



ATTACHMENTS

**Accountability, Performance &
Finance Committee meeting
Separate Attachments 1**

Monday, 2 September 2024

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8.4 Tauranga City Council - Draft Annual Report

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Introduction to financial section

The financial section contains the core financial information required by the Local Government Act 2002 and the Financial Reporting and Prudence Regulations 2014.

The section includes:

- Financial Prudence Benchmarks
- Rating Base Information
- Whole of Council Funding Impact Statement (FIS)
- Financial Statements
- Notes to the Financial Statements

The Financial Prudence Benchmarks are produced in accordance with the Financial Reporting and Prudence Regulations 2014. Their purpose is to disclose the Council's financial performance in relation to various benchmarks that are also presented by other councils.

Rating Base Information explains the basis on which rates are set and trends over recent years.

The whole of Council Funding Impact Statement (FIS) is prepared in accordance with the Financial Reporting and Prudence Regulations 2014 and provides the full year results compared to budget and the prior year in a format that shows revenue and expenditure categorised as either operational or capital sources and applications of funds. Depreciation expense is excluded from operational application of funds. Under the Funding Impact Statement presentation, depreciation is included in the movement of reserves as a source of capital funding.

Following on from the whole of Council Funding Impact Statement, the **Tauranga City Council Group Financial Statements** are presented in accordance with the Local Government Act 2002, which also includes the requirement to prepare the accounts in accordance with New Zealand Generally Accepted Accounting Practice, and the new Public Benefit Entity requirements. **The Financial Statement of Comprehensive Revenue and Expense** presents operational and capital revenue and expenditure in a different format to the Funding Impact Statement. Operating expenditure includes depreciation and some non cash expenses such as provisions for doubtful debts.

Depreciation is a non cash operating expense which recognises the use of an asset over the year. Because over time assets will wear out and require replacement, depreciation of assets should be recognised as a cost of operation. Council does not always have to pay the full cost of replacement of assets so it does not fully fund (through rates and user fees and charges) the costs of depreciation e.g. for replacement of Road assets which are partially funded by Waka Kotahi NZ Transport Agency.

The Statement of Financial Position shows what Tauranga City Council owns (its assets) and what it owes (its liabilities) at the end of the financial year. This statement shows a snapshot of Tauranga's net worth (assets less liabilities) at a point in time.

This statement is supported by a **Statement of Movements in Equity** which shows how the net worth of the organisation has moved over the year, and a **Statement of Cashflows** which records the transactions of Council for the year that have involved movements in cash and therefore explains the balance of cash at year end.

The notes to the accounts explain the items in the financial statements in more detail.

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Financial prudence

Annual Report Disclosure Statement for the Year Ending 30 June 2024

The purpose of this statement is to disclose the councils 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 annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions used in this statement.

Base figures used in the benchmark calculations are attached in a table at the end of this section.

Rates Affordability Benchmarks

The Council meets this benchmark if:

- Its actual rates income for the year equals or is less than each quantified limit on rates; and
- Its actual rates increases for the year equal, or are less than each quantified limit on rates increases.

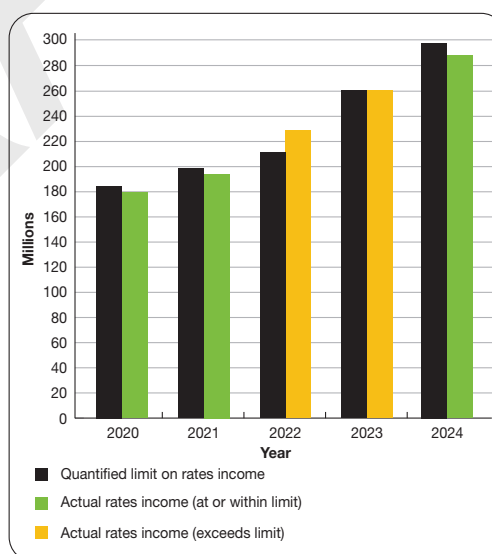
Rates Income Affordability Benchmark

Quantified Limit on Rates

The total rates requirement for each year of the long-term plan will be no more than shown in the adopted Long Term Plan for that year. The following graph compares Council's actual rates income with a quantified limit on rates contained in the financial strategy included in Council's Long Term Plan.

2022 - actual rates have exceeded quantified limits due to the higher number of rateable properties and higher increase in rates per rateable property than budgeted.

2023 - actuals rates have exceeded limits due to continued growth in the region, resulting in higher number of rateable properties and an increase in rates per rateable property.



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Rates Increases Affordability Benchmark

Quantified Limit on Rates Increases

For years post-2019, the annual increase in total rates requirement will be limited to the total of:

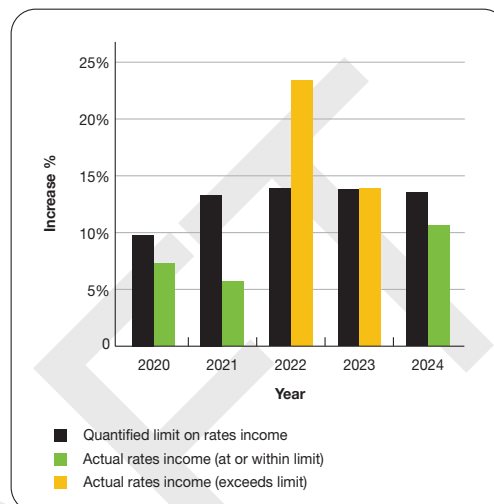
- The agreed limit on rates,
- The estimated percentage growth in the number of rateable properties in the city in the year to 30 June preceding the relevant rating year in question.

The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's Long-term Plan.

* Using the most recent consumer price index statistics, published by Statistics New Zealand, available at the time the draft and then the Long Term Plan is prepared.

2022 - rates increase exceeded quantified limits due to implementation of new targeted rates and funding increased level of service and new initiatives.

2023 - rates increase exceeded limits due to increased funding requirements.



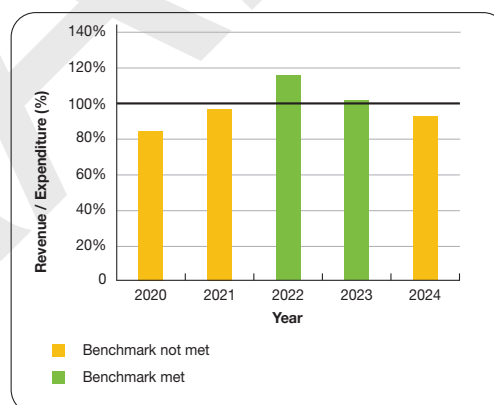
Balanced Budget Benchmark

The following graph shows the Council's revenue (excluding development 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). This benchmark is met if revenue equals or is greater than operating expenses.

2020 - Revenue was adversely impacted by lower subsidies and user fees and charges due to COVID-19. Expenditure includes significant asset write-off's and provision expense.

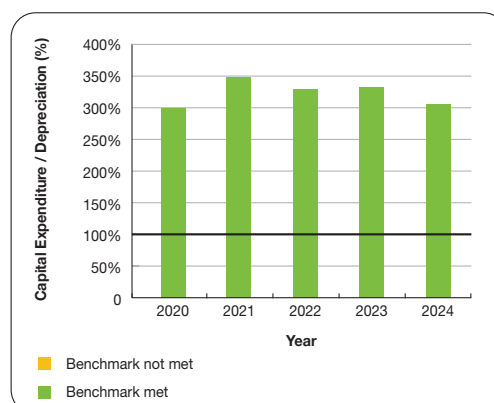
2021 - Expenditure includes significantly higher depreciation expense and operating costs, as well as a large provision expense.

2021 - Expenditure includes significantly higher depreciation expense and operating costs from inflationary pressures.



Essential Services Benchmark

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

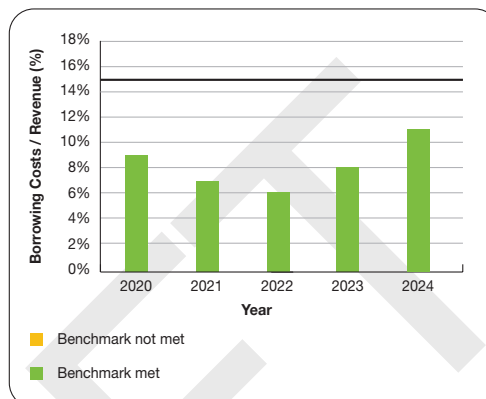


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Debt Servicing Benchmark

The following graph compares Council's borrowing costs as a proportion of 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 growth rate (as at 1/7/2013), it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.

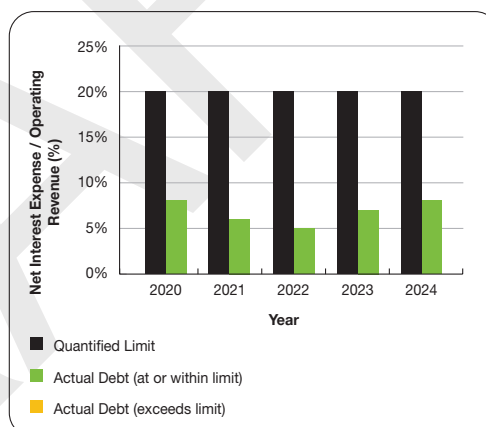


Debt Affordability Benchmark

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

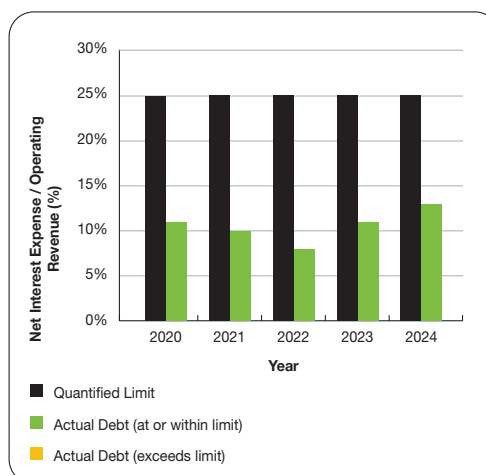
Net Interest Expense on External Debt as a Percentage of Operating Revenue

The following graph compares the Council's actual borrowing with the first quantified limit on borrowing stated in the financial strategy included in the Council's 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%.



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

The following graph compares the Council's actual borrowing with the second quantified limit on borrowing stated in the financial strategy included in the Council's 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%.

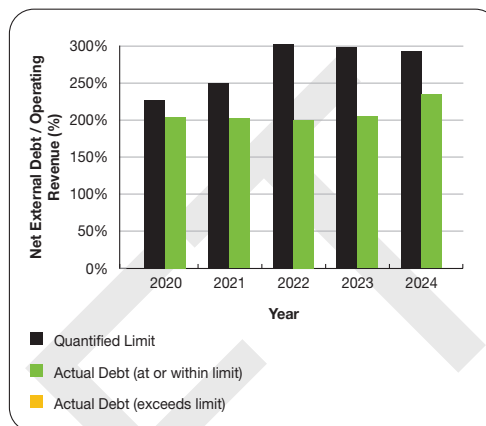


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Net External Debt as a Percentage of Operating Revenue

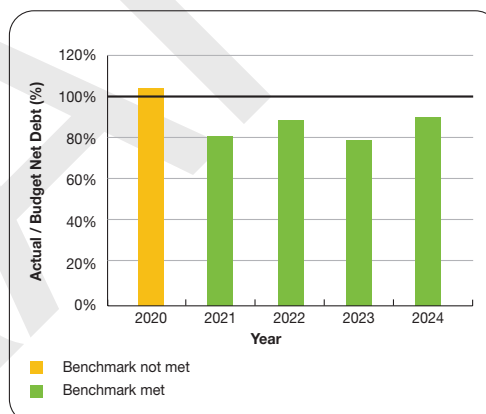
The following graph compares the Council's actual borrowing with the third quantified limit on borrowing stated in the financial strategy included in the Council's Long Term Plan. The quantified limit is Net External debt as a percentage of annual operating revenue (excluding development contributions) will not exceed 300% (for the years 2019 to 2021 the limit was 250% and prior to 2019 the limit was 225%).

Council's capacity to borrow was extended by an increase in the New Zealand Local Government Funding Agency's (LGFA) net debt to revenue ratio limit from 250% to 300% for the 2020/21 and 2021/22 financial years, decreasing by 5% until a limit of 280% which will apply for and from the 2025/26 financial year.

**Debt Control Benchmark**

The following graph displays the Council's actual debt as a proportion of planned net debt. In this statement net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

2020 - Financial liabilities exceeded budgeted levels at 30 June 2020, primarily derivative financial instruments and creditors and other payables.

**Operations Control Benchmark**

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flows from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

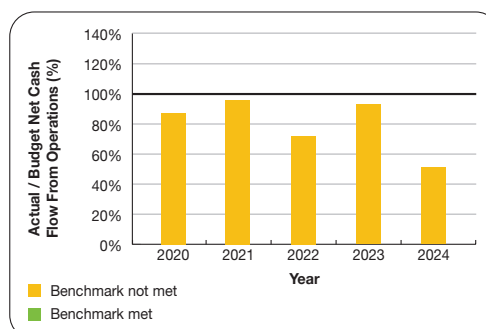
2020 - Operating cash flows were adversely affected by substantially lower subsidies and reduced user fees and charges due to COVID-19.

2021 - Operating cash flows were adversely affected by elevated payments to suppliers, due to the timing of payments.

2022 - Operating cash flows were adversely affected by lower subsidies and reduced user fees & charges due to COVID-19 Omicron restrictions during the year and elevated payments to suppliers.

2023 - Operating cash flows were adversely affected by high inflation, Council's user fees & charges are fixed early and suppliers have greater ability to adapt to current economic conditions, resulting in elevated payments.

2024 - Operating cash flows continue to be adversely affected by higher inflation than budgeted resulting in elevated payments to suppliers and employees compared to budget. Interest rates remain high which generates higher interest revenue but the increase in interest revenue is not sufficient to offset the increase in interest expense, particularly with a higher borrowing level than budgeted. Grants revenue is also lower than budget due to cost of living increases.



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CALCULATIONS

	2020	2021	2022	2023	2024
RATES INCOME AFFORDABILITY \$000					
Annual Report Rates Income	179,605	189,802	234,259	266,800	
Relevant Long-term Plan Rates Budget / Calculated limit *	183,751	203,492	216,184	266,608	

* For 2021 - 2024 a specific numeric limit was not given in the Long-term Plan. In place of this a calculated limit was given, being prior years rates income, inflated by the current year rates limit increase.

RATES INCREASES AFFORDABILITY					
Rates Revenue Budget	156,577	182,979	201,489	230,774	
Water by Meter Revenue Budget	22,711	24,399	32,789	38,143	
Rates Revenue Actual	155,629	165,518	202,064	230,045	
Water by Meter Revenue Actual	23,976	24,284	32,195	36,755	
Rates Increase	7.30%	5.70%	23.4%	13.9%	
Rating Limit/ CPI increase *	7.50%	11.00%	12.00%	12.00%	
Growth	2.30%	2.30%	1.90%	1.80%	
Total Rates Increase Limit	9.80%	13.30%	13.9%	13.8%	

BALANCED BUDGET					
Operating Revenue	242,810	257,690	303,445	357,723	
Plus: Capital subsidy revenue	11,784	22,126	39,843	62,599	
Plus: Investment property revaluation gains	1,248	14,691	31,949	-	
Plus: Other gains on non financial instrument's	2,301	1,118	1,830	7,305	
Total Revenue excluding Asset Development	258,143	295,625	377,067	427,627	
Operating Expenditure	257,682	271,304	308,693	403,840	
Plus: Other losses on non financial instruments	35,764	9,749	13,072	21,614	
Plus: Provisions Expense	12,500	26,438	6,959	-	
Total Expenditure excluding Financial Instruments	305,946	307,491	328,724	425,454	
Revenue/Expenditure	84%	96%	115%	101%	

ESSENTIAL SERVICES BENCHMARK					
Capital Expenditure					
Stormwater	10,142	7,305	9,795	16,359	
Waste Water	19,824	13,951	43,035	38,492	
Water Supply	55,425	68,825	56,204	34,632	
Transportation	20,792	43,414	48,563	106,398	
Capital Expenditure on Essential Services	106,183	133,495	157,597	195,881	
Depreciation					
Stormwater	5,152	5,618	7,537	6,790	
Waste Water	9,031	10,348	14,217	14,301	
Water Supply	6,569	7,731	8,300	10,411	
Transportation	14,505	14,585	17,730	27,176	
Depreciation on Essential Services	35,258	38,282	47,784	58,678	
Capital Expenditure as proportion of Depreciation	301%	349%	330%	334%	

DEBT SERVICING BENCHMARK					
Operating Revenue	258,143	295,625	377,067	427,627	
Borrowing costs	21,992	20,435	21,364	35,038	
Borrowing Costs/Operating Revenue	9%	7%	6%	8%	
Limit	15%	15%	15%	15%	

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	2020	2021	2022	2023	2024
DEBT AFFORDABILITY BENCHMARK LIMIT 1					
Borrowing costs	21,992	20,435	21,364	35,038	
Interest Revenue	2,504	1,426	1,834	6,819	
Net Interest Expense	19,488	19,009	19,530	28,219	
Operating Revenue	258,143	295,625	377,067	427,627	
Net Interest Expense/Operating Revenue	8%	6%	5%	7%	
Quantified Limit	20%	20%	20%	20%	
DEBT AFFORDABILITY BENCHMARK LIMIT 2					
Borrowing costs	21,992	20,435	21,364	35,038	
Interest Revenue	2,504	1,426	1,834	6,819	
Net Interest Expense	19,488	19,009	19,530	28,219	
Rates Revenue	179,605	189,802	234,259	266,800	
Net Interest Expense/Rates Revenue	11%	10%	8%	11%	
Quantified Limit	25%	25%	25%	25%	
DEBT AFFORDABILITY BENCHMARK LIMIT 3					
Actual Net External Debt					
Cash and Equivalents	14,774	39,835	19,987	80,538	
Borrowings Current	54,079	66,012	56,054	56,065	
Borrowings Non Current	485,620	569,361	715,199	892,339	
Total Borrowings	539,699	635,373	771,253	948,404	
Actual Net External Debt	524,925	595,538	751,266	867,866	
Net External Debt/Operating Revenue	203%	201%	199%	203%	
Quantified Limit	250%	250%	300%	295%	
DEBT CONTROL BENCHMARK					
Actual Net Debt					
Financial Assets (excluding debtors and other receivables)	65,503	104,693	128,840	198,804	
Financial Liabilities	692,170	698,810	922,372	1,015,201	
Actual Net Debt	626,667	594,117	793,532	816,397	
Planned Net Debt					
Financial Assets (excluding debtors and other receivables)	23,393	23,399	36,900	38,280	
Financial Liabilities	625,466	761,180	940,934	1,070,234	
Planned Net Debt	602,073	737,781	904,034	1,031,954	
Actual/Budget Percentage	104%	81%	88%	79%	
OPERATIONS CONTROL BENCHMARK					
Actual Cash flows	108,270	120,158	93,526	165,428	
Planned Cash Flows	123,948	125,230	129,475	178,621	
Actual/Budgeted Cash Flows	87%	96%	72%	93%	

FINANCIALS

Rating base information

Councils general rates are set based on capital value, with a residential/commercial differential of 1:2.1. The uniform annual general charge is set on each separately used or inhabited part of a rating unit. The uniform annual general charge and other rates set on a uniform basis are set at close to 10% of the total assessed rates. Targeted rates for resilience, stormwater and community is assessed on all rateable properties based on capital value with a commercial differential of 1:1.6. A targeted rate for transportation is assessed on all rateable properties based on capital value with a commercial differential of 5.2.

Council also set minor targeted rates for level of service in three subdivisions (The Lakes, Pāpāmoa Coast and Excelsa), and four Mainstreet targeted rates assessed on commercial properties

within each Mainstreet area. Council sets targeted rates for wastewater and water supply on properties that are, or can be, connected to the reticulation systems. Water targeted rates are predominantly based on a volumetric rate for each cubic metre of water consumed. Targeted waste rates are assessed on all residential properties who receive a small, standard or large kerbside collection for glass, food, recycling and general waste collection service. Targeted rates are also assessed on residential properties who have opted in to receive a 2 weekly or 4 weekly garden waste kerbside collection service.

All of the above are set and assessed under the Local Government (Rating) Act 2002.

