											
Payments to Staff & Suppliers	323,548	416,745	409,227	298,425	305,257	318,456	324,228	331,033	346,345	358,933	375,786
Finance Costs	43,513	62,512	73,483	54,946	61,260	62,582	70,832	77,412	71,173	82,417	85,129
Other Operating Funding applications	1,222	522	523	523	524	524	525	525	526	526	527
Total Applications of Operating Funding (B)	368,283	479,779	483,232	353,894	367,041	381,562	395,585	408,971	418,043	441,876	461,441
Surplus/(Deficit) of Operating Funding (A - B)	27,263	19,417	45,369	52,736	73,592	89,842	104,065	128,146	161,162	174,708	188,377
Sources of Capital Funding											
Subsidies and Grants for Capital Expenditure	78,973	139,684	146,227	165,816	179,631	84,765	75,793	78,160	82,413	90,987	87,296
Development and Financial Contributions	37,471	33,973	34,532	6,410	7,800	6,867	6,462	3,784	3,014	2,663	3,506
Increase/(Decrease) in Debt	195,585	109,390	(190,809)	121,043	111,975	245,813	221,283	180,232	186,045	178,707	177,854
Gross proceeds from the sale of assets	2,021	48,383	13,328	10,035	61,543	-	-	-	-	-	-
Lump Sum Contributions	7,083	4,951	16,238	13,091	19,962	3,721	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total Sources of Capital Funding (C)	321,132	336,381	19,516	316,394	380,911	341,166	303,538	262,176	271,472	272,357	268,656

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Attachment 3

AS AT 08 NOVEMBER

	2024 All of Council AP Budget ($000's)	2025 All of Council LTP Budget ($000's)	2026 All of Council LTP Budget ($000's)	2027 All of Council LTP Budget ($000's)	2028 All of Council LTP Budget ($000's)	2029 All of Council LTP Budget ($000's)	2030 All of Council LTP Budget ($000's)	2031 All of Council LTP Budget ($000's)	2032 All of Council LTP Budget ($000's)	2033 All of Council LTP Budget ($000's)	2034 All of Council LTP Budget ($000's)
Applications of Capital Funding											
Capital Expenditure:											
- to meet additional demand	86,399	178,973	199,049	113,381	99,784	95,203	98,113	76,505	70,346	47,639	52,950
- to improve level of service	219,484	144,778	147,510	160,466	192,559	211,229	164,589	150,617	164,251	180,617	173,906
- to replace existing assets	56,987	82,110	88,677	51,118	51,438	53,300	53,855	51,347	51,006	56,985	56,269
Increase/(Decrease) in Reserves	(14,475)	(50,063)	(142,933)	44,165	110,722	71,276	91,046	111,853	147,031	161,824	173,908
Increase/(Decrease) of Investments	-	-	-	-	-	-	-	-	-	-	-
Total Applications of Capital Funding (D)	348,395	355,798	292,303	369,130	454,503	431,008	407,603	390,322	432,634	447,065	457,033
Surplus/(Deficit) of Capital Funding (C - D)	(27,263)	(19,417)	(272,787)	(52,736)	(73,592)	(89,842)	(104,065)	(128,146)	(161,162)	(174,708)	(188,377)
Funding Balance ((A - B) + (C - D))	0	0	-227,418	0	0	0	0	0	0	0	0

* The imbalance in 2026 reflects the movements in debt and reserves balances generated by transactions related to Waters reform.

Attachment 3 AS AT 08 NOVEMBER

Tauranga City

RECONCILIATION OF FORECAST FUNDING IMPACT STATEMENT AND PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

	2024 All of Council AP Budget (000's)	2025 All of Council LTP Budget (000's)	2026 All of Council LTP Budget (000's)	2027 All of Council LTP Budget (000's)	2028 All of Council LTP Budget (000's)	2029 All of Council LTP Budget (000's)	2030 All of Council LTP Budget (000's)	2031 All of Council LTP Budget (000's)	2032 All of Council LTP Budget (000's)	2033 All of Council LTP Budget (000's)	2034 All of Council LTP Budget (000's)
Total Rates from Funding Impact Statement (Whole of Council)	189,810	325,063	353,146	286,173	305,381	324,891	347,881	372,105	400,341	422,206	445,020
General Rates Requirement	123,841	216,755	240,729	260,956	279,384	297,927	319,656	341,836	371,141	392,230	414,192
Targeted Rates	41,485	69,192	72,110	25,217	25,998	26,964	28,225	30,270	29,200	29,976	30,828
Targeted Rates for Water Supply	24,485	39,116	40,307	-	-	-	-	-	-	-	-
Total Rates Requirement per Prospective Statement of Comprehensive Revenue and Expense	**189,810**	**325,063**	**353,146**	**286,173**	**305,381**	**324,891**	**347,881**	**372,105**	**400,341**	**422,206**	**445,020**
Revenue from Funding Impact Statement (Whole of Council)	57,965	174,029	164,048	104,773	110,660	111,545	108,077	109,741	113,324	117,435	116,051
Revenue funding Capital Expenditure	25,451	140,249	153,215	163,708	177,772	75,862	62,494	65,961	73,293	81,282	73,219
Vested Assets	32,635	38,100	21,771	7,360	5,099	4,978	4,786	4,633	4,410	3,572	3,572
Development Contributions	17,658	33,973	34,532	6,410	7,800	6,867	6,462	3,784	3,014	2,663	3,506
Other Gains & Revaluation	792	(875)	(613)	(349)	(283)	(213)	(141)	934	1,012	1,094	2,178
Total Rates Requirement	189,810	325,063	353,146	286,173	305,381	324,891	347,881	372,105	400,341	422,206	445,020
Total Revenue per Prospective Statement of Comprehensive Revenue and Expense (includes Asset Development revenue)	**324,310**	**710,538**	**726,098**	**568,075**	**606,429**	**523,931**	**529,558**	**557,159**	**595,395**	**628,251**	**643,546**
Expenditure from Funding Impact Statement (Whole of Council)	215,643	479,779	473,264	340,281	347,142	354,478	361,482	367,958	368,763	384,580	394,917
Depreciation & Amortisation	62,282	100,825	112,078	74,321	83,515	97,350	105,607	126,524	132,640	142,551	154,428
Total Expenditure per Prospective Statement of Comprehensive Revenue and Expense	**277,922**	**595,603**	**601,938**	**414,602**	**430,657**	**451,829**	**467,089**	**494,481**	**501,402**	**527,130**	**549,345**
Total Capital Expenditure from Funding Impact Statement (Whole of Council)	240,391	345,256	393,423	285,608	249,076	316,346	270,552	234,415	248,278	248,794	235,078
Vested Assets	32,635	38,100	21,771	7,360	5,099	4,978	4,786	4,633	4,410	3,572	3,572
Total Capital Expenditure	**273,026**	**116,447**	**(60,789)**	**120,545**	**(68,246)**	**(114,868)**	**11,562**	**(190,036)**	**112,155**	**6,697**	**(62,909)**

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Financials - Funding Impact Statement

RATING INFORMATION

The Funding Impact Statement should be read in conjunction with the draft Revenue and Financing Policy contained in the Long-term Plan. This can be obtained from our website.

OVERVIEW OF RATES

Council's rates, pursuant to the Local Government (Rating) Act 2002, for the 2024/25 year includes:

- A general rate set differentially
- A uniform annual general charge
- A targeted rate for economic development
- A targeted rate for flood control set differentially
- A targeted rate for resilience set differentially
- Targeted rates for urban growth
- Targeted rates for waste services
- Targeted rates for wastewater disposal
- Targeted rates for water supply
- A targeted rate for pool inspection
- Targeted rates for mainstreet activities
- Targeted rates for special services

As indicated above, there are several parts to a typical rates bill, some of which are fixed and others variable. The fixed rates (where everybody is charged the same amount) are:

- Wastewater rates – if you are, or can be connected to councils wastewater system you will incur this fixed rate
- Uniform Annual General Charge (UAGC) – this rate ensures a minimum contribution from every ratepayer in the City
- Waste Service rate – if you have a residential use and receive kerbside waste collection services you will incur this fixed rate per capacity of bins provided
- Garden Waste Service rate – if you have a residential use and receive kerbside garden waste collection service (optional) you will incur this fixed rate per bin provided, and frequency of collection
- Urban Growth rate – if your property is in an area where urban growth costs provide a full, wide or city benefit you will pay this new rate.

The variable rates (where you are charged differently from your neighbour) are:

- General rates – Council is setting this differentially which will mean that commercial and industrial ratepayers will have a higher general rate in the dollar than residential ratepayers. This is to balance the overall impact of rates allocation for revenue needs on the whole community
- Economic development rate – this is a rate charged to commercial and industrial properties only for development of Tauranga's economy
- Mainstreet rates – commercial properties located within the four 'main street' areas in Tauranga City incur this rate for the continued delivery of their Mainstreet organisation programmes
- Water rates – water rates are invoiced separately from your land rates bill. The amount charged is dependent on the amount of water used, and the connection size of the water meter supplying water service to a rating unit
- Special services targeted rates – these are rates to The Lakes, Pāpāmoa Coast and Excelsa subdivisions in the City where the level of service required to maintain the subdivision is higher than usual across the City
- Resilience targeted rate – this is a rate for resilience infrastructure investments relating to water, wastewater, stormwater, transportation and emergency management
- Flood control targeted rate – this is a new rate set differentially for existing and new stormwater and flood control infrastructure investments.

Where Council sets a targeted rate differentially this means that commercial and industrial ratepayers will have a higher targeted rate in the dollar than residential ratepayers.

Council sets the Uniform Annual General Charge, and other targeted rates set on a uniform basis, excluding wastewater, to 10% of the total rates requirement over the next three years. This means that more of your rates bill will be based on your property value. Rates will be progressively higher for higher value properties. This will assist affordability for ratepayers, while ensuring that all ratepayers contribute a minimum amount for the services provided by Council.

The rates in this funding impact statement will apply in respect to every year in this Long-term Plan, not withstanding that the amounts may change.

Attachment 3

AS AT 08 NOVEMBER

What this means for rates - Rating base information

RATES (FIS)

Description	Category	Factor	Rate ($) (GST Inclusive)	Revenue Sought ($000) (Excluding GST)
RATES FOR THE 2024/2025 YEAR				
City Wide General Rates				
General Rate (residential)	All residential property	Capital Value	0.00227670	134,282
General Rate (commercial)	All commercial property	Capital Value	0.00478106	25,137
General Rate (Industrial)	All Industrial property	Capital Value	0.00614708	39,409
Uniform Annual General Charge	All rateable property	Fixed amount per SUIP*	300.00	18,032
City Wide Targeted Rates				
Economic Development	Commercial and Industrial	Capital Value	0.00035962	4,190
Flood control (Residential)	All residential property	Capital Value	0.00000644	380
Flood Control (Commercial and Industrial)	All Commercial and Industrial property	Capital Value	0.00001030	120
Resilience (Residential)	All residential property	Capital Value	0.00001411	832
Resilience (Commercial and Industrial)	All Commercial and Industrial property	Capital Value	0.00002258	264
Urban Growth	All rateable property in catchment area	Fixed amount per rating unit per catchment area	Full benefit- $34, Wide benefit $68, Rest of city $102	2,371
Service Targeted Rates				
Waste Collection Low	Residential Serviced	Fixed amount per SUIP*	210.00	643
Waste Collection Standard	Residential Serviced	Fixed amount per SUIP*	245.00	12,092
Waste Collection High	Residential Serviced	Fixed amount per SUIP*	350.00	128
Garden waste (optional)	Residential Serviced	Fixed amount per Service (Bin) and Frequency	4 weekly-80, 2 weekly-110	1,288
Wastewater	Connected	Fixed amount per water closet/urinal	646.20	42,579
Wastewater	Serviceable	Fixed amount per SUIP*	323.10	499
Water (metered)	Connected/Supply	Fixed amount per m3 of water supplied	3.40	39,091
Water (metered base charge)	Connected	Fixed amount per number and size of meter connections	Base meter size (20mm) 38.48 up to (250mm) 1,463.28	2,474
Water (unmetered)	Unmetered Supply	Fixed amount per SUIP	920.40	25
Pool Inspection	Rateable unit with pool inspection	Fixed amount	107.00	328
Level of Service Targeted Rates				
Tauranga Mainstreet	Commercial in catchment area	Capital Value	0.00044647	387
Mount Mainstreet	Commercial in catchment area	Capital Value	0.00052550	198
Greerton Mainstreet	Commercial in catchment area	Capital Value	0.00159156	156
Pāpāmoa Mainstreet	Commercial in catchment area	Capital Value	0.00032613	66
The Lakes	All rateable in catchment area	Fixed amount	105.32	182
Coast Pāpāmoa	All rateable in catchment area	Fixed amount	36.00	10
Excelsa	All rateable in catchment area	Fixed amount	53.07	4
Total Revenue Requirement (minus metered water)				**286,051**
Total Revenue Requirement (including metered water)				**325,167**

*(Note: SUIP= Separately Used or Inhabited Part)

As at 30 June 2021 the projected number of rating units is 61,728 with a total land value of $52,253 Million and a total capital value of $82,718 Million

What this means for rates - Funding Impact Statement (Rating)

RATING METHODOLOGY (FIS)

CATEGORIES

Residential - land for which the primary use is residential, rural, education, recreation, leisure or conservation.

Industrial – land for which the primary use is industrial, port, transportation or utilities networks. The general industrial rate and the targeted economic development rate are set and assessed on this category.

Commercial - land for which the primary use is commercial, and includes any land not in the Residential or Industrial Category. The general commercial rate, the targeted economic development rate and the targeted mainstreet rates are set and assessed on this category.

The **separated parts of a rating unit** will be separated into parts where a part of the property is non-rateable or the property fits under one or more rating differential.

Vacant land will be categorised according to the predominant zone in the City Plan.

Rural means primary production, or residential activity in Rural zones in the City Plan.

Education means educational establishment under schedule 1 Part 1 clause 6(a) and (b)(i)&(ii) of the Local Government (Rating) Act.

Recreation and leisure means community facilities as defined in the City Plan.

Conservation has the same meaning as under schedule 1 Part 1 clause 3 of the Local Government (Rating) Act.

RATING CALCULATIONS AND LUMP SUM CONTRIBUTIONS

The base for the general rate is Capital Value. The revenue sought by Council from the Uniform Annual General Charge and certain targeted rates set on a uniform basis, is to be assessed close to 10% of the total rates revenue to ensure that every ratepayer contributes a base level of rates irrespective of the property value or services used.

Lump sum contributions will not be accepted in respect of any targeted rate.

DEFINITIONS

A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner/ a person other than the owner, who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the purposes of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'. This includes any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

The following are examples of where there may be application of multiple charges because a rating unit is comprised of more than one separately Used or Inhabited Part.

- Single dwelling with flat attached
- Two or more houses, flats or apartments on one Record of Title
- Business premises with flat above
- Commercial building leased, or sub-leased, to multiple tenants
- Farm or Horticultural property with more than one dwelling
- Council property with more than one lessee
- Individually surveyed lots of vacant land on one Record of Title offered for sale separately or in groups
- Where part of a Rating Unit that has the right of exclusive occupation when more than one ratepayer/owner

As a minimum, the land or premises intended to form a separately used or inhabited part of the rating unit must be capable of actual habitation or actual separate use. For a residential property to be classified as having an additional Separately Used or Inhabited Part (SUIP) it must have separate cooking facilities, living facilities and toilet/bathroom facilities. If the separate part is internal to the main building (under the same roof) it must also have separate external access. For avoidance of doubt, a rating unit that has only one use or inhabitation is treated as being one separately used or inhabited part of the rating unit.

For the purposes of the Kerbside Waste Collection Rate, the definition of SUIP is the same as above, except that:

- where a rating unit has two SUIPs (being one principal unit with another unit such as a flat or minor *secondary* dwelling); and
- the ratepayer notifies the Council that only one *full set of glass, food, waste and recycling* bins *per principal unit* is required to be provided; then the rating unit will be treated as having only one SUIP.

What this means for rates - Funding Impact Statement (Rating)

ALLOCATIONS OF PAYMENTS

Where any payment is made by a ratepayer that is less than the amount now payable, the payment will be applied firstly to any rates outstanding from previous rating years and then proportionately across all current year rates due.

The following rates are to be set and assessed on all properties by Tauranga City Council for the 2024/2025 year: (All figures are GST inclusive)

CITY WIDE RATES

1. GENERAL RATE

A general rate set under section 13 of the Local Government (Rating) Act 2002, on a differential basis, for the purposes of providing all or some of the costs of:

- City and Infrastructure Planning, Arts and Culture, Venues and Events, City Centre Development, Community Development, Libraries, Emergency Management, Animal Services, Building Services, Environmental Planning, Environmental Health and Licencing, Regulation Monitoring, Marine Facilities, Spaces and Places, Stormwater, Flood protection, Support Services, Sustainability and Waste and Transportation.

For the 2024/25 year this rate will be:

Category	Factor	Rate/$ capital value
Residential	1	0.00227670
Commercial	2.1	0.00478106
Industrial	2.7	0.00614708

Note: capital value represents the market value of land and improvements of a rating unit. The values are assessed by independent valuers who are audited by the Office of the Valuer General. City wide revaluations are performed every three years, with the last revaluation base date of 1 July 2018.

The next revaluation with a base date 1 May 2023 is scheduled for certification audit in late 2023. The new values will be used to calculate and set the rates on 1 July 2024.

2. UNIFORM ANNUAL GENERAL CHARGE

A rate set under section 15 of the Local Government (Rating) Act 2002 on each separately used or inhabited part of a rating unit for the purposes of providing all or some of the costs of:

- The same costs as the general rate above.

For the 2024/25 year this rate will be $300 on each separately used or inhabited part of a rating unit within the City boundary.

TARGETED RATES

3. ECONOMIC DEVELOPMENT RATE

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 on all commercial rating units in the City for purposes of providing costs of:

- Priority One, Tourism Bay of Plenty, the Visitor Information Centre and general economic development.

For the 2024/25 year this rate will be $0.00035962 per dollar based on the rateable capital value of all rateable land with a category "Commercial and Industrial" within the City boundary.

4. FLOOD CONTROL

A targeted rate set under section 16 of the Local Government (Rating) Act 2002, on a differential basis for the purposes of providing some of the costs of stormwater flood control infrastructure investments.

From the 2024/25 year this rate will be:

Category	Factor	Rate/$ capital value
Residential	1	0.00000644
Commercial and Industrial	1.6	0.00001030

5. RESILIENCE

A targeted rate set under section 16 of the Local Government (Rating) Act 2002, on a differential basis for the purposes of providing some of the costs of resilience infrastructure investments in the water, wastewater, stormwater, transportation and emergency management activities.

From the 2024/25 year this rate will be:

Category	Factor	Rate/$ capital value
Residential	1	0.00001411
Commercial and Industrial	1.6	0.00002258

6. URBAN GROWTH (CITY WIDE AND LOCAL)

Partly funds debt retirement for transportation projects required to be constructed for current growth needs that will also provide for future growth.

For the 2024/25 year these rates will be (these rates depend on the catchment area where the rating unit is situated) :

1. $102 on every rateable rating unit within full area of benefit (see map)
2. $68 on every rateable rating unit within wide area of benefit (see map)
3. $34 on every rateable rating unit in the City outside of the areas of full benefit or wide benefit (see map).

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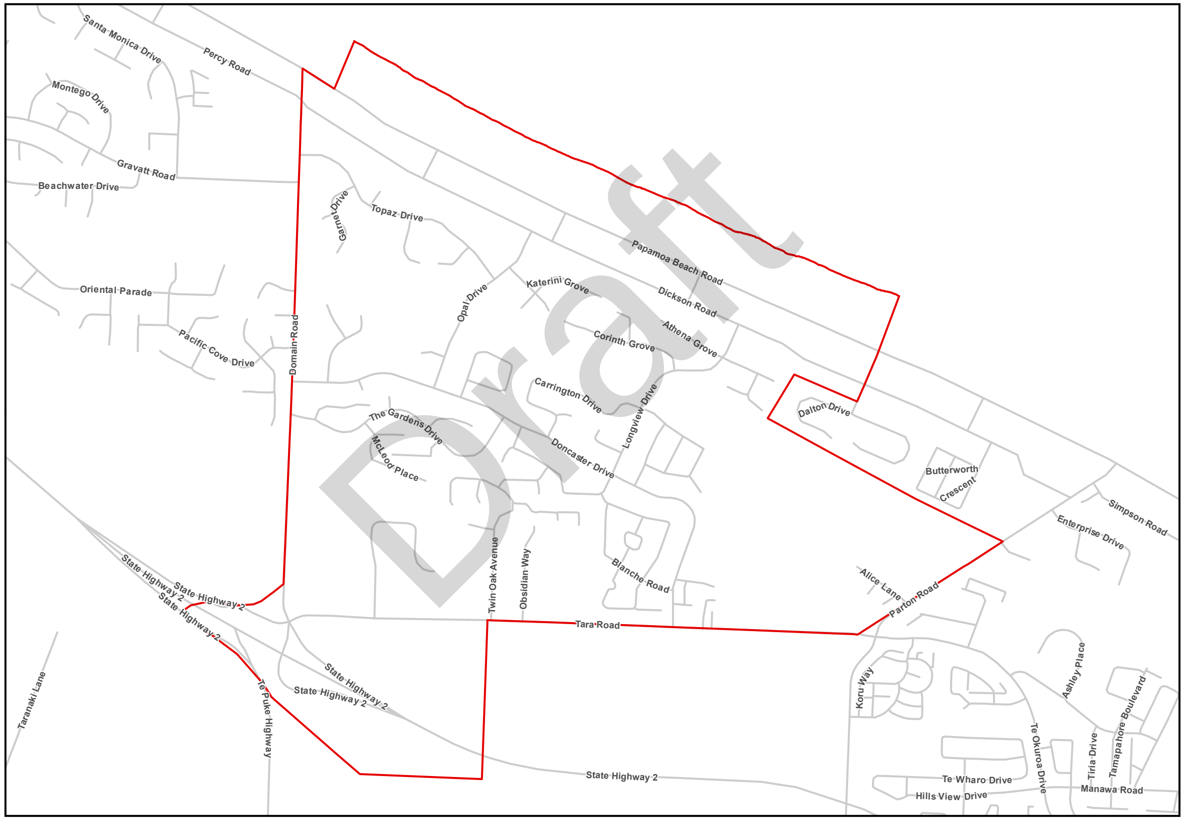
AS AT 08 NOVEMBER

What this means for rates - Funding Impact Statement (Rating)

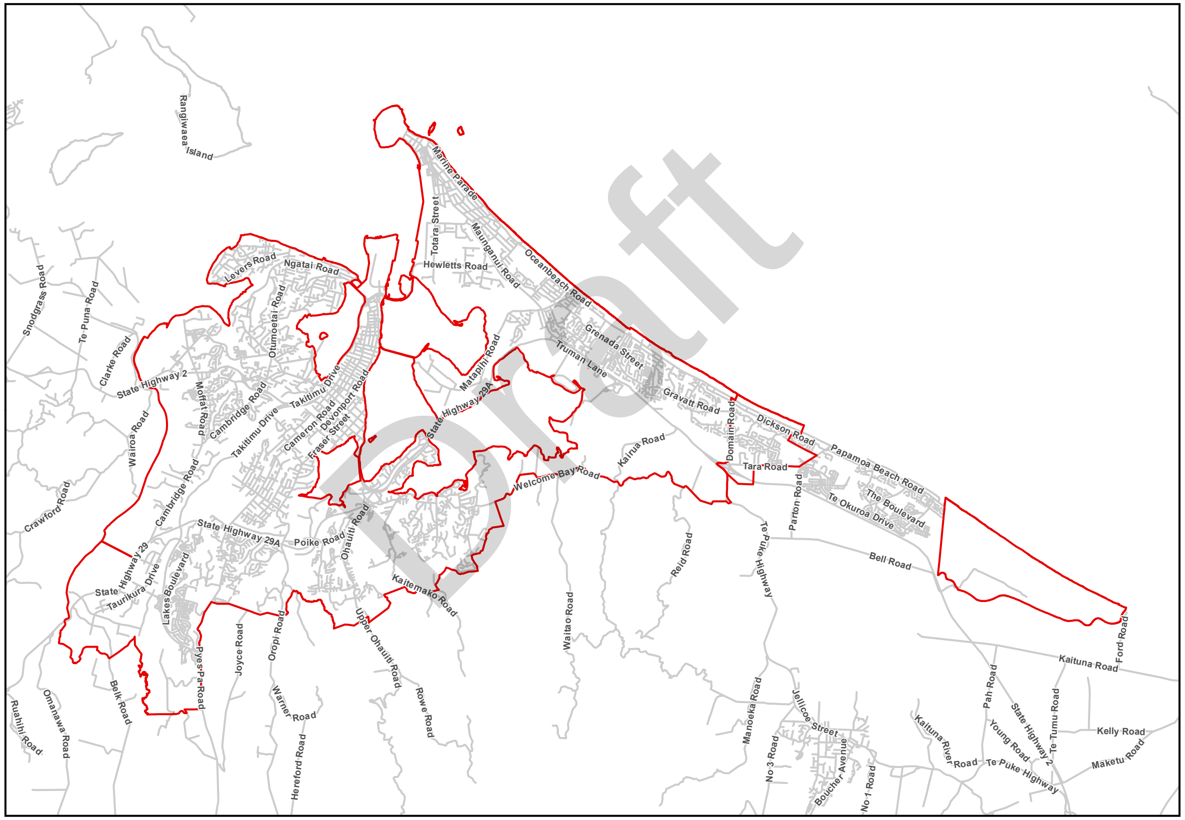
Full area of benefit

What this means for rates - Funding Impact Statement (Rating)



Wider area of benefit

What this means for rates - Funding Impact Statement (Rating)



Remaining areas of the city

What this means for rates - Funding Impact Statement (Rating)

7. WASTE COLLECTION SERVICE (GLASS, FOOD, RECYCLING AND WASTE)

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 on all rateable land in the city that is used for residential purposes and is provided with the waste collection service, and set as a fixed amount per separately used or inhabited part of a rating unit, for the purpose of providing the costs of:

- waste collection in the city

For the 2024/25 year, this rate will be $210 per separately used or inhabited part of a rating unit.

