



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**
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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 policies 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 high 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)**