TAURANGA CITY COUNCIL RATEPAYER DATA						
	2019	2020	2021	2022	2023	2024
Number of rating Units	56,792	58,116	59,640	60,130	60,847	61,570
Total Capital Value (\$ Millions)	35,365	51,912	53,048	54,021	81,606	82,476
Total Land Value (\$ Millions)	17,254	28,552	28,848	29,098	51,917	52,207
FURTHER BREAKDOWN*						
Residential Ratepayers						
Residential rating Units	53,719	54,979	55,818	56,419	57,065	57,698
Residential rating units growth from previous year	2.3%	2.3%	1.5%	1.1%	1.1%	1.1%
Residential capital Value (\$ Millions)	28,535	42,807	43,619	44,407	67,758	68,434
Residential capital Value growth from previous year	2.9%	50.0%	0.0%	1.8%	52.6%	1.0%
Commercial Ratepayers						
Commercial rating Units	3,435	3,511	3,642	3,711	3,782	3,872
Commercial rating units growth from previous year	1.3%	2.2%	3.7%	1.9%	1.9%	2.3%
Commercial capital Value (\$ Millions)	6,830	9,104	9,429	9,614	13,847	14,042
Commercial capital Value growth from previous year	1.3%	33.3%	3.6%	2.0%	44.0%	1.4%

*Number of rating units for residential and commercial exceeds the total number of rating units because it includes primary and secondary rating units

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Funding impact statement - whole of council

Tauranga City Council: Funding Impact Statement for Whole of Council for the year ended 30 June 2024

	2022/2023 AP \$000s	2022/2023 Actual \$000s	2023/2024 AP \$000s	2023/2024 Actual \$000s
SOURCES OF OPERATING FUNDING				
General Rates, Uniform Annual General Charges, Rates Penalties	155,269	158,025	174,564	174,505
Targeted Rates	114,614	108,773	116,198	119,637
Subsidies and Grants for Operating Purposes	7,931	22,617	36,585	35,631
Interest and Dividends from Investments	3,604	7,233	4,878	10,686
Fees and Charges	60,701	57,395	61,425	62,440
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	1,896	3,683	1,896	3,683
Total Sources of Operating Funding (A)	344,014	357,726	395,546	406,582
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff and Suppliers	279,918	286,672	323,548	344,941
Finance Costs	31,060	35,037	43,513	49,527
Other Operating Funding Applications	1,222	(423)	1,222	2,355
Total Applications of Operating Funding (B)	312,200	321,286	368,283	396,823
Surplus/(Deficit) of Operating Funding (A-B)	31,814	36,440	27,263	9,759
SOURCES OF CAPITAL FUNDING				
Subsidies and Grants for Capital Expenditure	103,122	91,551	78,973	82,408
Development and Financial Contributions	34,993	44,758	37,471	22,653
Increase/(Decrease) in Debt	137,017	177,150	195,585	222,176
Gross Proceeds from the Sale of Assets *	50,268	16,534	2,021	17,842
Lump Sum Contributions	1,546	1,948	7,083	3,150
Other Dedicated Capital Funding	0	0	0	0
Total Sources of Capital Funding (C)	326,946	331,941	321,132	348,229
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	118,834	88,470	86,399	114,864
- to improve level of service	178,428	153,225	219,484	201,534
- to replace existing assets	64,569	57,501	56,987	49,870
Increase/(Decrease) in Reserves	(3,070)	69,185	(14,474)	(8,280)
Increase/(Decrease) of Investments *	0	0	0	0
Total Applications of Capital Funding (D)	358,760	368,381	348,396	357,988
Surplus/(Deficit) of Capital Funding (C-D)	(31,814)	(36,440)	(27,263)	(9,759)
Funding balance ((A-B)+(C-D))	0	0	0	0

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Reconciliation from surplus of operating funding to operating surplus

The following reconciliation bridges the difference between the funding impact statement and the statement of comprehensive revenue and expenditure.

	2024 \$000	2023 \$000
Surplus of Operating Funding	9,759	36,440
Operating surplus items not included in operating funding:		
Depreciation and Amortisation Expense	(96,257)	(82,554)
Vested Assets	19,897	24,353
Net other gains/(losses)	(7,281)	(2,021)
Operating surplus items not included in operating funding:		
Development Contributions	22,655	44,758
Grants, Subsidies and Other Capital Expenditure Contributions	85,557	93,498
Other Revenue and Expense items	-	(3)
Operating surplus	34,330	114,471



Financial statements

Tauranga City Council: Statement of Comprehensive Revenue and Expenses for the year ended 30 June 2024

	Note	Council			Consolidated	
		Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023* \$'000	Actual 2024 \$'000	Actual 2023* \$'000
Revenue						
Rates		295,016	290,762	267,756		267,340
Fees & Charges		64,024	62,098	59,045		77,948
Grants & Subsidies		36,856	37,808	23,690		23,836
Finance Revenue		10,686	4,878	7,232		6,326
Revenue from Operations		406,582	395,546	357,723		375,450
Asset Development Revenue						
Vested Assets		19,897	17,726	24,353		24,353
Development Contributions		22,655	37,471	44,758		44,758
Grants, Subsidies, and Other Capital Contributions		85,557	86,056	93,498		93,498
Total Asset Development Revenue	32	128,109	141,253	162,609		162,609
Total Revenue	2	534,691	536,799	520,332		538,059
Expenditure						
Depreciation and Amortisation expense	3	(96,257)	(80,034)	(82,554)		(88,721)
Personnel Expenses	4	(106,883)	(103,506)	(89,511)		(106,389)
Finance Expenses	5	(50,159)	(43,676)	(35,257)		(35,264)
Other Operating Expenses	6	(238,401)	(219,900)	(196,518)		(191,064)
Total Operating Expenditure		(491,700)	(447,116)	(403,840)		(421,438)
Other Expenditure						
Provisions Expense	25	(1,380)	(1,200)	-		-
Total Expenditure		(493,080)	(448,316)	(403,840)		(421,438)
Operating surplus/(deficit) before gains and losses		41,611	88,483	116,492		116,621
Net other gains/(losses)	7	(7,281)	1,436	(2,021)		(2,021)
Share of associate's surplus/(deficit)		-	-	-		208
Surplus before tax		34,330	89,919	114,471		114,808
Income tax expense	8	-	-	(1,410)		(1,462)
Surplus after tax		34,330	89,919	113,061		113,346
OTHER COMPREHENSIVE REVENUE AND (EXPENSES)						
Asset revaluation reserve (Losses)/Gains	31	238,479	224,100	513,332		509,750
Tax on Other Comprehensive Revenue		-	-	(4,771)		(4,315)
Total other comprehensive income		238,479	224,100	508,561		505,435
TOTAL COMPREHENSIVE INCOME		272,809	314,019	621,622		618,781

Explanation of major variances against budget are provided in note 32.

Summary of accounting policies and the accompanying notes form part of these financial statements.

FINANCIALS

Tauranga City Council: Statement of Financial Position as at 30 June 2024

		Council			Consolidated	
	Note	Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023* \$'000	Actual 2024 \$'000	Actual 2023* \$'000
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	10	83,645	19,988	80,541		81,696
Debtors and Other Receivables	11	61,447	42,256	65,366		66,538
Inventories		1,390	725	1,107		1,577
Other Current Assets	13	27,850	50,000	35,000		35,873
Non-Current Assets Held For Sale	14	7,882	65,548	17,990		17,990
Total Current Assets		182,214	178,518	200,004		203,674
NON CURRENT ASSETS						
Derivative Financial Instruments	12	6,965	3,966	8,616		8,616
Financial Assets:	13					
Investments - Other Entities		556	391	294		294
Investments - Council Controlled Organisations		146,938	118,597	133,131		20,126
Investments - Other Non Current Financial Assets	13	28,914	29,249	34,414		34,414
Investments in Associates	15	-	-	-		515
Investment Property	16	118,144	108,539	126,319		126,319
Intangible Assets	17	53,402	74,833	56,200		56,772
Forestry Assets	18	7,318	8,996	8,160		8,160
Property, Plant and Equipment	19	7,201,876	6,939,075	6,691,929		6,839,008
Te Manawataki o Te Papa Charitable Trust Land	20	18,436	-			
Total Non Current Assets		7,582,549	7,283,647	7,059,063		7,094,225
TOTAL ASSETS		7,764,763	7,462,165	7,259,067		7,297,899
LIABILITIES						
CURRENT LIABILITIES						
Payables and Deferred Revenue	21	111,742	84,481	94,768		96,594
Deposits Held	21	9,238	11,480	11,827		11,849
Employee Entitlements	22	8,130	8,873	10,612		12,441
Revenue in Advance	23	619	4,618	3,886		5,049
Borrowings	24	116,065	175,888	56,065		57,065
Provisions	25	2,430	7,019	960		960
Derivative Financial Instruments	12	-	294	-		-
Total Current Liabilities		248,224	292,654	178,118		183,958
NON CURRENT LIABILITIES						
Deferred Tax Liability	9	12,295	-	12,290		20,773
Borrowings	24	1,054,514	944,474	892,339		892,339
Provisions	25	-	4	4		4
Derivative Financial Instruments	12	1,721	6,943	1,084		1,084
Other Non-Current Liabilities		-	6,109	-		-
Total Non Current Liabilities		1,068,530	957,529	905,717		914,200
TOTAL LIABILITIES		1,316,754	1,250,183	1,083,835		1,098,158
NET ASSETS		6,448,009	6,211,982	6,175,232		6,199,741
EQUITY						
Retained Earnings	31	1,694,717	1,762,251	1,632,515		1,611,157
Other reserves	31	4,753,292	4,449,729	4,542,717		4,588,584
TOTAL EQUITY		6,448,009	6,211,982	6,175,232		6,199,741

In accordance with the Local Government Act 2002 Schedule 10 Part 3(34), all statutory requirements in relation to the Annual Report have been complied with. Explanations of major variances against budget are provided in note 32.

Summary of accounting policies and the accompanying notes form part of these financial statements.

Mahé Drysdale
Mayor
29 October 2024


Marty Grenfell
Chief Executive
29 October 2024


Paul Davidson
Chief Financial Officer
29 October 2024

FINANCIALS

Tauranga City Council: Statement of Movements in Equity for the year ended 30 June 2024

	Council			Consolidated	
	Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023* \$'000	Actual 2024 \$'000	Actual 2023* \$'000
EQUITY AT END OF PRIOR YEAR	6,175,232	5,897,962	5,553,609		5,581,852
Total Comprehensive Revenue and Expenses	272,809	314,019	621,622		618,781
Other Movements	(32)	-	1		(892)
Movements in Equity for the Year	272,777	314,019	621,623		617,889
EQUITY AS AT 30 JUNE	6,448,009	6,211,982	6,175,232		6,199,741
COMPONENTS OF EQUITY					
Retained Earnings					
Reserves at Beginning of Year	1,632,515	1,646,727	1,521,430		1,500,330
Surplus/(Deficit) After Taxation for the Year	34,330	314,019	113,061		113,346
Net Transfers From Other Reserves	2,455	34,001	1,976		1,246
Other Adjustments	25,417	(232,496)	(3,952)		(3,765)
Retained Earnings at End of the Year	1,694,717	1,762,251	1,632,515		1,611,157
Restricted Reserves					
Reserves at Beginning of the Year	(278,769)	(308,839)	(259,889)		(259,156)
Net Transfer (to)/from Retained Earnings	(42,557)	(27,068)	(18,880)		(24,168)
Restricted Reserves at End of the Year	(321,326)	(335,907)	(278,769)		(283,324)
Restricted Reserves Consists of:					
Trusts	43	43	41		41
Other Restricted Reserves	3,029	3,428	3,141		(1,414)
Development Contributions	(324,398)	(339,378)	(281,951)		(281,951)
Restricted Reserves as at 30 June	(321,326)	(335,907)	(278,769)		(283,324)
Council Created Reserves					
Reserves at Beginning of the Year	132,931	108,301	112,074		108,449
Net Transfers from/(to) Retained Earnings	14,653	(6,933)	20,857		25,415
Council Created Reserves at End of Year	147,584	101,368	132,931		133,864
Council Created Reserves Consists of:					
Depreciation Reserves	150,544	127,887	161,099		161,832
Other Special Purpose Reserves	(2,961)	(26,519)	(28,168)		(27,968)
Council Created Reserves as at 30 June	147,584	101,368	132,931		133,864
Asset Revaluation Reserves					
Reserves at Beginning of the Year	4,688,555	4,451,774	4,179,994		4,232,229
Net Impact of Revaluations on Revaluation Reserves (Losses)/Gains	238,479	232,496	513,332		509,750
Movements in Assets	-	-	-		380
Deferred Tax on Asset revaluations	-	-	(4,771)		(4,315)
Net Transfers from/(to) Retained Earnings on Asset Disposals	-	-			
Asset Revaluation Reserves at End of the Year	4,927,034	4,684,270	4,688,555		4,738,044
Asset Revaluation Reserves Consists of:					
Airport	17,046	-	17,046		17,046
Heritage	1,579	1,580	1,579		1,579
Distribution Systems	1,409,883	1,195,584	1,409,883		1,409,883
Library	1,550	334	1,550		1,550
Land, Building and Improvements	2,614,556	2,655,487	2,610,983		2,660,017
Te Manawataki o Te Papa Charitable Trust	2,334	-	-		-
Roading Network	897,948	844,376	665,376		665,376
Deferred Tax on Asset Revaluations	(17,862)	(13,090)	(17,861)		(17,407)
Asset Revaluation Reserves as at 30 June	4,927,034	4,684,270	4,688,555		4,738,044
EQUITY AT END OF THE YEAR	6,448,009	6,211,982	6,175,232		6,199,741

Explanations of major variances against budget are provided in note 32.

Summary of accounting policies and the accompanying notes form part of these financial statements.

FINANCIALS

Tauranga City Council: Statement of Cash Flows for the year ended 30 June 2024

	Council			Consolidated	
	Actual 2024 \$'000	Budget 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Cash flows from operating activities					
Receipts from Rates Revenue*	292,198	285,691	265,876		265,876
Grants and Subsidies Received	143,246	123,864	100,682		100,756
Fees and Charges Received	66,388	62,098	44,713		44,713
Interest Received	10,111	4,342	53,658		70,180
Dividends Received	575	535	6,818		6,843
Development and Financial Contributions Received	19,226	37,471	414		425
GST (net)	-	-	1,744		1,939
Cash Flows from Operating Activities	531,744	514,002	473,905		490,732
Payments to Suppliers	(226,821)	(213,509)	(190,007)		(186,297)
Payments to Employees	(109,365)	(103,256)	(87,279)		(103,455)
Interest Paid	(48,842)	(43,676)	(31,188)		(31,188)
GST (net)	(16,008)	-	-		-
Total Operating Cash Applied	(401,036)	(360,441)	(308,474)		(321,940)
Net cash flow from operating activities	26	130,708	165,431		169,792
Cash flows from investing activities					153,561
Receipts from Sale of Intangible Assets	-	-	-		-
Receipts from Sale of Property, Plant and Equipment	-	2,021	2		91
Receipts from Sale of Non Current Assets Held for sale	23,276	(2,881)	29,912		29,912
Receipts from Sale of Investments and Council Controlled Organisations Repayment of Borrowings	-	-	-		(930)
Cash flows from investing activities	23,276	(861)	29,914		29,073
Purchase of Property, Plant and Equipment	(366,631)	(343,224)	(280,770)		(291,685)
Purchase of Intangible Assets	(3,911)	(17,965)	(18,042)		(18,042)
Purchase of Other Investments	15,000	1,000	15,000		14,986
Investments in Council Controlled Organisations	(13,807)	-	(12,423)		(12,423)
Purchase of Investment Property	(1,234)	-	(13,620)		(13,620)
Total Investing Cash Applied	(370,583)	(360,189)	(309,855)		(320,784)
Net cash flow from investing activities	(347,307)	(361,049)	(279,941)		(291,711)
Cash flows from financing activities					
Proceeds from Borrowings	275,000	263,388	241,183		248,419
Repayment of Borrowings	(55,297)	(55,900)	(66,119)		(66,119)
Net Cash Flow from Financing Activities	26	219,703	175,064		182,300
NET INCREASE / (DECREASE) IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS	3,104		60,554		60,381
Opening Cash, Cash Equivalents and Bank Overdrafts	80,541	19,988	19,987		21,315
CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS AT THE END OF THE YEAR	10	83,645	80,541		81,696

Basis of reporting

This section contains the significant accounting policies of the Council and the group that relate to the financial statements as a whole.

Significant accounting policies are also included in the related note disclosures.

Signposts

Explanation headings



Accounting Policy



Critical Accounting Estimates, Assumptions and Judgements



Local Government Disclosures

Note 1: General accounting policies - for the year ended 30 June 2024

1.1 Reporting entity

Tauranga City Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the Local Government Act 2002 and the Local Government (Rating) Act 2002.

The Council's principal address is 21 Devonport Road Tauranga.

The Tauranga City Council group consists of Tauranga City Council and its subsidiaries; Bay Venues Limited (100%); Tauranga Art Gallery (100%); Te Manawataki o Te Papa Charitable Trust (50%); Te Manawataki o Te Papa Limited (100%).

Tauranga City Council has 50% interest in Tourism Bay of Plenty which is treated as an investment in an associate, as per note 15.

All of Tauranga City Councils' subsidiaries are incorporated and domiciled in New Zealand.

The primary objective of Tauranga City Council and group is to provide local infrastructure, local public services and perform regulatory functions for the community. The Council does not operate to make a financial return. Accordingly, Tauranga City Council has designated itself and the group as Public Benefit Entities (PBE's) for financial reporting purposes.

The Council authorises the Chief Executive to make necessary minor presentation or typographical amendments to the financial statements after their issue.

The Financial Statements of Tauranga City Council and group are for the year ended 30 June 2024. The Financial Statements were authorised for issue by Tauranga City Council on 29 October 2024.

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1.2 Basis of preparation

The financial statements have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of Tauranga City Council and group have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements and service performance information have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards.

The Council and management of Tauranga City Council confirm that all statutory requirements in relation to this annual report have been met including those outlined in the Local Government Act 2002, and the local Government (Financial Reporting and Prudence) Regulations 2014.

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), unless otherwise stated.

Foreign currency transactions

Foreign currency transactions are converted into NZ\$ using the exchange rates prevailing at the dates of the transactions. Foreign monetary assets and liabilities held at year end are also converted into NZ\$'s. Foreign exchange gains and losses from these activities are recognised in the surplus or deficit.

Goods and Services Tax

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which are presented on a GST inclusive basis. When GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by Tauranga City Council in its 2022-31 Long-term Plan. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

Cost allocation

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Changes in accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and there have been no changes in accounting policies.

Council has revised its presentation to improve usefulness and relevance of information presented. Accounting policies remain unchanged from prior year.

Significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

- **2023 Omnibus Amendments to PBE Standards**

Applies for annual periods beginning on or after 1 January 2024, with early adoption permitted.

This Standard amends the following: PBE IPSAS 16 Investment Property, PBE IPSAS 30 Financial Instruments: Disclosures, PBE IPSAS 13 Leases, PBE IPSAS 21 Impairment of Non Cash Generating Assets, PBE IPSAS 26 Impairment of Cash Generating Assets, PBE IPSAS 22 Disclosure of Information

about the General Government Sector, PBE FRS 47 First time Adoption of PBE Standards, PBE IPSAS 41 Financial Instruments, PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets, PBE IPSAS 17 Property, Plant and Equipment, PBE IPSAS 5 Borrowing Costs, PBE IAS 12 Income Taxes, and PBE IPSAS 27 Agriculture.

Adoption of this standard will not result in any significant impact on the Council and group financial statements. The council will not early adopt these amendments.

No new standards or amendments requiring Council adoption.

Critical accounting estimates, and assumptions

In preparing these financial statements Tauranga City Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. This applies to the following notes:

Note 13 - Other Financial Assets

Note 16 - Investment Property

Note 19 - Property, Plant and Equipment

Note 24 - Provisions

1.3 BASIS OF CONSOLIDATION

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities in the group on a line by line basis. All intragroup balances, transactions, revenues and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the Council obtains control of the entity and ceases when the Council loses control of the entity.

Control over an entity is determined when the Council has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The Council considers all relevant facts and circumstances in assessing whether it has power over another entity.

For example, the ability to appoint or remove most of the entity's governance and management, binding arrangements

the Council enters into, group voting rights, and pre determination mechanisms. The Council reassesses whether or not it controls another entity if facts and circumstances change.

The accounting policies of controlled entities are consistent with the policies adopted by the controlling entity, or if not, adjustments are made to the consolidated financial statements to bring alignment of subsidiaries with the group's accounting policies. All intra group balances, transactions, income, expenses, and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

SUBSIDIARIES

Tauranga City Council consolidates in the group financial statements all entities where Tauranga City Council has the capacity to control their financing and operating policies to obtain benefits from the activities of the subsidiary. This power exists where Tauranga City Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Tauranga City Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

Tauranga City Councils' investments in its subsidiaries are carried at cost in Tauranga City Councils' own "parent entity" financial statements.

ASSOCIATE

An associate is an entity over which the Tauranga City Council has significant influence and is neither a subsidiary nor an interest in a joint venture. Refer to note 15.

INVESTMENT

Tauranga City Council also has an 11.11% interest in Bay of Plenty Local Authority Shared Service (BOPLASS), a company set up by nine local authorities in the Bay of Plenty region. This is not consolidated but is accounted for as investments by Tauranga City Council. Refer to note 13.

FINANCIALS

Operating notes

Note 2: Revenue

Accounting policy

The Tauranga City Council Group (the group) and Tauranga City Council (the council) receive their revenue from exchange and non exchange transactions.

Exchange transaction revenue arises when the Council and the group provide goods and services to a third party and receives approximately equal value in return that is directly related to those goods and services. Non exchange transaction revenue arises when the Council and the group receive value from another party without having to provide goods or services of equal value directly. Non exchange revenue comprises rates and transfer revenue. Transfer revenue includes grants, subsidies and fees and user charges derived from activities that are partially funded by rates.