8. GARDEN WASTE (OPTIONAL - RATEPAYERS OPT TO RECEIVE THIS ADDITIONAL SERVICE)

Targeted rates set under section 16 of the Local Government (Rating) Act 2002 on all rateable land in the city that is used for residential purposes and is provided with the garden waste collection service. There are two targeted rates, each set as a fixed amount per bin provided, up to a maximum of 1 bin per separately used or inhabited part of a rating unit. These rates fund the costs of:

- garden waste collection in the city

For the 2024/25 year, these rates are as follows (the rate that applies will depend on the frequency of collection selected by ratepayers).

Collection Frequency	Rate
4 weekly	$60
2 weekly	$95

9. WASTEWATER RATES

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 on a differential basis on each serviceable or connected rating unit for the purposes of providing all or some of the costs of:

- Wastewater disposal and wastewater infrastructure

For the 2024/25 year this rate will be

1. $646.20 per water closet or urinal on every connected rating unit within the city boundary.
2. $323.10 per separately used or inhabited part of a rating unit which is serviceable within the City boundary.

“Serviceable” means any Rating Unit situated within 30 metres of a public wastewater or stormwater drainage scheme to which it is capable of being effectively connected, either directly or through a private drain, but which is not so connected.

“Connected” means any rating connected to a public wastewater or stormwater drainage scheme.

A rating unit used primarily as a residence for one household is treated as having not more than one water closet.

10. METERED WATER RATES

A targeted rate set under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water supplied, as measured by cubic metre, and a differential targeted rate set under section 16 of the Local Government (Rating) Act 2002 per connection for every connected rating unit in the City which is provided with a metered water supply. The amount of the rate per connection depends on the size of the connection. This rate is for purposes of providing all or some of the costs of:

- Water supply and water infrastructure

For the 2024/25 year these rates will be:

1. $3.40 per cubic metre of water supplied
2. A fixed amount between $38.48 and $1,463.28 dependent on the size of the water meter connections, per connection.

Base charge meter connection size (mm)	Rate/$ capital value
20	38.48
25	72.80
32	72.80
40	300.56
50	594.88
80	1,188.72
100	1,463.28
150	1,463.28
200	1,463.28
250	1,463.28

11. UNMETERED WATER RATE

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 on each connected separately used or inhabited part of a rating unit in the City which is provided with an unmetered water supply for purposes of providing some of the costs of:

- Water supply and water infrastructure

For the 2024/25 year this rate will be 920.40 per separately used or inhabited part of a rating unit in the City which is provided with an unmetered water supply.

“Connected” means any rating unit to which water is supplied.

What this means for rates - Funding Impact Statement (Rating)

12. POOL INSPECTION

A targeted rate set under section 16 of the Local Government (Rating) Act 2002 on properties with pools that are on councils register of pool fence and barrier inspections.

- Funds the cost of the three yearly pool inspection.

For the 2024/25 year this rate (to two decimal places) will be:

1. $107.00 on every rating unit with a pool that is required to be inspected.

13. MAINSTREET RATES

Targeted rates set under section 16 of the Local Government (Rating) Act 2002 on all Commercial and Industrial rating units in Tauranga CBD, Mount Maunganui Mainstreet, Greerton Village Mainstreet and Pāpāmoa Mainstreet for purposes of providing costs of:

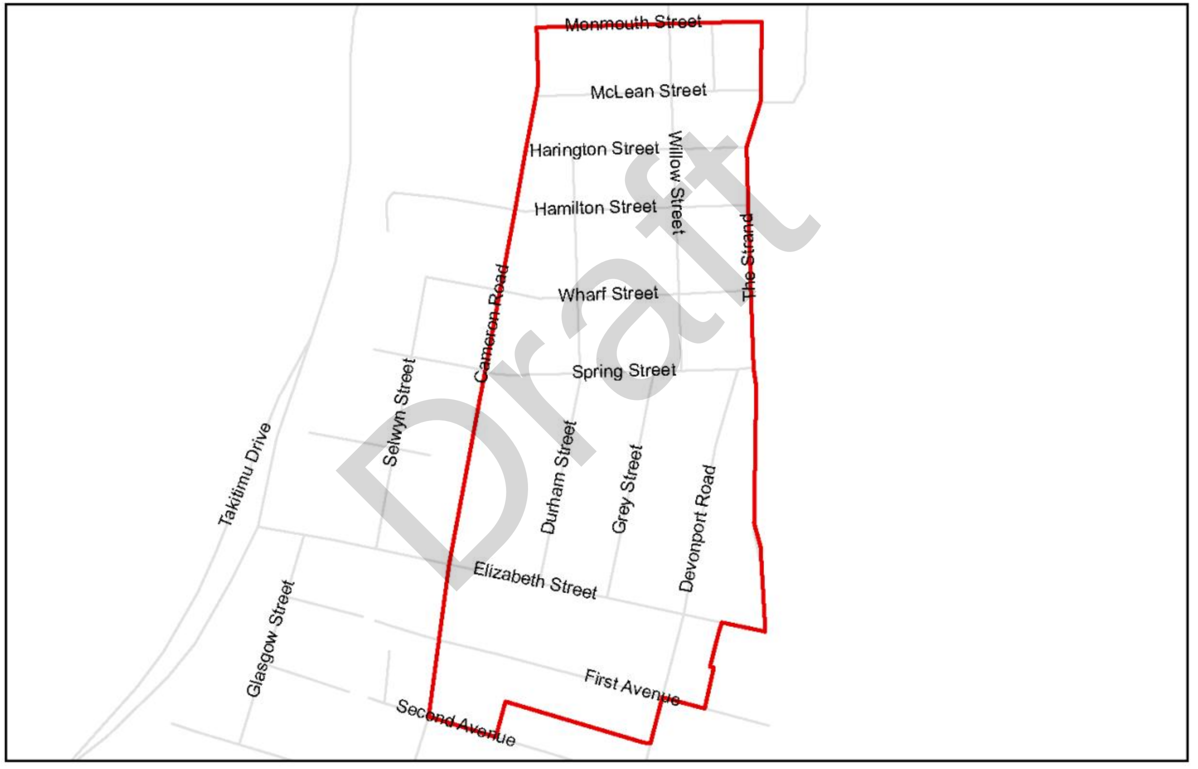
- Promotion of business through grants to each individual Mainstreet Organisation.

For the 2024/25 year the amounts of the rates will be

1. $0.00044647 per dollar based on the rateable capital value of all rateable land for "Commercial and Industrial" rating units within the Tauranga Mainstreet (CBD) area (see map).
2. $0.00052550 per dollar based on the rateable capital value of all rateable land for "Commercial and Industrial" rating units within the Mount Maunganui Mainstreet area (see map).
3. $0.00159156 per dollar based on the rateable capital value of all rateable land for "Commercial and Industrial" rating units within the Greerton Village Mainstreet area (see map).
4. $0.00032613 per dollar based on the rateable capital value of all rateable land for "Commercial and Industrial" rating units within the Pāpāmoa Mainstreet area (see map).

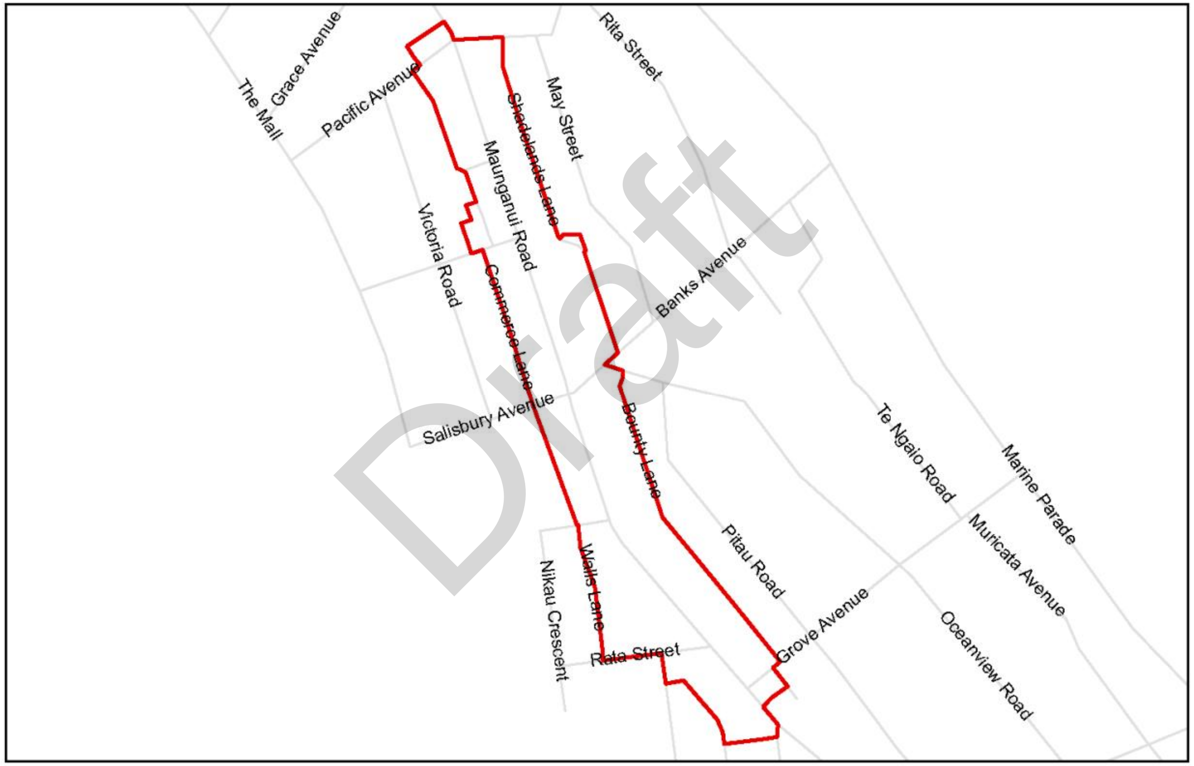
* within the area means rating units on the inside of the road defining the boundary on the map.

What this means for rates - Funding Impact Statement (Rating)



Tauranga Mainstreet Area

What this means for rates - Funding Impact Statement (Rating)



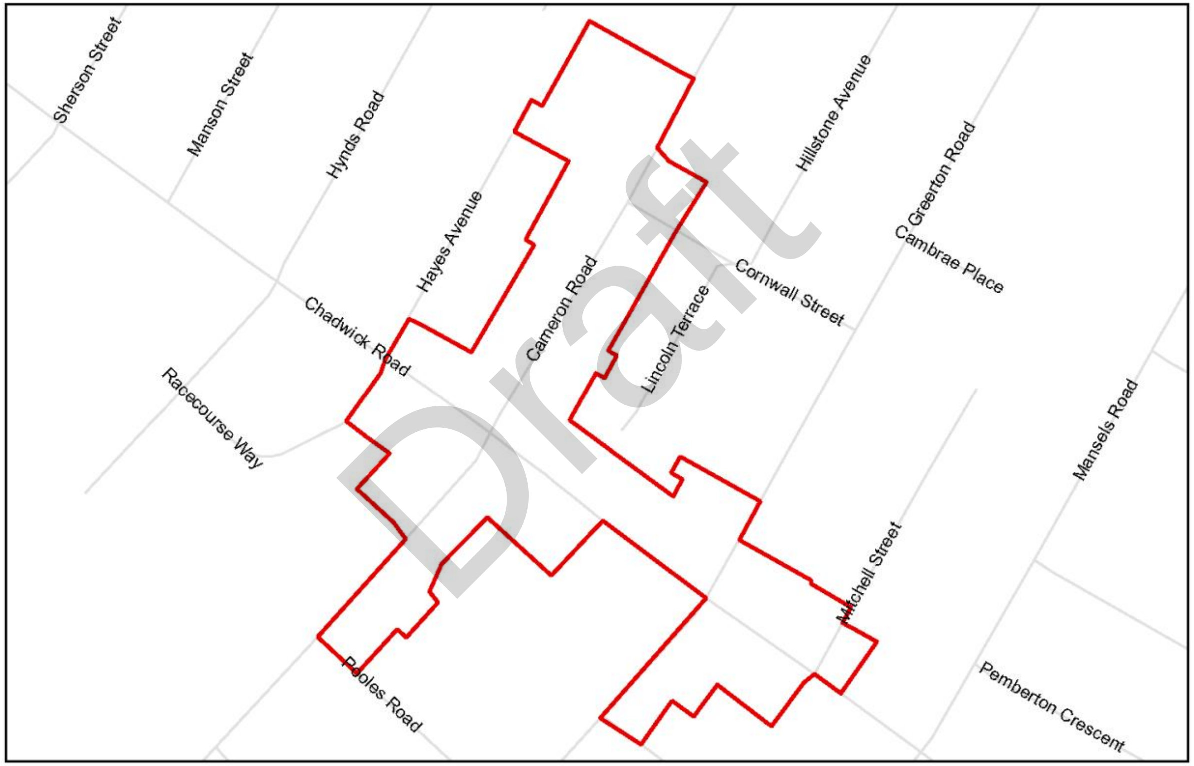
Mt Maunganui Mainstreet Area

Attachment 3

AS AT 08 NOVEMBER

FINANCE 291

What this means for rates - Funding Impact Statement (Rating)



Greerton Mainstreet Area

Attachment 3 AS AT 08 NOVEMBER
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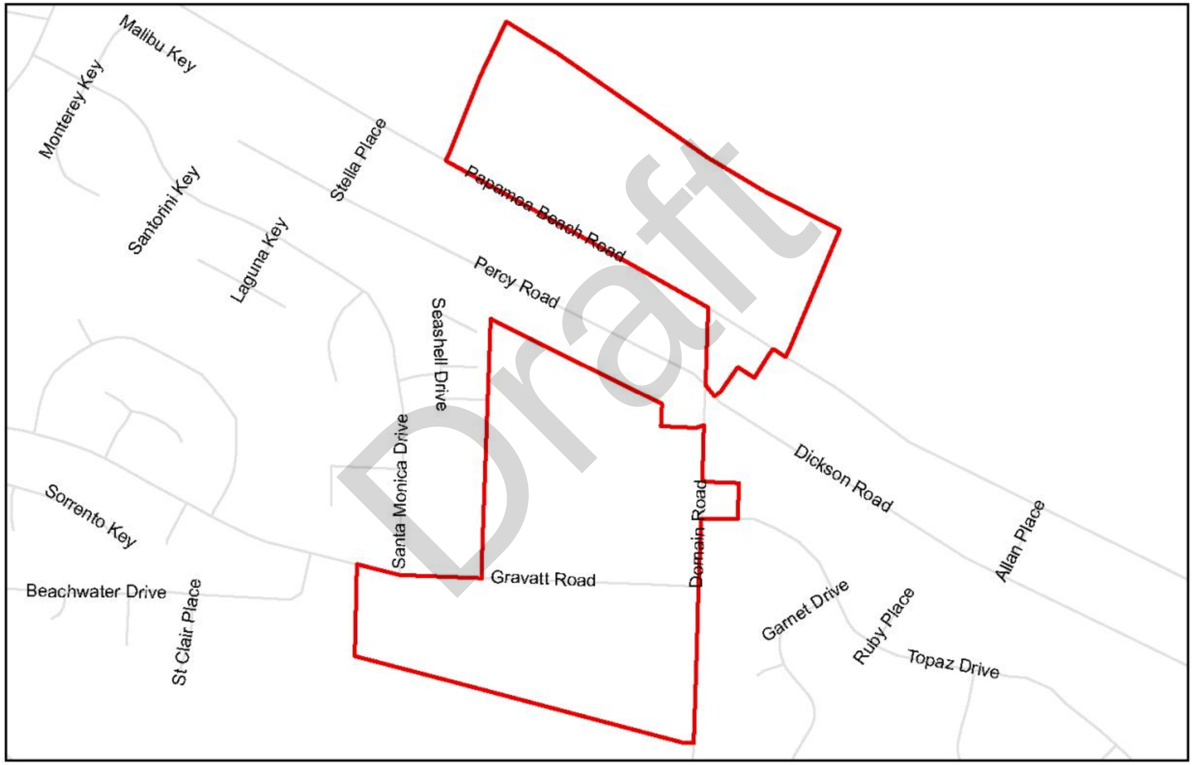
What this means for rates - Funding Impact Statement (Rating)



Papamoa Mainstreet Area

What this means for rates - Funding Impact Statement (Rating)

14. SPECIAL SERVICES RATES

Three targeted rates set under section 16 of the Local Government (Rating) Act 2002 in The Lakes, Pāpāmoa Coast and Excelsa subdivisions for purposes of providing costs of:

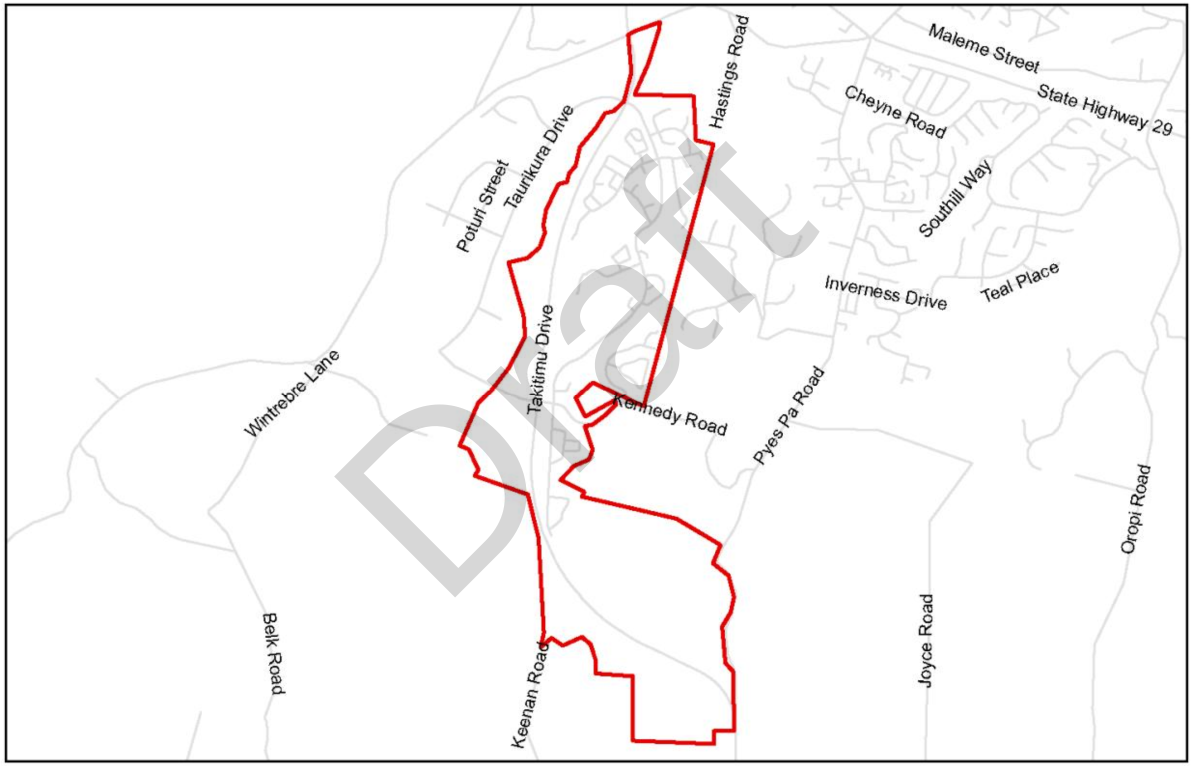
- Additional level of service provided in relation to maintenance and renewal of street gardens (Lakes, Excelsa), paths (Lakes, Coast), trees (Lakes, Coast, and Excelsa), lighting (Excelsa) and pond maintenance (Lakes).

For the 2024/25 year these rates (to two decimal places) will be:

1. $105.32 on every rateable rating unit within the Lakes Subdivision (see map).
2. $36.00 on every rateable rating unit within the Pāpāmoa Coast Subdivision (see map)
3. $53.07 on every rateable rating unit within the Excelsa Subdivision (see map).

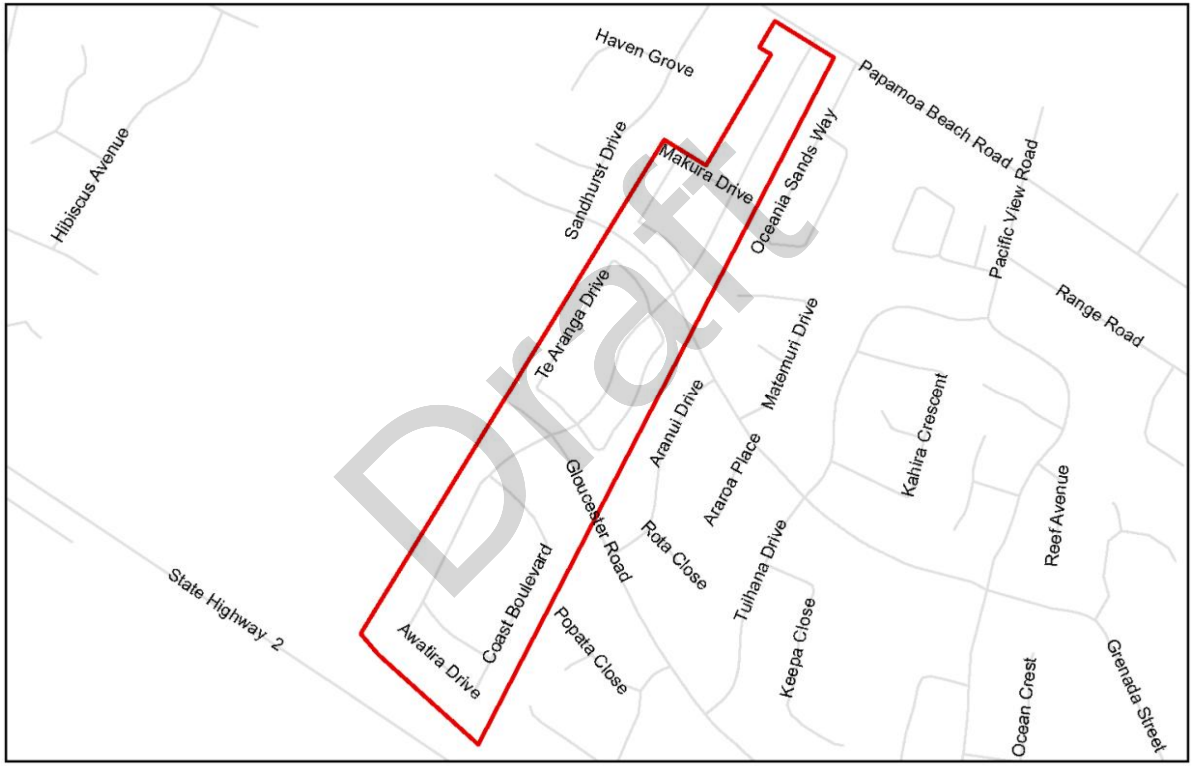
* within the area means rating units on the inside of the road defining the boundary on the map.