The group and the council's significant items of revenue are recognised and measured as follows:

Type	Recognition and Measurement
Rates	<p>General rates, targeted rates (excluding water by meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not enough to require discounting of rates receivables and subsequent recognition of interest revenue.</p> <p>Revenue arising from late payment penalties is recognised when rates become overdue.</p> <p>Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its Rates Remission Policy. Tauranga City Council's rates remission policy allows rates to be remitted on condition of a ratepayer's extreme financial hardship, land used for sport and land protected for historical, cultural or other charitable purposes.</p> <p>Revenue from water by meter rates is recognised on an accrual basis. Revenue is based on the actual usage as a result of meter reading. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.</p> <p>Non Rateable Land</p> <p>Under the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves, and unused Māori freehold land. These non rateable properties may be subject to targeted rates in respect of sewerage, water, refuse, and sanitation. The non rating of non rateable land does not constitute a remission under the Council's rates remission policy.</p>



FINANCIALS

Type	Recognition and Measurement
Grants and Subsidies	<p>Grants and subsidies are recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grants and subsidies are not met. If there is such an obligation, the grants and subsidies are initially recorded in the statement of financial position when received at fair value as grants and subsidies received in advance. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount is recognised as revenue.</p> <p>Waka Kotahi NZ Transport Agency (NZTA) - Roadway Capital Subsidies</p> <p>Council received funding assistance from NZTA. These grants are reimbursements that subsidise part of the costs of capital expenditure on the local roadway infrastructure. The subsidies are recognised as revenue when conditions pertaining to eligible expenditure have been fulfilled.</p> <p>Waka Kotahi NZ Transport Agency (NZTA) - Roadway Operating Subsidies</p> <p>Council received funding assistance from NZTA. These grants are reimbursements that subsidise part of the costs of maintenance on the local roadway infrastructure. These works mainly relate to traffic signals and streetlights on state highways. Neither the costs nor recoveries related to this work are included in the surplus or deficit (except for an administration fee). The subsidies are recognised as revenue when conditions pertaining to eligible expenditure have been fulfilled.</p> <p>Operational Grants</p> <p>Operational grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such a condition, the grants or subsidies are initially recorded as grants received in advance and recognised as revenue when the condition of the grant is satisfied.</p> <p>Crown Infrastructure Partner (CIP)</p> <p>CIP supports infrastructure development through the implementation of alternative financing models, such as the Infrastructure Funding and Financing Act (IFF).</p> <p>Other Grants Received</p> <p>Government grants and other grants are recognised as revenue when any conditions relating to eligible expenditure have been fulfilled.</p>
Development Contributions	<p>Development Contributions relate to the revenue received from developers towards various infrastructure projects. Development and financial contributions are recognised as revenue when Tauranga City Council provides, or can provide, the service for which the contribution was charged. In cases where contributions are collected in advance to fund a service that is not currently provided in an area, the contribution is initially recognised as revenue in advance.</p>
Vested Assets	<p>For assets received for no or nominal consideration, the asset is recognised when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.</p>
Interest Revenue	<p>Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rates.</p>
Dividend Revenue	<p>Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre acquisition surpluses, the dividend is deducted from the cost of the investment.</p>

FINANCIALS

Type	Recognition and Measurement
Other Fees and Charges	User fees and charges are recognised based on actual services provided. Any fees and charges received in advance are recognised as unearned income in Deferred Revenue. Entrance fees are charged to users of the Council's local facilities, such as pools and the Tauranga Art Gallery. Revenue from entrance fees is recognised upon entry to such facilities.
Infringement Fees and Fines	Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued, factoring in the probability of collection. Fifty percent of warrant and registration fines are payable to central government. These are recognised as a liability until payment is made to central government.
Property Revenue	Rental property lease revenue is recognised on a straight line basis over the term of the lease.
Consents, Licenses and Permits	Revenue from the rendering of services (e.g. building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Some rendering of services are provided at a market rate or on a full cost recovery basis (e.g. parking permits and fees) and these are classified as exchange. License revenue is recognised when the license is issued, and revenue received or invoiced.
Sale of Goods	Revenue from the sale of goods is recognised when the product is sold to the customer.
Port Operations	Revenue from port operations includes revenue from services, ship exchange, berthage, goods wharfage, landing charges, and collection and transport of containers. Revenue is recognised when the services are provided, by reference to the stage of completion of specific transactions, assessed on the basis of actual service provided as a proportion of the total services to be provided.
Water and Wastewater	Water revenue comprises the amounts received and receivable at balance date for water supplied to customers in the ordinary course of business. Wastewater revenue is a combination of a fixed charge and a volumetric charge based on a percentage of water used. Water and wastewater revenue includes estimated unbilled amounts for unread meters at balance date. As meter reading is cyclical, management applies judgement when estimating the daily average water consumption of customers between meter readings. Unbilled amounts from the last bill reading date to the end of the month are recognised as revenue.

For the purposes of the Local Government Funding Agency Limited (LGFA) Guarantee and Indemnity Deed disclosure, the council's annual rates revenue for the year ended 30 June 2024 is \$295 million (2023: \$267 million). Refer to Note 25 for further information on the LGFA guarantees and indemnities.

Local government disclosures

Rating Units, Capital Value and Land Value

Rates Revenue is the main source of funding for Tauranga City Council. In the district or region of the local authority, as at 30 June 2024. The total number of rating units for 2024 was 61,570 compared with 60,847 the previous year.

Separately used or inhabited parts of a rating unit (SUIPS) 2024: 69,262 (2023: 68,424).



	2024 \$ million	2023 \$ million
Capital Value	82,476	81,606
Land Value	52,207	51,917

FINANCIALS

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
OPERATING REVENUE				
Revenue from Rates				
Rates Revenue	171,503	158,677		158,500
Rates Penalty	875	957		957
Rates Remission	(5,486)	(4,671)		(4,671)
Uniform Annual General Charge	16,470	14,932		14,932
Wastewater Charge	45,436	38,679		38,679
Community Facilities Targeted Rates	6,252	3,921		3,921
Resilience Targeted Rate	960	791		791
Stormwater Reactive Reserve Targeted Rates	1,533	2,312		2,312
Transport Targeted Rates	6,588	3,926		3,926
Water by Meter Targeted Rate	37,250	36,755		36,516
Kerbside Collection Targeted Rates	13,635	11,478		11,478
Total Revenue from Rates	295,016	267,757		267,341
Fees and Charges				
Consents, Licenses and Permits	12,650	11,844		11,844
Infringement Fees and Fines	2,460	2,610		2,610
Other Fees and Charges Revenue	21,020	19,599		19,582
Other Exchange Revenue	6,990	5,679		5,679
Port Operations Revenue	5,599	3,611		3,611
Property Revenue	10,728	11,160		11,198
Water and Wastewater	1,557	1,712		1,712
Sale of Goods	3,020	2,830		21,712
Total Fees and Charges	64,024	59,045		77,948
Grants and Subsidies				
Petrol Tax	1,223	1,073		1,073
Operating Grants and Subsidies	9,982	8,310		8,456
Waka Kotahi NZTA Operational Subsidies	25,651	14,307		14,307
Total Grants and Subsidies	36,856	23,690		23,836
Finance Revenue				
Dividends	575	414		425
Interest Revenue	10,111	6,818		5,901
Total Finance Revenue	10,686	7,232		6,326
TOTAL OPERATING REVENUE	406,582	357,723		375,450
ASSET DEVELOPMENT REVENUE AND OTHER REVENUE				
Vested Assets	19,897	24,353		24,353
Development Contributions	22,655	44,758		44,758
Grants, Subsidies and Other Capital Contributions				
Waka Kotahi NZTA Capital Contributions	42,942	32,311		32,311
CIP Grants & Subsidies	11,214	28,340		28,340
CIP Funding incl. IFF**	28,252	30,899		30,899
Other Capital Contributions	3,149	1,948		1,948
Total Grants, Subsidies and Other Capital Contributions	85,557	93,498		93,498
TOTAL ASSET DEVELOPMENT REVENUE AND OTHER REVENUE	128,109	162,609		162,609
TOTAL REVENUE	534,691	520,333		538,060
Total Revenue from Exchange Transactions	110,561	123,503		119,566
Total Revenue from Non Exchange Transactions	424,130	396,830		418,494

**Total Drawings upon IFF equal \$34.7m, \$6.5m relates to Operational funding and is recorded as Operating Grants and Subsidies.

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Note 3: Depreciation and amortisation by groups of activity

Accounting policy



Depreciation

Depreciation is provided on all property, plant and equipment other than land, on a straight line (SL), at rates calculated to allocate the asset cost less estimated residual value, over the estimated useful life. When assets are revalued, depreciation rates are overridden by the new annual depreciation rates which may be outside the range for the class of asset to accurately reflect the useful life of the asset.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. Amortisation charge for each period is recognised in the surplus or deficit.

Intangible assets capitalised to infrastructural assets are amortised at the rate of the principal asset to which they have been capitalised.

Local government disclosures



Under the Local Government (Financial Reporting and Prudence) Regulations 2014, the council is required to disclose the Group's depreciation and amortisation by group of activities.

Depreciation & Amortisation

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
City and Infrastructure Planning	17	40		40
Community Services	2,984	3,080		3,080
Community, People and Relationships	67	60		60
Economic Development	2,858	2,063		2,063
Emergency Management	5	12		12
Marine Precinct	-	688		688
Regulatory and Compliance	21	35		35
Spaces and Places	8,892	7,628		13,795
Stormwater	8,722	6,790		6,790
Support Services	7,828	9,010		9,010
Sustainability and Waste	1,278	1,260		1,260
Transportation	31,455	27,176		27,176
Wastewater	18,104	14,301		14,301
Water Supply	14,026	10,411		10,411
Total depreciation and amortisation	96,257	82,554		88,721

Note 4: Personnel expenses

Accounting policy

Personnel expenses for salaries and wages, annual leave, long service leave and other similar benefits are recognised as expenditure and liabilities when they accrue to employees.



- Contributions to Defined Superannuation Scheme includes employer contributions to Kiwisaver and Defined Benefit Plan Contributors Scheme. Refer to Note 28
- Direct Personnel Overheads includes ACC, recruitment costs, staff training costs and other staff support costs.

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Salaries and Wages	99,401	82,659		98,831
Elected Members/Commissioner Salaries and Wages	1,006	1,043		1,043
Other Community Representation Remuneration	244	257		257
Contributions Defined Superannuation Scheme	3,173	2,526		2,822
Direct Personnel Overheads	2,885	3,025		3,435
Remuneration Benefits	174	1		1
TOTAL PERSONNEL EXPENSES	106,883	89,511		106,389

Local government disclosures

The Chief Executive of Tauranga City Council is appointed under Section 42(1) of the Local Government Act 2002.



Chief Executive Remuneration

The total remuneration (including any non financial benefits) paid or payable for the year to the chief executive was \$537,024 (2023: \$537,024) and \$16,111 (2023: \$16,111) was employer contributions to superannuation schemes. There were fringe benefits of \$13,500 (2023: \$12,500) for the company vehicle provided as part of the employee package.

The current Chief Executive commenced on 3 September 2019 and was reappointed to the role on 4 September 2024, under contract for a five year term. The remuneration package was based on advice given to Council by an independent consultant.

Council employees

The number of employees who were employed at 30 June are detailed below. Those receiving remuneration of \$60,000 or more are grouped into \$20,000 bands. If there are less than five or fewer employees in a band, they are combined upwards with the next banding as stipulated in the Local Government Act 2002.

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Total annual remuneration by band for employees as at 30 June:

	Number of employees 2024	Number of employees 2023
< \$60,000	158	233
\$60,000-\$79,999	347	272
\$80,000-\$99,999	236	229
\$100,000-\$119,999	218	194
\$120,000-\$139,999	144	110
\$140,000-\$159,999	75	46
\$160,000-\$179,999	29	26
\$180,000-\$199,999	16	15
\$200,000-\$239,999	-	11
\$200,000-\$219,999	15	-
\$220,000-\$259,999	9	-
\$280,000-\$319,999	-	7
\$300,000-\$359,999	7	-
\$560,000-\$579,999	-	1
\$600,000-\$619,999	1	-
Total employees	1,255	1,144

Severance Payments

Severance payments include any consideration (monetary or non monetary) provided to any employee in respect of the employee's agreement to terminate his or her employment with Council. These payments are additional to any final payment of salary, holiday pay or superannuation contributions.

For the year ended 30 June 2024, the Council made 2 severance payments to employees totalling \$20,000 (2023: three payments totalling \$127,577). The value of each of the severance payments was \$14,000 and \$6,000.

Note 5: Finance expenses

Accounting policy

Borrowing costs are recognised as an expense in the period in which they were incurred.



	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Interest on Borrowings	49,528	35,038		35,045
Other Financial Expenses	631	219		219
TOTAL FINANCE EXPENSES	50,159	35,257		35,264

Note 6: Other expenses

Accounting policy

Grant Expenditure

Non discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

- Utilities and Occupancy expenses includes rates, electricity and other general occupancy expenses.
- Other Operating Expenditure includes such items as: operating costs for treatment plants and pump stations, vegetation/planting contracts and traffic services.



	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Administration	16,894	22,177		23,676
Audit Fees - Audit New Zealand for Council's Financial Statements	387	342		500
Other Audit Fees				
• Audit Fees - Audit New Zealand Debenture Trust Deed	11	10		10
• Audit Fees - Audit New Zealand for Council's Long-term Plan	144	-		-
• Audit Fees - Audit New Zealand Additional Costs for Annual Report	20	-		-
• Audit Fees - Internal Audit AssureQuality Verification	-	7		7
Bad Debts Written Off	60	248		248
Community Contracts	7,790	7,760		7,760
Consultants	51,278	40,712		41,466
Grants Expenditure	41,456	15,814		15,814
Insurance	6,627	5,471		5,471
Loss Allowance for Receivables	915	(671)		(671)
Operating Lease Payments	6,321	5,865		5,865
Operational Contracts	7,532	8,971		8,971
Other Operating Expenditure	45,114	36,728		26,748
Repairs and Maintenance	38,056	36,418		37,435
Utilities and Occupancy	15,796	16,666		17,764
TOTAL OTHER EXPENSES	238,401	196,518		191,064

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Note 7: Other gains and losses

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Financial Instruments				
Gain on Interest Rate Swaps	(2,289)	10,803		10,803
Gain on Financial Instrument Concessionary Loans	2,620	1,733		1,733
Housing Infrastructure Fund - Initial Discount Recognition / (Unwind)	(2,471)	4,043		4,043
Non Financial Instruments				
Gain / (Loss) on Carbon Credits	269	(1,004)		(1,004)
Growth of Forestry Asset	(278)	27		27
Gain / (Loss) on Revaluation of Forestry Assets	(258)	521		521
Property, Plant and Equipment				
Capital Gain / (Loss) on Disposal of Property, Plant and Equipment	9,158	6,757		6,757
Assets Written Off	(12,815)	(21,688)		(21,688)
Investments				
Revaluation Gain on Investment Property	(1,181)	(3,117)		(3,117)
Other				
Loss on Unrealised Income	38	(96)		(96)
TOTAL NET OTHER GAINS AND LOSSES	(7,281)	(2,021)		(2,021)

Tax notes

Note 8: Income tax expense / (benefit)

Accounting policy

Local Authorities are generally exempt from income tax except for certain income received from council controlled organisations and port related commercial undertakings.

Income tax comprises current tax and deferred tax calculated using the tax rate that has been enacted or substantively enacted by the balance date. Income tax is charged or credited to the surplus or deficit, except when it relates to items that are recognised in other comprehensive revenue and expenses, or directly in equity.

Current tax is the amount of income tax payable or refundable in the current period, plus any adjustments to income tax payable in respect of prior periods. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.



	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Relationship Between Tax Expense and Accounting Profit				
Operational Surplus/ (Deficit) Before Tax	34,330	114,471		114,808
Tax at 28%	9,612	32,052		32,146
Non-Deductible Expenditure	-	-		-
Non Taxable Income	-	(31,752)		(31,754)
Deferred Tax Adjustment	-	1,110		1,070
TAX EXPENSE	9,612	1,410		1,462
Represented by:				
Deferred Tax on Temporary Difference	-	1,410		1,462
	-	1,410		1,462

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Note 9: Deferred tax asset / (liability)

Accounting policy

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.



	Property, Plant and Equipment \$'000	Employee Entitlements \$'000	Other Provisions \$'000	Tax Losses \$'000	Total \$'000
Council					
Balance as at 1 July 2022	(11,326)	-	5	5,521	(12,290)
Charge to Surplus or Deficit	(1,719)				
Charge to Other Comprehensive Revenue and Expense	(4,771)				
Balance as at 30 June 2023	(17,816)				
Balance as at 1 July 2023	(17,816)	-	5	5,212	(6,109)
Charge to Surplus or Deficit	-	-	-	309	(1,410)
Charge to Other Comprehensive Revenue and Expense	-	-	-	-	(4,771)
Balance as at 30 June 2024	(17,816)	-	5	5,521	(12,290)

	Property, Plant and Equipment \$'000	Employee Entitlements \$'000	Other Provisions \$'000	Tax Losses \$'000	Total \$'000
Consolidated					
Balance as at 1 July 2022	(27,211)	376	17	19,100	(20,773)
Charge to Surplus or Deficit	1,035				
Charge to Other Comprehensive Revenue and Expense	(6,602)				
Balance as at 30 June 2023	(32,778)				
Balance as at 1 July 2023	(32,778)	200	19	17,564	(14,995)
Charge to Surplus or Deficit	-	176	(2)	1,536	(1,462)
Charge to Other Comprehensive Revenue and Expense	-	-	-	-	(4,315)
Balance as at 30 June 2024	(32,778)	376	17	19,100	(20,773)

Financial position notes

Note 10: Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less and net of bank overdrafts.

The carrying value of short term deposits approximate their fair value. Council also receives interest from cash held at the bank.



	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Cash at Bank and On Hand	63,645	55,541		56,696
Short Term Deposits	20,000	25,000		25,000
TOTAL CASH AND CASH EQUIVALENTS	83,645	80,541		81,696
Weighted Average Effective Interest Rate	5.74%	5.56%		5.56%

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Note 11: Debtors and other receivables

Accounting policy

Receivables are recorded at the amount due, less an allowance for Expected Credit Loss (ECL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for receivables.



	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Rates Receivable	5,755	4,881		4,881
Roading Subsidy Due	500	21,333		21,333
Other Receivables	33,075	32,893		33,815
GST	19,331	3,322		3,322
Prepayments	5,400	4,636		4,902
Gross Debtors and Other Receivables	64,061	67,065		68,253
Less Allowance for Loss	(2,614)	(1,699)		(1,716)
TOTAL DEBTORS AND OTHER RECEIVABLES	61,447	65,366		66,537
TOTAL EXCHANGE RECEIVABLES AND OTHER RECEIVABLES	26,429	10,675		11,846
TOTAL NON EXCHANGE RECEIVABLES AND OTHER RECEIVABLES	35,018	54,691		54,691

Local government disclosures

The Chief Executive approved the write off of rates receivable during the year under Local Government (Regulations) 2002, as follows (in whole \$ numbers)



	2024	2023
Section 90A	\$56,339	\$178,708
Section 90B	Nil	Nil

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Expected Credit Loss

Accounting policy

The ECL allowance has been calculated based on a review of specific overdue receivables and a collective assessment. The collective allowance is based on an analysis of past collection history and debt write offs. Individual allowance has been determined based on the significant financial difficulties and circumstances being experienced by the debtor.



Rates Receivable

Council does not provide for ECL on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debt. These powers allow the council to commence legal proceedings to recover any rates that remain unpaid for four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then the council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Rate payers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

Other Receivables

ECL for other receivables is based on the payment profile of revenue on credit over the prior two years the measurement date and the corresponding historical credit losses experienced for that period. This historical loss rates are adjusted for current and forward looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

There have been no changes in the estimation techniques or significant assumptions in measuring the loss allowance.

The allowance for credit losses based on council and group's credit loss matrix is as follows:

30 June 2024	Receivable days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total \$'000
Council					
Expected credit loss rate	0.22%	4.16%	0.80%	38.85%	
Gross carrying amount (\$'000)	44,992	501	1,006	6,402	52,901
Lifetime expected credit loss (\$'000)	97	21	8	2,488	2,614

30 June 2024	Receivable days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total \$'000
Consolidated					
Expected credit loss rate					
Gross carrying amount (\$'000)					
Lifetime expected credit loss (\$'000)					

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30 June 2023	Receivable days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total \$'000
Council					
Expected credit loss rate	1.57%	0.76%	0.91%	13.95%	
Gross carrying amount (\$'000)	49,007	501	1,007	6,402	56,917
Lifetime expected credit loss (\$'000)	768	4	9	918	1,699

30 June 2023	Receivable days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total \$'000
Consolidated					
Expected credit loss rate	1.55%	0.73%	0.86%	14.33%	
Gross carrying amount (\$'000)	49,853	520	1,048	6,416	57,837
Lifetime expected credit loss (\$'000)	771	5	9	931	1,716

Movements in the allowance for credit losses are as follows:

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Movement in the allowance for credit losses				
Opening balance as at 1 July	1,699	2,370		2,387
Additional allowance made during the year	975	-		-
Allowance reversed during the year	-	(161)		(161)
Receivables written off during the year	(60)	(510)		(510)
Balance at 30 June	2,614	1,699		1,716

All receivables greater than 30 days in age are considered to be past due.

Note 12: Derivative financial instruments

Accounting policy

Tauranga City Council uses derivative financial instruments to manage exposure to interest rate and foreign exchange risks arising from the Council's operational activities and risk arising from Council's financing and investing activities. In accordance with its Treasury Policy, Tauranga City Council does not hold or issue derivative financial instruments for trading purposes.

Tauranga City Council has not adopted hedge accounting, Financial Instrument Risk is detailed in note 30.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value at each balance date. The resulting gain or loss is recognised in surplus or deficit.



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The portion of the fair value of a derivative that is expected to be realised within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non current.

Council monitors the use of derivative financial instruments using well defined market and credit risk limits and timely reporting to Council. Council's treasury policy sets out the overall minimum/maximum levels of fixed rate exposure permitted based on time bands.



	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Non Current Asset Portion				
Interest Rate Derivatives	6,965	8,616		8,616
Total non-current asset portion	6,965	8,616		8,616
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS - ASSETS	6,965	8,616		8,616
Current Liabilities Portion				
Interest Rate Derivatives	-	-		-
Total Current Liabilities Portion	-	-		-
Non Current Liabilities Portion				
Interest Rate Derivatives	1,721	1,084		1,084
Total Non Current Liabilities Portion	1,721	1,084		1,084
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS - LIABILITIES	1,721	1,084		1,084
TOTAL NET DERIVATIVE FINANCIAL INSTRUMENTS	5,244	7,532		7,532

There were no financial instruments held for trading. Currently Derivative Financial Instruments only include Non Hedged Interest Rate Derivatives.

Fair Value

Significant judgements and estimates used in the valuation of derivative financial statements

The derivatives of council and the group are all under Level 2 of the fair value hierarchy (refer Note 29). The fair value of level 2 derivatives are determined using discounted cash flow valuation techniques based on the terms and valuation inputs from independently sourced market parameters as summarised below.