What this means for rates - Funding Impact Statement (Rating)



The Lakes Subdivision Area

What this means for rates - Funding Impact Statement (Rating)



Papamoa Coast Subdivision Area

Attachment 3
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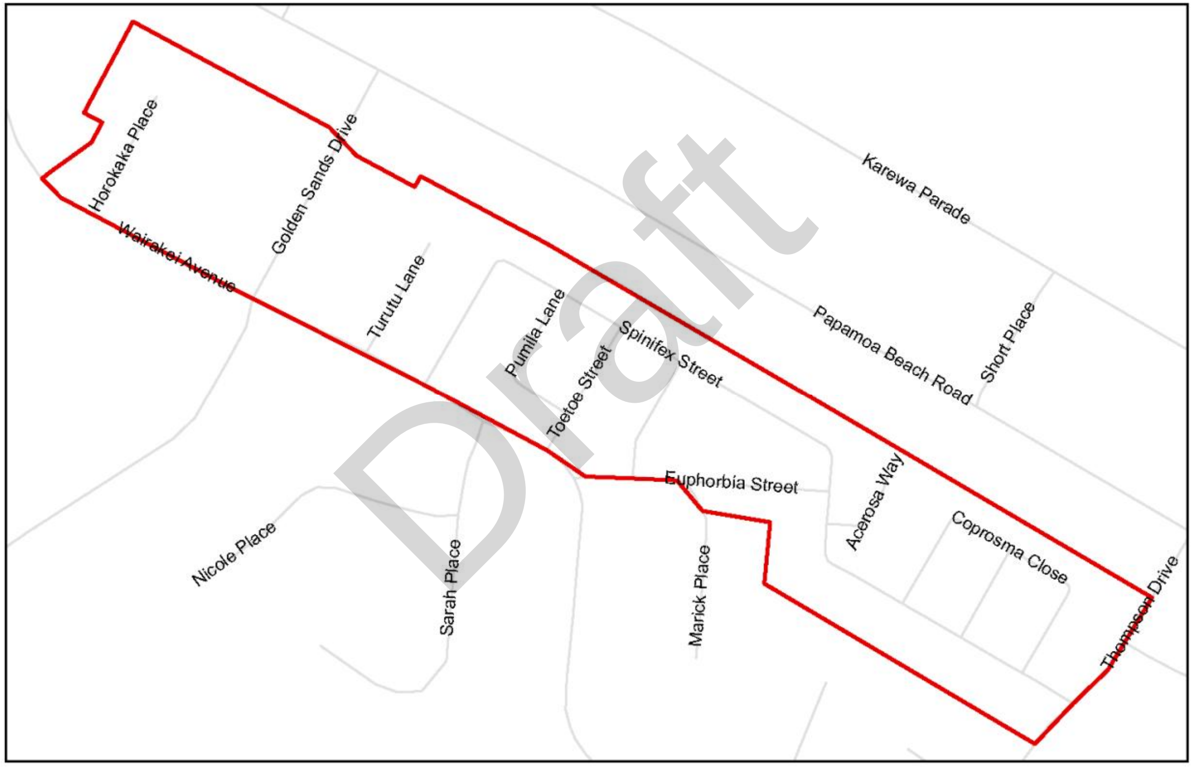
AS AT 08 NOVEMBER

What this means for rates - Funding Impact Statement (Rating)



Excelsa Subdivision Area

What this means for rates - Funding Impact Statement (Rating)

INDICTATIVE PROPERTY RATES (SINGLE OCCUPANCY, ONE TOILET FOR RESIDENTIAL AND TWO TOILETS FOR COMMERCIAL)														
Your proposed rates breakdown for 2024/2025														
	Capital Value 2021	Urban Growth	Waste water	Waste (kerbside)	Resilience	Flood control	UAGC	General rates	2024/2025 proposed	2023/2024 rates	Increase %	Increase $/ pw	Transportation IFF Levy Increase %	Transportation IFF Levy Increase $/pw
Residential														
Low Residential (1%)	$385,000	$34	$646	$245	$5	$2	$300	$877	$2,110	$1,997	5.7%	$2.17	1.3%	$0.51
Lower Quartile (25%)	$785,000	$34	$646	$245	$11	$5	$300	$1,787	$3,029	$2,844	6.5%	$3.54	1.9%	$1.05
Median (50%)	$980,000	$34	$646	$245	$14	$6	$300	$2,231	$3,477	$3,258	6.7%	$4.21	2.1%	$1.31
Upper Quartile (75%)	$1,220,000	$34	$646	$245	$17	$8	$300	$2,778	$4,028	$3,766	6.9%	$5.03	2.2%	$1.63
High residential (99%)	$3,930,000	$34	$646	$245	$55	$25	$300	$8,947	$10,253	$9,510	7.8%	$14.29	2.9%	$5.25
	Capital Value	Urban growth	Waste water	Economic Develop-ment	Resilience	Flood control	UAGC	General rates	2024/2025 proposed	2023/2024 rates	Increase %	Increase $/ pw		
Commercial														
Lower Quartile (25%)	$1,052,500	$34	$1,292	$379	$24	$11	$300	$5,032	$7,072	$6,801	4.0%	$5.20	5.0%	$6.48
Median (50%)	$2,030,000	$34	$1,292	$730	$46	$21	$300	$9,706	$12,129	$11,615	4.4%	$9.87	5.6%	$12.49
Upper Quartile (75%)	$3,580,000	$34	$1,292	$1,287	$81	$37	$300	$17,116	$20,148	$19,249	4.7%	$17.28	5.9%	$22.03
High commercial (99%)	$78,230,830	$34	$1,292	$28,134	$1,767	$806	$300	$374,026	$406,359	$386,920	5.0%	$373.83	6.5%	$481.30
	Capital Value	Urban growth	Waste water	Economic Develop-ment	Resilience	Flood control	UAGC	General rates	2024/2025 proposed	2023/2024 rates	Increase %	Increase $/ pw		
Industrial														
Lower Quartile (25%)	$715,000	$34	$1,292	$257	$16	$7	$300	$4,395	$6,302	$5,139	22.6%	$22.37	4.5%	$4.40
Median (50%)	$1,460,000	$34	$1,292	$525	$33	$15	$300	$8,975	$11,174	$8,808	26.9%	$45.50	5.3%	$8.98
Upper Quartile (75%)	$3,140,000	$34	$1,292	$1,129	$71	$32	$300	$19,302	$22,161	$17,082	29.7%	$97.66	5.9%	$19.32
High commercial (99%)	$30,853,000	$34	$1,292	$11,095	$697	$318	$300	$189,656	$203,392	$153,574	32.4%	$958.03	6.4%	$189.82

The new Transportation Infrastructure Funding and Financing levy, replacing the previous transportation targeted rate, will be included on your rates bill from 1 July 2024. The levy is not a rate however it functions in a similar way, including setting penalties on late payment, and collection powers. The levy is collected by council on behalf of a special purpose vehicle company set up to provide the external funding for specific transportation projects. Your investment in these projects will help build a transportation network that will benefit your community.

The capital value bands are calculated using the current rating values from 1 July 2021. The rating impact may change following certification of new rating values with a new base date of 1 May 2023. These new values will be used to set and assess rates from 1 July 2024. The valuations do not change the rates budget, instead they change the allocation of the budget on individual properties.

Attachment 3 AS AT 08 NOVEMBER
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What this means for rates - Funding Impact Statement (Rating)

INDICATIVE PROPERTY RATES (SINGLE OCCUPANCY) TO INDICATIVE LEVEL OF SERVICE RATES				
What your rates are made up of for 2024/2025 (Incl GST)				
Indicative Level of Service rates	**2024/2025 proposed**	**2023/2024 rates**	**Increase**	**Increase $/pw**
The Lakes	$105.32	$102.75	2.5%	$0.05
Coast (Pāpāmoa)	$36.00	$35.01	2.8%	$0.02
Excels (Pāpāmoa)	$53.07	$51.78	2.5%	$0.02

INDICATIVE PROPERTY RATES (SINGLE OCCUPANCY) TO INDICATIVE MAINSTREET RATES					
What your rates are made up of for 2024/2025 (Incl GST)					
Indicative Mainstreet rates	**Average Capital Value 2021**	**2024/2025 proposed**	**2023/2024 rates**	**Increase %**	**Increase $/pw**
Tauranga	$4,203,000	$1,877	$1,872	0.2%	$0.08
Mount	$4,227,000	$2,221	$2,116	5.0%	$2.03
Greerton	$2,062,000	$3,282	$3,128	4.9%	$2.95
Pāpāmoa	$3,945,000	$1,287	$1,170	10.0%	$2.25

INDICATIVE WATER RATES				
What your rates are made up of for 2024/2025 (Incl GST)				
Indicative Water rates	**2024/2025 proposed**	**2023/2024 rates**	**Increase**	**Increase /m3**
Volumetric rate (m3)	$3.54	$3.40	4.0%	$0.14
	2024/2025 proposed	**2023/2024 rates**	**Increase**	**Increase $/pw**
Base charge (connection size)				
20	$38.48	$37	4.0%	$0.03
25	$72.80	$70	4.0%	$0.05
32	$72.80	$70	4.0%	$0.05
40	$300.56	$289	4.0%	$0.22
50	$594.88	$572	4.0%	$0.44
80	$1,188.72	$1,143	4.0%	$0.88
100	$1,463.28	$1,407	4.0%	$1.08
150	$1,463.28	$1,407	4.0%	$1.08
200	$1,463.28	$1,407	4.0%	$1.08
250	$1,463.28	$1,407	4.0%	$1.08

LET'S GO!

HERE'S OUR PLAN FOR THE NEXT 10 YEARS

Tauranga City

WE'RE WORKING FOR YOU

Long-term Plan 2024-34 Consultation Document

INVESTING IN OUR FUTURE
MAKING THINGS FAIRER
DOING THE MAHI

Find out more **letstalk.tauranga.govt.nz/longtermplan**

Tauranga City

About this document

Every three years, councils are required to publicly consult on and adopt a long-term plan (LTP) that outlines the direction, investment priorities and budget overview for the 10 years ahead.

This is our draft plan, for your feedback, to continue moving Tauranga forward over the next 10 years and beyond. It's important we hear from all sectors of our community to help shape our city's future.

Parts of this document

Parts Two to Four is our big picture, where we outline our direction, challenges and priorities that have shaped this draft LTP.

Part Five is where *you* get to shape the plan, this has the issues and proposals for you to feedback on that relate directly to this LTP, these are:

1. Whether we introduce a new industrial rating category.
2. Whether we introduce new targeted rates.
3. Whether we sell our two carparking buildings to raise capital for other city projects/help pay for the city centre transformation.
4. Whether we commit to a Community Stadium at Tauranga Domain in this decade.

In Part Six we talk to you about some other ideas for consideration that won't be included in this LTP, but depending on community feedback, we may explore them further and come back to you through a formal consultation process in the near future. These are:

1. Whether we should provide more incentives for development to enable more people to live and work in the city centre, and;
2. Whether we explore SmartTrip variable road pricing to help reduce congestion and fund transport improvements.

In Part Seven we have other Council consultations for your feedback that we run concurrently to this LTP.

Part Eight lets you know what remains a priority but has had to be delayed beyond the 10 years of our LTP.

Part Nine and Ten we outline our 30-year Infrastructure Strategy and explain our finances and forecasting assumptions.

Part Eleven is the all-important submission form where you can give us your feedback on any or all of the topics we are consulting with you on.

Water Services Reform

This Long-term Plan has been prepared in accordance with current legislation, 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 Long-term Plan.

For further information please see: **Water Services Reform – Technical Disclosure on pg. 84** of this document.

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 — 14 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 the feedback from the community

Adopt Long-term Plan
22 April 2024

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

Long-term Plan is in place
1 July 2024

Giving us your feedback

Visit letstalk.tauranga.govt.nz/longtermplan

Go to...

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 authority number 370
2021-31 Long-term Plan Amendment
Tauranga City Council
Private Bag 12022
Tauranga 3143

Talk to us...

Come and chat to us at one of our events. These are meetings where your views can be shared directly with commissioners and/or staff.

Community events

Drop-in sessions (drop in anytime for a quick chat)

Saturday 18 November, 9.30am to 5pm, Bayfair Shopping Centre, Arataki

Monday 20 November, 11am to 1pm, Mount Hub, 9 Prince Avenue, Mount Maunganui

Saturday 25 November, 9am to 2pm, Mount – Little Big Market, Coronation Park

Saturday 2 December, 9am to 2pm, Pāpāmoa – Little Big Market, Pāpāmoa Pony Club

Sunday 3 December, 10am to 1pm, Bethlehem Town Centre

Monday 4 December, 6pm to 7.30pm, 306 Cameron Road

Saturday 9 December, 10am to 2pm, The Crossing, Tauriko

Wednesday 13 December, 7.30am to 9am, 306 Cameron Road

Evening event

Join us for a presentation-style look at our 10-year plan and learn more about SmartTrip - an idea for helping to solve traffic congestion.

Wednesday 22 November, 5.30pm to 7pm, Western Bay of Plenty District Council Chambers, Barkes Corner

For a full list of activities and events, and all the ways you can tell us what you think, go to letstalk.tauranga.govt.nz/longtermplan

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

Wāhanga tahi: He pānui mai i ngā Kaikōmihana

Part one: A message from the Commissioners

Haere mai

Welcome

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. 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 has been the subject of a separate community consultation process ahead of this 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, so this is not part of the formal consultation process, but we would really like the widest possible community feedback on this possible future proposal. See pages 56 to 61 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. Subject to the community feedback, this project is scheduled to start at the end of this decade (2029/30), which would give future councils time to put the necessary 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 State Highway 29 (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 Pāpāmoa 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.

Your Commissioners

Anne Tolley
Commission Chair

Stephen Selwood
Commissioner

Bill Wasley
Commissioner

Shad Rolleston
Commissioner

Wāhanga rua: Tō tātou Ahunga
Part two: Our Direction

(Council's strategic framework)

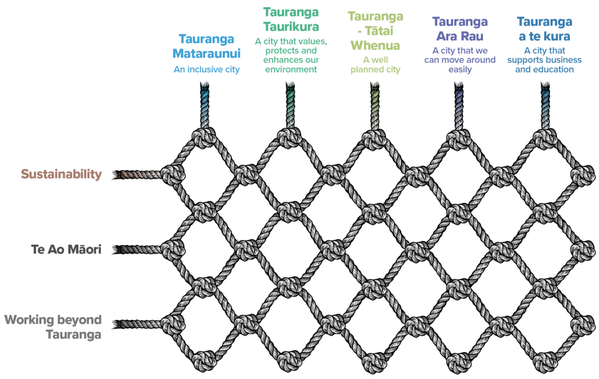
OUR DIRECTION
(Strategic framework)

Vision for Tauranga
Tauranga, together we can

Prioritise nature | **Lift each other up** | **Fuel possibilty**

Our Direction
This is how Council contributes to the Vision for Tauranga

– through delivery on our community outcomes interwoven with our approaches to everything we do.



Council's six strategies
One primary strategy for each community outcome, plus two holistic strategies that contribute to all community outcomes.

Council's 40+ Action and Investment Plans (AIPs)
(Our roadmaps to delivering the strategies)

Each AIP contributes to more than one community outcome. AIPs only include action to 'move forward' - they do not include operational delivery.

Actions within AIPs are mainly actions that will require significant investment in future Long-term Plans. AIPs identify projects for consideration during each Long-term or Annual Plan process.

You can find more detail on Our Direction on our website at:
https://www.tauranga.govt.nz/our-future/our-direction

DELIVERY
(Our commitments)

As Council delivers and reports on its Long-term Plan, it reviews and adjusts its strategic direction (every 3+ years)

Long-term Plan
A 10-year plan for what Council has decided to do, delivers on Council's strategic direction (note: the Infrastructure Strategy and Financial Strategy form part of the Long-term Plan's suite of documents)

Infrastructure Strategy
A 30-year plan outlining Council's priorities and approach for the delivery of essential city infrastructure

Financial Strategy
A 10-year plan that sets out how Council will manage its finances so it can sustainably deliver on its Long-term Plan

Council's strategic direction informs and guides the development of its Long-term Plan and associated documents

Wāhanga toru: Tā tātou wero matua: kia taurite pū

Part three: Our biggest challenge: striking the right balance

Like all councils Aotearoa New Zealand, we're facing different challenges today than we were two years ago when we consulted on the 2021-31 Long-term Plan. We know it's hard to talk about the investment the city needs when the cost of living is front of everyone's mind.

Our plan for the next 10 years and beyond hasn't changed much since we last talked with you, but due to factors outside of our control, the cost of delivering it has increased significantly. Just like any household, our finances are being stretched by general inflation and higher interest rates, plus increased construction costs, and together with the community, we have to make critical decisions on where we spend our money.

We are working hard to keep our costs and rates increases as low as possible by delaying or deferring some projects, while still delivering on the priority projects we've started to address the city's key issues and prevent Tauranga slipping further behind. In fact, it would be fiscally irresponsible to stop what we have started, because picking these projects up again in years to come will cost the city even more.

As a growing city, we need to commit to a certain level of investment to maintain what we have now and provide for future growth. And we need to invest more in infrastructure and planning to increase our resilience to the effects of climate change, such as the extreme storms, flooding and storm surges experienced across the country.

We can keep going as planned, further increasing rates, fees and charges and debt. Or we can change the scale and timing of planned investment, while maintaining healthy communities; working to keep the city progressing; and delivering on agreed priorities. You'll see we have opted for the latter option in this LTP.

We know our city needs more homes to accommodate our growing population and we are continuing to prioritise providing for growth and improving infrastructure, amenity and services for our existing community. But, Council alone can't afford to fund all the infrastructure required to open up land needed for development in this decade.

To reflect this, we are proposing to limit our growth investment to the western corridor and in existing urban areas, and defer some investment in growth and community amenity to beyond the 10-year period of this LTP.

We need to strike the right balance between what's needed to deliver important projects and core services for the city, and what we can afford.

The solution must be a careful mix of:

- how much we invest
- how much we borrow
- how much revenue we collect.

This LTP has a strong emphasis on ensuring everyone is paying their fair share, to make sure those who benefit from Council infrastructure, facilities and services contribute fairly to their cost. A fairer rating system also means we can keep general rates increases under control.

A broken funding system

A recent review into the future for local government in Aotearoa New Zealand highlighted significant funding issues for councils and tells the story of a broken system. We know we're not alone in facing these challenges with most councils struggling to balance rates affordability with achieving the outcomes needed for their communities. The existing funding model is not sustainable or affordable, and local government has been under significant funding pressure for many years.

The financial benefits of growth are currently seen by central government through the taxation system, while the costs of managing growth remain with local government. While proposed infrastructure reforms may shift some responsibilities away from local government, these underlying issues are likely to continue. Relying on rates and introducing new revenue tools will not be enough for a sustainable local government funding model.

The panel conducting the review recommended a substantial overhaul of the local government funding and finance system, along with a new local government structure and substantial central government investment. It noted that numerous local government funding reviews have highlighted these problems and recommended changes to the system, without action from central government. That failure to act has resulted in compounding issues for local government.

An improved local government funding system is likely to take some time to be agreed upon and implemented, so we will have to continue operating within the current framework. In general, our long-term direction follows our previous path of providing for growth and improving infrastructure, amenity, and services for our existing community.

Given our challenges and the unsustainable local government funding model, we're going to have to make some tough decisions and we'll need your help, but we're confident that together, we can create a vibrant, well-planned city with people at its heart.

Wāhanga whā: ā tātou whakaarotau
Part four: Our priorities

We live in one of the fastest growing regions in Aotearoa New Zealand and while that growth can feel daunting at times, the evidence suggests that when managed well, the benefits of living in a growing city outweigh the downsides.

That's why cities exist in the first place. Growing cities that are properly invested in not only bring economic benefits, but fresh ideas, vibrant communities and new possibilities.

It is no secret that we have been resetting our course to make sure our growth will no longer hold us back but be our success story.

You've told us loud and clear what you love most about Tauranga, and we're listening. We've heard you want to live in a place where we look after our environment, lift each other up, and foster creativity, business and education.

We've made some big, ambitious decisions, but putting those decisions into action is where the hard work lies.

Yes, the changes we're seeing are rapid and can certainly have their frustrations for people as we navigate the construction and new development underway around our city, but doing nothing is simply not an option.

Our six priorities for the next 10 years and beyond continue to reflect yours:

Priority	Description	Our investment
Community spaces and facilities	This investment will deliver much needed facilities and community spaces for our existing communities and increase vibrancy and wellbeing in our city. Community facilities in growth areas are also an area of focus under this initiative.	$573m
Growth in existing urban areas	Investing in growth in existing urban areas will deliver additional housing in Wairākei (east Pāpāmoa) and enable intensification in areas such as Te Papa and Ōtūmoetai.	$356m
Revitalising the city centre	Revitalising our city centre so it once again becomes the thriving, beating heart of Tauranga.	$503m
Transport network upgrades	Council is committed to increasing the capacity and quality of the city's transport network, making it easier and safer for our communities and visitors to get around the city.	$1,381m
Growth in the West (Tauriko)	This work is an essential part of addressing existing housing shortages and providing for Tauranga's growing population, as well as delivering commercial and industrial infrastructure.	$79m
Sustainability and resilience	We are planning for the future, ensuring as a city we are ready for our changing environment, to address climate change and can stay connected in the event of an emergency and/or natural disaster.	$119m

Ātea hapori me ngā hanga whaitake
Community spaces and facilities

Community spaces and places are where people can engage in sport and play, walk and cycle, have connections with others, learn, and have fun.

They include parks, pools, libraries, halls, theatres and sports fields. They contribute to our social, cultural, physical and mental wellbeing – and make our city a great place to live.

However, in Tauranga, we're in catch-up mode. After a long period of underinvestment, we don't have enough spaces and places to provide for the people who live here now, let alone the people who will move here the future.

Many facilities are worn out or nearing the end of their lives because, for many years, they haven't received the investment they needed.

Our population has doubled or tripled since many of our spaces and places were built or developed – and more people are coming to live here every day. This means we need to find ways to fund the upgrades, replacements and new places and spaces we need – this includes working with partners to redevelop what we already have.

Continuing our investment in our community facilities and amenity remains our priority for the next 10 years and beyond.

Over the next 10 years we're proposing to invest $616 million in community facilities and amenity, including aquatics, sports halls, sports fields and libraries. Also, through the accessible recreation programme, we are proposing to invest in boardwalks, park furniture, shade, sports facilities and accessibility solutions to enable our varied and growing community to connect, explore and engage in valued experiences across the city.

What we're delivering

- Kulim Park– a major upgrade of the park is now complete, with a large neighbourhood reserve playground, cycle tracks, basketball court and boardwalks.
- Marine Parade Coastal Path – 4 metres wide coastal path from the Cenotaph through to the end of Marine Parade
- Omanawa Falls Safe Access – carpark, and walkway to provide safe access to view Omanawa Falls
- Realignment of the Kopurererua Valley Stream and planting
- Construction of new community centres for the Merivale and Gate Pa Communities
- Destination Skatepark – Construction of a premier skate facility in Mount Maunganui
- Te Papa Tākaro o Tongaparaoa – Ila Park Upgrade – Major upgrade of the park, including a co-designed neighbourhood playground, basketball court and new toilet facilities.

What's still to come in the next 10 years

- Mercury Baypark – relocation of Tauranga Netball and Athletics to Mercury Baypark and the development of the site as a multi-sport community facility
- Blake Park – development of the site to enhance its status as a premier field sports hub
- Gordon Spratt Reserve – investment in fields and facilities to enable the park to provide better community sport
- Local Reserves and Walkways – an extensive programme of investment in local reserves to enable them to provide for play, community, culture and nature
- Indoor Courts – providing additional capacity for community sport across the city
- Marine Park – providing additional recreational boat access and park upgrades
- Memorial pool and recreation hub completed by the end of 2027

Investments include the following:

Active Reserve Development	$109m
Bay Venues Facility Development	$59m
Community Centres	$25m
Historic Village Development	$12m
Marine Park/Sulphur Point Development	$32m
Memorial Park Aquatics, Recreation Hub & park enhancements	$128m
Neighbourhood Reserves & Other Minor Projects	$30m
Other Community Amenity Development	$99m
Parks & Property Renewals	$78m

Pikinga tatauranga ki ngā rohe taone
Growth in existing urban areas

To provide for growth, we're going to need a lot more houses, more schools, parks and playgrounds, and our waters and transport infrastructure will need to be able to cater for a lot more users.

We're working on all these things through different projects, to ensure we preserve what we love about our city, while also seizing the chance to build and improve on it, so that we can all enjoy the benefits of our growth: choice and opportunity.

We are progressing a range of projects, on our own and in partnership with other councils, government and tāngata whenua, including joint growth planning through the SmartGrowth partnership, and as part of the Urban Form and Transport Initiative (UFTI), which works to unlock much-needed capacity for more housing and helps resolve transport issues across the region.

We are making smarter use of our existing residential footprint by enabling the 'building-up' of new homes, allowing for greater housing choices, such as apartments and townhouses. You can see this intensification already happening in and around our city centre and along the Te Papa peninsula.

We've been given strict direction from the Government to do this, and we have responded with Plan Change 33 – Enabling housing supply. To find out more see the following link: https://www.tauranga.govt.nz/Council/Council-documents/Tauranga-City-Plan/Proposed-plan-changes/Plan-Change-33-Enabling-housing-supply

Allowing for more medium-density housing in our existing residential areas, such as low-rise apartments, terrace housing and townhouses, not only helps us fill our significant housing shortage, but it offers greater housing choices for future generations.

Alongside intensification, we're also continuing to invest in the city's existing greenfield urban growth areas, including in roading projects like the construction of the Pāpāmoa East Interchange to support a new town centre to be located on the boundary of the Wairākei and Te Tumu urban growth areas in Pāpāmoa East.