Instrument	Valuation Input
Interest Rate Swaps	Spot and Forward Interest rate yield curve

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Note 13: Other financial assets**Accounting policy**

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); or
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them. Management determines the classification of its investments at initial recognition.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Initial recognition of concessionary loans

Loans made at nil or below market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. The difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long term.



Council has designated its shares in LGFA as at FVTOCRE. This measurement basis is considered more appropriate than through surplus or deficit because the investments have been made for long term strategic purposes rather than to generate a financial return through trading.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Council has designated the following instruments as FVTSD:

- Shares in unrelated entities
- Derivatives (refer to note 12)
- Concessionary Loan

Expected credit loss allowance

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL). When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full. Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

Shares in subsidiaries (at cost)

The investment in subsidiaries is carried at cost in Council's parent entity financial statements.

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	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Current				
Short term deposits maturing four to twelve months from date of acquisition	20,000	35,000		35,873
Concessionary Loans	7,850	-		-
TOTAL CURRENT OTHER FINANCIAL ASSETS	27,850	35,000		35,873
Non Current				
Investments in CCOs and Similar Entities				
Investment in Bay of Plenty Local Authority Shared Services	17	17		17
Investment in Bay Venues Limited	84,232	84,232		-
Investment in Tauranga City Art Gallery Trust	1,000	1,000		-
Investment in Te Manawataki o Te Papa Charitable Trust	-	-		-
Investment in Te Manawataki o Te Papa Ltd	-	-		-
Loan to Bay Venues Limited	34,565	27,773		-
Borrower Notes NZ LGFA	25,258	18,243		18,243
Unlisted Shares in NZ LGFA	1,866	1,866		1,866
Total Investments in CCOs and Similar Entities	146,938	133,131		20,126
Other Investments				
Concessionary Loans	28,689	34,118		34,118
Listed Shares in Unrelated Entities	256	294		294
Unlisted Shares in Unrelated Entities	300	-		-
Loan to Lessee - Elizabeth Street Carpark Strengthening	224	296		296
Total Other Investments	29,470	34,708		34,708
TOTAL NON CURRENT OTHER FINANCIAL ASSETS	204,258	202,840		90,707

Fair value disclosures



Term Deposits

The carrying amount of term deposits approximates their fair value.

Loans to Related Parties

The carrying amount approximates their fair value. All loans to related parties are loans to CCOs of Council.

Listed Shares

Listed shares are recognised at fair value. The fair value of listed shares are determined by reference to published current bid price quotations in an active market.

Unlisted Shares

Tauranga City Council is one of the 31 shareholders (30 local authorities and the Crown). Due to the immaterial size and nature of the Council's investment in the LGFA, the Council has estimated the fair value of this investment based on LGFA's net asset backing at 30 June.

Fair value disclosures



Borrower Notes

Borrower notes are subordinated convertible debt instruments that the Council is required to subscribe for when borrowing from the LGFA, currently set at 2.5% (2023: 2.5%) of the aggregate borrowings by that local authority. The borrower notes mature as the underlying debt matures.

Borrower notes are held at amortised cost. Amortised cost at initial recognition is the fair value of the underlying asset at initial recognition plus or minus any transaction costs.

Concessionary Loan

Loans made at nil or below market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

- Te Tumu

The face value of the Te Tumu transactions is \$32.9m, made up of Property Subdivision Rights and the fair value of the Concessionary Loan. Refer note

The original transaction created a financial asset whereby Council has a right to receive cash when the vendor exercises their option to repurchase the property. The vendor has until December 2036 to exercise their buyback option, whereby if the vendor does not exercise their right, the land reverts to Council and at that time will be recognised as Council owned land within its accounts. Council purchased the land to ensure its development was consistent with the Smart Growth Strategy.

The interest rate per the agreement is 4% per annum. The fair value of the loan at initial recognition has been determined using cash flows discounted at the agreed rate. The property subdivision rights have been recognised as the difference between the amount paid and the present value of discounted future cash flows on the option, if exercised, and between a market overdraft rate of 8%. Council has determined the market rate based on everyday whole market sale pricing, an assessment of the vendor's financial validity, and a risk premium given the borrowing time frame of 15 years.

- Devonport Road

The face value of the Devonport Development is \$8.5m, consisting of the concessionary loan at fair value.

The transaction created a financial asset whereby Council has a right to receive cash for the land sale, upon completion of the site redevelopment, expected early 2025. Council has secured their rights by way of covenant and caveat over the land title. The agreement provides for milestones, which could trigger penalties for the defaulting party.

The interest rate per the agreement market rate is 12% per annum. The fair value of the loan at initial recognition has been determined using cash flow discounted at the lending rate at the date of settlement.

Movements in the carrying value of concessionary loans are as follows:

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	Council/Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000
At 1 July	34,118	26,433
Amount of new loans granted during the year	-	8,500
Fair Value adjustments on initial recognition	-	(2,131)
Unwind of discount and interest charged	2,422	1,316
As at 30 June	36,540	34,118
Current Portion - Devonport Road	7,850	-
Non Current Position	28,690	34,118
Total Concessionary Loans	36,540	34,118

Credit Risk, including ECL**Term Deposits**

The Council and group consider there has not been a significant increase in credit risk for investments in term deposits because the banks continue to have low credit risk at balance date. Term deposits are held with banks that have a long term AA investment grade credit rating, which indicates the bank has a very strong capacity to meet its financial commitments.

No ECL has been recognised for term deposits as the loss allowance is trivial.

Related Party Loans

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the council and group expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

Concessionary loans

- Te Tumu - Council considers there has not been a significant increase in the credit risk for concessionary loans because the underlying value of the land has increased since the original transaction.
- Devonport Road - Council's interest in the land is secured through registered land instruments.

No ECL has been recognised for concessionary loans.

Other Financial Assets

ECL measured for other financial assets are trivial. They are low risk and Council has not identified any indications that credit risk associated with those instruments has significantly increased since initial recognition.

Note 14: Non current assets held for sale

Accounting policy

Non current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write downs are recognised in surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non current assets are not depreciated or amortised while they are classified as held for sale.



	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Non Current Assets Held for Sale are:				
Land	5,829	17,185		17,185
Buildings	1,792	805		805
Other Property, Plant & Equipment	261	-		-
TOTAL NON CURRENT ASSETS HELD FOR SALE	7,882	17,990		17,990

Councils financial asset strategy includes the group identifying assets that are surplus to requirements in providing council services. This will help match funding with investment demand over the next 10 years.

As at 30 June 2024, there are 18 assets held for disposal. These assets are expected to be disposed within the next 12 months.

Note 15: Investment in associate

Accounting policy

Tauranga City Council accounts for investments in associates in the group financial statements using the equity method. An associate is an entity over which the Tauranga City Council has significant influence and is neither a subsidiary nor an interest in a joint venture. The investment in an associate which shows the carrying amount in the group financial statements is increased or decreased to recognise Tauranga City Council's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

If the share of the deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After Tauranga City Council's interest is reduced to zero, additional deficits are provided for and a liability is recognised, only to the extent that Tauranga City Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, Tauranga City Council will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate. Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.



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Critical Judgements in applying accounting policies

Council's main objective in the ownership of Tourism Bay of Plenty is to support and provide economic growth to our community which can benefit from opportunities that tourism provides. The Council has concluded that it has significant influence but does not control Tourism Bay of Plenty for financial reporting purposes. Council does not have power over the entity and is not able to use its power to affect the nature or amount of the variable benefits to which the Council is exposed as a result of its involvement with the entity. Tauranga City Council accounts for its 50% interest in the Groups accounts using the Equity Method.

Council's main objective in the ownership of Bay of Plenty Housing Equity Fund is to support and provide the necessary funding to address the critical need for housing in the region. The Council has concluded that it has significant influence but does not control Bay of Plenty Housing Equity Fund for financial reporting purposes. Council does not have power over the entity and is not able to use its power to affect the nature or amount of the variable benefits to which the Council is exposed as a result of its involvement with the entity. Tauranga City Council accounts for its 37.5% interest using the Equity Method.

The council has an agreement with Bay of Plenty Housing Equity Fund to provide total capital of \$15m, of which \$14.7m remains uncalled as year end (2023: n/a)

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Tourism Bay of Plenty	-	-	437	515
Bay of Plenty Housing Equity Fund Limited	-	-	-	-
TOTAL INVESTMENT IN ASSOCIATE	-	-	437	515

Summarised Financial Information of Associate

	Aggregate balances		Group's 50% portion	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
(a) Tourism Bay of Plenty				
Current assets	1,511	1,544	755	771
Non-current assets	183	194	92	97
Total assets	1,694	1,738	847	868
Current liabilities	820	706	410	353
Non-current liabilities	-	-	-	-
Total liabilities	820	706	410	353
NET ASSETS	874	1,032	437	515
Income	3,524	4,431	1,762	2,215
Expenditure	(3,681)	(4,014)	(1,841)	(2,007)
Surplus before income tax	(157)	417	(79)	208
Surplus after income tax	(157)	417	(79)	208

	Aggregate balances		Group's 33% portion	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
(b) Bay of Plenty Housing Equity Fund				
Current assets	674	-	222	-
Non-current assets	-	-	-	-
Total assets	674	-	222	-

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	Aggregate balances		Group's 50% portion	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Current liabilities	253	-	84	-
Non-current liabilities	-	-	-	-
Total liabilities	253	-	84	-
NET ASSETS	421	-	138	-
Income	-	-	-	-
Expenditure	(479)	-	(158)	-
Surplus / (deficit) before income tax	(479)	-	(158)	-
Surplus / (deficit) after income tax	(479)	-	(158)	-

Bay of Plenty Housing Equity Fund Limited, produced financial statements for the 102 day period, ended 31 March 2024.

Note 16: Investment properties

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Properties classified as investment properties are measured initially at cost including transaction costs. After initial recognition Tauranga City Council and group measures all investment property individually at fair value at each reporting date and no depreciation on the properties is recognised. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.



Critical accounting estimates, assumptions and judgements

This note provides information about the estimates and assumptions applied in determining the fair value of investment properties.



Investment Property Class	Valuation Method and Assumptions Used
Land	<p>Independent Value: Quotable Value Ltd (QV)</p> <p>Individually considered and valued in accordance with current market based evidence.</p> <p>Valued as vacant under freehold or leasehold tenure.</p> <p>Valuations consider the size, contour, quality, location, zoning, designation, and current and potential use.</p>
Commercial Building	<p>Independent valuer: Quotable Value Ltd (QV)</p> <p>All the Council owned assets valued for this exercise are valued with reference to the market where market evidence exists.</p> <p>QV have considered the highest and best use of the property when formulating which approach to undertake the building valuation with. Where market based evidence exists, structures have been valued on a current market basis in relation to market based net rates per square metre.</p> <p>We have not been made aware of any buildings that are considered earthquake prone and therefore no deductions have been made.</p> <p>All lessee building improvements (Non Council owned) have been excluded from this valuation if advised of them. All removable plant is excluded.</p>

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	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Balance as at 1 July	126,319	96,759	126,319	96,759
Net Increase/(decrease) in Fair Value of Investment Property	(1,180)	(3,117)	(1,180)	(3,117)
Additions from Acquisition	1,234	192	1,234	192
Disposals	-	(169)	-	(169)
Net Transfers to/from PP&E, and assets held for sale	(8,229)	32,654	(8,229)	32,654
Balance at 30 June	118,144	126,319	118,144	126,319

The Group and Council have no investment property pledged as security for liabilities during the year (2023: nil).

Investment property operations

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Rental Income from Investment Properties	1,538	1,446	1,538	1,446
Expenses from Investment Property Generating Revenue	164	27	164	27
Expenses from Investment Property not Generating Revenue	54	64	54	64

Note 17: Intangible assets

Accounting policy

Purchased intangible assets are initially recognised at cost. For internally generated intangible assets, the cost includes direct employee costs, a reasonable portion of overhead and other direct costs that are incurred within the development phase of the asset. Intangible assets acquired at no cost are initially recognised at fair value where they can be reliably measured. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.



Useful Lives

Amortisation of intangible assets is provided on a straight line (SL) basis that will write off the cost of the intangible asset to estimated residual value over their useful lives.

The useful lives for associated amortisation rates of major classes of intangible assets have been estimated as follows:

Class of Intangible Asset	Estimated Useful Life (Years)
Acquired Computer software	4
Core Systems Software	3-15
Enduring Access rights	Infinite
Finite Access Rights	3-50
Carbon Credits	Indefinite

Disposals

Gains and losses from the disposal of intangible assets are recognised in surplus or deficit.

Impairment

Intangible assets are tested annually for impairment. An impairment loss is recognised in surplus or deficit for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash generating assets is the present value of expected future cash flows.

For non cash generating assets, value in use is determined using an approach based on a depreciated replacement cost.

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

Intangible Assets Comprise:**Software Acquisition and Development**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Property Subdivision Rights

Council has a property subdivision right in terms of the land block referred to as Te Tumu. This has been recognised as an intangible asset and is being amortised over the period of the agreement. Refer to note 13.

**Easement and Access Rights**

Right of access is the cost of the Tauranga City Council contributions to community infrastructure (buildings) within the city which Tauranga City Council does not own, but the community has access to use. Easements provide Council with access to infrastructural assets for an indefinite time period

Easements and Access Rights are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements used for access to Council infrastructure assets are included in Property, Plant and Equipment and easements used by Council for access to restricted assets such as reserves are included as part of intangible assets.

Where easements have an indefinite useful life, they are not amortised. These are capitalised to the asset to which they belong. They are tested for impairment as part of the regular asset impairment testing.

Where access Rights have a definite life, they are amortised over the life of the right given.

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. Carbon credits allocated by the Crown are recognised at fair value on receipt. New Zealand Units have been assessed as having an indefinite useful life because they have no expiry date but will continue to have economic benefit if the Emissions Trading Scheme is in place.

Carbon credits held are valued each year and the resulting movement is put through the Surplus and deficit. Carbon credits were revalued using the latest carbon credit market trading price as at 30 June, as quoted by Carbon News.

They are derecognised when they are used to satisfy carbon credit emission obligations. Any costs associated with maintaining New Zealand Units (NZU) are recognised as an expense when incurred.

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Note 17: Intangible Assets													
Council	1 July 2023				Current year movements						30 June 2024		
	Cost/ revaluation	Accumulated amortisation and impairment charges	Carrying amount		Additions	Disposals	Reclassification Adjustments	Amortisation	Amortisation Adjustment	Revaluation	Cost/ revaluation	Accumulated amortisation and impairment charges	Carrying amount
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Computer Software	46,281	(17,270)	29,011		2,405	(4,129)	(304)	(5,798)	4,120	-	44,210	(18,906)	25,304
Access Rights	10,955	(900)	10,055		78	(90)	-	-	-	-	10,943	(900)	10,043
Property Subdivision Right	9,620	(4,142)	5,478		-	-	-	(776)	-	-	9,620	(4,918)	4,702
Carbon Credit	1,176	-	1,176		-	-	-	-	-	269	1,445	-	1,445
Work in progress	10,480	-	10,480		1,428	-	-	-	-	-	11,908	-	11,908
Total intangible assets	78,512	(22,312)	56,200		3,911	(4,219)	(304)	(6,574)	4,120	269	78,126	(24,724)	53,402

Council	1 July 2022				Prior year movements						30 June 2023		
	Cost/ revaluation	Accumulated amortisation and impairment charges	Carrying amount		Additions	Disposals	Reclassification Adjustments	Amortisation	Amortisation Adjustment	Revaluation	Cost/ revaluation	Accumulated amortisation and impairment charges	Carrying amount
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Computer Software	31,010	(13,356)	17,654		15,581	(1,110)	800	(4,567)	653	-	46,281	(17,270)	29,011
Access Rights	11,490	(900)	10,590		2,333	-	(2,868)	-	-	-	10,955	(900)	10,055
Property Subdivision Right	9,618	(3,213)	6,405		-	-	2	(929)	-	-	9,620	(4,142)	5,478
Carbon Credits	2,180	-	2,180		-	-	-	-	-	(1,004)	1,176	-	1,176
Work in progress	10,352	-	10,352		128	-	-	-	-	-	10,480	-	10,480
Total intangible assets	64,650	(17,469)	47,181		18,042	(1,110)	(2,066)	(5,496)	653	(1,004)	78,512	(22,312)	56,200

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Note 17: Intangible assets											
Consolidated	1 July 2023				Current year movements					30 June 2024	
	Cost/ revaluation	Accumulated amortisation and impairment charges	Carrying amount		Additions	Disposals	Reclassification Adjustments	Amortisation	Amortisation Adjustment	Revaluation	Cost/ revaluation
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Computer Software	48,525	(19,136)	29,389								
Access Rights	10,955	(900)	10,055								
Property Subdivision Right	9,620	(4,142)	5,478								
Carbon Credits	1,176	-	1,176								
Work in progress	10,674	-	10,674								
Total intangible assets	80,950	(24,178)	56,772								

Consolidated	1 July 2022				Prior year movements					30 June 2023	
	Cost/ revaluation	Accumulated amortisation and impairment charges	Carrying amount		Additions	Disposals	Reclassification Adjustments	Amortisation	Amortisation Adjustment	Revaluation	Cost/ revaluation
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Computer Software	33,221	(15,036)	18,185		15,614	(1,110)	800	(4,753)	653	-	48,525
Access Rights	11,490	(900)	10,590		2,333	-	(2,868)	-	-	-	10,955
Property Subdivision Right	9,618	(3,213)	6,405		-	-	2	(929)	-	-	9,620
Carbon Credit	2,180	-	2,180		-	-	-	-	-	(1,004)	1,176
Work in progress	10,352	-	10,352		262	-	60	-	-	-	10,674
Total intangible assets	66,861	(19,149)	47,712		18,209	(1,110)	(2,006)	(5,682)	653	(1,004)	80,950
											56,772

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Note 18: Forestry assets**Accounting policy**

Standing forestry assets are independently valued annually at fair value less estimated costs to sell for one growth cycle.

All current forests have been valued on a going concern basis.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Critical accounting estimates and assumptions**Fair value of forestry assets**

Independent registered valuer, Yannina Whiteley, of Interpine Group Ltd, value forestry assets as at 30 June annually. This valuation is based on existing sustainable felling plans and assessment regarding growth, timber prices, felling costs and silvicultural costs. It takes into consideration environmental, operational, and market restrictions. The Standards applied in the valuation are the PBE IPSAS 27 as issued by the External Reporting Board (XRB) and the Forest Valuation Standards issued by the NZ Institute of Forestry. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- The valuation considers only the costs and revenues associated with the current crop (single rotation).
- An appropriate discount rate is derived based on evidence from industry practice.
- An average pre tax discount rate of 2024: 7.8% (2023: 7.3%) has been used in valuing the forest crops.
- A compound rate of 3.4% (2023: 3.6%) was applied to value the commercial, minor species crops (applicable to TECT forest only).
- A land rental cost is charged against the tree crop value for each stand until harvested.
- Wood flow is based on a presumed harvest schedule for a typical forest owner and not specific to the current owner.
- Costs are based on industry standard management and operational requirements.
- Logs processed are based on market rates and forecast based on best estimates of future supply and demand.

The Forest crop assets held in Tauranga City Council consist of water catchments and TECT All Terrain Park forest, forestry assets were valued by the Registered Valuer.

The two areas of forest valued by Interpine have been approached individually. The approach to non radiata species is different because the TECT forest area contains other exotic species that can be harvested while this is not the case for the water catchment area which only consists of Radiata.

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- The method used to measure the Pinus radiata tree crops in this valuation is the Expectation method. The Expectation method employs a conventional discounting approach to determine the present value of future cash flows. Previous expenditure on the forest is treated as sunk costs and are excluded from the valuation determination.
- Interpine have varied the methodology on valuing young radiata stands to a discounted cash flow basis instead of compounding cost approach to allow for better analysis of year to year change. This change had minor effect on the total valuation.
- Non radiata tree crops have been valued using a compounded cost methodology. Here a fair value is determined to be the compounded cost of the operations required to grow each crop to its current age.

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Balance as at 1 July	8,160	8,106	8,160	8,106
Gains/(losses) Arising from Changes Attributable to Physical Changes	(278)	521	(278)	521
Gains/(losses) Arising from Changes Attributable to Price Changes	(258)	27	(258)	27
Decreases due to Harvest	(306)	(494)	(306)	(494)
Balance as at 30 June	7,318	8,160	7,318	8,160

The Council owns a total of 331 (2023: 281) hectares of forestry assets, including around Council's water catchments and Council's 50% share of the TECT All Terrain Park.

The forestry assets have no restrictions on title or any known pledges against them.

Financial Risk Management Strategies

The Council is exposed to financial risks arising from changes in timber prices. The forest crops owned by the Council and group are held primarily for conservation purposes and are not intended to be logged and sold in substantial portions in order to earn income.

Therefore, no measures have been taken to manage the risks of a decline in timber prices. The Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

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Note 19: Property, plant and equipment**Accounting policy**

The property, plant and equipment of the Tauranga City Council are classified into three categories:

- Infrastructure assets include land under roads and systems and networks integral to the city's water and transport infrastructure. These assets are intended to be maintained indefinitely, even if individual assets or components are replaced or upgraded.
- Restricted assets include parks and reserves, property and improvements owned by the Tauranga City Council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Operational assets include property, plant and equipment used to provide core council services, either as a community service, for administration, or as a business activity. Other operational assets include landfill post closure, marine facilities and structures, motor vehicles, office equipment, library books, furniture and fittings.

Initial recognition and subsequent measurement

Property, plant and equipment is initially recognised at its cost except for these items: land (operational and restricted), buildings (operational and restricted), library books, and infrastructural assets (except land under roads) in which case the asset is recognised at fair value at the date of acquisition. Where an asset is acquired through a non exchange transaction, it is recognised at fair value as at the date of acquisition.

Subsequent costs that extend or expand the asset's future economic benefits and service potential are capitalised. After initial recognition, certain classes of property, plant and equipment are revalued. Work in progress is recognised at cost less impairment and is not depreciated.