As you move around the city today, you will see a lot of the work underway to create a vibrant, well-planned city with people at its heart.

National Policy Statement on Urban Development

The National Policy Statement on Urban Development (NPS-UD), which is a government standard, requires us to enable higher-density living close to employment and where commercial and business areas are easily accessible by active or public transport networks. The NPS-UD specifies that 'sufficient land capacity' must be provided to meet expected demand.

Under the NPS-UD 'sufficient land capacity' means that the council must meet the anticipated demand plus 20% more over the 10-year period and 15% more in the 10-year to 30-year period.

However, even though the expenditure we are proposing in this Long-term Plan enables development in Te Papa, Te Tumu and Tauriko West, we cannot meet the 'sufficient land capacity' requirement under the NPS-UD because processes such as rezoning and some issues associated with access and development of Maori land, are still to be addressed.

For further information please refer to the SmartGrowth Housing & Business Capacity Assessment Summary 2022 found in the supporting documentation.

Note: as the NPS-UD was created under the Resource Management Act it has the force of a regulation. While there are no specific consequences for non-compliance, we need to look at all options to achieve compliance and to provide information about how we are doing this.

What we're delivering

- We're making changes to our planning rule book to allow for more medium density housing in our residential zones.
- The transformation of Cameron Road is well underway to improve its safety and offer a wider range of transport options, so people can choose to cycle, walk, bus or drive.

- We're implementing recreation improvements at the Crown-owned Tauranga Racecourse Reserve in Greerton to support our growth while we await the outcome of the Te Whatu Ora – Health New Zealand business case, which decides whether the land is required for a new hospital.
- Work is underway to connect Memorial Park to the city centre through a picturesque coastal pathway.
- Our spatial plans for Te Papa and Ōtūmoetai have been adopted, and we're currently engaging on the Mount to Arataki Spatial Plan, setting the direction for all three areas for the next 30 years.

What's still to come in the next 10 years

Over the next 10 years, we're proposing to invest $356 million in existing zoned areas, including $205 million on transport and $57 million related to community spaces and places.

We'll be completing the Cameron Road transformation and the construction of the Pāpāmoa East Interchange linking to the Tauranga Eastern Link; implementing the Te Papa, Ōtūmoetai and Mount to Arataki Spatial Plans; and developing the future plans for the Tauranga Racecourse Reserve.

Investments include the following:

Eastern Corridor	$200m
Te Papa Intensification	$104m
Ōtūmoetai Intensification	$24m
Mount Intensification	$8m
Pyes Pā West	$14m
Bethlehem	$6m

Whakahoutanga pokapū tāone
Revitalising the city centre

When the commissioners first joined Tauranga City Council at the start of 2021, they were saddened to see the state of the city centre, which in part reflects worldwide trends, as well as the inaction of previous councils.

Revitalising our city centre so it once again becomes the thriving, beating heart of Tauranga, remains an absolute priority for the Council and its transformation is well underway.

We've committed $306 million to the development of a new civic precinct – Te Manawataki o Te Papa. This will be the biggest investment the city centre has ever seen and will include a new library and community hub; a civic whare (community meeting place); a museum where the city's heritage can be displayed; an exhibition gallery; and landscaping linking the civic precinct with Masonic Park and the nearby waterfront reserve.

We are committed to capping the community's rates/levy-funded debt to a maximum of $151.5 million for the Te Manawataki o Te Papa project cost. A sound financial strategy is in place so we can keep to this commitment, firm up our funding options (which includes raising the additional $151.5m through external grants and contributions or asset sales) and check in at key project milestones to confirm we have the investment we need before we proceed.

For more information visit: https://www.tauranga.govt.nz/civicprecinct

Along with Te Manawataki o Te Papa, there are a raft of other exciting projects happening across the city centre, both in the public and private sector, that are all contributing to its revitalisation (including a Community Stadium at Tauranga Domain. The preferred option identifies $35m of external funding, which would be sought, through community grants and other sponsorship, closer to the time the investment commences). It's vital that we keep this confidence and momentum in the city centre going - so generations now and in the future can benefit.

What we're delivering

- Our customer service centre and central library are now in their temporary location 'He Puna Manawa' on Devonport Road.
- With the business case now approved, work begins on the full programme of works for Te Manawataki o Te Papa.
- Work has commenced on what's set to be the country's largest mass timber office building and Council's future, home leased administration block at 90 Devonport Road.
- Other projects completed or underway include: the railway underpass along the Strand Extension; Stage One of the Dive Crescent off-street carpark, with more than 100 carparks now available for community use; the upgrade of Tunks Reserve at Elizabeth St East, including a new stairway linking with the Strand Extension.

What's still to come in the next ten years

- Completion of the full programme of works for Te Manawataki o Te Papa expected by the end of 2028.
- Masonic Park upgrade completed by the end of 2024.
- Wider waterfront transformation, including boardwalk, new green spaces, playground and Beacon Wharf upgrade.
- Development of 90 Devonport Road completed, and Council staff relocated.

Investments include the following:

Te Manawataki o Te Papa*	$227m
Community Stadium - Tauranga Domain**	$81m
City Centre Waterfront Development	$28m
Other City Centre Development & Streetscape	$167m

* remaining work from 2025, with the programme totalling $306m from 2023

** identified as separate consultation item

Whakahoutanga whatunga tūnuku
Transport network upgrades

It will come as little surprise that investing in our transport system remains a key priority for Tauranga.

The congestion many are experiencing is not only frustrating – it is also bad for our local economy.

Tauranga is growing and changing fast. The coastal fringe along to Pāpāmoa East is expected to grow significantly over the next 40 years, housing another 30,000 people by 2060. And of course, more people means more traffic.

That's why we're investing in a fit-for-purpose transport network to meet the needs of our growing city, now and in the future.

We are committed to developing 'liveable communities' that ensure people are connected to the places they live, learn, work and play.

To get our city moving, and keep it moving, we must continue to invest in all transport modes, recognising that it is essential to provide safe alternatives for people to get around more easily on foot, bicycle and public transport, which in turns frees-up road space for those who drive.

For too long, our roading assets have been run-down due to insufficient investment in their renewal and upkeep, this includes everything from road surfaces, the bridges, the pavements, cycle ways and more. We're helping to correct this by increasing the maintenance funding of our roading infrastructure by 75%. It is much smarter and cheaper to intervene and renew aging assets now, before they get much worse. Failing to do so could cost ratepayers up to five times more in the future.

This is a team effort. We're acting now, in a partnership between central and local government, tāngata whenua and businesses, on a shared transport vision - the Transport System Plan - to develop transport options for the future that will create better and safer connections for people and goods and protect our environment for future generations.

What we're delivering

- Since our previous LTP 21-31, 4 km of new walkways/cycleways have been completed or are under construction across our city, including along Totara Street, Ngatai Road, and Wairoa cycle connection, with more to come following public consultation in Arataki, Welcome Bay and Ohauiti and the Ōtūmoetai peninsula.
- We've resurfaced a total of 39km of road together with 5980m^2 of road rehabilitation works, upgraded more than 12,278 streetlights to LED and completed the Poike Road retaining wall.
- We've made it safer to get to and from school with our school safety projects for St Mary's School, crossings at Golf Road, Tui Street, Windsor Road and Kennedy Road, with more to come.
- Secure bike parking facilities are coming to our city centre.
- Significant transport improvements are underway on Cameron Road, Maunganui Road, plus the Pāpāmoa East Interchange.
- We are working with our partners (Waka Kotahi, tāngata whenua, Port of Tauranga and Kiwirail) to explore options for improvements on key parts of the Tauranga urban network including the Connecting Mt Maunganui project (Hewletts, Hull, Totara area), and Turret / 15th Ave.

What's still to come in the next 10 years

We're proposing to invest $1.4 billion over the next 10 years to keep people moving around our city. This will include funding for the renewal of our current transport network, investing in alternative transport modes, and the construction of significant upgrades on our major arterial connections, including Cameron Road stage 2, Fifteenth Ave and Turrett Road, SH29a enabling works, Accessible Streets for Ōtūmoetai, Hewletts Road and Totara Street.

SmartTrip pricing

We are also asking for your feedback on the possibility of introducing SmartTrip variable road pricing at some stage in the future, to help improve Tauranga's traffic congestion woes. SmartTrip pricing is a system which would charge vehicle owners for using Tauranga's highway corridors, with higher costs during peak travel times and lower costs when demand is less. Its intent is to encourage people to think about their road use and, where they can, change their travel time, work from home, share their vehicle use, or use another transport mode (like public transport, cycling or walking). Fewer vehicles on the road would mean faster journey times and a better level of service on our transport network. The funding generated by road pricing would also allow investment in network improvements to be accelerated and all users would be contributing to the local cost of improvement projects, not just Tauranga ratepayers.

Please see Part Six on page 56 for more.

Investments include the following:

Local Roads Upgrades & Renewals	$404m
Hewletts Improvements	$189m
Welcome Bay, Turret Rd & Fifteenth Ave Corridor	$161m
Cameron Road Stage 2	$160m
Ōtūmoetai Multimodal	$103m
Mount/Pāpāmoa Multimodal	$51m
Accessible Streets	$64m
Minor Safety Improvements	$42m
Streetlight Renewal & LED Upgrade	$25m
Arterial Upgrades	$24m
Bus Infrastructure	$81m
Traffic Signalisations and Other Improvements	$21m
Marshall Avenue Footpath Upgrade	$12m
Park & Ride Activation	$11m
Domain Rd Upgrade	$8m
Grenada Street Cycleway	$9m
Smiths Farm Development	$9m
Parking Infrastructure	$5m

Whakatipuranga ki te Uru (Tauriko)
Growth in the West (Tauriko)

Continuing our investment in the western corridor

More than 4,000 new people are calling Tauranga home each year, with our population projected to reach 210,350 by 2050 – that's a 30.5% increase from today.

To accommodate our growth, we need around 30,000 new homes over the next 30 years and a fit-for-purpose transport network to service the increased demand. We need to catch up on the long-standing underinvestment in our city and continue investing in renewing and expanding the infrastructure our fast-growing city needs. We have to plan for our continued growth, designing communities with walkable neighbourhoods and low carbon footprints - places where people can live, work, learn and play, while also upgrading our transport networks and enabling public transport to improve connectivity across the city. The work we're currently doing to transform Cameron Road is part of this bigger plan to provide more ways for people to safely move around, improve connectivity to growth areas and create better transport links between where people live and work.

As a high growth city, Tauranga must comply with the Government's National Policy Statement on Urban Development (NPS-UD), which requires a minimum of 10 years supply of zoned and serviced housing – we are not there yet, but new development planned for Tauranga's western corridor plays a significant role in getting us closer.

Over the next 10 years, we're proposing to invest $230 million (including contributions to work delivered by other parties of $151 million) in developing the new western growth areas in and around Tauriko West, the Tauriko Business Estate and Keenan Road, providing for the construction of up to 4,000 new homes and an additional 100-150 hectares of business land providing for an additional 2,000 jobs. Of this amount $53 million is to be invested in community spaces and places and $157 million on transport.

The new residential developments in the west will be linked to the rest of the city via high frequency public transport services from Tauranga Crossing to the city centre.

A number of significant projects enabling growth in the west are underway, led by government agencies including Kainga Ora and Waka Kotahi.

What we're delivering

- We've secured the funding for the Tauriko West enabling works to prepare the land for development for the first 2,400 homes in Tauriko West and continued development and expansion of the Tauriko Business Estate.
- Preparation for short-term transport improvements in the Tauriko West area is underway to support development and improve access to public transport, walking and cycling.
- We are just completing our structure plan and rezoning proposal for Tauriko West for public notification, which will give all members of the public the opportunity to give their views.
- The initial stages of structure planning and rezoning of the Keenan Rd area are underway, including community engagement. This includes technical workstreams like transport and access, geotechnical reports, stormwater and environmental assessments.

What's still to come in the next 10 years

- Construction of the Tauriko West enabling works and progressing the early phases of capital expenditure to support growth in Keenan Rd.
- Subject to completing the planning process in Tauriko West, you can expect the first houses to start being built from 2027.
- Working with lead agency Waka Kotahi, to design and implement improvements to SH29 and SH29a, from Omanawa Road to the Takitimu Drive Toll Road roundabout, and SH29A to Barkes Corner intersection (Pyes Pā Road/Cameron Road).
- Completing the structure planning and rezoning of the Keenan Rd area for urban development.

LTP 2024-34 investment limitations

Investment to enable the supply of new business land in the western corridor is limited to the first 43 hectares of the Tauriko Business Estate (noting this is still subject to a private Plan Change process), as further investment in wastewater upgrades would be needed before the development of the full 100 hectares can take place.

Investments include the following:

Tauriko Business Estate	$8m
Tauriko West	$18m
Western Corridor – Social Infrastructure	$53m

Tautīneitanga me te manawaroa
Sustainability and resilience

Continuing our investment to improve the sustainability and resilience of our city and people.

The people of Tauranga, past and present, have consistently rated the natural environment as their number one priority.

That is why we are weaving the interconnected relationship with our natural environment through everything we do.

During the summer of 2023 we saw our nation experience the traumatic results of extreme weather events. People's lives and livelihoods were lost.

While our city was very fortunate to escape the worst of it, we are experiencing the wide-ranging effects of a changing climate. Flooding, coastal erosion and rising sea levels threaten our essential infrastructure, valuable ecosystems and the safety of our community.

We have significant room for improvement – the way we move around our city accounts for 49% of our carbon emissions. Just 3% of our original native vegetation remains across the city as a result of our development. But we can and must do things differently for our future generations.

Our priority now and for long into the future is to continue to strengthen the ability of our city to cope when the next extreme event hits (resilience), while at the same time playing our part in reducing our impacts on the natural environment and valuing the diverse needs of our community in everything we do (sustainability).

What we're delivering

> We've completed our Environment Strategy – Tauranga Taurikura, and the underpinning action and investment plans that will deliver on it for our city, including our Nature and Biodiversity Plan and our first Climate Plan. Our Climate Plan lays out the actions we must take as individuals, businesses, and as a council organisation to reduce our emissions and adapt to the changing climate.

> We're investing in safe transport alternatives, so people can reduce their emissions by choosing to cycle, walk or catch the bus across our city.

> Through our Infrastructure Resilience Project, we've now mapped all natural hazards over the city's transport and water networks to identify exposed assets, scope projects and assess associated costs. Projects were identified to help reduce risk and improve resilience, which informed $200 million of capital expenditure through the change to: through the last LTP, and we're already busy replacing pipes, protecting roads or moving key infrastructure.

> Since rolling out kerbside waste collection just two years ago, we've almost halved the amount of household waste going to landfill. That's getting us closer to our 2028 targets – well done Tauranga! We still have much work to do however to reduce construction and demolition waste in our landfill and illegal dumping and litter.

> We're working across the region with our mana whenua partners and others to improve our city's nature and biodiversity. We're improving water quality and creating wetlands, restoring dunes, controlling pests in our reserves, and working with the community to restore our city's tree canopy.

> Through our Kopurererua River re-alignment project, partnering with Ngai Tamarawaho Hapu and Bay of Plenty Regional Council, we're allowing 'room for the river', resulting in improved water quality and increased floodwater retention. We've also restored 8 hectares of wetland, plus improved walkways and cycleways for the community to enjoy.

What's still to come in the next 10 years:

- Integrating sustainability into everything we do, especially focusing on our Environment Strategy – Tauranga Taurikura.
- Tightening up our City Plan rules and regulations for new growth areas to reduce communities' risks to natural hazards and climate change.
- Putting resilience projects into practice:
    - $40 million to strengthen four of our key bridges in the city on Chapel Street, Turret Road, Waihi Road, and Ōtūmoetai Road – identified as essential in times of emergency.
    - $20 million for wastewater and water projects: Opal Drive Pump Station, Wairākei Pump Station and Rising Main and Cambridge Reservoir trunk main relocations.
- Working together with our communities to understand the actions we can all take to reduce our impact on the planet.
- Continuing to identify climate impacts to vulnerable communities through the identification of at-risk areas and development of adaptation plans.
- Planting more trees as our new roads, stormwater infrastructure and public areas are built so that we significantly increase our overall vegetation cover, with a focus on increasing our native vegetation from 3% to 10% across the city.
- Identifying and increasing our 'green corridors' to allow native plants and animals to move more freely across our city, improving our pest management work, improving protection for significant natural areas, and facilitating participation from our communities who can add so much to this mahi (work) over time.

Investments include the following:

Bridge Resilience	$46m
Waste Facilities Redevelopment	$40m
Kerbside Waste Collection Capital Works	$9m
Other Sustainability & Resilience Upgrades & Renewals	$23m

Wāhanga rima: Kaupapa kōrero
Part five: Consultation topics

What we're asking you for this LTP:

1. Me whakauru e tātou tētahi paearu rēti ahumahi hou?

1. Should we introduce a new industrial rating category?

We are proposing to introduce a new rating category for industrial property owners to share the rates burden more fairly across all of Tauranga's ratepayers.

We currently have two rating categories, residential and commercial, which make up Council's total income from rates.

The current commercial category includes land whose primary use is commercial, industrial, port, transportation, or utilities. But we recognise industrial, port, transportation, and utilities properties have a greater impact than commercial properties on Council infrastructure, such as roading and community wellbeing, including congestion and safety.

As a result, and taking into consideration the industrial sector's ability to pay, we think it's fair to create a separate rating category for industrial and utility properties, in which they would pay a higher proportion of the general rates.

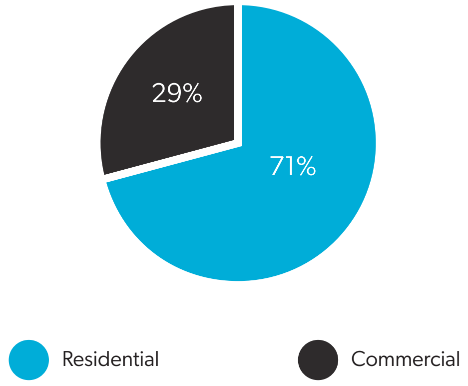
In year one of this LTP, we are proposing properties in the new industrial rating category pay 2.7 times the residential general rate. Those remaining in the commercial category would continue to pay 2.1 times the residential general rate taking into account their relative ability to pay.

This would result in the transfer of $7.34m of the general rates pie to the new industrial rating category, which would see $6.18m moved from residential ratepayers and $1.16m moved from the commercial sector, both to the industrial sector.

The impact on ratepayers of the proposed new category in year one of the LTP would be:

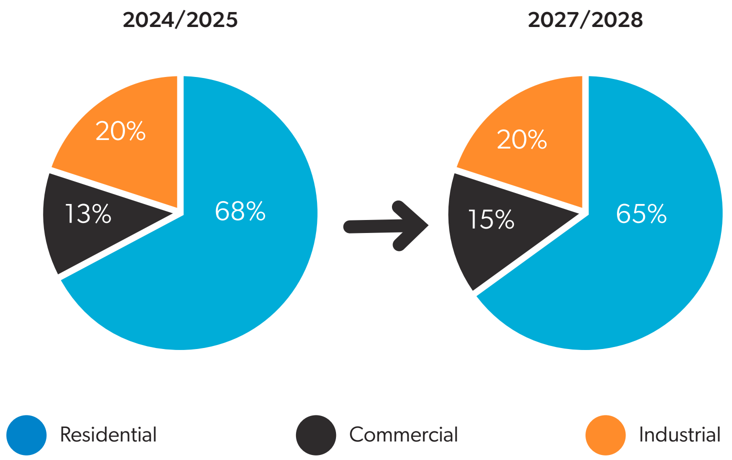
- Industrial category ratepayers would pay a higher rates increase than they would under the current commercial category.
- In contrast, residential and other commercial ratepayers will pay less of an increase than they would under the current rating structure.

Current % share of general rates (no industrial category)



Between years two to four, we propose to phase in further changes that will result in a consistent proportion of general rates each year:

Proposed % share of general rates with new industrial rating category



Option 1

Support new rating category Industrial defined as land whose primary use is industrial, port, transportation, or utilities networks (Proposed)

Introduce a new rating category for industrial properties defined as land whose primary use is industrial, port, transportation, or utilities networks and phase in changes to the proportion of the general rates across residential, commercial, and industrial sectors.

Advantages

- The new industrial category recognises the impact from increasing volumes of heavy vehicles travelling from out of the region to and from the city's industrial-related businesses
- It recognises the social and environmental impacts on the city from heavy vehicles and industrial, port-related and utility network activity, such as congestion, safety, and pollution, and aims to even out the playing field when it comes to paying rates
- The new category would result in lower rates increases for residential ratepayers
- The different levels of rating takes into account the difference in ability to pay between commercial and industrial businesses, and would bring us in line with comparable metropolitan centres, such as Hamilton
- There would be no direct cost to Council and no impact on debt

Disadvantages

No significant disadvantages/risks identified with this option

Cost

No direct cost to Council

Total

$7.34m of general rates redistributed to new Industrial rating category.

$6.18m movement from residential and $1.16m movement from the commercial sector, both to the industrial sector.

Impact on all rate types

Impact on all rate types: The median residential rates increase will be $4.21 per week rather than $6.18 per week.

The median commercial rates increase will be $9.85 per week rather than $18.84 per week.

The median industrial rates will increase from $13.32 per week to $45.49 per week.

Impact on debt

$0

Option 2 — Do not support a new industrial rating category

Keep our current rating unchanged, and not support a new industrial rating category.

Disadvantages

Understanding the negative impacts on wellbeing from heavy vehicles from industry in the community, our rating policy would not reflect a fair and equitable share of rates across the whole community

Cost

No direct cost to Council

Total

$7.34m of general rates not redistributed to new Industrial rating category from residential and commercial ratepayers.

Impact on all rate types

Impact on all rate types – No impact – general rates remain at current differentials.

Impact on debt

$0.

Our proposed option

Option
1

We prefer Option 1

We think it's time to level out the playing field when it comes to paying rates. Council considers placing a greater share of the rates liability on industrial properties compared with commercial a fair reflection of the sector's impact on the overall activity and amenity values in the city – these are the environmental qualities and characteristics that make an area pleasant or enjoyable for people. This simply means there is a price placed on contributing to pollution and congestion.

Option 1 would also bring our rating levels for industrial properties in line with comparable metropolitan centres and reflect relative ability to pay.

What do you think?

We want to hear your thoughts on the proposed options.

Share your feedback at letstalk.tauranga.govt.nz/longtermplan

Want to know more?

See what other funding options we considered x and y at letstalk.tauranga.govt.nz/longtermplan

2. Me whakauru e tātou ētahi rēti heipū hou?

2. Should we introduce new targeted rates?

Targeted rates are paid by ratepayers in specific geographic areas and/or are applied when a property benefits directly from a service or activity. The charge can be fixed or variable where the amount is determined by the capital value of your property.

Targeted rates can only be spent on the things they were collected for.

We already collect some targeted rates for wastewater, water supply, stormwater, transportation, and resilience work.

You can find more detail on types of rates on our website: letstalk.tauranga.govt.nz/longtermplan

What is proposed?

We are proposing to introduce new targeted rates in this LTP for:

- **3.1 Private Pool Inspections**
- **3.2 Urban Infrastructure (Local)**
- **3.3 Urban Growth (Citywide and Local)**

2.1 Mātaihanga hōpua tūmataiti

2.1 Private pool inspections

We're proposing to introduce a targeted rate for required private pool inspections under the Building Act 2004.

Currently pool inspections are legally required every three years and the inspection is paid for as a fee to council by the owner.

Replacing the current three yearly fee with a targeted annual rate will ensure future owners pay their fair share and also reduce administration, allowing resources to be used in other areas of the Building Services activity.

The Options

Private Pool Inspections

Option 1

Fund private pool inspection costs fully through a new annual targeted rate (proposed)

A targeted rate of $107 per year is introduced to fund private pool inspections.

Advantages

- Targeting rates in this way would spread the cost burden of the pool inspection equally over three years as opposed to one fee every three years
- No effect on rates collected for non-pool owners
- Targeted rates in this case are more efficient than periodic user fees
- Accountable and transparent in terms of the service paid for

Cost

$0 no change from current cost of inspections, just a change in payment approach

Impact on all rate types

Impact on all rate types: $107 per annum targeted rate to pool owners only

Impact on debt

$0

Option 2

Keep charge for private pool inspection as a fee

Continue to charge $321 fee every three years.

Advantages

- No impact on rates as would remain a fee
- Not targeting rates in this way would mean that the fee is paid

Cost

$0

Impact on all rate types

$0

Impact on debt

$0

Our proposed option

Option 1

We prefer Option 1

We think this aligns with our view that beneficiaries pay their fair share. It's also fair when a house is sold that the new owner pays for their share of the periodic pool inspections.

It also helps reduce administrative costs and time in our building services activity.