Depreciation

Depreciation is provided on a straight line basis (SL) on all property, plant, and equipment other than land which is not depreciated.

Useful Lives

When assets are revalued, depreciation rates are overridden by the new annual depreciation rates which may be outside the range for the class of asset, to accurately reflect the useful life of the asset.

The residual value and remaining useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Disposals

Gains and losses on the disposal of property, plant and equipment are recognised in surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

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Class of Asset Depreciated	Estimated Useful Life (Years)
INFRASTRUCTURAL ASSETS	
Wastewater - Treatment Plants and Facilities	1-70
Other Wastewater Systems	10-95
Water Supply - Treatment Plants and Facilities	7-90
Other Water Supply Systems	5-85
Stormwater System	1-420
Roading Network	1-160
Roading Network - Formation	Infinite
Roading Corridor Land	N/A
Other Roading Assets	1-140
RESTRICTED ASSETS	
Land	N/A
Buildings	7-100
Parks Facilities	3-80

Class of Asset Depreciated	Estimated Useful Life (Years)
OPERATIONAL ASSETS	
Land	N/A
Buildings	3-100
Airport Infrastructure Assets	4-210
Jetties, Wharves, Marine Facilities and Structures	4-100
Library Books	7-50
Heritage	N/A
Office Furniture and Equipment	1-30
Plant and Equipment	1-50
Motor Vehicles	4-45
TRUST LAND	
Land	N/A

Impairment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of property, plant and equipment exceeds its recoverable amount. Any impairment loss is recognised immediately in surplus or deficit unless the asset is revalued, in which case any impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash generating assets is the present value of expected future cash flows. For non cash generating assets, value in use is determined using an approach based on a depreciated replacement cost.

Revaluation

Infrastructure assets (except land under roads), restricted and operational assets (except office furniture, plant equipment and vehicles) undergo a full revaluation with sufficient regularity, and at least every three years on a cyclical basis to ensure that their carrying amounts do not differ materially from fair value. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then those asset classes are revalued. Revaluations are accounted for on an asset class basis.

Net revaluation gains are recognised in other comprehensive revenue and expenditure and are accumulated in the asset revaluation reserve in equity for each class of asset. Revaluation losses that result in a debit balance in an asset class's revaluation reserve are recognised in surplus or deficit. Any subsequent gain on revaluation is recognised first in surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expenditure.

Replacement cost as recorded in property, plant and equipment tables, is from the most recent valuation provided by independent valuers (as below) for the relevant asset class.

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Local government disclosures



Core assets

Under the Local Government (Financial Reporting and Prudence) Regulations 2014, the Council is required to disclose information about the Group's core assets.

Tauranga City Council has applied section 6 information disclosure requirements to its core assets in Property, Plant and Equipment.

Significant judgements and estimates



The group uses the optimised depreciated replacement cost (ODRC) method in revaluing most of its property, plant and equipment and operational land and buildings are valued at market value.

ODRC is calculated based on the replacement cost new of a modern equivalent asset as the starting point and applies optimisation and depreciation to adjust for age, condition, performance and remaining useful life. Replacement cost estimates refer to current construction costs and are adjusted where necessary for fees, lead time, demolition cost and any other necessary changes.

Market value is based on recent equivalent sales, the present value of future cash flows.

It is assumed that all asset classes have no residual value at the end of their useful lives.

The following asset classes have been valued at an individual asset level as at 30 June 2024: Land and Buildings, and Roadway Network.

The table below summarises the key assumptions adopted by independent valuers in determining the fair value of each class of asset at the date of valuation. The remaining asset classes have been assessed for movement in fair value to ensure that their carrying values do not differ materially from their fair values.

Infrastructure Asset Classes

**WASTEWATER, WATER,
STORMWATER (3 Waters)**

Wastewater, water and stormwater infrastructural assets were valued effective at 30 June 2023 and are scheduled to be valued again as at 30 June 2026.

Independent valuer: GHD Valuations.

Valuing method used: Optimised Depreciated Replacement Cost method.

Assets include wetwells, water and wastewater pump stations, treatment plants equipment, drains and stormwater ponds

Key valuation assumptions and notes

In order to minimise the risk of significant movement in the replacement cost of infrastructure assets, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset (NZIAV) and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience.

Asset inspections, deterioration, and condition modelling are also carried out regularly as part of asset management planning activities. These provide further assurance over useful life estimates.

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TRANSPORTATION	<p>Roading network and other roading infrastructural assets were valued effective at 30 June 2024 and are scheduled to be valued again as at 30 June 2027.</p> <p>Independent valuer: BECA Valuation Limited.</p> <p>Valuing method used: Optimised Depreciated Replacement Cost method.</p> <p>Assets include roads, footpaths, street lights, traffic signals and bridges.</p> <p>Key valuation assumptions and notes</p> <ul style="list-style-type: none"> The 2023 rates have been derived from a review of current and recent contract rates provided by Tauranga City Council as well as against other similar New Zealand Road Controlling Authorities. Rates where no corresponding recent contract rate was available have been increased or decreased according with Waka Kotahi's infrastructure cost indices. This is how the replacement cost in this note is derived. Useful lives were determined considering the age, condition information held on these assets and the assets future service potential. These assumptions are affected by local conditions such as ground type, weather patterns and road usage. Land under roads and Roothing Corridor land were valued based on fair value provided by previous valuations in 2012 of the Roothing Network. This valuation was carried out by BECA Valuation Limited. On transition to New Zealand's External Reporting Board (XRB) International Public Sector Accounting Standards (PBE IPSAS) at 1 July 2014, the Council elected to use the fair value of land under roads and roading corridor land as at 30 June 2012 as the deemed cost. Land under roads and roading corridor land are no longer revalued. <p>Vested land under roads are not valued.</p>
Restricted and Operational Assets Classes	
LAND AND BUILDINGS	<p>Land and building assets were valued effective at 30 June 2024 and are scheduled to be valued again as at 30 June 2027.</p> <p>Independent valuer: Quotable Value Limited (QV).</p> <p>Valuing method used: Land and buildings are mainly valued based on recent equivalent sales information and/or market evidence. Where no market existed for the buildings, ODRC was used with allowance for age, condition and configuration of the building.</p> <p>Fair value assessment: The values of the assets have been considered on a Fair Value basis in accordance with PBE IPSAS 17 under a highest and best use scenario.</p>
KEY VALUATION ASSUMPTIONS AND NOTES	<p>Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.</p> <p>Restrictions on the Council's ability to sell land would not normally impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.</p> <p>Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.</p>
CLASSIFICATION OF PROPERTY	<p>The Council owns properties that had previously been used by Council in the course of operation, which was classified as property, plant and equipment. These properties will eventually be offered for sale. Such property has been classified as investment property.</p>

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Restricted Asset Classes	
PARKS FACILITIES	<p>Parks Facilities infrastructure assets were valued effective at 30 June 2023 and are scheduled to be valued again as at 30 June 2026.</p> <p>Independent valuer: BECA Projects NZ Limited.</p> <p>Valuing method used: Optimised Depreciated Replacement Cost method.</p> <p>Reserves land and buildings were valued as part of Council's land and building asset class effective at 30 June 2024 and are scheduled to be valued again as at 30 June 2027.</p> <p>Independent Valuer: Quotable Value Limited.</p> <p>Valuing method used: Market value.</p> <p>Assets include sports fields, courts and reserves equipment.</p> <p>Key valuation assumptions and notes</p> <p>Parks infrastructure assets have been valued in accordance with New Zealand Infrastructure Asset Valuation and Depreciation Guidelines Manual.</p> <p>The valuation process used included:</p> <ul style="list-style-type: none"> Optimising the asset factor out over design, over capacity and redundant assets. Calculation of depreciated replacement cost using the optimal factors on the gross replacement cost of the modern equivalent assets. Calculation of the annual depreciation on a straight line basis to delineate the degradation of the asset over its expected useful life.
Operational Asset classes	
AIRPORT	<p>Airport Infrastructure assets were valued effective at 30 June 2023 and are scheduled to be valued again as at 30 June 2026.</p> <p>Independent valuer: BECA Projects NZ Limited.</p> <p>Valuing method used: Optimised Depreciated Replacement Cost method for specialised assets, where replacement costs are derived from construction contracts of like assets, reference to publications such as Rawlinson's Construction Handbook, recent costings obtained from construction details and Property Institute of New Zealand's cost information.</p> <p>Airport Land Operational assets were valued as part of Council's land and building asset class effective at 30 June 2024 and are scheduled to be valued again as at 30 June 2027.</p> <p>Independent Valuer: Quotable Value Limited.</p> <p>Valuing method used: Market value.</p> <p>Assets include airside assets of the runways and taxiways and land.</p> <p>Key valuation assumptions and notes</p> <p>Airport land is valued as vacant and incorporates the influences of size contour, quality, location, zoning, designation and current and potential usage. An open market, "willing buyer, willing seller", scenario is assumed.</p> <p>The airport land consists of some 225 hectares of land of which some 86 hectares is jointly owned by Tauranga City Council (TCC) and Western Bay of Plenty District Council (WBOPDC). WBOPDC own 14.45% of the jointly owned land. The jointly acquired land is held by TCC on trust for itself and WBOPDC. As the legal owner, TCC must exercise its rights of ownership in terms of the Trust and for the benefit of the Trustees.</p> <p>The terms of the Trust are that TCC may use the jointly acquired land rent free provided the land is used as an airport. If the jointly owned airport land is sold and the principal use of the land is no longer an airport then a liability to WBOPDC is created.</p>

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MARINE	<p>Marine infrastructure assets were valued effective at 30 June 2023 and are scheduled to be valued again as at 30 June 2026.</p> <p>Independent valuer: Aecom Limited.</p> <p>Valuing method used: Optimised Depreciated Replacement Cost method and are deemed specialised assets.</p> <p>Assets include wharves, jetties/pontoons, boat ramps and coastal structures.</p> <p>Key valuation assumptions and notes</p> <p>These marine assets were broken down to a component level and depreciated individually. The assets were generally valued based on construction in green field or undeveloped sites. Depreciation has been applied to depreciable assets on a straight line basis over the total assessed economic life of the asset. Land formation and earthworks have not been depreciated</p>
LIBRARY COLLECTIONS	<p>Library collections assets were valued effective at 30 June 2023 by Tauranga City Council staff member(s) deemed experts in their field. These assets are scheduled to be valued again as at 30 June 2026.</p> <p>Valuing method used: Optimised Depreciated Replacement Cost method in accordance with the guidelines released in 2002 by the New Zealand Library Association and the National Library.</p> <p>Assets include library books.</p>
OTHER ASSETS	<p>All other asset classes are carried at depreciated book value.</p>
GROUP RECREATIONAL FACILITIES	<p>BVL infrastructural assets were valued effective at 30 June 2024 by Independent valuer: Quotable Value Limited. These assets are scheduled to be valued again as at 30 June 2027.</p> <p>Valuing method used: Optimised Depreciated Replacement Cost.</p> <p>Assets include building and improvements, plant, machinery and chattels.</p> <p>Key valuation assumptions and notes</p> <p>Plant, machinery and chattels are revalued together with building and improvement assets as they are part of the building structures of the pool buildings.</p> <p>Plant, machinery and chattels associated with pools have been valued on the "in use" basis assuming the on going economic life of the relevant facility.</p>

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Note 19: Council 2024 - Property, plant and equipment													
	1 July 2023				Current year movements								30 June 2024
	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000	Additions Assets Constructed by Council \$'000	Additions Vested Assets Transferred to Council \$'000	Disposals and Impairments \$'000	Disposals Depreciation \$'000	Depreciation \$'000	Transfer \$'000	Transfer Depreciation \$'000	Net Revaluation Surplus \$'000	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000
Council Infrastructural Assets													
Wastewater - Treatment Plants and Facilities	154,414	(96)	154,318	27,907		(96)	96	(4,734)	-	-	-	182,226	(4,734)
Other Wastewater Systems	730,713	(137)	730,576	36,830	1,535	-	-	(13,172)	-	-	-	769,078	(13,309)
Water Supply - Treatment Plants and Facilities	142,460	(2)	142,459	3,222		(2)	2	(4,468)	-	-	-	145,681	(4,468)
Other Water Supply Systems	432,853	(50)	432,802	17,169	1,178	-	-	(9,011)	229	(2)	-	451,429	(9,064)
Stormwater System	753,063	(370)	752,693	26,055	2,142	-	-	(8,665)	-	-	-	781,259	(9,035)
Roading Network	718,644	(15,967)	702,677	67,969	1,047	(1,020)	92	(18,459)	(2,159)	36	37,769	787,969	(16)
Roading Corridor Land	1,363,319	-	1,363,319	1,308	341	-	-	1,014	-	-	-	1,365,982	-
Other Roading Assets	351,418	(11,352)	340,066	65,650	11,209	(1,410)	282	(10,701)	1,795	276	194,802	601,989	(20)
Work in Progress	291,883	-	291,883	(42,558)				-	-	-	-	249,325	-
Total Council Infrastructural Assets	4,938,766	(27,974)	4,910,793	203,551	17,452	(2,527)	471	(69,210)	879	309	232,572	5,334,937	(40,646)
Council Restricted Assets													
Land	804,143	-	804,143	899	1,829	(127)	-	-	(14,649)	-	23,926	816,021	-
Buildings and Improvements	39,739	(1,608)	38,130	3,366		(241)	67	(1,581)	490	(502)	3,435	43,165	-
Parks Facilities	45,449	(76)	45,373	15,160	616	(28)	28	(4,952)	-	-	-	61,197	(5,000)
Work in Progress	68,256	-	68,256	72,158				-	-	-	-	140,414	-
Total Council Restricted Assets	957,586	(1,684)	955,902	91,582	2,445	(396)	96	(6,533)	(14,159)	(502)	27,360	1,060,797	(5,000)
Council Operational Assets													
Land	567,537	-	567,537	19,006		(9)	-	-	(2,330)	-	(25,831)	558,373	-
Buildings and Improvements	100,835	(3,475)	97,360	25,273		(1,556)	73	(3,413)	(1,634)	108	9,109	125,358	(36)
Airport Buildings and Operational Assets	52,553	-	52,553	3,094		-	-	(2,046)	-	-	-	55,648	(2,046)
Jetties, Wharves, Marine Facilities and Structures	43,879	(1,861)	42,018	2,673		(2,242)	290	(1,574)	(244)	3	(7,065)	37,001	(3,143)
Library Books	6,193	(3)	6,193	-		-	-	(764)	-	-	-	6,193	(764)
Heritage	3,123	(3)	3,120	765		-	-	-	-	-	-	3,888	(3)
Office Furniture and Equipment	29,680	(18,770)	10,910	3,213		(3,038)	3,038	(2,423)	(596)	496	-	29,258	(17,658)
Plant and Equipment	22,836	(9,974)	12,861	7,039		(2,551)	1,811	(3,238)	995	(348)	-	28,318	(11,750)
Motor Vehicles	4,452	(1,698)	2,754	2,032		(93)	93	(481)	(229)	2	6,162	(2,084)	(4,078)
Work in Progress	29,927	-	29,927	9,146				-	-	-	-	39,073	-
Total Council Operational Assets	861,014	(35,781)	825,233	72,241	-	(9,489)	5,305	(13,939)	(4,038)	261	(23,787)	889,272	(37,484)
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	6,757,366	(65,439)	6,691,929	367,374	19,897	(12,412)	5,872	(89,683)	(17,318)	69	236,145	7,285,005	(83,129)
													7,201,876

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Note 19: Consolidated 2024 - Property, plant and equipment														
	1 July 2023			Current year movements								30 June 2024		
	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000	Additions Assets Constructed by Council \$'000	Additions Vested Assets Transferred to Council \$'000	Disposals and Impairments \$'000	Disposals Depreciation \$'000	Depreciation \$'000	Transfer \$'000	Transfer Depreciation \$'000	Net Revaluation Surplus \$'000	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000
Consolidated Infrastructural Assets														
Wastewater - Treatment Plants and Facilities	154,414	(96)	154,318											
Other Wastewater Systems	730,713	(137)	730,576											
Water Supply - Treatment Plants and Facilities	142,460	(2)	142,458											
Other Water Supply Systems	432,852	(50)	432,802											
Stormwater System	753,063	(370)	752,693											
Roading Network	718,644	(15,966)	702,678											
Roading Corridor Land	1,363,319	-	1,363,319											
Other Roading Assets	351,418	(11,352)	340,066											
Work in Progress	291,883	-	291,883											
Total Consolidated Infrastructural Assets	4,938,766	(27,974)	4,910,793											
Consolidated Restricted Assets														
Land	804,143	-	804,143											
Buildings and Improvements	39,738	(1,608)	38,130											
Parks Facilities	45,449	(76)	45,373											
Work in Progress	68,256	-	68,256											
Total Consolidated Restricted Assets	957,586	(1,684)	955,902											
Consolidated Operational Assets														
Land	574,055	-	574,055											
Buildings and Improvements	223,504	(11,995)	211,509											
Airport Buildings and Operational Assets	52,553	-	52,553											
Jetties, Wharves, Marine Facilities and Structures	43,879	(1,861)	42,018											
Library Books	6,193	-	6,193											
Heritage	5,086	(3)	5,083											
Office Furniture and Equipment	37,127	(22,567)	14,560											
Plant and Equipment	45,942	(14,836)	31,105											
Motor Vehicles	5,432	(2,078)	3,354											
Work in Progress	31,880	-	31,880											
Total Consolidated Operational Assets	1,025,651	(53,340)	972,311											
TOTAL CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT	6,922,003	(82,996)	6,839,008											

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Note 19: Council 2023 - Property, plant and equipment													
1 July 2022				Prior year movements							30 June 2023		
Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000	Additions Constructed by Council \$'000	Additions Vested Assets Transferred to Council \$'000	Disposals and Impairments \$'000	Disposals Depreciation \$'000	Depreciation \$'000	Transfer \$'000	Transfer Depreciation \$'000	Net Revaluation Surplus \$'000	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000
Council Infrastructural Assets													
Wastewater - Treatment Plants and Facilities	116,869	(7,149)	109,721	3,803	-	(109)	41	(5,581)	51,082	(2,511)	154,414	(96)	154,318
Other Wastewater Systems	535,288	(19,134)	516,154	10,735	6,858	-	-	(8,533)	(58,341)	2,601	730,713	(137)	730,576
Water Supply - Treatment Plants and Facilities	37,295	(3,808)	33,487	96,723	-	-	-	(3,469)	59,024	(1,399)	142,460	(2)	142,459
Other Water Supply Systems	314,509	(12,640)	301,869	111,450	1,542	(124)	3	(6,454)	(66,094)	1,689	432,852	(50)	432,802
Stormwater System	586,802	(14,010)	572,792	12,331	4,872	(5,114)	355	(6,747)	(12,657)	338	753,063	(370)	752,693
Roading Network	690,611	(130)	690,481	23,487	4,546	-	-	(15,837)	-	-	718,644	(15,967)	702,677
Roading Corridor Land	1,359,474	-	1,359,474	3,568	-	-	-	276	-	-	1,363,319	-	1,363,319
Other Roading Assets	320,348	(718)	319,630	16,350	2,411	-	-	(10,296)	12,309	(338)	351,418	(11,352)	340,066
Work in Progress	385,178	-	385,178	(93,295)	-	-	-	-	-	-	291,883	-	291,883
Total Council Infrastructural Assets	4,346,374	(57,589)	4,288,785	181,152	20,229	(5,347)	399	(56,916)	(14,400)	379	4,938,766	(27,974)	4,910,793
Council Restricted Assets													
Land	772,870	-	772,870	990	3,315	(1,735)	-	-	27,712	-	990	804,143	-
Buildings and Improvements	29,406	(136)	29,270	1,402	-	(276)	79	(1,559)	9,221	8	(15)	39,738	(1,608)
Parks Facilities	51,058	(13,318)	37,740	9,730	765	(13,745)	14,043	(4,351)	(955)	11	2,136	45,449	(76)
Work in Progress	36,627	-	36,627	31,629	-	-	-	-	-	-	68,256	-	68,256
Total Council Restricted Assets	889,962	(13,454)	876,507	43,751	4,080	(15,756)	14,122	5,910	35,979	19	3,111	957,586	(1,664)
Council Operational Assets													
Land	582,708	-	582,708	25,219	-	(605)	-	-	(39,359)	-	(425)	567,537	-
Buildings and Improvements	104,086	(722)	103,364	3,297	-	(1,242)	445	(3,392)	(5,149)	194	(157)	100,835	(3,475)
Airport Infrastructure Assets	39,120	(3,059)	36,061	58	-	-	-	(1,090)	510	(32)	17,046	52,553	-
Jetties, Wharves, Marine Facilities and Structures	43,455	(142)	43,313	151	-	-	-	(1,680)	352	(39)	(78)	43,879	(1,861)
Library Books	7,597	(3,836)	3,761	1,877	-	-	-	(660)	-	-	1,215	6,193	-
Heritage	3,273	(60)	3,213	26	-	-	-	-	(176)	57	-	3,123	(3)
Office Furniture and Equipment	25,821	(15,138)	10,683	4,245	-	(592)	588	(4,191)	206	(29)	29,680	(18,770)	10,910
Plant and Equipment	16,874	(7,136)	9,738	1,862	-	(576)	575	(2,865)	4,675	(549)	-	22,835	(9,974)
Motor Vehicles	2,480	(1,456)	1,024	2,070	-	(98)	115	(357)	-	-	4,452	(1,698)	2,754
Work in Progress	16,988	0	16,988	12,939	-	-	-	-	-	-	29,927	-	29,927
Total Council Operational Assets	842,402	(31,549)	810,853	51,744	-	(3,113)	1,723	(14,235)	(38,941)	(389)	17,600	861,014	(35,781)
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	6,078,737	(102,592)	5,976,145	280,645	24,309	(24,216)	16,244	77,062	(17,362)	-	513,223	(65,439)	6,691,929

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Note 19: Consolidated 2023 - Property, plant and equipment													
	1 July 2022				Prior year movements							30 June 2023	
	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000	Additions Assets Constructed by Council \$'000	Additions Vested Assets Transferred to Council \$'000	Disposals and Impairments \$'000	Disposals Depreciation \$'000	Depreciation \$'000	Transfers \$'000	Transfers Depreciation \$'000	Net Revaluation Surplus \$'000	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000
Consolidated Infrastructural Assets													
Wastewater - Treatment Plants and Facilities	8,106	(3,476)	110,470	1,680	-	-	-	(3,733)	131	(106)	1,278	116,869	(7,149)
Other Wastewater Systems	521	(7,210)	516,914	7,463	2,265	(9)	1	(10,475)	1,444	(1,450)	-	535,288	(19,134)
Water Supply - Treatment Plants and Facilities	27	(1,917)	33,555	7	-	-	-	(1,951)	111	(103)	1,869	37,295	(3,808)
Other Water Supply Systems	(494)	(6,103)	295,970	10,666	1,540	-	-	(6,308)	230	(229)	-	314,509	(12,640)
Stormwater System	8,160	(6,323)	574,846	455	3,967	-	-	(7,260)	1,211	(427)	-	586,802	(14,010)
Roading Network	487,709	(29,745)	457,964	11,739	2,186	(1,643)	1,643	(12,515)	(1,333)	(3)	232,443	690,611	(130)
Roading Corridor Land	1,361,846	-	1,361,846	-	-	-	-	-	(2,368)	-	(4)	1,359,474	-
Other Roading Assets	123,978	(12,693)	111,285	9,733	2,837	(2,148)	2,148	(4,616)	2,648	(124)	197,867	320,348	(718)
Work in Progress	273,955	-	273,955	111,303	-	-	-	-	(80)	-	-	385,178	-
Total Consolidated Infrastructural Assets	3,804,273	(67,467)	3,736,806	153,046	12,795	(3,800)	3,792	(46,858)	1,994	(2,443)	433,453	4,346,374	(57,569)
Consolidated Restricted Assets													
Land	562,088	-	562,088	562	724	(225)	-	-	(20,308)	-	230,029	772,870	-
Buildings and Improvements	27,091	(1,267)	25,824	1,089	-	(498)	74	(1,135)	(4,593)	101	8,408	29,406	(136)
Parks Facilities	46,161	(8,372)	37,789	436	627	-	-	(4,164)	3,833	(782)	-	51,058	(13,318)
Work in Progress	18,487	-	18,487	18,140	-	-	-	-	-	-	-	36,627	-
Total Consolidated Restricted Assets	653,828	(9,639)	644,189	20,227	1,351	(723)	74	(5,299)	(21,067)	(681)	238,437	889,962	(13,454)
Consolidated Operational Assets													
Land	425,303	-	425,303	3,373	-	(4,833)	-	-	24,448	-	140,934	589,225	-
Buildings and Improvements	183,369	(9,403)	173,966	559	-	(492)	437	(5,995)	9,787	1,523	39,267	220,976	(1,923)
Airport Infrastructure Assets	52,002	(2,353)	49,649	4	-	-	-	(1,191)	(12,886)	485	-	39,120	(3,059)
Jetties, Wharves, Marine Facilities and Structures	41,795	(5,335)	36,460	1,039	-	(275)	215	(1,742)	(16)	16	7,616	43,455	(142)
Library Books	8,368	(2,975)	5,393	-	-	-	-	(1,632)	(771)	771	-	7,597	(3,836)
Heritage	4,217	(40)	4,177	-	-	(34)	-	(24)	(243)	3	1,295	5,236	(60)
Office Furniture and Equipment	43,801	(33,009)	10,792	9,770	-	(2,043)	1,128	(6,197)	(20,220)	20,191	-	31,535	(18,095)
Plant and Equipment	35,304	(12,472)	22,832	8,089	-	(1,115)	453	(3,621)	(6,127)	5,953	-	36,208	(9,766)
Motor Vehicles	5,513	(3,698)	1,815	66	-	-	-	(3,62)	(2,314)	2,315	-	3,265	(1,745)
Work in Progress	19,784	-	19,784	7	-	-	-	-	80	-	-	19,871	-
Total Consolidated Operational Assets	819,456	(69,285)	750,171	22,907	-	(8,792)	2,233	(20,764)	(8,261)	31,257	189,112	996,487	(38,627)
TOTAL CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT	5,277,557	(146,391)	5,131,166	196,180	14,146	(13,315)	6,100	(72,920)	(27,335)	28,134	861,002	6,232,823	(109,669)

FINANCIALS

Council - Work in progress

	Council		Consolidated	
	Actual 2024 \$000	Actual 2023 \$000	Actual 2024 \$000	Actual 2023 \$000
PROPERTY, PLANT AND EQUIPMENT WORK IN PROGRESS				
Council Infrastructural Assets				
Wastewater - Treatment Plants and Facilities	37,839	39,289		39,289
Other Wastewater Systems	21,942	45,766		45,766
Water Supply - Treatment Plants and Facilities	5,253	4,443		4,443
Other Water Supply Systems	22,074	19,687		19,687
Stormwater System	35,924	40,566		40,566
Roading Network	106,586	127,068		127,068
Roading Corridor Land	-	-		-
Other Roading Assets	19,707	15,062		15,062
Total	249,325	291,881		291,881
Council Restricted Assets				
Land	1,807	2,298		2,298
Buildings and Improvements	45,069	12,406		12,406
Park Facilities	93,538	53,551		53,551
Total	140,414	68,255		68,255
Council Operational Assets				
Land	(25)	1,340		1,340
Buildings and improvements	16,520	15,161		15,684
Airport Buildings and Operational Assets	6,298	3,472		3,472
Jetties, Wharves, Marine Facilities and Structures	7,520	4,234		4,234
Library Books	1,073	-		-
Heritage	-	-		-
Office Furniture and Equipment	2,473	3,005		3,997
Plant and Equipment	5,037	2,715		3,153
Vehicles - Motor and Electric	177	-		-
Total Operational Assets Work In Progress	39,073	29,927		31,880
Total Property, Plant and Equipment Work In Progress	428,812	390,063		392,016
INTANGIBLE WORK IN PROGRESS				
Software	11,908	10,734		10,988
Total Intangibles Work in Progress	11,908	10,734		10,988
TOTAL WORK IN PROGRESS	440,720	400,797		403,004

FINANCIALS

Insurance of assets

Local government disclosures

Under the Local Government Act 2002, the Council is required to disclose the following information on insurance of the Group's assets as at 30 June.

Disclosure as required under Local Government Amendment (No3) Act.



	Carrying Amounts 2024 \$'000	Replacement Costs 2024 \$'000	Insured Amounts 2024 \$'000	Carrying Amounts 2023 \$'000	Replacement Costs 2023 \$'000	Insured Amounts 2023 \$'000
Assets Covered by Insurance Contracts						
Infrastructural Assets						
Wastewater - Treatment Plants and Facilities	177,492	252,972	239,022	154,318	252,972	218,677
Water Supply - Treatment Plants and Facilities	141,213	197,215	194,741	142,458	197,215	125,730
Other Water Supply Systems*	442,365	616,966	160,858	432,802	616,966	532,197
Other Wastewater Systems*	755,769	1,088,438	192,949	730,576	1,088,438	170,721
Stormwater Systems*	772,223	925,418	2,731	752,693	925,418	2,572
Bridges	32,117	59,866	79,914	21,650	-	76,193
Total Infrastructural Assets Insurance Coverage	2,321,179	3,140,875	870,215	2,234,497	3,081,009	1,126,090
Operational Assets						
Buildings and Improvements	168,487	287,073	738,568	135,490	438,690	613,190
Airport Buildings and Operational Assets	53,602	52,121	-	52,553	52,121	-
Jetties, Wharves, Marine Facilities and Structures	33,858	96,096	-	42,018	96,096	-
Library books	5,429	-	-	6,193	-	-
Heritage	3,885	-	-	3,120	-	-
Office Furniture and Equipment	11,600	-	-	10,910	-	-
Plant and Equipment	16,568	-	-	12,861	-	-
Work in Progress	428,812	-	-	390,066	-	-
Motor Vehicles	4,078	-	11,962	2,754	-	11,629
Forestry	7,318	-	2,716	8,159	-	2,110
Total Operational Assets Insurance Coverage	733,637	435,290	753,246	664,124	586,907	626,929
Total Assets Covered by Insurance Contracts	3,054,816	3,576,165	1,623,461	2,898,621	3,667,915	1,753,019
Financial Risks Sharing Arrangements Assets						
Roading Corridor Land	1,365,982	-	-	1,363,319	-	-
Other Roading Assets	571,934	919,028	-	320,439	542,552	-
Land	1,374,394	-	-	1,371,680	-	-
Parks Facilities	56,197	122,397	-	45,373	122,397	-
Roading Network	785,870	1,210,365	-	700,655	943,344	-
Total Financial Risks Sharing Arrangements	4,172,813	2,251,790	-	3,801,467	1,608,293	-
TOTAL INSURANCE OF ASSETS	7,227,629	5,827,955	1,623,461	6,700,089	5,276,208	1,753,019

The insurance cover is for Council and the group.

* Underground assets are covered under separate cover for \$380m (2023: \$380m). This amount has been included in the "Other Water Supply Systems" insured amount for ease of presentation but applies to all underground assets.

FINANCIALS

Note 20: Te Manawataki o Te Papa Charitable Trust Land

During the year, Council transferred to Te Manawataki o Te Papa Charitable Trust the legal title for the land under the civic precinct. A lease agreement of the land back to Council was executed simultaneously, which will provide Council with the right to the land in perpetuity. This land is reflected as a separate council asset in the financials for compliance with XRB standards and recognises the ongoing benefit of the land asset remaining with Council for the benefit of the wider community.



As such, Trust Land will be treated in the same manner as other land assets. Refer to note 19.

1 July 2023			Current year movements		30 June 2024		
Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000	Additions \$'000	Revaluations \$'000	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000
-	-	-	16,102	2,334	18,436	-	18,436

Te Manawataki o Te Papa Charitable Trust

Note 21: Payables and deferred revenue

Accounting policy

Short term creditors and other payables are recorded at their face value and are non interest bearing. They are normally settled on 30 day terms; therefore, the face value of creditors and other payables approximates their fair value.



	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Payables and Deferred Revenue				
Trade Payables	17,913	13,951		15,777
Accrued Expenses	50,348	44,658		44,658
Rates in Advance	27,044	25,929		25,929
Other Payables	6,441	1,551		1,551
Accrued Interest on Borrowings	9,996	8,679		8,679
Total Payables and Deferred Revenue	111,742	94,768		96,594
Deposits Held				
General Deposits	11,633	8,845		8,867
Site Development Bonds	(2,395)	2,982		2,982
Total Deposits Held	9,238	11,827		11,849
TOTAL PAYABLES AND DEPOSITS	120,980	106,595		108,443
Total Payables and Deposits from Exchange Transactions	84,854	75,250		77,098
Total Payables and Deposits from Non Exchange Transactions	36,126	31,345		31,345

Note 22: Employee entitlement liabilities

Accounting policy

Provision is made in respect of Tauranga City Council's liability for salaries, wages, annual leave, long service leave and gratuities, accrued up to balance date.



Short Term Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at balance date.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long Term Employee Entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of Employee Entitlements

Sick leave, annual leave and vested long service leave are classified as a current liability. Non vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non current liability.

Current Portion

Accrued Pay

Annual Leave

Long Service Leave

Total Employee Entitlements

Council		Consolidated	
Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
-	3,742		4,193
7,527	6,484		7,862
603	386		386
8,130	10,612		12,441

FINANCIALS

Note 23: Revenue in advance

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Developer Contributions	-	3,429	-	3,429
Other Revenue in Advance	619	457	619	1,620
TOTAL REVENUE IN ADVANCE	619	3,886	619	5,049

Development Contribution revenue received in advance represents the value of assets vested to Tauranga City Council in excess of the value of Development Contributions owing to Council, under a works in lieu agreement with a developer. The works in lieu agreement allows for the developer to construct local infrastructure and vest this to Council rather than Council charging local development contributions for subdivisions and building the infrastructure itself.

During the year, Council settled the outstanding Works in Lieu arrangement; balance as at 30 June 2024 \$nil (2023: \$3.4m).

	Council	
	Actual 2024 \$'000	Actual 2023 \$'000
Development Contribution Fees Owing	(15.9)	(15.9)
Assets vested to Council	28.3	28.3
Less Reimbursements	(12.4)	(8.9)
TOTAL WORKS IN LIEU	-	3.4

Note 24: Borrowings

Accounting policy

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Tauranga City Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date, or if the borrowings are expected to be settled within 12 months of balance date.

Council's borrowings are regularly reviewed to establish their effect on the going concern assumption. Management reviews its borrowings and liquidity to ensure compliance with set ratios, Council remains solvent and that its debt repayments can be met. Future economic impacts are assessed for potential impact on Council's ability to carry on its primary objectives.



FINANCIALS

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Current Portion				
Secured				
Adams Centre Loan	-	-		1,000
Local Government Funding Agency	110,000	50,000		50,000
Housing Infrastructure Fund	6,065	6,065		6,065
Total Current Portion	116,065	56,065		57,065
Non Current Portion				
Secured				
Wholesale Borrowing	13,585	12,782		12,782
Local Government Funding Agency	930,116	765,150		765,150
Housing Infrastructure Fund	110,813	114,407		114,407
Total Non Current Portion	1,054,514	892,339		892,339
TOTAL BORROWINGS	1,170,579	948,404		949,404
Consisting of:				
Adams Centre Loan	-	-		1,000
Housing Infrastructure Fund	116,878	120,472		120,472
Wholesale Borrowings at Floating Interest Rates	585,000	610,000		610,000
Wholesale Borrowings at Fixed Interest Rates	468,701	217,932		217,932
TOTAL BORROWINGS	1,170,579	948,404		949,404

Credit standby arrangements

At balance date Tauranga City Council had undrawn bank facilities of \$200m (2023: \$100m), with facility maturing October 2026.

Security

The borrowings (including any debentures) are secured by a charge over all Rates from time to time set or assessed by Tauranga City Council.

Weighted Average Interest on Outstanding Borrowings
(as at balance date)

Council		Consolidated	
30 June 2024	30 June 2023	30 June 2024	30 June 2023
4.82%	4.52%	4.82%	4.52%

Housing Infrastructure Fund

During the current financial year, no amounts drawn down (2023: \$16.9m). The undrawn amount under the Housing Infrastructure Fund at 30 June is nil (2023: \$16.9m). Housing Infrastructure Fund offers interest free loans, a gain is recognised to reflect the initial fair value adjustment at market interest rates at the time any new loan is drawn down, refer Note 7.

During the year council made loan repayments of \$6.2m (2023: \$6.2m).

On 29 June 2023, Council signed a new funding agreement for the Pāpāmoa East Interchange under the Housing Infrastructure Fund. The project enables the development of Wairakei Housing and Urban Development. No drawdowns were made during the financial year and repayments are not due to commence until June 2026.

FINANCIALS

Local government disclosures



Internal Borrowings

In relation to each group of activities, the council has incurred no internal borrowings during the year (2023: nil). The group and council maintain sufficient cash balances at all times. Internal borrowings would be eliminated on consolidation of activities in Council's financial statements

Credit Ratings

Tauranga City Council's credit ratings are A+ (long-term) and A-1+ (short-term) with a 'stable' outlook. The S&P's rating was affirmed in October 2023 and the current year is pending.

Fair Value

The fair values are based on a yield to maturity basis, assuming interest payments are on a semi annual basis (in accordance with market convention). Fair value interest rates range for fixed interest rate borrowings from 5.12% to 5.89% (2023: 5.92% to 6.13%). Fair Value excludes accrued interests as at 30 June.

	Council		Council	
	Carrying Amount 2024 \$'000	Fair Value 2024 \$'000	Carrying Amount 2023 \$'000	Fair Value 2023 \$'000
Current Borrowings	116,065	115,077	56,065	55,714
Housing Infrastructure Fund	110,813	91,464	114,407	91,764
Wholesale Borrowings at Floating Interest Rate	505,000	505,000	560,000	560,000
Wholesale Borrowings at Fixed Interest Rate	438,701	435,489	217,932	204,242
TOTAL COUNCIL FAIR VALUE CARRYING AMOUNTS	1,170,579	1,147,030	948,404	911,720

	Consolidated		Consolidated	
	Carrying Amount 2024 \$'000	Fair Value 2024 \$'000	Carrying Amount 2023 \$'000	Fair Value 2023 \$'000
Current Borrowings	116,065	115,077	56,065	55,714
Adams Centre Loan	1,000	1,000	1,000	1,000
Housing Infrastructure Fund	110,813	91,464	114,407	91,764
Wholesale Borrowings at Floating Interest Rate	505,000	505,000	560,000	560,000
Wholesale Borrowings at Fixed Interest Rate	438,701	435,489	217,932	204,242
TOTAL COUNCIL FAIR VALUE CARRYING AMOUNTS	1,171,579	1,148,030	949,404	912,720

Note 25: Provisions

Accounting policy

Tauranga City Council recognises a provision for future expenditure of an uncertain amount or timing when:

- there is a present obligation, (either legal or constructive) as a result of a past event, and
- it is probable that an outflow of future economic benefits will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".



Critical accounting estimates, assumptions and judgement

Landfill Closure Costs (Aftercare Liability)

As historic operator of the Cambridge Road and Te Maunga landfills, Tauranga City Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure. A calculation of the estimated future costs of this monitoring has been discounted and is recognised in the surplus or deficit and as a liability in the Statement of Financial Position. Discounts rates have been determined using New Zealand Government bond yield information. Both landfill sites are closed. The economic outflow of benefits associated with monitoring is expected to continue over the foreseeable future.

FOSAL Provision

Council has elected to participate in the Future of Severely Affected Locations ("FOSAL") programme with the Crown, who will also provide financial support, for properties in Maungatapu affected by landslips in 2022 and 2023. Council now has an obligation to buy those FOSAL properties classified as Category 3 under the programme.



	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Current Portion Provisions				
Aftercare Liability	10	10	10	10
Provision for FOSAL	1,380	-	1,380	-
Other provisions	1,040	950	1,040	950
Total current portion	2,430	960	2,430	960
Non Current Provisions				
Aftercare Liability	-	4	-	4
Total Non Current Portion Provisions	-	4	-	4
TOTAL PROVISIONS	2,430	964	2,430	964

FINANCIALS

Other Provisions

New Zealand Local Government Funding Agency (NZLGFA)

Accounting standards require Tauranga City Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee and therefore has applied the 12 month expected credit loss model. At the end of the financial year, the group and council have assessed the 12 month expected credit losses of the guarantee liability and based on market information of the underlying assets held by the LGFA. The Council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that Council is not aware of any local authority default events in New Zealand, and Local government legislation would enable local authorities to levy a rate to recover enough funds to meet any debt obligation if further funds were required. Therefore Council has not recognised a liability.

Movement for each class of provision are as follows:

Council / Consolidated 2024				
Movements	Aftercare Liability \$'000	FOSAL Provision	Other Provisions	Total \$'000
Balance as at 1 July	10	-	950	954
Additional Provisions Made	-	1,380	90	1,470
Balance as at 30 June 2024	10	1,380	1,040	2,430

Council / Consolidated 2023							
Movements	Employee Cost Provision \$'000	Aftercare Liability \$'000	Weathertight Homes Resolution \$'000	Retentions Provision \$'000	Developer Contributions Provision	Other Provisions	Total \$'000
Balance as at 1 July 2022	44	14	417	600	5,948	-	7,023
Additional Provisions Made	-	-	-	-	-	950	950
Amounts Used	-	-	-	(584)	(5,948)	-	(6,532)
Unused Amounts Reversed	(44)	-	-	(16)	-	-	(477)
Discount unwind	-	-	(417)	-	-	-	-
Balance as at 30 June 2023	-	14	-	-	-	950	964

FINANCIALS

Note 26: Note to Statement of Cashflows

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Surplus/(Deficit) After Tax	34,330	113,061		113,346
Add/(Less) Non Cash Items:				
Depreciation and Amortisation Expense	96,257	82,554		88,721
Revaluation Movement Investment Properties	1,181	3,117		3,117
Capital Gains on Disposal of Property, Plant and Equipment	(9,158)	(6,757)		(6,702)
Gain on Forestry due to Physical Changes and Remapping	278	(27)		(27)
Gain/(Loss) on Carbon Credit Valuation	(269)	1,004		1,004
Gain on Financial Instrument - Concessionary Loans	(2,620)	(1,733)		(1,733)
Housing Infrastructure Fund Initial Discount Recognition/(Reversal)	2,471	(4,043)		(4,043)
Reduction in Forestry Crop due to Harvest	306	495		495
Assets Vested to Tauranga City Council	(19,897)	(24,353)		(24,353)
(Gains)/Losses on Derivative Financial Instruments	2,289	(10,803)		(10,803)
Deferred Tax	5	6,181		5,725
Assets Written Off	12,815	21,518		21,518
Revaluation Movement on Forestry Assets	258	(521)		(521)
Unrealised Investment Income	38	96		96
Provision Expense	1,380	-		-
Other Non Cash Items	(915)	671		671
Other Adjustments	(1,779)	-		1,627
Total Non-Cash Items	82,640	67,399		74,792
Add/(Less) Movements in Working Capital Items				
(Increase)/Decrease in Receivables	3,919	(25,458)		(27,384)
(Increase)/Decrease in Inventory	(283)	(382)		(477)
(Increase)/Decrease in NCAHFS	16,974	-		-
Increase/(Decrease) in Payables	(2,589)	13,356		13,558
Increase/(Decrease) in Deposits Held	0	347		347
Increase/(Decrease) in Income Tax Payable	1,466	1,410		1,007
Increase/(Decrease) in Provisions	(2,482)	(6,058)		(6,058)
Increase/(Decrease) in Employee Entitlements	(3,267)	2,232		2,932
Increase/(Decrease) in Revenue In Advance	-	(476)		(2,271)
Net movement in working capital items	13,738	(15,032)		(18,346)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	130,708	165,431		169,792

FINANCIALS

Reconciliation of liabilities arising from financing activities

The table below provides a reconciliation between the opening and closing balance of liabilities with cash flows that were, or future cashflows that will be, classified as a financing activity in the statement of cash flows.