2.2 Rēti whāiti hou hei Utu Tūāhanga Taone - West Bethlehem me Pyes Pā West

2.2 New Targeted Rates to fund Local Urban Infrastructure - West Bethlehem and Pyes Pā West

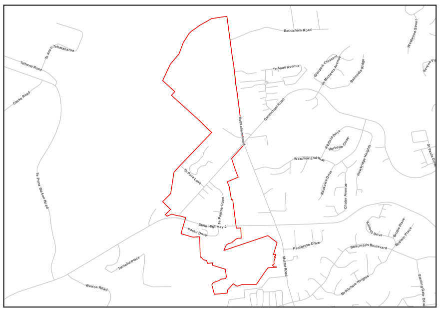
While council has a policy of growth pays for growth, we have not been able to collect the full costs of growth through Development Contributions (DCs), which are the fees payable to council to build, develop or connect to a new service.

Council borrows to pay for growth-related capital projects, and we use DCs to pay down that debt, but overtime what we've collected from DCs has fallen short of what we need.

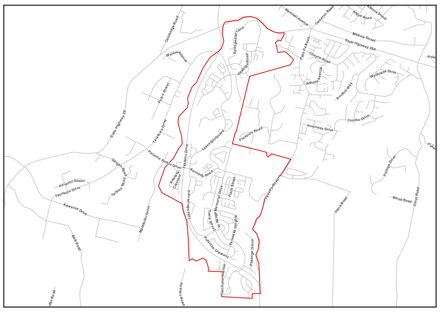
In 2011/12, council changed the policy to start transferring the burden of paying under collected debt and funding shortfalls from DCs to rates. While council has made changes to its DC policy over the years to reduce the likelihood of future shortfalls (such as getting developers to directly construct and fund key infrastructure), this process recognises that the current legislation and funding tools do not enable full cost recovery to occur.

We're proposing a change that we believe is fairer. Instead of transferring DC shortfalls to rates, which results in ratepayers funding specific development in areas they don't all directly benefit from, we suggest transferring 50% of the debt to the specific geographic areas where the growth took place, via a targeted rate, with the reduced balance (50%) being transferred as before. This will also apply to capital expenditure in growth areas which is yet to be completed where the construction of infrastructure is required much earlier than when some of the benefitting growth areas will develop.

West Bethlehem



Pyes Pā West



The Options

Option 1

From 2025/26 establish a targeted rate to recover 50% of the backlog from the areas in which it has been caused over 30 years (proposed)

Advantages

- Matches current principles
- Transparent process and write-off
- Reduces the rates burden on general ratepayers outside the growth area
- Targets those areas that have historically given rise to the backlog
- Charges those areas where there has been an underpayment of DC's

Disadvantages

- For West Bethlehem ratepayers in particular, even at 30 years this would still be a reasonable increase in rates over 3% at 50% recovery
- Some ratepayers who have undertaken development recently will pay a high DC and the targeted rate
- Charges ratepayers across the city who have gained no benefit from that infrastructure for 50% of this debt backlog through the general rate, but this charge is at a much lower level than the current approach of paying all of this debt transfer through the general rate across the city

Cost

The purpose of this proposal is to change who pays for the costs of growth infrastructure that has not been able to be recovered through development contributions. Option 1 transfers half of the debt repayment to people in the areas benefiting from the infrastructure and only leaves half for the general ratepayer.

Impact on all rate types

West Bethlehem $110 to $128 average per annum, Pyes Pā West $80-$93 average per annum. Reduction in general rate of about $2.80 average per annum.

Impact on debt

The targeted rates revenue collected pays down debt by $221,500.

Option 2

From 2025/26 establish a targeted rate to recover all of the development contributions backlog created by the shortfalls in these areas over the past 30 years.

Advantages

- Matches current principles
- Transparent process
- Targets large balances
- Targets those areas that have historically given rise to the backlog
- Charges those areas where there has been an underpayment of DC's
- Doesn't charge ratepayers who have gained no benefit from that infrastructure

Disadvantages

- For West Bethlehem ratepayers in particular, even at 30 years this would still be a significant increase in rates (over 6%)
- Some ratepayers who have undertaken development recently will pay a high DC and the targeted rate

Cost

The purpose of this proposal is to change who pays for the costs of growth infrastructure that has not been able to be recovered through development contributions. Option 2 transfers the full amount of the debt repayment to people in the areas benefiting from the infrastructure.

Impact on all rate types

West Bethlehem $200-$256 average per annum, Pyes Pā West $160 - $186 average per annum. Reduction of general rate $3.40 average per annum.

Impact on debt

The targeted rates revenue collected pays down debt by $443,000

Option 3

No Targeted rate and transfer reserve balances from DC funded debt to rates funded debt over 10 years (status quo)

Advantages

- Matches current principles
- Transparent write-off
- Targets large balances
- Spreads the impact more evenly across whole population

Disadvantages/risks

- For most ratepayers this means that they are paying for a shortfall in the funding of infrastructure that provides no service to their property

Cost	Impact on all rate types	Impact on debt
All the cost of debt repayment remains with the general ratepayer.	$3.40 average per annum on the general rate.	$4m of debt is transferred from growth funded to ratepayer funded debt each year and payed off over time through general rates.

Our proposed option

Option
1

We prefer Option 1

This is felt to be the best balance of:

- Matching the current principles of growth paying for growth
- Better charges costs where they fall
- Better affordability than other options (excluding status quo)
- Takes into account the benefit some growth areas have had through historical transfers
- Allows us to consult more effectively with affected ratepayers, first in principle and then in more detail.

The 30-year period is used, as some areas have a fairly low number of ratepayers. More detailed consultation would happen as part of the 2025/26 Annual Plan before this rate was introduced.

2.3 Rēti Whāiti Hou hei Utu Tipuranga Taone - Whaituā ki Te Tumu (Pāpāmoa me Wairākei)

2.3 New Targeted Rates to fund Urban Growth - Te Tumu growth area (Pāpāmoa and Wairākei)

The LTP includes the following significant transport investments in the eastern corridor which provide varying benefits to the city and the urban growth areas of Pāpāmoa and Wairākei:

- Designations in Pāpāmoa
- Sands Ave – Between Pāpāmoa East Interchange and Te Okuroa Dr
- Te Okuroa Drive – Sands Ave to Te Tumu
- Pāpāmoa East Interchange (land purchase, design, Phases 1-3)
- Sands Ave – The Boulevard to Te Okuroa Dr
- Intersection – Sands Ave and The Boulevard
- The Boulevard – Stevenson Dr to Sands Ave
- The Boulevard – Sands Ave to Te Tumu
- Wairākei Town Centre Bus Facility

These investments also support the future Te Tumu urban growth area. A significant amount of cost for these projects, as well as other three waters projects, is allocated to Te Tumu development contribution funding.

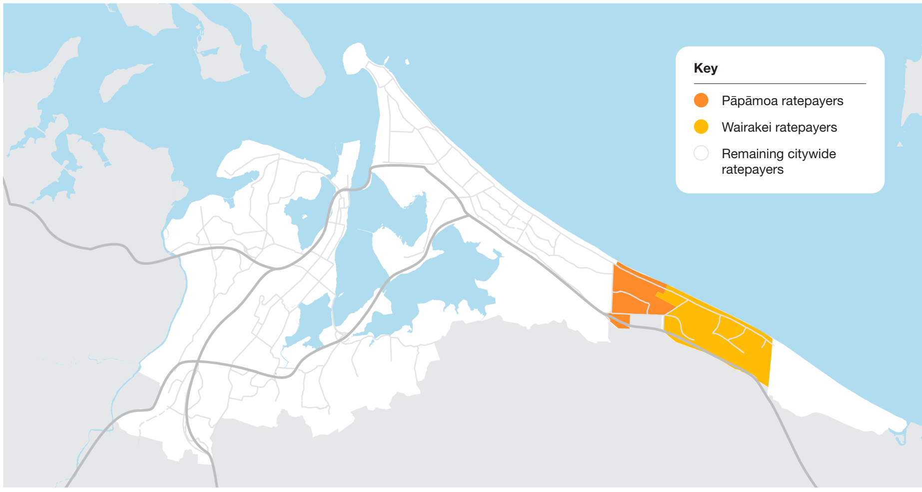
These costs will initially be debt funded by Council or in the case of three waters projects the assumption is that they will be the responsibility of the proposed new three waters entity for the Bay of Plenty from year three of this LTP.

The timing of Te Tumu development is anticipated to be significantly delayed and likely to start in approximately 2040.

Te Tumu also faces a range of other challenges to successfully rezone it for urban development. These relate to securing infrastructure corridors through Māori land, the wider views of tāngata whenua on the scale and appropriateness of urban development, and the impacts of government freshwater and indigenous biodiversity policy on urban development and associated infrastructure delivery.

Given these risks there is substantial uncertainty around the Te Tumu funding share for the projects listed above. To mitigate these risks, is it proposed that we establish three targeted rates to pay off some of the debt associated with the transport projects listed above. The amount you pay is determined by how close your property is to the projects.

New targeted rates for Te Tumu growth area



The Options

Funding Urban Growth

Option 1

From 2024/25, establish three targeted rates to partly pay back money borrowed for the transport projects required to meet current growth needs and provide for future growth (Pāpāmoa and Wairākei) (Proposed)

This option would involve targeted rates over 20 years to those in Wairākei, Pāpāmoa and citywide areas (see map above).

- Every ratepayer in the city (not including Pāpāmoa and Wairākei) will pay the citywide charge
- Pāpāmoa ratepayers are deemed to get two times the benefit due to how close their property is to the projects
- Wairākei ratepayers are deemed to get three times the benefit due to how close their property is to the projects

Advantages

- Follows the principles of paying a fair share as those that live closest to the project and will benefit most from the projects will pay more
- Selection of properties was based on proximity to the physical projects and direct improvements to the level of service through reduced congestion and/ or security of service levels
- Funds 50% of cost from Te Tumu projects over 20 years to reduce risks
- Flat charge per ratepayer (not based on capital value)

Disadvantages

- Not well aligned with the growth pays for growth principle given the transfer of some funding away from Te Tumu

Cost

Savings in interest from the targeted rate is the differences in debt after 20 years which is $95m

Impact on all rate types

Every rating unit in the city (not including Pāpāmoa and Wairākei) will pay between $32 and $38

Every rating unit within Pāpāmoa will pay between $64 and $76

Every rating unit within Wairākei will pay between $96 and $114

Impact on debt

Te Tumu portion of project debt on projects is initially $59m. With interest compounded over 20 years the total debt would become $183m. With targeted rate the total debt becomes $88m

Option 2 — No targeted rate and continue with the assumption that Te Tumu will be developed and that costs will be recovered through development contributions (status quo)

This option is consistent with the philosophy of growth paying for growth but may result in significant adverse debt and rate funding implications if Te Tumu risks materialise

Advantages

- Matches current principles
- Spreads the impact more evenly across whole population

Disadvantages

- For most ratepayers this means that they could potentially end up paying for a shortfall in the funding of infrastructure

Cost

A total of $95 million in additional interest costs over 20 years.

Impact on all rate types

$0

Impact on debt

Even if Te Tumu is developed, more than $183 million of Council's limited debt capacity will be utilised by Te Tumu costs and development contributions may be unsustainably high.

Our proposed option

Option 1

We prefer Option 1

This would address risks associated with the Te Tumu project by paying down debt but would impose a greater burden on ratepayers in Wairākei and Pāpāmoa who directly benefit from these projects. It is however, not well aligned with the growth pays for growth philosophy given the transfer of some funding away from Te Tumu.

What do you think?

We want to hear your thoughts on the proposed options.

Share your feedback at letstalk.tauranga.govt.nz/longtermplan

3. Me hoko atu e tātou ngā Whare Tūnga Waka hei utu i ngā hinonga pūrawa?

3. Should we retain or sell our City Centre Parking Buildings to help fund capital projects?

Council owns two parking buildings located in central Tauranga: the Spring Street parking building (453 car parks) and the Elizabeth Street parking building (620 car parks).

The parking buildings are part of Council's wider property portfolio, which also includes the Marine Precinct, Smiths Farm, Poteriwhi (also known as Parau Farms) and a range of other Council properties.

Just as households at times consider selling or retaining assets to help fund something else, so too does Council.

In our LTP Amendment 2021-31, we noted that if we chose to implement the full programme of works for Te Manawataki o Te Papa – the heartbeat of Te Papa, half of the funding needed would have to come from sources other than rates.

Parking demand in the city centre

Council has recently reintroduced parking charges for on-street parking in the city centre, and as a result the fee-based parking buildings are now a more attractive option than previously (when people could park for free on the street). Together with projections for growth in the city centre, demand for parking will continue.

What is proposed?

We are proposing to sell our two parking building assets to help fund Council capital projects, the first of which may be Te Manawataki o Te Papa.

The parking buildings are currently managed through Council's Asset Realisation Reserve approach, which transparently manages the sale of Council properties and assets and holds any resulting proceeds for allocation to capital projects and initiatives that have a greater positive impact on the community.

Should Council decide to go ahead with one of the sale options following public consultation, this does not mean Council immediately sell the assets. The timing would be market driven to maximise the proceeds and Council would monitor this over the coming years.

Option 1

Sell the parking Buildings (proposed)

If Council decides to divest the carparking buildings, it can consider several matters including (but not limited to):

- whether to sell to a carpark operation or to an investor with a lease-back arrangement; and
- whether any conditions such as ongoing availability of public carparks would be appropriate.

In either case, Council would ensure that the parking buildings continue to supply publicly available carparks for at least 15 years.

Furthermore, in December 2022 KPMG assessed the sale potential of the two carparking buildings on Council's behalf. This report concluded that:

- interested parties suggested the buildings should continue as car parks;
- redevelopment of the sites is unlikely;
- the seismic ratings of the buildings may impact their value; and
- cashflows, rather than land or building values, would determine the sale price.

We would sell using the method that achieves the best commercial outcome for the Council.

The values of the carparking buildings are largely dependent on their future revenue assumptions. We are forecasting that, as the city centre achieves its potential (and on the basis congestion charges or parking levies are not brought in):

- the rates charged for carparks in the carparking buildings will increase by 7-8% per annum; and
- occupancy will improve to 85% by 2028.

Advantages

- The net proceeds of sale of the parking buildings will help fund Council capital projects (including Te Manawatake o Te Papa) and relieve the funding burden on ratepayers
- The capital invested in owning and operating the parking buildings can be allocated to more pressing community needs
- Council will ensure the carparking buildings continue to supply publicly available carparks

Disadvantages

- Under a lease-back option, this will remain on Council's balance sheet as both an asset and liability which may impact Council's future borrowing costs
- Under a straight sale option Council will lose a revenue stream impacting on its borrowing ratio
- Council will also be divesting strategically located assets which may become more strategic as time passes and the city centre becomes a more vibrant commercial and liveable hub

Table continued

Cost

The current parking buildings have revenue and costs associated with them. Net revenue levels from operating the parking buildings ourselves will vary depending on the parking charges we set, and in the draft LTP this is assumed to be $2.2m in 2028.

Impact on all rate types

$0. The sale used to fund Te Manawataki o Te Papa would cover a share of costs already determined to be non-ratepayer funded costs. If the sale is accompanied by a leaseback there would be lease costs paid through user fees to the parking activity not ratepayer funded

Impact on debt

$0 if there is a leaseback arrangement this lease commitment is a long term liability which is assumed to be covered by parking user fees.

Impact on level of service

If sold, there is not expected to be any loss in the number of carparks available in the city as the redevelopment of these sites during the term of the LTP is considered unlikely. If sold with a leaseback option, the council would still operate parking services in accordance with council's parking strategy. If the buildings were sold to a new owner to operate, the new owner may change the mix of parking arrangements provided depending on its commercial assessment of parking demand and return.

Option 2 Retain the Carparking Buildings

Council could continue to hold the buildings.

Advantages	Disadvantages
> Owning park buildings gives Council direct control over pricing and policies. This control allows Council to tailor parking services to the specific needs of the community. The lease-back option will retain this direct control over parking prices	> Reduced funding will be available for other capital investments. The capital invested in owning and operating the parking buildings will not be allocated to more pressing community needs > Car parks are a commercial venture, and private companies often have the expertise and experience to efficiently operate them

Cost

The current parking buildings have revenue and costs associated with them. Net revenue levels from operating the parking buildings ourselves will vary depending on the parking charges we set. The intention is to at least break even.

Impact on all rate types

$0 as parking activity is not rate funded

Impact on debt

$0 current debt would remain in the activity.

Our proposed option

Option
1

We prefer Option 1

We think that a sale, using the appropriate method and when the time is right, will deliver the best value and allow Council to meet the ongoing carparking needs for the city centre for at least 15 years. This will also enable Council to recycle funds into capital projects (including Te Manawataki o Te Papa) that will deliver on community need.

What do you think?

We want to hear your thoughts on the proposed options.

Share your feedback at letstalk.tauranga.govt.nz/longtermplan

Want to know more?

letstalk.tauranga.govt.nz/longtermplan

4. Me whakatū e tātou tētahi Whare Hākinakina Hapori ki Wharepai i tēnei tekau tau?

4. Should we commit to a Community Stadium at Tauranga/Wharepai Domain in this decade?

As one of Aotearoa New Zealand's fastest growing cities we want to create community spaces where people can come together to do the things they love. One piece of key infrastructure our sub-region lacks is a modern, fit-for-purpose community stadium.

Following a feasibility study in May 2022, the Council agreed that the Tauranga/Wharepai Domain would potentially be a good location for a community stadium.

A preliminary business case, developed by Priority One, identified that the construction of the proposed stadium would bring numerous social and economic benefits to Tauranga City. The business case relates to a full stadium proposal as identified in options 2a and 2b. The preferred option 1 involves only staging part of this investment in the 10 years of the LTP.

Community engagement in July 2023 showed there was sufficient initial support for the proposal to take it to the next step. We've done more work and we now have a clearer picture on how we could fund the Stadium's construction and we want to know what you think.

Community Stadium Risks and Issues

The preliminary business case[1] identified the following strategic risks at that stage:

- The stadium's scale and specification may not be optimal
- Capital costs increase above budget
- Lack of stakeholder and funder support
- Budget constraints reduce functionality
- Supporting developments fail to materialise, impacting the stadium's financial performance
- Operational and consent constraints inhibit the stadium operating to full potential
- The site is not available within assumed timeframes
- Geotechnical issues exceed expectations
- Event market is disrupted over the medium-long term
- Workforce availability
- Construction disruption.

The preliminary business case includes a range of assumptions about stadium patronage, construction costs and timeframes, procurement processes, funding sources, venue management, ticketing outsourcing, geotechnical conditions, and operating costs and revenues.

What is proposed?

The proposed stadium would be multi-use and accommodate the community, clubs, local cultural events, festivals, professional sports and commercial concerts.

Having a stadium like this at the Domain would support our aspiration to revitalise the city centre, but we don't want to bite off more than we can chew, so we are proposing to deliver the stadium in a staged approach that wouldn't start until the end of this decade. This would mean building parts of the stadium over time and include relocating the athletics track (when it has reached its end-of-life stage), moving the lawn bowls club, and in the medium-term, retaining the croquet and tennis clubs.

[1]The preliminary business case can be found on the agenda for 1 May 2023 Council meeting at: https://www.tauranga.govt.nz/council/about-your-council/council-meetings-agendas-and-minutes

Staging the implementation would allow Council to finish significant projects already underway in the city first, such as the Civic Precinct – Te Manawataki o Te Papa.

The stadium options that we are asking your view on are at an early stage. Cost impacts presented relate to capital costs, with the operating costs once the stadium is built. Further information on operating costs should be available to the commissioners before decisions are made on this LTP. Depending on the significance and timing of operating costs, further consultation may occur in future annual plan or LTP processes. There is also further work to be undertaken to produce an external funding plan. The $35m external funding proposed for option 1 is a high level estimate only noting that this option is not to commence the stadium until much later in the LTP.

Option 1 Staged implementation (proposed)

Staged development of the community stadium that delivers the social and economic benefits to Tauranga City outlined in the preliminary business case, but executed in stages rather than as a single-stage project.

Advantages

- A stand-by-stand approach, starting with the east stand (plus necessary ancillary work)
- Staged relocations of existing users as/if needed
- Construction of the first stage to occur between 2029/30 and 2031/32.
- Construction of further stages to be beyond the 2024-34 Long-term Plan period (i.e. in years 2034/35 and onwards)
- Reduced capital expenditure in the 2024-34 period of approximately $81 million

Disadvantages

- An increased overall project cost due to the staged nature of design and delivery
- Additional operating costs ($7m) in the period before the stadium is fully complete and operational (the facility is less likely to be able to meet its operating costs when it is only partially complete)

Cost

The $81 million (plus the relocation costs) of capital expenditure to be funded $46 million from rates-funded loans and $35 million from other sources.

Impact on all rate types

From 2031, the median residential property would have a $64 per year increase, while the median commercial/industrial would have a $290 per year increase.

Impact on debt

Debt would be an additional $46m which is the capital cost less the amount to be obtained from external sources.

Impact on level of service

A stadium would offer an improved level of service to the community. It would provide multi-use opportunities for events – including cultural, musical, festivals as well as sports. It would also accommodate some club use and other community activities. Existing sporting users would be accommodated elsewhere so there is no loss of existing level of service envisaged.

The staged approach would not start until later this decade by which time current users would be accommodated and operating from other locations. The additional level of service benefit from the stadium would be experienced from the time the stadium was completed.

Operating costs estimated in 2032

$7m

Option 2a Single stage construction within 2024-2034

Involves taking the single stage construction approach included in the preliminary business case and working towards an immediate start to construction.

Advantages

- Single-stage development of a community stadium at the Tauranga Domain in the 2026/27 and 2027/28 financial years
- The preliminary business case indicates that the proposed community stadium would generate a small – circa $1 – $2m operating surplus (before debt servicing and depreciation) in each of the first 10 years of operation

Disadvantages

- Additional costs of approximately $32 million to relocate existing users to new facilities on other sites (some of which is already budgeted)
- $9 – $28 million of additional risk-related budget for pile design and ground stabilisation
- To meet the large cost of the Single-stage construction Council would have to abandon other important capital projects

Cost

The total capital costs including relocation costs are estimated at between $260m and $280m.

Impact on all rate types

From 2031 when the Stadium is operational, the median residential property would have a $143 per year increase, while the median commercial/industrial would have a $651 per year increase.

Impact on debt

Debt would be an additional $260-$280m, which is the capital cost less the amount to be obtained from external sources.

Impact on level of service

Option 2a provides the full stadium benefits so would provide a greater improvement in level of service than option 1. For option 2a, starting construction sooner would mean the improved levels of service identified above would be achieved earlier – offsetting this it may lead to some temporary impact on activities required to be relocated.

Operating Costs estimated in 2032

$16m

Option 2b Single stage construction with deferred start-date

Involves the same approach as Option 2a, but with a delayed start-date.

Advantages

- Avoid the extreme pressure on council's balance sheet currently evident in the first four years of the Long-term Plan 2024-34 period
- Allow more time to seek alternative funding sources
- $20m for design fees (approximately 10% of total capital expenditure) is sought to be spread equally across the 2024/25 and 2025/26 years, to enable progress to continue on the project, and to ensure detailed designs are ready when the construction funding is available
- A construction period of 2029/30 to 2031/32 has been identified as a potential timeframe (a four-year delay compared to Option 2a), but other deferred start dates could equally be considered
- This timing is consistent with the expectation that the existing athletics track at the Tauranga Domain will be end-of-life by the end of this decade and that a replacement will have been constructed at Mercury Baypark by then

Disadvantages

- For most ratepayers this means that they are paying for a shortfall in the funding of infrastructure that provides no service to their property

Cost

Same as Option 2a - $260m-$280m construction cost increased by inflation to later year so increases to $295m-$315m.

Impact on all rate types

From 2033, the median residential property would have a $154 per year increase, while the median commercial/industrial would have a $697 per year increase.

Impact on debt

Debt would be an additional $295-$315m, which is the capital cost less the amount to be obtained from external sources.

Impact on level of service

Option 2b also provides a greater improvement in level of service than option 1. The later construction period would mean the improved level of service would be experienced later than 2a, but with less dislocation impacts on current users.

Operating costs estimated in 2032

$16m

Option 3 Do not include any form of community stadium in the LTP 2024-34 process

Advantages

- Even under this option, the masterplan for the Tauranga and Wharepai Domains would still be considered by Council and any adopted changes (other than the proposed community stadium) would be actioned

Disadvantages

- The project would stop, and no further investment would be considered

Cost	Impact on all rate types	Impact on debt
$0	$0	$0

Our proposed option

Option 1

We prefer Option 1

We think the development of a Community Stadium will deliver a sports and recreation space more in-tune with the community's needs and allow for growth. It would mean more regional and national events could be held in the city, helping our local economy.

What do you think?

We want to hear your thoughts on the proposed options.

Share your feedback at letstalk.tauranga.govt.nz/longtermplan

Want to know more?

letstalk.tauranga.govt.nz/longtermplan

Wāhanga ono: Whakaaro kē atu hei huritao

Part six: Other ideas for consideration

We wanted to take the opportunity during our consultation with you on the LTP to also get your initial thoughts on two other ideas we have for investing in our city.