	Cash Movements	Non cash movements	Total
Council Borrowings			
Balance as at 1 July 2022	771,253	-	771,253
Proceedings from Borrowings	241,183	-	241,183
Repayment of Borrowings	(66,119)	-	(66,119)
Other Adjustments	946,317	2,087	2,087
Balance as at 30 June 2023	948,404	2,087	948,404
Opening Balance as at 1 July 2023	948,404	-	948,404
Proceedings from Borrowings	275,000	-	275,000
Repayment of Borrowings	(55,297)	-	(55,297)
Other Adjustments	-	2,472	2,472
Balance as at 30 June 2024	1,168,107	2,472	1,170,579
Consolidated Borrowings			
Opening Balance as at 1 July 2022	772,253	-	772,253
Proceedings from Borrowings	248,419	-	248,419
Repayment of Borrowings	(66,119)	-	(66,119)
Other Adjustments	-	(5,149)	(5,149)
Balance 30 June 2023	949,404	(5,149)	949,404
Opening Balance as at 1 July 2023	949,404	-	949,404
Proceedings from Borrowings	-	-	-
Repayment of Borrowings	-	-	-
Other Adjustments	-	-	-
Balance 30 June 2024	948,404		

Note 27: Events occurring after balance date

Tauranga City Council acquired the land and buildings from Tauranga Art Gallery Trust after balance date. On a group level there will be no change in reporting, as the Tauranga Art Gallery Trust land and buildings are consolidated.

No other significant events, favourable or unfavourable, that impact the financial statements have occurred since balance date.

Note 28: Commitments and contingencies

28.1 COMMITMENTS

Accounting policy

Capital Commitments

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.



Capital commitments

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Water system	86,864	93,383	86,864	93,383
Roading network	82,140	45,558	82,140	45,558
Buildings	82,563	11,561	82,563	11,561
Intangible assets	3,176	5,473	3,176	5,473
Parks Facilities	60,082	28,637	60,082	28,637
Bay Venues Limited	-	-	-	-
TOTAL CAPITAL COMMITMENTS	314,825	184,612	314,825	184,612

Accounting policy

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether title is eventually transferred. Tauranga City Council does not have any finance leases.

Operating Lease

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.



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Operating Leases as Lessee

Tauranga City Council leases property, plant and equipment in the normal course of business. The majority of these leases have a minimum non cancellable term of at least 60 months.

The future aggregate minimum lease payments to be made under non cancellable operating leases are as follows:

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Operating Leases				
Not later than one year	-	2,987		3,076
Later than one year and not later than five years	-	3,535		3,621
Later than five years	-	947		947
TOTAL NON-CANCELLABLE OPERATING LEASES	-	7,469		7,644

Operating Leases as Lessor

Tauranga City Council leases its Commercial properties under operating leases. The majority of these leases have a non cancellable term of at least 60 months.

The future aggregate minimum lease payments to be collected under non cancellable operating leases are as follows:

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Operating Leases				
Not later than one year	7,961	5,875		6,341
Later than one year and not later than five years	20,194	18,186		18,966
Later than five years	51,736	31,373		33,042
TOTAL NON-CANCELLABLE OPERATING LEASES	79,891	55,434		58,349

No contingent rents have been recognised during the year (2023: nil).

28.2 CONTINGENCIES

Accounting policy

The council does not recognise contingent liabilities and contingent assets in the financial statements due to their uncertainty or the fact they cannot be reliably measured. Disclosures are provided as follows:

- Contingent liabilities are disclosed unless the possibility is remote.
- Contingent assets are only disclosed when the possibility is probable.



CONTINGENT LIABILITIES

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
Contingent Liabilities				
Guarantee from Tauranga City Council for Loans on Behalf of Bay Venues Limited	1,000	1,000	1,000	1,000
TOTAL CONTINGENT LIABILITIES	1,000	1,000	1,000	1,000

Financial guarantees

Tauranga City Council has provided a guarantee to Waikato University for a loan of \$1m (2023: \$1m) to Bay Venues Limited.

New Zealand Mutual Liability Riskpool Scheme

Riskpool is a NZ mutual liability scheme, of which Tauranga City Council is a member, established to manage liability claims. The Scheme is in wind down; however, the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme.

As a result of a Supreme Court decision on 1 August 2023, it has been clarified that Riskpool now has liability for member's claim in respect of non-weather-tight defects. Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Other quantifiable contingent liabilities

Tauranga City Council is not aware of any potential general contract claims.

Uncalled capital

New Zealand Local Government Funding Agency (NZLGFA)

Tauranga City Council is a shareholder of The New Zealand Local Government Funding Agency Limited. Refer to Note 13

All 30 local authority shareholders have uncalled capital equal to their individual shareholding totalling \$20 million in aggregate which can be called on if an imminent default is identified. At year end, New Zealand Local Government Funding Agency had borrowings totalling \$16.10m (2023: \$15.16m).

Tauranga City Council is a guarantor of all New Zealand Local Government Funding Agency borrowings, refer to note 25.

Bay Venues Limited

A contingent liability exists to Bay Venues Ltd for \$18m of uncalled capital.

Bay of Plenty Housing Equity Fund

Tauranga City Council is a Shareholder in the Bay of Plenty Housing Equity Fund Limited. As at 30 June 2023, council has \$14.7m of uncalled capital.

Legal risk

Council is aware of potential legal claims and has not included these as a contingency. At the time of writing this report the amount of these claims was unknown. Council has not disclosed any further detailed information about this contingency due to its commercial sensitivity.

Treaty settlement

Tangata Whenua are identified as a priority for Tauranga City Council and it remains committed to developing the partnership together. From a long history and a strong foundation of protocol agreements, Tauranga City Council continues to develop systems and relationships to meet the changing political, economic and social environments in Tauranga Moana. A key change will be the treaty settlements when they are finalised.

FINANCIALS

Tauranga City Council is currently working closely with the Tangata Whenua Collective to build a stronger voice to assist and guide Council decision making processes. Collective strategic engagement and effective communication will bring the best out of the partnership between Tauranga City Council and the Tangata Whenua of Tauranga Moana.

Superannuation schemes

Council is a participating employer in the DBP Contributors Scheme (the scheme), which is a multi employer defined benefit scheme. The funding arrangements are governed by the requirement of Section 44 of the National Provident Fund Restructuring Act 1990, and by the Trust Deed.

A single contribution rate is determined for all employers which is expressed as a multiple of the contributions of members of the Scheme who are employees of that employer.

There is no minimum funding requirement and employers have no right to withdraw from the plan.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the Scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

As at 31 March 2024, the Scheme had a past service deficit of \$xx million (xx% of the liabilities). This amount is exclusive of Employer Superannuation Contribution Tax. This deficit was calculated using a discount rate equal to the expected return on the assets but otherwise the assumptions and methodology were consistent with the requirements of PBE IPSAS 39.

The current employer contribution rate is four times contributor contributions, inclusive of Employer Contribution Withholding Tax and the Contribution rate is determined by the Board of Trustees of the National Provident Fund.

The key assumptions in the review were:

- the difference between the future investment returns and the rates of CPI inflation assumed when calculating future factors for transfers from this Scheme to the Defined Benefit Plan Annuitants Scheme
- the future investment returns assumed for the Scheme over the next ten years.

The following shows the Scheme investment return over the next ten years, and the difference between investment return and CPI inflation assumed when calculating future factors for transfers from the Scheme to the Defined Benefit Plan Annuitants Scheme.

DBPC Scheme investment return, next 10 years

Transfer factors: Difference between investment return and CPI inflation

First year

Second year

Third year

4th - 10th years

Thereafter

Valuation date	
31 March 2024 %	31 March 2023 %
	4.1
	(0.3)
	1.4
	1.9
	1.9
	1.3

The DBPC Scheme had 29 members at 31 March 2024. One of these is an employee of Council.

CONTINGENT ASSETS

The Council is the plaintiff in a legal case for consequential losses from the defendants. The parties are in the process of agreeing upon the terms of the claim. Until that time the Council could receive something more than \$3m which is dependent on the outcome of future legal proceedings. The case has been adjourned until 2024.

Note 29: Related party transactions

Accounting policy

Related parties include subsidiaries, associates, joint ventures, key management personnel, appointed commissioners, elected representatives of the council, their close family members, and entities controlled by them. Close family members include spouses or domestic partners, children, and dependents.

Apart from disclosure of key management personnel remuneration, transactions with related parties that are within normal supplier or client/recipient relationship and on terms and conditions no more or less favourable than those adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions. No provision has been required, nor any expense recognised, for impairment of receivables, for any loans or other receivable to related parties (2023: nil).



Related party transactions required to be disclosed

Bay of Plenty Local Authority Shared Services Limited (BOPLASS Limited) is owned by nine Councils and is managed from Tauranga area. Tauranga City Council owns 11% shareholding with Chief Executive being member of the board.

Bay of Plenty Local Authority Shared Services receives reduced postage costs, digital services and premises rental through Tauranga City Council.

Tauranga City Council provided accounting services to Bay of Plenty Local Authority Shared Services during the financial year to 30 June free of charge. An estimated value of the accounting services provided for the year is \$12k (2023: \$12k).

Transactions with key management personnel

Key management remuneration comprises of the total remuneration paid to the commissioners, chief executive and senior management team, and excludes non financial remuneration that is less than \$1000, as the council considers it immaterial and not practical to include this information.

There were close family members of Key Management Personnel employed by the Council and Group. The terms and conditions of those arrangements are no more favourable than the Council and Group would have adopted if there was no relationship to the Key Management Personnel.

No provision has been required, nor any expense recognised, for impairment of receivables, for any loans or other receivable to related parties (2023: nil).

FINANCIALS

	Council		Council	
	Actual 2024 \$'000	Actual 2023 \$'000	2024 FTE	2023 FTE
Commissioners				
Remuneration	1,006	1,043	4	4
Senior Management Team, including the Chief Executive				
Remuneration	2,968	2,566	8	8
Total key management personnel compensation	3,974	3,609	12	12

Due to the difficulty in determining the full time equivalent for Commissioners, the FTE figure is taken as the number of Commissioners.

Local government disclosures

On 9 February 2021, a Crown Commission, appointed by the Minister of Local Government, took over all Council's governance responsibilities and have been in place until July 2024, when Tauranga held elections for the new Mayor and Councillors. The following people held office as Commissioners of the Council governing body during the reporting period.

Commissioners' remuneration is set by the Minister of Local Government. Commission Chair remuneration is set at \$1,800 per day and Commissioners at \$1,500 per day.



	Council	
	Actual 2024 \$	Actual 2023 \$
Current Commissioners Appointed		
Rolleston, Shadrach	219,750	219,938
Selwood, Stephen	237,389	264,186
Tolley, Anne	317,293	312,230
Wasley, Bill	231,776	246,907
Total remuneration	1,006,208	1,043,261

*\$ in whole numbers

Note 30: Financial instruments

Accounting policy



For the purpose of measurement, Council and Group have classified financial assets and liabilities in accordance with PBE IPSAS 41 Financial Instruments.

Council recognises a financial asset or financial liability when, and only when, they become party to the contractual provisions of the instrument.

The classification of a financial instruments depends on its cash flow characteristics and the Council and group's management model for managing them.

For all financial instruments Council applied the simplified expected credit loss (ECL) model that is applicable to all financial instruments subject to impairment testing.

Tauranga City council and Group does not apply hedge accounting.

Financial Instrument		
Financial Assets:	Classification	Note
Cash and Cash Equivalents	Amortised Cost	10
Receivables	Amortised Cost	11
Derivatives	FVTSD	12
Borrower Notes in NZ LGFA, Short Term Deposits, Loans to Related Parties	Amortised Cost	13
Shares in Unrelated Companies, Concessionary Loan	FVTSD	13
Shares in Related Companies	FVTOCRE	13
Financial Liabilities excluding Derivatives	Amortised Cost	Various

FVTSD = Fair value through surplus or deficit

FVTOCRE = Fair Value through other comprehensive revenue and expenses

Derivatives are, by their nature, categorised as held for trading unless they are designated into a hedge relationship for which hedge accounting is applied.

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenses arising as a result of financial instrument earnings or fair value adjustments are recognised as a net result for like items.

FINANCIALS

(A) Financial instrument categories

	Council		Consolidated	
	Actual 2024 \$'000	Actual 2023 \$'000	Actual 2024 \$'000	Actual 2023 \$'000
FINANCIAL ASSETS				
Fair Value through Surplus or Deficit (FVTSD)				
Derivative Financial Instruments	6,965	8,616		8,616
Shares in Unrelated Companies	256	294		294
Total FVTSD	7,221	8,910		8,910
Amortised Cost				
Cash and Cash Equivalents	83,645	80,541		81,696
Debtors and Other Receivables	36,716	57,407		58,313
Borrower Notes in NZ LGFA	25,258	18,243		18,243
Short Term Deposits, Greater than 90 Days	20,000	35,000		35,873
Related Party Loans	34,565	27,773		-
Concessionary Loan	36,539	34,118		34,118
Other Loans	224	296		296
Total Amortised Cost	236,947	253,376		228,536
Fair Value through Other Comprehensive Revenue and Expenses (FVTOCRE)				
Shares in LGFA and BOPLASS	1,883	1,883		1,883
Total FVTOCRE	1,883	1,883		1,883
TOTAL FINANCIAL ASSETS	246,051	264,167		239,330
FINANCIAL LIABILITIES				
Financial Liabilities at Amortised Cost				
Creditors and Other Payables	84,697	68,839		70,665
Borrowings	1,170,579	948,404		949,904
Deposits Held	9,238	11,827		11,849
Total Amortised cost	1,264,514	1,029,070		1,031,918
FVTSD				
Derivative Financial Instruments	1,721	1,084		1,084
Total FVTSD	1,721	1,084		1,084
TOTAL FINANCIAL LIABILITIES	1,266,235	1,030,154		1,033,002

B) Fair value hierarchy disclosure

Accounting policy

For those financial instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:



- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the Council and the group is the bid price at reporting date.
- Level 2 - Inputs other than quoted prices included within Level 1 using observable market inputs for the asset or liability, either directly or indirectly.
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

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The following table analyses the basis for valuation of classes of financial instruments measured at fair value on the Statement of Financial Position:

Council / Consolidated	30 June 2024			30 June 2023		
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000
Financial Assets						
Derivative Financial Instruments	6,965	-	6,965	8,616	-	8,616
Listed Shares	556	556	-	294	294	-
TOTAL FINANCIAL ASSETS	7,521	556	6,965	8,910	294	8,616
Financial liabilities						
Derivative Financial Instruments	1,721	-	1,721	1,084	-	1,084
TOTAL FINANCIAL LIABILITIES	1,721	-	1,721	1,084	-	1,084

There were no transfers between the different levels of the fair value hierarchy.

There were no valuation techniques with significant non observable inputs (level 3).

(C) Financial instrument risks

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk.

The Council has a series of policies to manage these risks. The Council is risk averse and seeks to minimise exposure from its treasury activities. The Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Treasury Policy

Tauranga City Council's Treasury policy provides the framework for all Council's treasury activities and defines the operating framework within which liability management, investment and risk management activities are to be carried out. The policy ensures compliance with the NZ LGFA foundation policy financial covenants for borrowing limits

Market Risk

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments, which are classified as available for sale investments.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Council's exposure to foreign currency risk is very short in duration and therefore there is no material currency risk.

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments issued at fixed rates of interest expose the Council and group to fair value interest rate risk. The main objective of interest rate risk management is to reduce uncertainty around net interest expense as interest rates change. Mechanisms used include matching the interest rate profile of the Council and Group's financial investments and financial liabilities and, where appropriate, the use of interest rate hedging facilities.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments and borrowings issued at variable interest rates expose Tauranga City Council to cash flow interest rate risk. Council raises long term borrowings at fixed and floating interest rates and use derivative financial instruments to manage the cash flow interest rate risk in the borrowings.

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Sensitivity analysis

The table below illustrates the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant based on Tauranga City Council and the group's financial instrument exposures at balance date.

30 June 2024								
	Council				Consolidated			
	-100bps		+100bps		-100bps		+100bps	
	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000
Interest Rate Risk								
Financial Assets								
Cash and Cash Equivalents	-	-	-	-	-	-	-	-
Derivative Financial Instruments	(9,582)	-	16,061	-	(9,582)	-	16,061	-
Financial Liabilities								
Derivative Financial Instruments	(7,879)	-	4,028	-	(7,879)	-	4,028	-
Secured Loans	5,850	-	(5,850)	-	5,850	-	(5,850)	-
TOTAL SENSITIVITY	(11,611)	-	14,239	-	(11,611)	-	14,239	-

30 June 2023								
	Council				Consolidated			
	-100bps		+100bps		-100bps		+100bps	
	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000
Interest Rate Risk								
Financial Assets								
Cash and Cash Equivalents	-	-	-	-	-	-	-	-
Derivative Financial Instruments	(8,309)	-	7,847	-	(8,309)	-	7,847	-
Financial Liabilities								
Derivative Financial Instruments	(4,397)	-	4,179	-	(4,397)	-	4,179	-
Secured Loans	6,100	-	(6,100)	-	6,100	-	(6,100)	-
TOTAL SENSITIVITY	(6,606)	-	5,926	-	(6,606)	-	5,926	-

Explanation of Interest Rate Risk Sensitivity

The interest rate risk sensitivity is based on a reasonably possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease of 100 bps is equivalent to a decrease in market interest rates of 1.0%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of 100bps/+100bps (2023: 100bps/+100bps).

CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to Tauranga City Council, causing it to incur a loss. In the normal course of business, Tauranga City Council incurs credit risk principally from short term money market investments, bank balances, accounts receivable, derivative financial instruments and sports club guarantees.

Financial Instruments which potentially subject Council to credit risk consist principally of bank balances and short term money market investments. Council reduces its risk by spreading these investments over registered banks, local authorities and other organisations. Treasury Policy permits a minimum credit rating of A+ for registered banks and other organisations. At 30 June all financial instruments were held with the four major New Zealand registered trading banks which are rated AA. There are no major concentrations of credit risk with respect to trade and other receivables.

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Derivative financial instruments also expose Council to credit risk. Council's Treasury Policy provides the framework for credit risk management and it sets out the minimum credit rating of A+ for Interest Rate Risk Management Instruments and notional transaction limits for Council bank counterparties.

To safeguard against deficit through poor credit quality, limits are applied to the Entity's aggregate exposure to each counterparty (and groups of counterparties) within specified credit rating bands. The only unrated counterparties that the Entity may invest in are other New Zealand local government bodies. The Entity's Treasury Management Steering Group reviews and approves strategic credit risk limits annually. In the course of normal business the Entity has a credit exposure to unrated counterparties i.e. related party loans, loans and trade receivables.

The Council is exposed to credit risk as guarantor of all New Zealand Local Government Funding Agency borrowings. Information about this exposure is explained in note 25.

Maximum Exposure to Credit Risk

Tauranga City Council's maximum credit risk exposure for each class of financial instruments is as follows:

	Council		Consolidated	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash at Bank and Term Deposits	83,647	80,541		81,696
Short Term Deposits Greater than 90 days	20,000	35,000		35,873
Debtors and Other Receivables	61,447	65,366		66,537
Borrowers Notes New Zealand Local Government Funding Agency	25,258	18,243		18,243
Community and Related Party Loans	34,565	27,773		-
Derivative Financial Instruments	5,244	7,532		7,532
TOTAL CREDIT RISK	230,161	234,452		209,879

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	Council		Consolidated	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at Bank and Term Bank Deposits				
AA-	83,645	80,541		81,696
Stock and government bonds				
AA-	20,000	35,000		35,873

Credit risk attaching to rates receivables is minimised as a result of the Entity's statutory collection powers under the Local Government (Rating) Act 2002.

Debtors and other receivables arise mainly from Tauranga City Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external ratings. Tauranga City Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has many credit customers, mainly ratepayers, and Tauranga City Council has powers under the Local Government Act (2002) to recover outstanding debts from ratepayers.

(C) Management of liquidity risk

Liquidity risk is the risk Tauranga City Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Tauranga City Council aims to maintain flexibility in funding by keeping committed credit lines available.

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In meeting its liquidity requirements, Tauranga City Council maintains a target level of investments that must mature within the next 12 months. Tauranga City Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of Tauranga City Council's Long-term Plan.

The Council also has a committed overdraft facility of \$100m (2023: \$100m). There are no restrictions on the use of this facility.

Contractual Maturity Analysis of Financial Liabilities Excluding Derivatives

The table below analyses Tauranga City Council and group's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

Council	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial Liabilities	30 June 2024					
Secured Loans	184,899	206,050	614,945	415,888	1,421,782	1,170,579
Creditors and Other Payables	83,302	-	-	-	83,302	83,302
TOTAL FINANCIAL LIABILITIES	268,201	206,050	614,945	415,888	1,505,084	1,253,881
Financial Liabilities	30 June 2023					
Secured Loans	109,858	157,571	509,531	388,006	1,164,966	948,404
Creditors and Other Payables	66,797	-	-	-	66,797	66,797
TOTAL FINANCIAL LIABILITIES	176,655	157,571	509,531	388,006	1,231,763	1,015,201

Consolidated	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial Liabilities	30 June 2024					
Secured Loans						
Creditors and Other Payables						
TOTAL FINANCIAL LIABILITIES						
Financial Liabilities	30 June 2023					
Secured Loans	110,858	157,571	509,531	388,006	1,165,966	949,404
Creditors and Other Payables	69,250	-	-	-	69,250	69,250
TOTAL FINANCIAL LIABILITIES	180,108	157,571	509,531	388,006	1,235,216	1,018,654

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Contractual maturity analysis of derivative financial liabilities

The table below analyses derivative financial instrument liabilities that are settled net and all gross settled derivatives into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the undiscounted contractual cash flows.