It's early days, and these won't be included in this LTP, but depending on how you feel we may look into them further.

City centre development incentives

1. Me whakarato e tātou ētahi whakapoapoatanga whakawhanake e tokomaha ake ai te noho atu, te mahi atu hoki ki te pokapū?

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

Council is investing significantly in the city centre area and will continue to do so through the 2024-34 Long-term Plan period. Ensuring the benefits of this investment are optimised requires more people living and working in the city centre, hence the need to attract more public and private sector investment in new development.

Tauranga's historic development pattern has focused on greenfield expansion and has directly contributed to the transport woes many are experiencing in our city today. We know that a stronger city centre with more people living and working in it will improve the performance of Tauranga's transport network, resulting in less congestion, delay and carbon emissions. More city centre development and intensification will also reduce the need to invest in new infrastructure in greenfield areas.

To do this well, we need to work with community stakeholders, such as developers, to formulate a framework and a set of principles to guide how we generate and use this investment.

What is considered?

An option we're exploring is to provide development contribution incentives for the city centre, as have been implemented in growth cities such as Hamilton.

Our initial thoughts on a framework include:

- Full or partial grants to offset development contributions
- Which land uses the grants would apply to (residential and/or non-residential)
- The scale of development the grants would apply to (e.g. only to buildings of at least six storeys, or perhaps to the component of a development above six storeys only)
- The area in which grants are applied (e.g. just to the core of the city centre, or to a larger area)
- The timeframe for construction of developments (with development commencing sooner likely to have priority)

- Any limits or caps on the amount of development contribution grants that could be applied, to ensure affordability for ratepayers
- Requirement for a demonstrable benefit from the development to City Centre strategic objectives, and sufficient evidence that the grant would significantly impact the financial feasibility of the development.

What do you think?

Please comment on the above and help shape a framework to incentivise development in the city and whether it's implemented.

Or are there any other measures you think Council should take to achieve the desired outcomes for our city?

Share your feedback at letstalk.tauranga.govt.nz/longtermplan

Reducing traffic congestion

2. Me tūhura e tātou ngā utu kanorau a SmartTrip hei whakaheke oruorutanga i ngā rori, hei utu anō hoki i ngā whakahoutanga tūnuku?

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

If Tauranga residents were asked to identify one thing about their city that annoys them, it's highly likely that traffic congestion would come out on top.

Our rapid growth, geography and high dependency (compared to other New Zealand cities) on private motor vehicles are major contributors to that situation. Traffic projections show that, without SmartTrip, congestion and carbon emmisions will get much worse over the next ten years, and beyond, despite significant investment in our transport network. Because there's little scope for increasing the number of lanes on most of our roads, we have to look for other solutions to our congested transport network.

Experience elsewhere in the world has shown that variable road pricing, or SmartTrip, could be part of that solution. Essentially, SmartTrip is a system which would charge vehicle owners for using Tauranga's highway corridors, with higher costs during peak travel times and lower costs when demand is less. Its intent is to encourage people to think about their road use and, where they can, change their travel time, work from home, share their vehicle use, or use another transport mode (like public transport, cycling or walking).

SmartTrip is similar in concept to the charges applied to toll roads and would include using prepayment systems and vehicle recognition technology. If it was to be introduced, existing road tolls would be discontinued. It would also require new legislation, as well as more detailed work on its benefits and implications, together with a significant community consultation process to ensure the concept was supported.

This information about SmartTrip is the first stage of that process. The Council would appreciate community feedback on the possibility of introducing variable road pricing and, specifically, an indication of the level of support for using this concept to reduce congestion and carbon emissions and accelerate investment in a better road network and transport services in Tauranga.

Background and benefits

A SmartTrip proof-of-concept study has been carried out by Waka Kotahi NZ Transport Agency and Tauranga City Council, to assess the potential benefits and impacts of road pricing on our road network. Based on network-wide modelling, the study indicates that SmartTrip variable road pricing could have significant positive impacts on the way our transport network operates, as part of an integrated package of managing demand and network and service improvements.

The potential benefits of implementing SmartTrip include:

- A reduction in the number of vehicles (particularly private vehicles) on our main roads during peak travel times on weekdays and Saturday mornings, resulting in less traffic congestion and faster, more reliable journey times for those who need to use the roads during these periods;
- It could also deliver significant economic and social benefits – better productivity for businesses and more family/leisure time for private users;
- Encouraging people to make different transport choices would result in an overall reduction in vehicle trips (a projected 6% reduction in total vehicle kilometres travelled per day);
- Lower transport-related greenhouse gas emissions (an estimated 5% reduction);

- Making better use of the road network through improved public transport services and walking and cycling infrastructure, again resulting in less carbon emissions and fewer short, private vehicle trips;
- Providing an additional funding source, with all of the funding generated being used to accelerate transport improvements, plus an expectation that the Government would match that investment;
- Improving the value transport investments deliver for users;
- Charging all users who are benefitting from our roads, not just the ratepayers who currently fund the local share of our transport network investment.
- Providing an additional funding source, with all of the funding generated being used to accelerate transport improvements, plus an expectation that the Government would match that investment;

Specific benefits for private road users (based on a peak travel time charge of $2 for access and 15 cents per kilometre travelled) are set-out below. Benefits to road users could increase significantly if the access charge was higher at peak travel times.

- Existing toll road charges would be removed;
- Journey time savings – an estimated 20% reduction in delays (in vehicle hours per day);
- Makes the real cost of transport choices transparent and encourages behaviour change (flexible working hours/working from home/choosing other routes/shared vehicle trips/public transport use/other transport modes);
- Road users who live outside of Tauranga would begin contributing to the cost of transport network improvements.
- Funds raised would be invested in a better transport system for the city.

Benefits for commercial users (based on a peak travel time access cost for trucks of $5, plus 45 cents per kilometre travelled):

- Journey time savings;
- Better journey time reliability;
- Reduced freight movement costs;
- Lower operating costs (fuel, labour, etc.);
- Increased flexibility for deliveries during peak travel times;
- Increased productivity.

Other study findings

Based on local network modelling and the outcomes of similar road pricing initiatives elsewhere in the world, such as cities in Sweden and Norway, other key findings of the SmartTrip study are:

- SmartTrip pricing is technologically viable in Tauranga and would deliver reduced congestion and improved network performance;
- Tauranga cannot achieve transport efficiencies, community wellbeing, accommodate development and improve the quality of its urban form using the current investment model alone. SmartTrip provides an additional funding opportunity which would supplement our current funding arrangements;
- Road pricing would have a greater positive network impact in 2035 and 2048 – in terms of vehicle kilometres travelled (VKT), reduced CO_2 emissions and reduced travel time delays – than most of the other planned network improvements combined;

- Higher charges at peak travel times would be required to have a more significant positive impact on travel times, the number of car trips and carbon emissions;
- Successful implementation would be dependent on the availability of efficient and convenient public transport services and alternative travel mode options (walking, cycling and other non-car mobility options) for those who choose not to drive;
- After operating costs have been deducted, SmartTrip could generate approximately $88 million per annum in 2035 and $158 million by 2048, or about $5.5 billion over a 40-year period, to invest in regional transport improvements;
- The impacts of traffic diverting onto unpriced local roads would need to be monitored and mitigated.

SmartTrip risks & issues

Road pricing on the main transport corridors is likely to result in an increase in traffic on some local roads, which could have negative effects on local neighbourhoods. If SmartTrip was to be introduced, measures would have to be put in place to counteract any negative impacts. This could mean that traffic calming infrastructure, changes in speed limits, or other actions would need to be taken to discourage driver activity that could affect neighbourhood safety or lifestyle values.

Potential equity and affordability issues for private users would also need to be taken into account, particularly for people who are dependent on their cars to access essential services. How this could be accommodated would be considered by council and central government as part of the proposed business case process.

Access to the payment system for visitors to the city and people who don't have online capability would also need to be addressed.

What happens if SmartTrip isn't introduced?

Transport projections show that, without Smart Trip, congestion, traffic volumes and carbon emissions and will get much worse into the future, despite significant planned investment. Investment in transport will be less effective because pricing improves the efficiency of the transport system overall. More investment will be required and new additional funding solutions will be needed. House prices are likely to be higher without sufficient investment in transport. Daily congestion will reduce quality of life for workers and families.Reduced productivity and logistics delays will drive up customer costs.

How would SmartTrip Work?

Road pricing would likely apply to the State Highway network within the city's boundaries and just beyond to the north, and on some local roads connecting to the network. Identification of the roads involved would be undertaken through the proposed business case process. The road pricing modelling also assumes that road corridors that access Te Papa Peninsula would be priced, but in all other locations, there would be no charge to cross the priced network. An access charge on all roads leading into or out of Te Papa Peninsula would allow traffic flows at these locations to be managed. The modelling also assumes that travel within Te Papa Peninsula (along Cameron Road or Fraser Street) would not be priced.

What happens now?

The work undertaken to date on SmartTrip is a 'proof-of-concept' study only and no decisions have been made on the variable road pricing concept by Tauranga City Council, our SmartGrowth partners or Waka Kotahi. AND, no decision is required through Council's draft 2024-34 Long-term Plan consultation process.

The purpose of providing this information is simply to raise awareness of the potential benefits SmartTrip could provide to address the congestion problems on Tauranga's main transport corridors and give the community an opportunity to express its views on this possible solution.

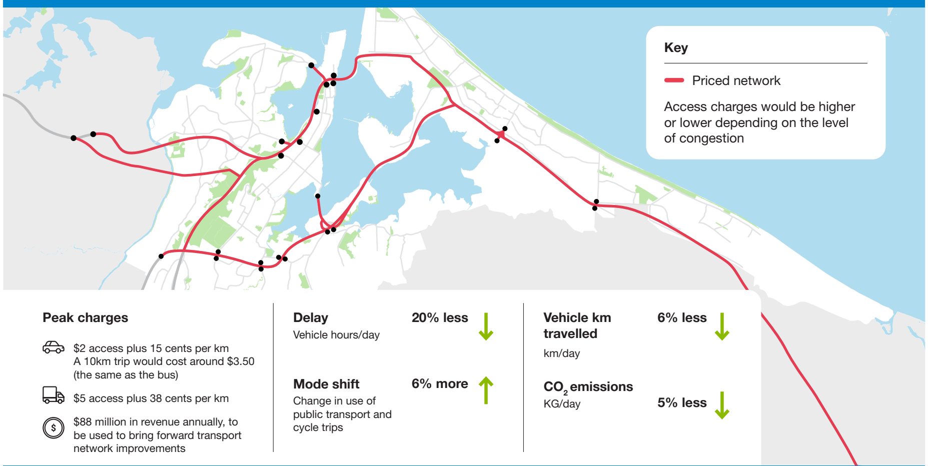
Any future SmartTrip implementation would need:

- A change in Government legislation to allow the introduction of variable road pricing (noting that there is bipartisan support for this across the major political parties);
- To provide clear advantages for road users; and
- To ensure that viable and attractive alternatives are available so that people can choose not to drive, especially public transport options, which will need up-front investment.

2035 variable road pricing concept example

If in the future the community supported an approach like SmartTrip, this is how it could work:

- Example - $2 for peak travel time access to the priced network, plus 15c per kilometre travelled (i.e. $3.50 for a 10km trip on the priced network)
- Time saving - modelling predicts a 20% peak travel time saving due to reduced congestion



Peak charges

- $2 access plus 15 cents per km
  A 10km trip would cost around $3.50 (the same as the bus)
- $5 access plus 38 cents per km
- $88 million in revenue annually, to be used to bring forward transport network improvements

Delay Vehicle hours/day	20% less	↓
Mode shift Change in use of public transport and cycle trips	6% more	↑
Vehicle km travelled km/day	6% less	↓
CO_2 emissions KG/day	5% less	↓

NOTE: This is a concept and no plan will be developed without consulting the community first.

The choices

We could...

Option 1

Investigate SmartTrip through a business case investigation

Work with Waka Kotahi and Government to further investigate SmartTrip through a business case investigation. This would confirm the benefits variable road pricing could provide and identify solutions which would address any potential negative impacts.

Advantages

Progressing a business case will give us the information we need to assess whether SmartTrip could help free-up our congested transport network, particularly during peak travel times, as well as quantifying the benefits and costs of implementing variable road pricing. That information would then allow the Council and the community to make a future decision on whether SmartTrip should be introduced.

In summary, key potential benefits include:

- Journey time savings – an estimated 20% reduction in delays (in vehicle hours per day)
- Encouraging behaviour changes (flexible working hours/working from home/choosing other routes/shared vehicle trips/public transport use/other transport modes) to ease pressure on the transport network
- The removal of charges on existing toll roads
- Lower operating costs and better productivity for businesses
- Road users who don't live in Tauranga would be contributing to the local cost of transport network improvements
- Social benefits (less time wasted sitting in traffic leaves more time for leisure and family activities)
- Lower transport-related greenhouse gas emissions (an estimated 5% reduction)
- Provision of an additional funding source to accelerate investment in regional transport improvements.

Risks

There are no significant risks of progressing to a business case investigation. The costs of developing a business case could be around $3m, with the project scope and cost to be agreed and confirmed before proceeding. That cost would likely be shared by SmartGrowth Councils and Waka Kotahi.

Or we could…

Option 2 Not proceed with a SmartTrip

Not proceed with a SmartTrip business case and continue with our planned investments in transport network improvements.

Advantages	Disadvantages/risks
> No cost to city ratepayers for the development of a business case.	> Without a circuit breaker to address our existing transport network issues, road congestion will continue to worsen, with resulting economic and social impacts (higher costs and more wasted travel time) on all road users. Our high transport-related carbon emissions would also not be addressed, making it difficult to meet the Government's carbon reduction requirements. > All of the local share of the cost of transport network improvements would also continue to fall on Tauranga City ratepayers, rather than all road users.

What do you think?

Please comment on whether we should explore SmartTrip variable road pricing to help reduce congestion and fund transport improvements

Wāhanga whitu: Uiuinga kē atu
Part seven: Other consultations

New user fees and charges

Me whakauru nama me ngā utu kaiwhakamahi hou kia matatika whānui te utu?

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

The revenue that comes in from fees and charges includes things like when you pay to get into places or when places are rented for events. It also includes fees for alcohol licences, registering your dog, getting permission to build something, and managing parking, among other things.

The income we earn from user fees and charges is designed to directly cover all or a portion of Council's costs to provide the activity or service. However, following a recent review of our fees and charges, we have identified some activities where the charges are unrealistically low and falling well short of covering the running costs, and without an increase, those activities are financially unsustainable.

For a while now, most of Council's revenue, about 75% of it, has come from what people pay as rates. This money is used to cover Council's everyday expenses. This reliance on rates is higher compared to other councils.

So, to achieve a fairer proportion of funding from other sources, we're proposing to increase some fees and charges so that those who directly generate a need for, and gain the highest benefit from a service, will pay a larger share of the costs of that service.

What is Proposed?

New user fees that are proposed to be introduced during this LTP round aim to recognise specific beneficiaries of services or amenities and thereby reduce the extent to which general ratepayers must fund these activities.

The following proposals and options seek a more fair and equitable balance between revenue from rates and revenue from user fees and charges across Council.

Below is a summary of some of the main new fees proposed:

> New fees and charges for the use of boat ramps
  - Introduction of boat ramp charges at the Sulphur Point, Pilot Bay and Whareroa boat ramps, to park vehicles and trailers at the designated parking, to be charged at a rate of $20 per day (incl GST) for all users or $200 per annum made available to Tauranga residents (incl GST).

- New fees and charges for the use of active reserves
  - A new fee structure has been introduced for senior and adult teams using sports fields, including artificial turf. From next year this will initially be charged at $225+GST per hour, per field/wicket, per season for training only, increasing to include games in subsequent years. This fee structure aims to partially cover maintenance expenses and create fee consistency, while exempting youth and junior teams.
- New fees and charges for the use of council land for a lease or licence to occupy;
  - Use of council land or building for a lease or licence to occupy for commercial organisations continue at market rates, calculated by valuation.
  - Use of council land or building for a lease or licence to occupy by community organisations at a city-wide average based on reserve land valuation, with an additional 50% subsidy. This includes the valuation and 50% subsidy, which is currently valued at $6.05 (plus GST) per m2 per annum for bare land, and $66 per m2 (+Opex) per annum for buildings. The same rate applies to community groups using buildings or land on Reserve or Council owned fee simple land.
  - User Fees and Charges for Council use of land for community organisations is reviewed to align with Long Term Plans.
  - User Fees and Charges Administration charge for community and commercial land users added for variations, assignment, new agreements or renewals.

For more information

A full list of the proposed new fees and charges for 2024/25 and the Statement of Proposal can be viewed on Council's website letstalk.tauranga.govt.nz/longtermplan

Your views are important to help focus Council's thinking.

What do you think?

We want to hear your thoughts on the proposed options.

Share your feedback at letstalk.tauranga.govt.nz/longtermplan

Policies for consideration

Alongside the proposals set out in this consultation document, we are seeking feedback on policies that support them. These draft policies are available on our website or from council offices.

Draft Revenue and Finance Policy

We are proposing some changes to this policy, including:

- a new industrial rating category from 2024/25, which introduces a rating differential charged on industrial property capital value at 2.7 times the rate charged on residential property
- a gradual increase in the commercial and industrial rating differentials from 2025/26 to 2027/28 to reach a general rates percentage share of approximately 65% residential, 15% commercial and 20% industrial
- renaming the existing Stormwater targeted rate to Flood protection, which aligns with legislative changes associated with the waters reform
- introducing a new targeted rate for pool owners to replace the current pool safety inspection fee, and spread the cost over three years
- replacing the transportation targeted rate and the community facilities targeted rate with Infrastructure Funding and Financing levies (IFF).

Draft 2024/25 Development Contributions Policy

The Draft 2024/25 Development Contributions Policy and supporting Statement of Proposal are being consulted on alongside the draft Long-term Plan 2024-2034.

Development contributions are an important funding tool used by Council to ensure that developers and the growth community contribute towards the cost of providing infrastructure which enables growth in the city.

The operative 2023/24 Development Contributions Policy is available online.

The draft 2024/25 Development Contributions Policy includes a collection of amendments and improvements to optimise the development contributions system. The major amendments include introducing a Te Papa local development contributions catchment, a charge for 4-plus bedroom residential dwellings and a new charge rate for aged-care facilities. These projects have been in discussion for a number of years and the proposed amendments reflect the outcome of Council’s conversations with industry groups and key stakeholders.

Other changes to the 2024/25 Development Contributions Policy are outlined within the consultation documents for the policy and include amendments to:

- Improve the operational efficiency of the policy wording (for example, the process for deferral of development contributions) and reflect legislative changes.

The community can provide feedback on the proposed changes to the policy through the same submission process as the Long-term Plan.

Go to: www.tauranga.govt.nz/development-contributions for a full copy of the draft policy.

For your reference

Other supporting information

You can find the significant forecasting assumptions, strategic direction, groups of activities and performance measures used to develop the Long-term Plan at: letstalk.tauranga.govt.nz/longtermplan

Wāhanga waru: Te tirohanga ki tua o te LTP
Part eight: Looking beyond this LTP

We have reviewed the timing of our projects to ensure we have prioritised projects across all areas of community need in a way that is financially sustainable and deliverable. As result some of the investments identified in the 2021-31 LTP will not be delivered outside the next 10 years.

To achieve a balance between rates affordability, ability to borrow, managing growth and the outcomes we all want for our city, we've had to take a longer-term view for some projects. We're adjusting the scale and timing of planned investment, so we'll be able to continue to maintain a level of service for our community today, delivering on our priorities, while still investing in the future. Additionally, some of these projects were always planned outside the 10 years and have remained unchanged.

While we know the investment is required, we're also realistic that there isn't a sustainable funding model which enables council to achieve and deliver on all the outcomes which the city needs and deserves.

The funding constraints we're facing show the importance of alignment of central and local government in planning, funding, and executing projects. We know it's essential that we together deliver outcomes for our city. We're committed to partnering with central government and other organisations to explore meaningful investments, seek solutions, and foster positive change for Tauranga City.

Growth

Proposed changes to the timing of infrastructure investment in the draft LTP 2024-34 would delay the release of land for development in the Keenan Road and Te Tumu growth areas to around 2040. This would potentially reduce housing supply by 2,650 dwellings. However, there is capacity to make up this shortfall through additional dwellings in existing urban areas under Plan Change 33, which enables greater medium density housing across the city.

Further investment that sits outside this Long-term plan period:

Te Tumu	$287m
Pāpāmoa East	$ 48m
Ohauiti South	$42m
Ōtūmoetai Intensification	$21m
Western Corridor	$916m
Te Papa Intensification	$273m

Community infrastructure and amenity

We have sought to balance meeting the community infrastructure and amenity needs of our current residents with the need to provide new facilities as the city grows. With growth in the eastern and western corridors on a slower trajectory than was expected through the last LTP, we have deferred investment in new community facilities (library, community centre, indoor courts) in those areas to just beyond this LTP period. We will nonetheless be looking to secure land for those facilities so they can be built at the optimal time to meet current and future needs.

Beyond those major projects, we have significantly boosted investment to implement the Play, Active Recreation and Sport Action and Investment Plan, which sets out a programme of investment in local play and recreation in our neighbourhood reserves and walkways networks. However, some investment will sit outside of the LTP to ensure our overall programme is affordable and deliverable.

Further investment that sits outside this Long-term Plan period:

Community Centres	$7m
Memorial Park to City Centre Pathway	$17m
Neighbourhood Reserves & Other Improvements	$7m
Active Reserve Development	$9m
Cemeteries Capital Programme	$9m
City Centre Development	$25m
Marine Park/Sulphur Point Development	$17m
Parks Resilience	$7m

Transport network

The changes to the transport programme are aligned with the proposed changes to the Growth programme. With the slower growth now projected in the eastern and western corridors, the transport activities required to enable this growth have been deferred in those areas to just beyond this LTP period. However, the planning (business cases and design) in those areas will progress as planned to be ready for construction. The programme focuses investment on the high priority Transport System Plan activities, including Cameron Road Stage 2, the Connecting the People Fifteenth Ave and Welcome Bay project, the Connecting Mount Maunganui project, and the Accessible Streets projects in Ōtūmoetai and Mount Maunganui. A greater focus has been placed in the draft LTP on our renewals programme to ensure level of service is improved across the network.

Further investment that sits outside this Long-term Plan period:

Accessible Streets	$203m
Bus Infrastructure	$45m
Domain Rd Upgrades	$34m
Hewletts Rd Improvements	$74m
Local Roads Upgrades and Improvements	$14m
Park & Ride Activation	$118m
Bridge & Infrastructure Resilience	$171m

Progressing a hotel and conference centre for Tauranga

Tauranga's lack of an internationally branded hotel and conference centre to compete with the likes of Hamilton and Rotorua for the conference market, has long been discussed. Council progressed a feasibility study to assess the economic benefits, construction costs, and funding implications for having a hotel and conference centre within the Te Manawataki o Te Papa city centre precinct. This is a conversation we want to have with Tauranga residents through a formal consultation process, but any commitment to the project if it is supported, would not be included in this current LTP.

Wāhanga iwa: Tō tātou Rautaki Tūāhanga
Part nine: Our Infrastructure Strategy

One of Council's primary roles is to plan, deliver and maintain the infrastructure needed for our city to function.

The services provided by well-functioning infrastructure networks underpin the success of Tauranga as a place to live, visit and invest. The city needs infrastructure that can cope with increasing demand as our city grows, a changing environment, and meet community expectations for service delivery.

Many infrastructure assets last for a long time and provide services for several decades, these include structures, pipes and fittings, pumps, treatment plants, reservoirs, roads, footpaths, bridges, as well as spaces and places such as libraries, community centres, reserves, sports and performance facilities.

Council's Infrastructure Strategy is our 30-year plan that outlines how Council intends to deliver on its infrastructure responsibilities in alignment with our community outcomes, primary strategies and legislative responsibilities.

Our key infrastructure risks and challenges

The following key challenges have shaped the approach to our Infrastructure Strategy, Council's LTP and the Financial Strategy, translating into a constrained capital programme where many needed projects have been deferred past the 10-year timeframe of the LTP and are instead scheduled in years 11-20 and beyond of our Infrastructure Strategy. It has also resulted in an investment approach that is a continuation of that contained in the last LTP, with limited new projects or initiatives being added.

Historic underinvestment into infrastructure

Tauranga City has been one of Aotearoa New Zealand's fastest growing cities for many years, and investment into the city has lagged behind. This underinvestment has led to decreased vibrancy (particularly in the city cente), contributed to congestion and impacted on the quality of life experienced by the city's existing communities.

Planning for growth

Growth has been an enduring issue for Tauranga and enabling and managing its effects continues to be a challenge to address. This growth puts pressure on existing infrastructure and creates the need for new infrastructure. It also creates challenges for moving easily around the city, and has implications for housing availability, the economy, the environment and how we want to live, work and play.

The need to protect and enhance our environment

Tauranga's communities place great importance on the natural beauty and lifestyle offered by the city. Community feedback has consistently told us that our communities want to prioritise the protection and enhancement of our environment and nature. Prioritising nature forms one of the three pillars of the city vision (along with fostering communities and inclusivity, and vibrancy). Climate change is the leading cause of biodiversity loss but also an issue in its own right, causing rising sea levels and coastal inundation, changing rainfall patterns, increased hot and dry weather, and increased extreme weather events.

Availability of funding

Council faces significant funding and financing challenges, which can be broadly categorised as balance sheet constraints and lack of revenue capacity to fund a growing city. These issues are interconnected and are being experienced by many councils, particularly high growth councils, across Aotearoa New Zealand. As well as significant balance sheet issues Council also faces affordability issues resulting from the current funding system. The current system provides for the financial benefits of growth to be realised through the central government taxation system whilst the costs remain with the local government rating system. This imbalance is a significant impediment to growth councils like Tauranga and results in deferred infrastructure investment negatively effecting the liveability and functionality of the city.

Addressing our infrastructure challenges

Over the next 30 years we are planning to spend $1.5b of capital expenditure to renew and maintain the city's existing assets and $6.0b on new infrastructure.

Our infrastructure programme, supported by our Financial Strategy, will focus on:

- Delivering for our existing communities, by increasing amenity, investing in our city centre and maintaining levels of service.
- Growth and infrastructure planning, with the infrastructure needed to service new growth areas staggered to meet financial constraints.
- Sustainability and resilience, with investments into key infrastructure like bridges, to ensure our city can stay connected in emergency situations.

Additionally, the Infrastructure Strategy addresses the expected water services reforms, by providing financial information for the first two years (until water activities transfer to the new water entity) and highlighting expected important projects for years three and onwards of the strategy.

To read more about our infrastructure plans, view our Infrastructure Strategy here: letstalk.tauranga.govt.nz/longtermplan

Wāhanga tekau: Rautaki Ahumoni
Part ten: Financial Strategy

Our finances explained

The continued growth of our city combined with historic underinvestment in the things needed to keep it running and thriving, has resulted in Council carrying one of highest rates of debt relative to our size among Aotearoa New Zealand cities.

We have needed to borrow heavily to build the essential infrastructure, such as roads and water assets, to cater for our growth and maintain what we already have. Substantial capital expenditure is required not only to meet the needs of today's population, but to plan for future growth.

As we catch up on the needed infrastructure for the city this flows through to more debt, interest and higher operating costs.

In our Financial Strategy, we consider those increasing costs and how they should be fairly distributed between us, our partners and developers, and the impact of rates and other costs for ratepayers. Details of the strategy can be found letstalk.tauranga.govt.nz/longtermplan.

This strategy outlines proposals for funding the expenditure included within the LTP and the effect this expenditure will have on services, rates, other fees and charges, debt and investment.

The strategy builds on the work of the Funding Needs Analysis and Revenue and Financing Policy undertaken in accordance with section 101 of the Local Government Act 2002.

Factors impacting Council

During the next ten years, we are expecting the following factors to have a significant impact on Council:

- Borrowing and revenue constraints on council and its ratepayers, limiting Council's ability to fund much needed infrastructure and the cost of this funding. This cost pressure is likely to increase if debt levels and ongoing capital expenditure negatively impact key credit rating metrics
- The need to partner with other agencies, people and businesses to achieve joint outcomes and coordinate financial input for capital investment in infrastructure and services
- The impact of continued growth in both population and economic activity including:
  - demand for more housing
  - stress on the transport network, congestion, reduction in wellbeing including safety and uncertainty in travel times, and the loss in economic productivity as a result
  - demand pressures on community spaces and facilities
- Managing and responding to natural hazards, emergencies and climate change, including future investment in resilience of our infrastructure and assisting the community when events occur
- The need to renew and upgrade existing infrastructure to meet government standards and consent requirements and to maintain levels of service
- The assumption that after year two of the LTP, water services (referred to as three waters), will move to a larger (regional) entity outside of Council. We will retain a more limited flood control activity and need to coordinate with the new entity for future growth and infrastructure planning.

Key financial assumptions

Our financial assumptions provide an essential basis for this Long-term Plan. The full LTP assumptions can be found here letstalk.tauranga.govt.nz/longtermplan. Our key financial assumptions include:

Growth projections

Aligning with SmartGrowth projections, we monitor the projections for population and household growth, and where growth will occur across our city, to make sure we're investing in the infrastructure to meet the growth demands. The growth assumption for this LTP is an overall property growth rate of 1.5% per annum. We have adjusted high level growth projections for the 2024-34 LTP and, as a result, deferred the development of Te Tumu and Keenan Road growth areas.

Alternative funding and external subsidy assumptions

The LTP identifies a large capital programme to deliver infrastructure required for a rapidly growing city. This investment benefits people and businesses beyond Tauranga City Council's boundaries, and the funding assumptions for the LTP reflect this wider benefit.

Investment in the city centre for Te Manawataki o Te Papa assumes considerable external grants and subsidies from organisations such as TECT, as well as central government support for areas such as the museum. The ratepayer share of costs for Te Manawataki o Te Papa is assumed to come through an Infrastructure Funding and Financing (IFF) levy, an off-balance sheet financing arrangement.

We share the costs of our roading network with - Environment Strategy and we have assumed the continuation of their average Financial Assistance Rate of 51% to fund core roading maintenance and renewal and specific agreed projects. Subsidy is also assumed to continue for specific large roading projects, including the priority roading initiatives that are partially funded by ratepayers through the transportation IFF levy. Waka Kotahi commitment to these projects that are outside the current three-year funding envelope is based on a "letter of best endeavours". Once funding is confirmed, timing of projects could be adjusted to reflect any changes in funding levels.

Council has managed the uncertainty relating to Waka Kotahi funding in the first three years of the LTP by making a capital delivery adjustment, reducing the level of expenditure in those years and redistributing it over later years of the LTP.

Water Services Reform (Three Waters) from year three of the LTP

As required by legislation this LTP has been prepared assuming the management of three waters (wastewater, water supply and stormwater) is removed from Council from year three.

Climate Change

Climate change is predicted to increase the frequency, intensity, and duration of extreme weather events such as floods, storms, and drought. As a growing coastal city, Tauranga is already vulnerable to climate induced hazards including slips, flooding, coastal erosion, and inundation. The investments we are making in this LTP will continue to build our resilience and prepare our communities and city for the impacts of climate change.

This LTP will deliver $119m on projects contributing to the city-wide goal in Tauranga Taurikura for a 'low emissions and climate resilient city', by focussing on two main climate goals:

Adaptation: As a City, we understand our risks and are ready and prepared to adapt to a changing climate.

Mitigation: As a City, and in partnership with our regional and national partners, we will work to reduce our greenhouse gas emissions while recognising the local practical realities of achieving a science-based target and national net-zero commitments.

Tauranga's Climate Action and Investment Plan, completed in 2023, outlines the actions required to take us towards these goals.

Capital Delivery

Council has committed to a significant capital programme to deliver the required infrastructure at the appropriate times and places across the city. Refer to the graph on page 72 and 79 to see the Capital programme over the next ten years. To ensure that Council is able to deliver the capital programme, Council has invested in programmes and training to improve the deliverability of the projects that we deliver. This has included:

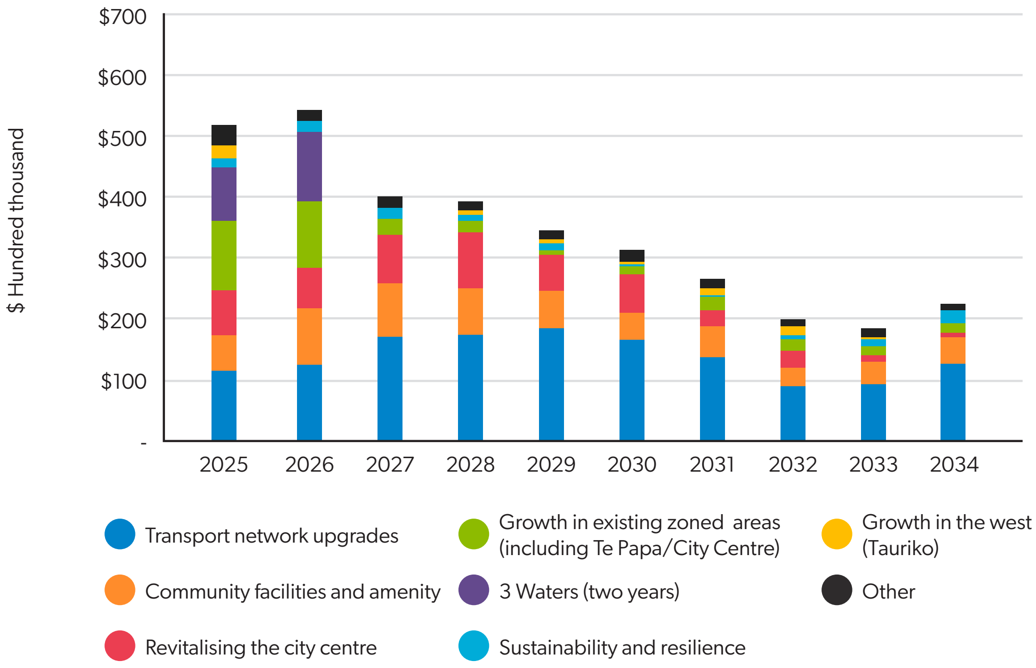
- Undertaking a review of the organisation to ensure resources (including staff) are allocated appropriately and the establishment of a team with oversight of capital programme assurance and delivery.
- Adopted a project methodology and trained staff in the methodology.
- Invested time at the outset to understand the full scope of our projects to improve our efficiency of execution.

- Prioritised our project portfolio against our strategic objectives to ensure we're delivering the right projects at the right time.
- Reviewing the way that we procure and deliver projects, including supplier panels and improved project governance.

Adjustments have been made to the planned capital programme that reduce expenditure in the early years and move it into later years. This reflects possible delays that are common in the early stages of projects while they are designed, community feedback is sought, and consents are obtained. The main purpose of the adjustments is to ensure budgets for interest, debt and depreciation are realistic.

There is however a high level of uncertainty associated with this.

Graph 1: TCC LTP Programme of Capital Investment



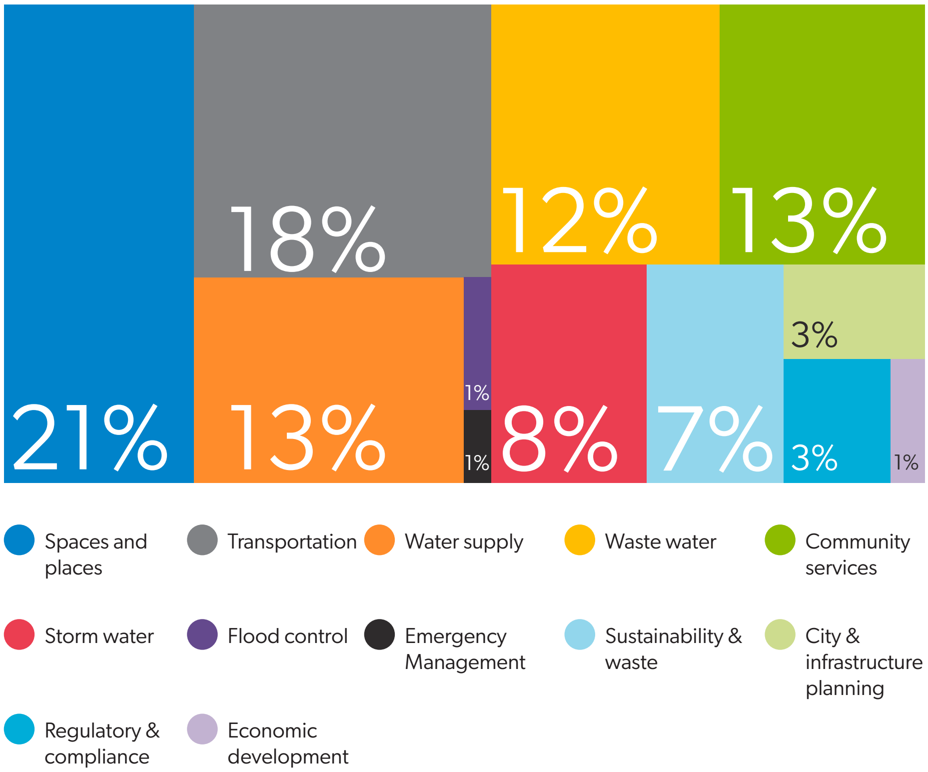
Capital expenditure priorities

The priority areas for capital investment proposed in this LTP are a continuation of our priorities established in the previous LTP:

- Community spaces and facilities
- Growth in existing urban areas (including intensification in Te Papa/city centre)
- Revitalising the city centre
- Transport network upgrades
- Growth in the west (Tauriko)
- Sustainability and resilience

Total capital investment of $3.4b is proposed for the LTP. Graph 2 summarises the expenditure proposed by priority area. This programme includes three waters capital requirements for only the first two years. From year three of the LTP the three waters investment is assumed to be undertaken by a separate water entity.

Graph 2: What our rates pay for LTP 2025 - 2026



Borrowing for capital and impact on debt

The capital programme is $3.4b over the 10 years of this LTP.

Capital investment contributes to community outcomes over time. Council can choose to target specific groups who benefit specifically from the expenditure (eg. growth) or distribute the funding across the community. Because these assets benefit the community over many years it is fair to use borrowings to pay for them. This means that future users pay their fair share of the cost of the asset.

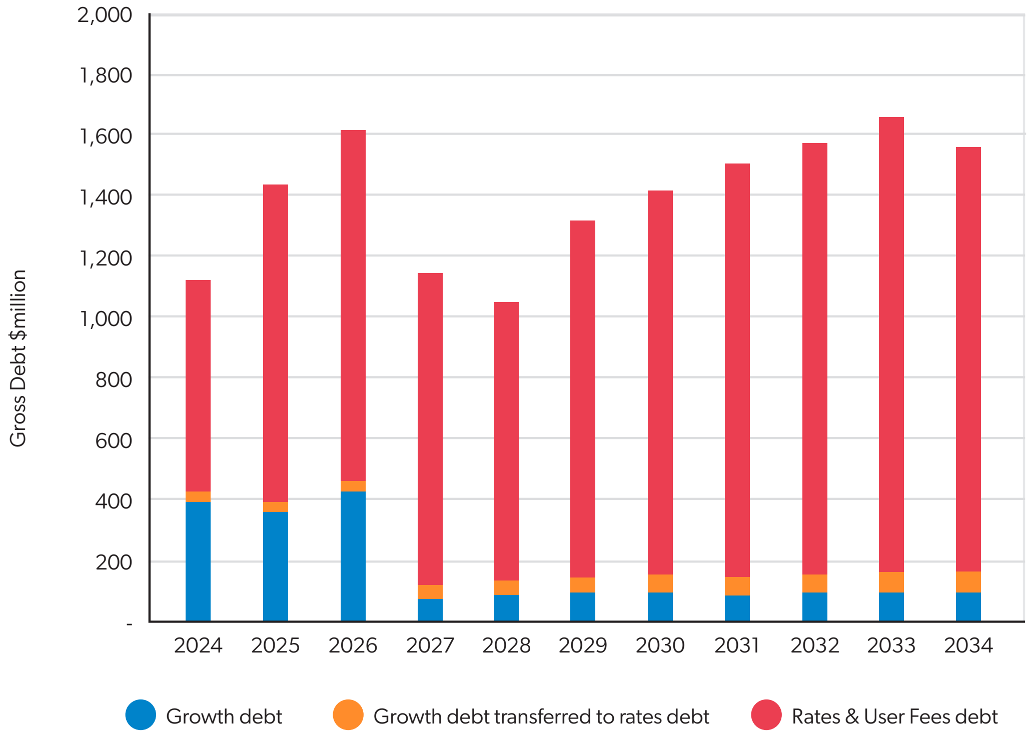
Council has a strong credit rating of A+ and therefore can borrow at relatively low cost compared to private businesses. We ensure we do not borrow too much over time by complying with our borrowing limits. These limits are set conservatively, based on the limits determined by the Local Government Funding Agency (LGFA) and adopted by all member councils.

One of the key limits is the debt to revenue ratio, ensuring that we maintain debt levels of no more than 2.8 times our revenue. In this LTP, Council maintains a financial position well within these limits.

Graph 3 below shows the total level of debt in each year of the Long-term plan. Total debt peaks at $1.7b by 2034.

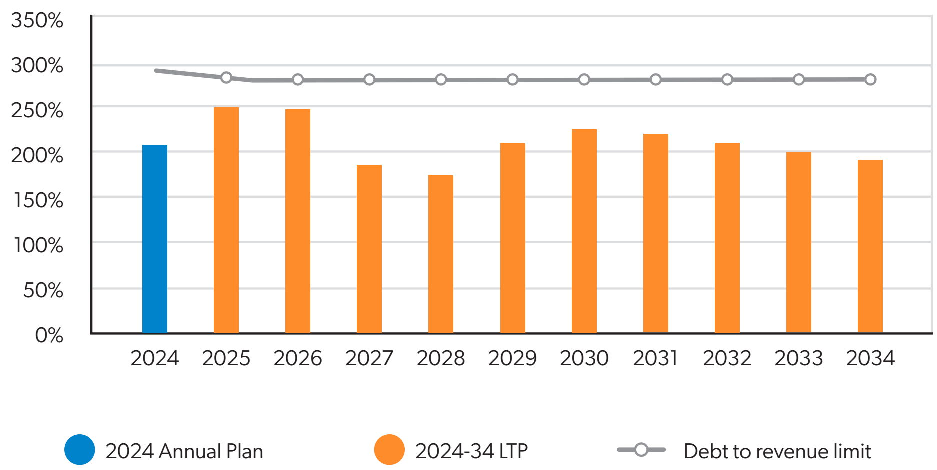
Offsetting the increase in borrowing to fund capital is an assumption that three waters is transferred to a separate entity in year three of the plan and Council is repaid all outstanding debt (estimated at $570m). Our debt in July 2024 is assumed to be $1.1b, increasing to over $1.6b by 2033.

Graph 3: Annual Debt Profile



Graph 4 below shows that we maintain a financially sustainable debt to revenue ratio based on the financial assumptions in the draft budget. The grey line shows the limit of the debt to revenue ratio as set by LGFA, and the bars show the ratio that is associated with the capital programme, noting that this is after adjusting for expected government grants and use of IFF levies for both transport and city centre projects. At the maximum shown below of 231% we remain under the 280% limit, with considerable head room available to deal with unforeseen circumstances if required.

Graph 4: Debt-to-revenue ratio against proposed borrowing limit



Operational revenue and expenditure

Capital investment flows through to operational costs of depreciation, debt financing and the cost of operating and maintaining new assets. The large capital investment also results in higher costs of staff, consultancy, and contractor costs for Council to deliver much larger levels of capital investment.

Our operating budget requirements have increased to:

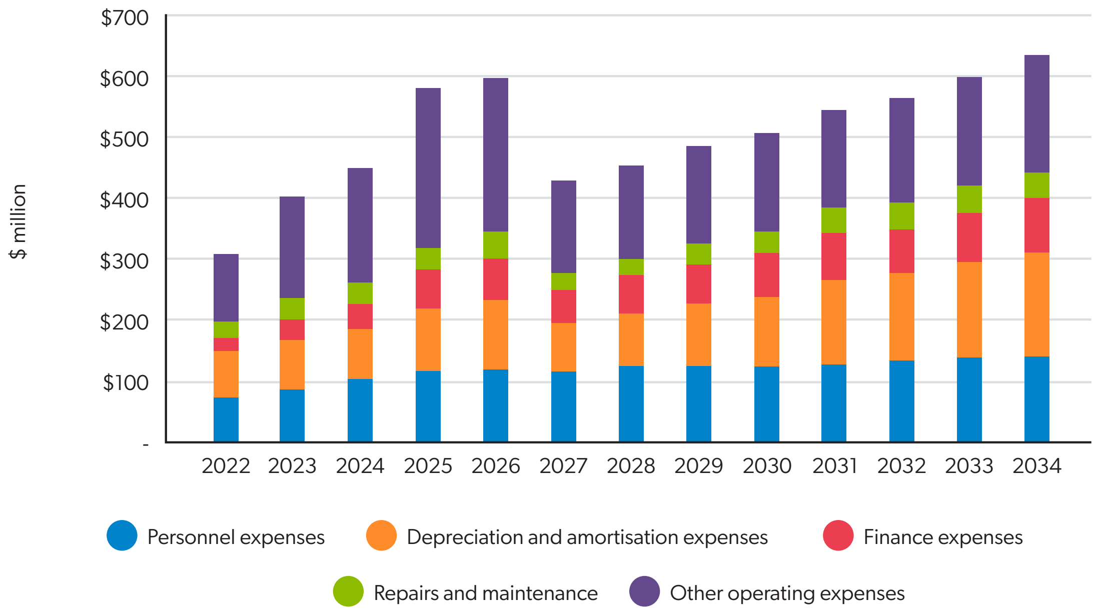
- provide contracted delivery and maintenance services across the city, particularly in Spaces and Places and transportation
- provide grants to support delivery by Bay Venues Limited
- establish strong governance and project delivery practices to deliver on the large capital programme in a way that enables us to manage our risks, and impacts on the community
- ensure adequate digital systems, security and performance, including expenditure to replace outdated systems and improve systems that interact with our community
- increase staff budgets to:
  - support the increased capital expenditure and to assure quality
  - meet increased community expectations for improved access, communication and engagement
  - meet increased requirements for planning across the city
  - attract and retain the very best people we need to address market movement in salaries
  - replace consultants with salaried staff to assist cost efficiency, adequately resource delivery and retain expertise in-house.

Operational costs over the 10 years are shown in Graph 5. In the graph, costs have been inflation adjusted.

Two years of actual budgets are shown, as well as the LTP budgets commencing in the 2024/25 financial year. The substantial drop in budgets in 2026/27 is based on the removal of three waters activities from council to a new entity. Some work relating to flood control and planning will remain in-house. Some reduction in overhead costs has been assumed as some of these costs will move with the three waters business.

Ongoing increases in depreciation and interest costs occur directly from the large ongoing capital programme. Once new facilities are operational there will also be an increase in operational costs.

Graph 5: Operational Expenditure (inflated)



Funding - Paying a fair share

Funding is about who pays for the city's services and infrastructure, ensuring everyone pays a fair share.

For the most part the businesses and households living within Tauranga City pay for the services and infrastructure council provides. The main source of revenue is general rates, the share of which is divided differently between residential, commercial and industrial properties. See pg 49 for more on this. We also charge targeted rates for particular services, such as wastewater and kerbside waste collections. The other source of revenue from the community is from user fees and charges.

Council has also adopted the use of an Infrastructure Funding and Financing levy (IFF) to fund transportation network projects and is proposing to use this same mechanism to fund city centre capital expenditure. Ratepayers will continue to pay for this cost but through a levy charged by a Crown agency. The advantage of this instrument is that Council is left with more capacity to borrow than it would have if it funded these projects directly. The 30-year increasing charge structure of IFF financing also enables these projects to be paid for intergenerationally and as the city population grows. This intergenerational approach is fair for long-term infrastructure.

Other non-residents benefit from council's services. These include tourists and other visitors to the city, businesses located outside the city that use the port, and other businesses with warehouses and factories, for example, who use the infrastructure and services of the city. Government benefits from the services and infrastructure within the city in various ways, such as through a nation-wide transportation network, or sporting and cultural facilities.

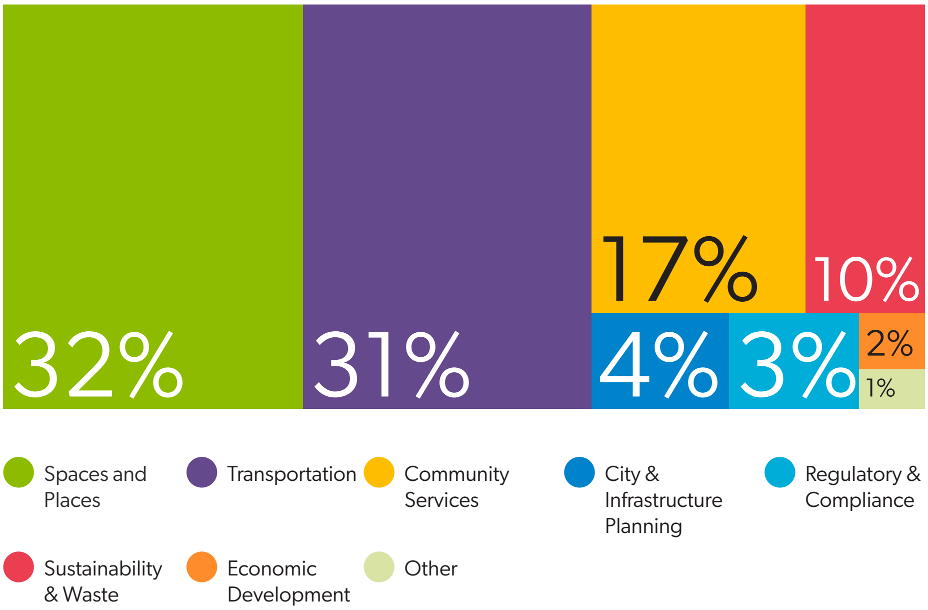
User fees for access to facilities or parking are one option that can obtain revenue from non-residents. Other approaches to obtain funding from people, businesses, and government agencies not located in Tauranga City and therefore not able to be rated include:

- Central government grants
- Development contributions and developer agreements to fund growth infrastructure
- Multi-agency partnering agreements
- Future options such as variable road pricing - see pg 56.

What our rates pay for

Income from rates covers 72% of Council's operational costs. In the first two years of the LTP, 33% of rates will fund three waters activities (about $115m per annum). For the remaining eight years of the LTP after three waters has been removed, the proportion of rates for each activity area is broken down in the graph below. Spaces and Places and Transportation remain the largest operational areas of council.

Graph 6: What our Rates pay for 2026/27 - 2033/34 (excluding waters in last 8 years of LTP)



Financial Strategy limits

Quantified Limits on Borrowing

Consistent with Council's Treasury policy, Council will adhere to the following limits on borrowing:

- Net interest expense on external debt as a percentage of annual operating revenue will not exceed 20%
- Net interest expense on external debt as a percentage of annual rates revenue will not exceed 25%, and
- Net external debt as a percentage of annual operating revenue (including Bay Venues Limited) will not exceed the borrowing limits set by the Local Government Funding Agency – see Table 1.

Rates and Agreed Limits on Rates

The focus of the LTP is on what we need to do and spend to achieve the desired outcomes for our city recognising the challenges and issues that our city is facing. Revenue from rates is one of the ways we fund the needed expenditure. Other ways include direct charges to people using our services, subsidies and grants, developer contributions and shared arrangements or partnerships with other organisations.

Where we decide to fund activities or services through rates, Council must determine how much different members of the community contribute and for what (the rating differential).

Quantified Limit on Rates Increases

In this LTP, we have set a limit on the increase in general rates collected per year to a maximum of 12%, before accounting for growth. This limit provides a margin above expected rates rises in each year of the LTP.

General rates cover the general expenditure and services of council, as identified in the Revenue and Finance Policy.

This limit does not give an indication of the rates increase on different groups of ratepayers as this will vary according to rating structure, the use of targeted rates, growth in rateable properties, capital value changes, as well as changes in expenditure across council. Because of the proposed changes to the rating structure there is significant variation in rate increases amongst categories of ratepayers in year one of the LTP.

This LTP sees a proposal for a new general rating category for industrial properties, see pg 49. Changes to the rating differential for industrial properties is also proposed for the first year, with further movements in commercial and industrial differentials to achieve a target split in total revenue of 65% residential, 15% commercial and 20% industrial.

Table 1: Key financials for LTP inflated

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Capital Programme ($m)	441	450	336	347	366	327	283	287	288	287
Net Debt ($m)	1,262	870	942	938	1,108	1,234	1,297	1,331	1,343	1,341
Debt to Revenue ratio (funding adjusted)[1]	251%	247%	185%	176%	209%	224%	220%	211%	200%	190%
Financial Limit on Borrowing (debt to revenue ratio)	285%	280%	280%	280%	280%	280%	280%	280%	280%	280%
Total Rates ($m)*	325	361	297	323	350	380	414	450	480	512
Total Rates Increase (net growth)	10.3%	9.5%	-19%	7%	7%	7%	7%	7%	5%	5%
IFF levies (approx)	2.8%	2.2%	0.3%	0.1%	0.3%	0.2%	0.1%	0.3%	0.2%	0.1%
Total Ratepayer increase net growth[2]	13.1%	11.7%	-19%	7%	7%	7%	7%	7%	5%	5%
Limit on rates increase (net of growth and IFF)	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%

Table continued on next page

*Rates breakdown	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
General Rates ($m)	217	246	271	295	321	349	380	416	445	475
Kerbside Collection ($m)	14	15	16	17	18	19	20	22	23	24
Wastewater Targeted Rate	43	46	0	0	0	0	0	0	0	0
Water by Meter and fixed charge ($m)	42	44	0	0	0	0	0	0	0	0
Three new Geographically based Targeted Rates	2	3	3	3	3	3	3	3	3	3
Other Targeted Rates ($m)	7	8	8	8	8	9	11	9	9	10
Total Rates ($m)	325	361	279	323	350	380	414	450	480	512
Total Rates increase before growth	11.8%	11%	-18%	9%	8%	9%	9%	9%	7%	7%
Assumed Growth	1.5%	1.5%	1.5%	1.5%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
Total Rates increase (net growth)	10.3%	9.5%	-19.1%	7%	7%	7%	7%	7%	5%	5%
Limit on rates increase (net of growth and IFF)	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%

*Rates increases (in table) do not include the new IFF Levy for the Transport System Plan, which will appear on your rates bill from July 1, 2024. Estimated additional levies will be: An additional 5.6% for median commercial ($649 per year extra) An additional 2.1% for median residential ($68 per year extra)

[1] Excluding revenue from IFF and relating to Tauriko West, excluding interest on deposits resulting from pre-funding of debt repayment, including Bay Venues Limited revenues and lease commitment liabilities.

[2] The large decrease in year three reflects divestment of the three waters activities.

Proposed rates and Infrastructure Financing and Funding (IFF) levy for 2024/2025

	2024/2025 proposed	2023/2024 rates	Increase %	Increase $/pw	Transportation IFF Levy increase %	Transportation IFF Levy increase $/pw
Residential						
Low Residential (1%)	$2,110	$1,997	5.7%	$2.17	1.3%	$0.51
Lower Quartile (25%)	$3,029	$2,844	6.5%	$3.54	1.9%	$1.05
Median (50%)	$3,476	$3,258	6.7%	$4.21	2.1%	$1.31
Upper Quartile (75%)	$4,028	$3,766	6.9%	$5.03	2.2%	$1.63
High Residential (99%)	$10,253	$9,510	7.8%	$14.29	2.9%	$5.25
Commercial						
Lower Quartile (25%)	$7,071	$6,801	4.0%	$5.19	5.0%	$6.48
Median (50%)	$12,128	$11,615	4.4%	$9.85	5.6%	$12.49
Upper Quartile (75%)	$20,146	$19,249	4.7%	$17.24	5.9%	$22.03
High Commercial (99%)	$406,317	$386,920	5.0%	$373.03	6.4%	$481.30
Industrial (new category proposed)						
Lower Quartile (25%)	$6,302	$5,139	22.6%	$22.37	4.5%	$4.40
Median (50%)	$11,173	$8,808	26.9%	$45.49	5.3%	$8.98
Upper Quartile (75%)	$22,159	$17,082	29.7%	$97.63	5.9%	$19.32
High Industrial (99%)	$203,376	$153,574	32.4%	$957.72	6.4%	$189.82

Securities and financial investments

Policy on the giving of securities for borrowing

In the normal course of business, Council offers rates revenue as security for its borrowing, recognising that utilising rates revenue as security lowers the risk involved for lenders and, therefore, will lower the cost of borrowing to the Council.

Council offers security through a Debenture Trust Deed, which allows Council to provide security over rates revenue from time to time made by Council under the Local Government (Rating) Act 2002.

Where doing so would help further the Council's community goals and objectives, Council may offer security over an asset other than rates, on a case-by-case basis.

Objective for holding and managing financial investments and equity securities

Council's investment objectives are included in Council's Treasury policy. Overall Council holds financial investments to manage its liquidity and funding risks. Its objectives in relation to these investments and equity are therefore that they:

- Contribute to the fundamental objective of managing liquidity requirements and funding risk,
- Protect the capital amount invested,
- Optimise returns in the long-term while balancing risk and return.

Quantified targets for returns on financial investments and equity securities

Council's quantified targets for returns on financial investments and equity securities are:

- they are better than the daily average of call, 30-day, 60-day, and 90-day bank bill rates as published by the New Zealand Financial Markets Association.

Water Services Reform – Technical Disclosure

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.

This Long-term Plan has been prepared in accordance with current legislation, 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 Long-term Plan.

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.
- From year three of the Long-term Plan annual three waters revenue and expenditure has been removed. If three waters had not been removed, revenue in year three would likely have been between $120m-$130m higher to cover costs of providing three waters services. This translates to an ongoing increase in rates and charges likely to be about 10% per annum for the three waters activities.
- Three waters assets of $3b are assumed to transfer to the new entity, which is 36% of Council's asset base. Under the legislation, Council receives only the value of debt less cash balances and depreciation reserve balances in return for this transfer. Under draft settlement plans an amount of debt to be repaid was agreed for 2022 with further debt after this point to be added to the sum. In our modelling $581m is assumed to be repaid by 30 June 2026. This is about 40% of Council's total debt (net of cash and deposits) at that time. Because we are transferring assets at zero value and only being paid an amount for debt, the difference between these two figures of $2.5b is recognised as a loss on transfer.

  We note that the assumptions for debt repayment on the transfer of waters assets to the new entity is based on draft settlement plans with Department of Internal Affairs but there has been no final ministerial sign off of asset transfer or backed-to-backed loan. Completing these negotiations successfully is the only identified significant risk to Council under the current waters reform legislation. Note that all $ figures are draft, based on the best information TCC has at this stage but are likely to change between now and settlement date.
- There remains uncertainty around the exact stormwater reserves to transfer with those assets that are multi-use (eg. stormwater reserves) assumed to remain with Council.
- 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.
- Ratepayers will still pay for water services from the standing up of Entity C, however this is likely to be through a charge rather than via rates.

- 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.

With the recent change of government, the approach to water services reform is uncertain and may change. The high-level financial impacts of council retaining three waters for the term of the Long-term Plan are provided in Appendix four to the Financial Strategy. The Infrastructure Strategy also includes additional information relating to waters capital requirements for the full ten years. In this consultation document the financials displayed under the financial strategy section from pages 70-82 would be updated to include an additional eight years of wastewater, water supply and stormwater.

In summary if water services reform as currently legislated does not occur council's debt will be higher, as will its revenue and expenditure by the amounts outlined in the earlier bullet point. Because of the high value of the three waters capital programme, our debt to revenue ratios will be higher and close to maximum debt covenants. There will be continued pressure to increase water and wastewater charges each year as outlined in attachment four to the financial strategy. The capital programme for three waters is likely to be around $1.3b for the ten years. If three waters expenditure was above $1.3b then the wider capital programme may need to be reprioritised to achieve a total capital spend of no more than $4.7b over the ten years and/or matched with significant additional revenue either in the form of external revenue or user and ratepayer charges. The Infrastructure Strategy identified approximately $6b of waters infrastructure spread fairly evenly over the 30 years. It is likely that annual capital delivery will increase over the term of the strategy. This would mean any higher levels of capital expenditure and supporting revenues occurring in the later years of this Long-term Plan would be consulted on in later Long-term Plans.

There is no specific consultation item associated with three waters in this Long-term Plan, nor are there any implications on the items being consulted on in this document.

As indicated above the upcoming change of government may lead to a change of approach to reform. One option could be a repeal of water reform (this is the National Party policy on water reform). If this is to occur, then nothing can change in this Long-term Plan until the legislation is changed.

If the legislation is changed before the scheduled adoption of the final Long-term Plan, Council will consider the impact of the repeal or change of existing legislation, the content of any new legislation, and the detail of any transitional arrangements in that legislation before deciding what it's next step will be for the Long-term Plan process. This may or may not include further consultation.

Wāhanga tekau mā tahi: Kōrerotia mai ōu whakaaro!

Part eleven: Tell us what you think

How to do a written submission

- Complete the online submission form or download at letstalk.tauranga.govt.nz/longtermplan
- Scan your completed submission form and email it to submissions@tauranga.govt.nz
- Drop your submission form into He Puna Manawa - 21 Devonport Road, Tauranga or at your local library
- Place your completed form in an envelope and send it to this address (no stamp required):
  Freepost authority number 370
  Long Term Plan 2024-2034
  Tauranga City Council
  Private Bag 12022
  Tauranga 3143

Submissions close at 5pm on Friday 15th December.

If you're making a postal submission, please ensure we receive it by this deadline.

Things to note

- Should you wish to speak to council at the hearings you must still provide a written submission outlining your main points.
- If you are hand-writing your submission please use a dark-coloured pen.

Need help?

- If you have any questions, or need help with your submission, get in touch and we'll give you a hand:

  Phone: 07 577 7000

  Email: info@tauranga.govt.nz

  In person: Visit He Puna Manawa - 21 Devonport Road, Tauranga

Need more room?

- You can attach extra pages – just make sure they're A4 and that you include your name and contact information.

Once the Long-term Plan 2024-34 is adopted, submitters will be sent a summary of key decisions.

Privacy statement

Written submissions may contain personal information within the meaning of the Privacy Act 2020. By taking part in this public submission process, submitters agree to any personal information (including names and contact details) in their submission being made available to the public as part of the consultation and decision-making process. Council may choose to redact information from submissions before making them public.

You don't have to answer all the questions on the submission form, except for those marked with an *. If you don't answer the questions marked with an *, we may not be able to contact you to arrange a time for you to speak to Council in support of your submission, should you wish to do so, or update you on the outcome of your submission.

All information collected will be held by Tauranga City Council. Submitters have the right to request access to and correction of their personal information. For further information about this and our obligations and your rights under the Privacy Act 2020, including how we may redact submissions before publishing them online and in Council documents, please refer to Council's Privacy Statement on our website: https://www.tauranga.govt.nz/privacy-statement

Are you submitting as an individual or as an organisation?

- Individual
- Organisation

Organisation:

*Compulsory field

First name*:

Postal address*:

Email address*:

Preferred method of contact

- Email
- Postal

Daytime phone number*:

Age:

- Under 16
- 16-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65-74
- 75-84
- 85+
- Prefer not to say

Part eleven: Tell us what you think

Gender

- Male
- Female
- Gender diverse
- Other: Please specify
- Prefer not to say

Ethnicity

- NZ European
- Māori
- Asian: Please state
- Pacific: Please state
- Other: Please specify
- Prefer not to say

Where do you live?

- Arataki (Bayfair)
- Avenues
- Bellevue
- Bethlehem (Hangarau)
- Brookfield
- City Centre (Te Papa)
- Gate Pā (Pukehinahina)
- Greerton (Tutara Wānanga)
- Hairini
- Judea (Huria)
- Kairua
- Matapihi
- Matua
- Maungatapu
- Merivale (Parkvale)
- Mount Maunganui
- Not applicable
- Ohauiti
- Omanu
- Oropi
- Otūmoetai
- Pāpāmoa Beach
- Pāpāmoa Hills (Waitao)
- Pāpāmoa East (Wairākei)
- Poike (Windermere)
- Sulphur Point
- Tauranga South
- Tauriko
- Te Maunga (Mangatawa)
- The Lakes
- Waimapu
- Welcome Bay
- Other: Please specify

Do you wish to speak to Council in support of your submission between 12-14 February?

- Yes
- No

If so, please indicate whether you would prefer

- Monday 12 February, 1:30-5pm, BoPRC Council Chambers
- Tuesday 13 February, 1-7pm, Club Mount Maunganui
- Wednesday 14 February, 9am-5pm, Marae TBC

We will contact you to arrange a speaking time. Each speaker is allocated 5 minutes.

Questions

What we're asking you for this LTP:

New industrial rating category

We currently have two rating categories, residential and commercial, which make up Council's total income from rates.

The current commercial category includes land whose primary use is commercial, industrial, port, transportation, or utilities. But we recognise industrial, port, transportation, and utilities properties have a greater impact than other commercial properties on Council infrastructure, such as roading, and on community wellbeing, including congestion and safety.

In addition to our residential and commercial rating categories, should we introduce a new industrial rating category?

Which option do you prefer?

- ◯ **Option 1: Support new rating category "Industrial" defined as land whose primary use is industrial, port, transportation, or utilities networks (our proposed option).**
- ◯ **Option 2: Do not support a new "industrial" rating category.**

Any comments?

Other ideas for consideration

City centre development incentives

Council is investing significantly in the city centre area and will continue to do so through the 2024-34 Long-term Plan period. Ensuring the benefits of this investment are optimised requires more people living and working in the city centre, hence the need to attract more public and private sector investment in new development.

An option we're exploring is to provide development contribution incentives for the city centre, as have been implemented in other growth cities such as Hamilton.

We want to hear your thoughts on the potential of introducing development contribution incentives for the city centre. Are there any other measures you think Council should take to achieve the desired outcomes for our city centre?

Any comments?

Reducing traffic congestion

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

We are asking for your feedback on the possibility of introducing SmartTrip variable road pricing at some stage in the future, to help improve Tauranga's traffic congestion woes. SmartTrip pricing is a system which would charge vehicle owners for using Tauranga's highway corridors, with higher costs during peak travel times and lower costs when demand is less. Its intent is to encourage people to think about their road use and, where they can, change their travel time, work from home, share their vehicle use, or use another transport mode (like public transport, cycling or walking). Fewer vehicles on the road would mean faster journey times and a better level of service on our transport network. The funding generated by road pricing would also allow investment in network improvements to be accelerated and all users would be contributing to the local cost of improvement projects, not just Tauranga ratepayers.

What is your level of support for using SmartTrip variable road pricing to accelerate Tauranga's investment in a better road network and transport services thereby reducing congestion and carbon emissions?

- ○ **Strongly oppose**
- ○ **Oppose**
- ○ **Netural/Don't Know**
- ○ **Support**
- ○ **Strongly support**

Should we work with Waka Kotahi and Government to further investigate SmartTrip through a business case investigation? (This would confirm the benefits variable road pricing could provide and identify solutions which would address any potential negative impacts.)

- ○ **Yes**
- ○ **No**

We want to hear your thoughts on the possibility of introducing SmartTrip variable road pricing.

Any comments?

Other consultations

Fees and Charges

To achieve a fairer proportion of funding from other sources, we're proposing to increase some fees and charges so that those who directly generate a need for, and gain the highest benefit from a service, will pay a larger share of the costs of that service.

Also some new user fees that are proposed to be introduced during this LTP aim to recognise specific beneficiaries of services or amenities and thereby reduce the extent to which general ratepayers must fund these activities.

Below is a list of some of the main new fees proposed:

- New fees and charges for the use of boat ramps
- New fees and charges for the use of active reserves
- New fees and charges for the use of council land for a lease or licence to occupy;

For more information - a full list of the proposed new fees and charges for 2024/25 and the Statement of Proposal can be viewed on Council's website letstalk.tauranga.govt.nz/longtermplan.

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

We want to hear your thoughts on the proposed new fees and charges and other comments on any fees and charges?

Is there anything else you would like to tell us about the Draft Development Contributions Policy?

Any comments?

Is there anything else you would like to tell us about this LTP?
(including the Draft Revenue and Finance Policy)

Any comments?

Targeted rates

We're proposing to introduce some new targeted rates to make the way we fund development in specific growth areas fairer, and we want to know what you think.

Should we introduce a new targeted rate for private pool inspections?

Currently we are required by law to inspect pools every three years and the inspection is paid for by a fee charged to the owner. This means the cost burden is carried by the owner at the time of the inspection, even if the property is sold before the three-year period is up.

Which option do you prefer?

- ◯ **Option 1: Fund private pool inspection costs fully through a new annual targeted rate (our proposed option)** -Targeting rates in this way would spread the cost burden of the pool inspection to the pool owner equally over three years as opposed to one fee every three years.
- ◯ **Option 2: Keep charge for private pool inspection as a fee -** Not targeting rates in this way would mean that the fee is paid every three years at the time of inspection.

Any other comments on targeted rates for pool inspections?

Should we introduce a new targeted rate to fund Local Urban Infrastructure - West Bethlehem and Pyes Pā West

While we have a policy of growth pays for growth, for a number of reasons we haven't been able to collect the full cost of the infrastructure needed for growth in West Bethlehem and Pyes Pā West through Development Contributions (DCs), which are the fees developers pay to Council to build, develop or connect to a new service. Over time, this has resulted in a funding backlog in these areas of around $44 million.

We've made changes to reduce the likelihood of any future DC shortfalls, but ratepayers who don't all directly benefit from the specific development have been paying back the under-collected debt since about 2012, because current legislation doesn't allow full cost recovery.

Which option do you prefer?

◯ **Option 1: From 2025/26 establish a targeted rate to recover 50% of the backlog from the areas in which it has been caused over 30 years (our proposed option)**

- an additional targeted rate to West Bethlehem ratepayers of between $110-$128 per annum
- an additional targeted rate to Pyes Pā West ratepayers of between $80-93 per annum.

◯ **Option 2: From 2025/26 establish a targeted rate to recover all the of the development contributions backlog created by the shortfalls in these areas over the last 30 years**

- an additional targeted rate to West Bethlehem ratepayers of between $220-$256 per annum
- an additional targeted rate to Pyes Pā West ratepayers of between $160-$186 per annum.

◯ **Option 3: No Targeted rate and transfer reserve balances from development contributions funded debt to rates funded debt over 10 years (status quo).**

Should we introduce a new targeted rate to fund Urban Growth - Te Tumu growth area (Pāpāmoa and Wairākei)

We're investing significantly in transport projects in the eastern corridor which provide varying benefits to the city and the urban growth areas of Pāpāmoa and Wairākei. These investments also support the future Te Tumu urban growth area in the east. We're initially borrowing the money for these projects, with a significant amount of the cost allocated to future Te Tumu development contribution funding (development contributions are the fees developers pay to Council to build, develop or connect to a new service).

However, there are likely to be significant delays with the Te Tumu development to 2040, due to a range of other challenges to successfully rezone it for urban development, which means there is substantial uncertainty around the Te Tumu funding share for these projects. To mitigate these risks, is it proposed that we establish three targeted rates to pay off some of the debt associated with the transport projects mentioned above. The amount you pay is determined by how close your property is to the projects.

Which option do you prefer?

- ◯ **From 2024/25, establish three targeted rates to partly pay back money borrowed for the transport projects required to meet current growth needs and provide for future growth (in Pāpāmoa and Wairākei) (our proposed option):**
  - Every rating unit in the city (not including Pāpāmoa and Wairākei) will pay between $32 and $38.
  - Every rating unit within Pāpāmoa will pay between $64 and $76
  - Every rating unit within Wairākei will pay between $96 and $114
- ◯ **Option 2: No targeted rate and continue with the assumption that Te Tumu will be developed and that costs will be recovered through development contributions (status quo).**

Any other comments on these targeted rates?

Buildings

In our 2021-31 Long-term Plan Amendment, we noted that half of the $303 million investment needed for Te Manawataki o Te Papa – the heartbeat of Te Papa (our Civic Precinct Masterplan to transform the city centre) would have to come from sources other than rates.

Options included government grants and the potential sale of non-core council assets, such as our carparking buildings.

Just as households at times consider selling or retaining assets to help fund something else, we think it's worth us considering too.

Should we retain or sell our City Centre Parking Buildings?

Which option do you prefer?

- ◯ **Option 1: Sale with leaseback (our proposed option)** - Council could sell the carparking buildings with a leaseback to Council for a minimum term of 15 years. Council would continue to manage the carparking operations as it does now.
- ◯ **Option 2: Sale as Operating Assets** Council could sell the carparking buildings as operating assets. In this case, an instrument (called a restrictive covenant) would be put in place to ensure the carparking buildings continue to provide public carparking for at least 15 years from the date of divestment.
- ◯ **Option 3: Retain the Carparking Buildings** Council could continue to hold the buildings.

Any other comments on the sale of the parking buildings?

Community Stadium

As one of Aotearoa New Zealand's fastest growing cities we want to create community spaces where people can come together to do the things they love. One piece of key infrastructure our sub-region lacks is a modern, fit-for-purpose community stadium.

Following a feasibility study in May 2022, the Council agreed that the Tauranga/Wharepai Domain would potentially be a good location for a community stadium.

A preliminary business case, developed by Priority One, identified that the construction of the proposed stadium would bring numerous social and economic benefits to Tauranga City.

Community engagement in July 2023 showed there was sufficient initial support for the proposal to take it to the next step. We've done more work and we now have a clearer picture of how we could fund the stadium's construction. And now we want to know what you think.

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

Which option do you prefer?

- ◯ **Option 1: Staged Implementation (our proposed option) -** Involves the staged development of the community stadium in a manner that ultimately achieves the ambition championed in the preliminary business case but executed in stages rather than as a single-stage project.
- ◯ **Option 2a: Single stage construction within 2024-2034 -** Involves taking the approach included in the preliminary business case and working towards an immediate start to construction.
- ◯ **Option 2b: Single stage construction with deferred start-date -** Involves the same approach as Option 2a, but with a delayed start-date.
- ◯ **Option 3: No further action at this stage -** Council would decide not to include any form of community stadium project in the 2024-34 Long-term Plan process.

Any other comments on the community stadium?

Audit Opinion