Council / Consolidated	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial Liabilities	30 June 2024					
Net Settled Derivative Assets	-	341	2,252	4,372	6,965	6,965
Net Settled Derivative Liabilities	-	(28)	(399)	(1,294)	(1,721)	(1,721)
NET MOVEMENT	-	313	1,853	3,078	5,244	5,244
Financial Liabilities	30 June 2023					
Secured Loans	109,858	157,571	509,531	388,006	1,164,966	948,404
Creditors and Other Payables	66,797	-	-	-	66,797	66,797
TOTAL FINANCIAL LIABILITIES	176,655	157,571	509,531	388,006	1,231,763	1,015,201
Financial Liabilities	30 June 2024					
Secured Loans	-	753	3,184	4,679	8,616	3,966
Creditors and Other Payables	(294)	(57)	(214)	(813)	(1,378)	(7,237)
TOTAL FINANCIAL LIABILITIES	(294)	696	2,970	3,866	7,238	(3,271)
Financial Liabilities	30 June 2023					
Net Settled Derivative Assets	-	753	3,184	4,679	8,616	8,616
Net Settled Derivative Liabilities	-	(57)	(214)	(813)	(1,084)	(1,084)
NET MOVEMENT	-	696	2,970	3,866	7,532	7,532

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Contractual Maturity Analysis of Financial Assets

The table below analyses Tauranga City Council and group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

Council	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000
Financial Assets	2024				
Cash and Cash Equivalents	83,647	-	-	-	83,647
Debtors and Other Receivables	61,447	-	-	-	61,447
Short Term Deposits Greater Than 90 Days	20,000	-	-	-	20,000
Other Financial Assets	8,500	-	-	28,690	37,190
Community and Related Party Loans	-	-	-	34,565	34,565
TOTAL FINANCIAL ASSETS	173,594	-	-	63,255	236,849
Financial Liabilities	2023				
Financial Assets					
Cash and Cash Equivalents	80,541	-	-	-	80,541
Debtors and Other Receivables	65,366	-	-	-	65,366
Short Term Deposits Greater Than 90 Days	35,000	-	-	-	35,000
Other Financial Assets	-	-	8,500	25,618	34,118
Community and Related Party Loans	-	-	-	27,773	27,773
TOTAL FINANCIAL ASSETS	180,904	-	8,500	53,391	242,795
Consolidated	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000
Financial Assets	2023				
Cash and Cash Equivalents					
Debtors and Other Receivables					
Short Term Deposits Greater Than 90 Days					
Other Financial Assets					
Community and Related Party Loans					
TOTAL FINANCIAL ASSETS					
Financial Liabilities	2023				
Financial Assets					
Cash and Cash Equivalents	81,694	-	-	-	81,694
Debtors and Other Receivables	66,537	-	-	-	66,537
Short Term Deposits Greater Than 90 Days	35,873	-	-	-	35,873
Other Financial Assets	-	-	8,500	34,412	42,912
Community and Related Party Loans	-	-	-	-	-
TOTAL FINANCIAL ASSETS	184,104	-	8,500	34,412	227,016

The Council is also exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. The guarantee becomes callable if the event of the LGFA failing to pay is borrowings when they fall due. However, this is not considered a significant risk and it is not anticipated that the guarantee will become payable. Refer to note 28.

Note 31: Equity**CAPITAL MANAGEMENT****Local government disclosures**

The Entity's capital is its equity (or customers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. customers' funds are largely managed as a by product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Entity. Intergenerational equity requires today's customers to meet the costs of utilising the Entity's assets and not expecting them to meet the full cost of long term assets that will benefit customers in future generations. Additionally, the Entity has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that customers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Long-term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in Council's LTP.

Accounting policy

Equity is the community's interest in Tauranga City Council measure as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- **Retained Earnings**
Retained earnings are the cumulative surplus of revenue over expenditure that has been retained in the entity which have not been allocated to another reserve.
- **Reserves**
Reserves are a component of equity generally representing a particular use of which various parts of equity have been assigned. Reserves may be legally restricted or created by Tauranga City Council.
 - Restricted Reserves are those reserves subject to specific conditions accepted as binding Council and which may not be revised by Council without reference to the Courts or a third party. Restricted reserves may be legally restricted. Transfers from these reserves may be made only for certain specified purposes or if certain specified conditions are met.
Development Contributions; Bequests and Trust Funds
 - Council Created Reserves are part of the accumulated balance and are established at the will of Council. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.
Other Reserve; Depreciation Reserve
 - Asset revaluation Reserve - this reserve relates to the revaluation of property, plant and equipment to fair value through other comprehensive revenue and expense (FVTOCRE). This comprises the cumulative net change in fair value of assets classified as FVTOCE.
Refer to Property, Plant and Equipment note at 19.

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Statements of Reserves

1. Restricted Reserves

1.1 Development Contributions

Reserves relating to the collection of revenue from development contributions for the purpose of funding growth related expenditure. Each reserve is shown by area. A debit in a reserve balance indicates a negative reserve due to funding of growth related capital expenditure prior to revenue being collected.

NOTE 31: STATEMENT OF RESTRICTED RESERVES - DEVELOPMENT CONTRIBUTIONS
 for the year ended June 2024

Restricted Reserves (Development Contribution)	Activities to which the reserve relates	Opening Balance 2023/2024	Transfers In 2023/2024	Transfers Out 2023/2024	Closing Balance 2023/2024
CITY WIDE DEVELOPMENT CONTRIBUTION					
Building Impact Fees	LIBRARIES	287	-	1,462	1,749
	SPACES AND PLACES	(10,212)	(2,050)	1,584	(10,677)
	STORMWATER	(57)	-	(2)	(59)
	TRANSPORTATION	1,755	(345)	150	1,561
	WASTEWATER	10,241	(4,046)	19,717	25,912
	WATER SUPPLY	188,232	(6,888)	11,733	193,077
LOCAL DEVELOPMENT CONTRIBUTIONS					
Bethlehem	SPACES AND PLACES	186	-	(186)	-
	STORMWATER	1,094	(117)	51	1,027
	TRANSPORTATION	971	(143)	145	974
	WASTEWATER	1,852	(166)	88	1,774
	WATER SUPPLY	781	(26)	37	793
Bethlehem West	SPACES AND PLACES	3,067	(13)	148	3,202
	STORMWATER	1,733	(11)	108	1,830
	TRANSPORTATION	4,046	(11)	(3,753)	282
	WASTEWATER	575	(21)	137	692
	WATER SUPPLY	(431)	(1)	(14)	(447)
Kaitemako South	WASTEWATER	1	-	-	1
Mount Maunganui Infill	SPACES AND PLACES	(4)	-	3	(1)
	WASTEWATER	2,337	-	113	2,450
	WATER SUPPLY	(183)	-	(7)	(190)
Neewood	WASTEWATER	2	-	-	2
Ohauti/Hollister Lane	SPACES AND PLACES	793	-	38	832
	STORMWATER	294	(1)	14	307
	TRANSPORTATION	(230)	(1)	(9)	(239)
	WASTEWATER	218	(5)	13	226
	WATER SUPPLY	2,006	(5)	97	2,099
Pāpāmoa East I (Wairakei)	STORMWATER	(2,180)	(1,299)	454	(3,025)
	TRANSPORTATION	(10,258)	(1,119)	4,452	(6,925)
	WASTEWATER	(6,374)	(669)	540	(6,502)
	WATER SUPPLY	(5,450)	(352)	222	(5,580)
Pāpāmoa East II (Wairakei)	STORMWATER	1,502	-	73	1,575
	TRANSPORTATION	11,856	-	3,615	15,471
	WASTEWATER	2,259	-	2,778	5,037
Pāpāmoa	SPACES AND PLACES	(1,679)	(14)	1,692	(1)
	STORMWATER	(3,039)	(101)	(118)	(3,259)
	TRANSPORTATION	644	(87)	13	571
	WASTEWATER	(178)	(7)	(7)	(192)
	WATER SUPPLY	(272)	(2)	(7)	(281)
Pukemapu	WASTEWATER	3	-	-	3

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NOTE 31: STATEMENT OF RESTRICTED RESERVES - DEVELOPMENT CONTRIBUTIONS
for the year ended June 2024

Restricted Reserves (Development Contribution)	Activities to which the reserve relates	Opening Balance 2023/2024	Transfers In 2023/2024	Transfers Out 2023/2024	Closing Balance 2023/2024
Pyes Pā	SPACES AND PLACES	(111)	-	111	-
	STORMWATER	36	-	2	37
	TRANSPORTATION	704	-	34	738
	WASTEWATER	(333)	-	(6)	(338)
	WATER SUPPLY	(67)	(11)	(3)	(80)
Pyes Pā West	SPACES AND PLACES	(1,095)	(229)	2,358	1,034
	STORMWATER	10,647	(949)	7,798	17,496
	TRANSPORTATION	12,751	(561)	2,814	15,004
	WASTEWATER	(2,279)	(483)	(92)	(2,854)
	WATER SUPPLY	1,821	19	89	1,929
South Ohauti	WASTEWATER	3	-	-	3
South Pyes Pā	TRANSPORTATION	4,636	-	222	4,858
	WASTEWATER	374	-	18	392
	WATER SUPPLY	124	-	6	130
Southern Pipeline Reserve	WASTEWATER	65,088	(652)	3,110	67,546
Tauranga Infill	SPACES AND PLACES	(406)	-	406	-
	STORMWATER	25	-	1	26
	TRANSPORTATION	1,772	-	86	1,858
	WASTEWATER	(364)	(135)	(10)	(509)
	WATER SUPPLY	(695)	-	(26)	(722)
Tauriko Business Estate	STORMWATER	(2,550)	(242)	1,192	(1,600)
	TRANSPORTATION	(15,451)	(1,218)	(616)	(17,286)
	WASTEWATER	(1,340)	(550)	1,029	(861)
	WATER SUPPLY	1,271	(146)	80	1,205
Tauriko West	SPACES AND PLACES	1,121	-	31	1,152
	TRANSPORTATION	254	-	16	270
	WASTEWATER	5,157	-	250	5,407
	WATER SUPPLY	3,167	-	537	3,704
Waitaha/Waikite	SPACES AND PLACES	(195)	-	195	-
	STORMWATER	(137)	-	(5)	(142)
	TRANSPORTATION	(745)	-	(28)	(773)
	WASTEWATER	1,106	-	54	1,160
	WATER SUPPLY	1,473	-	71	1,544
TOTAL DEVELOPMENT CONTRIBUTIONS		281,952	(22,655)	65,102	324,398

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1.2 Restricted Reserves and Trust Funds

Reserves and funds for which expenditure is restricted to the purpose of the reserve under Trust Deed.

NOTE 31: STATEMENT OF RESTRICTED RESERVES AND TRUST FUNDS - for the year ended June 2024						
Restricted Reserves	Description of Reserve	Activities to which the reserve relates	Opening Balance 2023/2024	Transfers In 2023/2024	Transfers Out 2023/2024	Closing Balance 2023/2024
E.V Flower Family Trust	For city museum maintenance of aviary.	SUPPORT SERVICES	(23)		(1)	(24)
Endowment Land Fund	Proceeds received from the sale of endowment land in Devonport Road.	SUPPORT SERVICES	(68)		(3)	(71)
Landscape Impact Fee	To develop street planting - funds from impact fee in industrial areas.	SUPPORT SERVICES	(128)		(6)	(134)
Museum Collection Fund	For the provision & development of the museum collection.	SUPPORT SERVICES	(195)		145	145
Parking Fees Reserve (JOG)	Funds for parking management and Joint Officials Group (JOG).	SUPPORT SERVICES	(3)		(7)	(202)
Parking Impact Fee	The City Plan imposes an impact fee on development related to Parking.	SUPPORT SERVICES	(772)		-	(3)
Roading Land Purchase Fund	For roading land purchases (funded by roading land sales).	SUPPORT SERVICES	(1,696)		(34)	(806)
Strategic Fundraising Reserve	Revenue from external parties for projects.	COMMUNITY SERVICES	-	-	100	100
		SUPPORT SERVICES	(100)		-	(100)
Strategic Roading Network	Roading fund for strategic roading network and sub-regional transportation.	SUPPORT SERVICES	(7)		-	(8)
TDC Eden Family Trust	For city museum maintenance of the steam engine.	SUPPORT SERVICES	(18)		(1)	(19)
Water Future Land Purchase	To purchase additional land in water catchment areas when it becomes available.	SUPPORT SERVICES	(171)		(8)	(178)
TOTAL RESTRICTED RESERVES AND TRUST FUNDS			(3,182)		110	(3,071)

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2. Council Created Reserves

2.1 Other Council Created Reserves

These reserves are established by resolution of Council for a particular purpose. This purpose can be amended by resolution of Council.

NOTE 31: STATEMENT OF OTHER COUNCIL CREATED RESERVES - for the year ended June 2024

Other Council Created Reserve	Description of Reserve	Activities to which the reserve relates	Opening Balance 2023/2024	Transfers In 2023/2024	Transfers Out 2023/2024	Closing Balance 2023/2024
Airport Tourism Contestable Reserve	Funding for tourism linked projects.	ECONOMIC DEVELOPMENT	(171)	(1,000)	217	(954)
Asset Realisation Reserve Gross Proceeds	Funds received from the divestment of assets.	SPACES AND PLACES	-	-	3,220	3,220
		SUPPORT SERVICES	-	-	2,236	2,236
Better Off Funding Reserve	Funding received from central government to part fund future Council projects that demonstrate a benefit to the community.	COMMUNITY SERVICES	-	-	6,290	6,290
		SUPPORT SERVICES	1,936	(6,510)	(1,217)	(5,791)
Biosolids Reserve	Reserve to provide for biosolids maintenance.	WASTEWATER	(5,226)	(4,216)	4,482	(4,960)
Community Facilities Targeted Rate Reserve	Targeted rates collected to fund the operating costs generated from capital investment in community amenities.	COMMUNITY SERVICES	-	-	1,721	1,721
		SPACES AND PLACES	-	-	1,189	1,189
		SUPPORT SERVICES	(3,852)	(6,252)	(108)	(10,212)
Elder Housing Sale Reserve	Sale of Elder Housing Assets.	COMMUNITY SERVICES	(10,719)	(75)	(17,140)	(27,934)
Event Investment Fund	Funding of major events.	COMMUNITY SERVICES	(601)	(123)	(27)	(751)
General Contingency	Miscellaneous expenditure for operational items not foreseen in annual plan.	SUPPORT SERVICES	(1,506)	-	1,422	(84)
Risk Management Reserve	For the purpose of managing Council's financial risk and to fund unforeseen events.	SUPPORT SERVICES	(4,091)	(1,034)	1,438	(3,687)
Stormwater Reactive Reserve	Levy collected for stormwater remedial works.	STORMWATER	(13,198)	(1,533)	322	(14,410)
Kerbside Targeted Rate Reserve	Targeted rates collected for kerbside collection.	SUSTAINABILITY AND WASTE	(762)	(13,822)	11,154	(3,431)
Resilience Targeted Rate Reserve	Targeted rates collected to fund the operating costs generated from capital investment in infrastructure resilience.	EMERGENCY MANAGEMENT	-	-	45	45
		STORMWATER	-	-	82	82
		SUPPORT SERVICES	(716)	(960)	(18)	(1,694)
		TRANSPORTATION	-	-	81	81
		WASTEWATER	-	-	81	81
		WATER SUPPLY	-	-	110	110
Tauranga Hockey Turf 1	For the purpose of replacing turf.	SPACES AND PLACES	(452)	(27)	(21)	(500)
Tauranga Hockey Turf 2	For the purpose of replacing turf.	SPACES AND PLACES	(452)	(27)	(21)	(500)
Tauranga Hockey Turf 3	For the purpose of replacing turf.	SPACES AND PLACES	(140)	(58)	(7)	(206)
Transportation Targeted Rate Reserve	Targeted rates collected to fund the operating costs generated by capital investment in transportation assets.	TRANSPORTATION	(4,707)	(6,588)	5,952	(5,343)
Unfunded Liabilities Reserve	To retire debt incurred through unfunded expenditure.	SUPPORT SERVICES	20,601	-	891	21,492

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NOTE 31: STATEMENT OF OTHER COUNCIL CREATED RESERVES - for the year ended June 2024

Other Council Created Reserve	Description of Reserve	Activities to which the reserve relates	Opening Balance 2023/2024	Transfers In 2023/2024	Transfers Out 2023/2024	Closing Balance 2023/2024
Waste Levy Reserve	To receive funds from waste management levy for approved activity.	SUSTAINABILITY AND WASTE	(3,165)	(2,317)	923	(4,559)
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	(3,889)	958	-
Wastewater Enhancement Reserve	For the purpose of mitigating the cultural and environmental affects of the wastewater scheme.	WASTEWATER	(709)	-	(31)	(740)
Weathertight Reserve	For the purpose of managing Council's future exposure to leaky home payments.	SUPPORT SERVICES	53,166	(3,228)	2,229	52,167
TOTAL OTHER COUNCIL CREATED RESERVES			28,168	(51,660)	26,452	2,959

2.2 Depreciation Reserve

Depreciation Reserve sets aside funds for future expenditure to replace depreciating assets over time.

NOTE 31: STATEMENT OF DEPRECIATION RESERVES - for the year ended June 2024

Depreciation Reserves	Activities to which the reserve relates	Opening Balance 2023/2024	Transfers In 2023/2024	Transfers Out 2023/2024	Closing Balance 2023/2024
	CITY & INFRASTRUCTURE PLANNING	(173)	(17)	(7)	(197)
	COMMUNITY SERVICES	(13,272)	(2,984)	(2,563)	(18,820)
	COMMUNITY, PEOPLE & RELATIONSHIPS	300	(67)	14	247
	ECONOMIC DEVELOPMENT	(9,493)	(2,858)	2,321	(10,030)
	EMERGENCY MANAGEMENT	1,287	(5)	138	1,421
	MARINE PRECINCT	(1,020)	-	379	(641)
	REGULATORY & COMPLIANCE	(1,429)	(21)	27	(1,423)
	SPACES AND PLACES	(36,162)	(14,080)	33,034	(17,208)
	STORMWATER	(32,230)	(8,722)	4,121	(36,831)
	SUPPORT SERVICES	1,120	(7,828)	7,698	990
	SUSTAINABILITY AND WASTE	(1,882)	(1,278)	172	(2,988)
	TRANSPORTATION	269	(9,385)	17,328	8,212
	WASTEWATER	(37,645)	(18,104)	15,654	(40,096)
	WATER SUPPLY	(30,766)	(14,026)	11,614	(33,178)
TOTAL DEPRECIATION RESERVES		(161,099)	(79,375)	89,930	(150,542)

Note 32: Variances Explanation

Explanation of major variances compared against: budget, and prior year results.

	Variance Against Budget	Variance Against Prior Year Results
Statement of Comprehensive Revenue and Expense		
Rates	Kerbside collection rates have been higher than budgeted, and metered water revenue is ahead of budget as volumes have been greater due to prolonged dry spells.	Increase is due to higher number of rateable properties, and active identification of additional rating units after adoption of rates resolution for 2023/24.
Fees & Charges	User fees have been higher in Wastewater (volumes), Parking Management (fines and recoveries), Baycourt (venue hire) and Property rental (strong rental market).	Refer to comments on variation from budget.
Grants & Subsidies	Grants from Department of Internal Affairs for Three Waters reforms were \$2.8m less than expected due to legislation repeal. IFF funding for Tauriko West transport project was behind budget (by \$5.9m). Variance offset by NZTA roading maintenance grants being ahead by \$4m and a further \$7.7m for NZTA operational and capital projects. An unbudgeted grant of \$2.4m was also received from Ministry of Health for water fluoridation.	Refer to comments on variation from budget.
Finance Revenue	Interest revenue higher than budget due to continued high interest rates and Council held a higher deposit balances at the beginning of the year which related to grant funding received and was held to match to capital expenditure and loan maturities.	Refer to comments on variation from budget.
Vested Assets	Revenue recognition of Vested Assets is dependent upon timing of project completion.	Refer to comments on variation from budget.
Development Contributions	Development Contributions down due to reduced volumes in 2024 compared to both budget and 2023 results. Revenue primarily derived from city-wide development, Pyes Pā West and Tauriko Business Estate.	Refer to comments on variation from budget.
Grants, Subsidies and Other Capital Contributions	Capital Grant revenue behind schedule (Spaces & Places, Gordon Spratt Reserve, Merivale Community Centre, Civic rebuild) by \$4.9m. Te Maunga Transfer Station project is on hold with spend only \$3.9m of \$6m due to affordability concerns. Variance offset by NZTA and IFF financing for roading activates, \$4m and \$3.5m, respectively.	Refer to comments on variation from budget.
Depreciation and Amortisation expense	Depreciation up on budget due to increase in value of assets revalued each year, along with capitalisation of projects in 2023/2024.	Refer to comments on variation from budget.
Personnel Expenses	Personnel costs higher than expected due to additional recruitment costs which is partly offset by lower training costs. Higher Costs being captured due to SaaS projects no longer being in capital budgets.	Personnel expenses higher due to additional staff employed to meet workload requirements due to growth in Council to meet community needs.
Finance Expenses	Finance costs are higher than budgeted due to higher interests rates, which impacts floating and new or replacement debt. Council is carrying slightly more debt than budgeted to meet expenditure needs.	Refer to comments on variation from budget.
Other Operating Expenses	Other operating expense higher than budget due to: Contractors & Consultants (licensed software changes being expensed rather than capitalised \$15.3m; Civic Precinct development \$3.2m over budget relating to feasibility and business case works.	Costs higher than prior year due to continued inflationary pressures. Also refer to comments on variation from budget.
Provisions Expense	No material variance.	New Provision for Council's contribution to the properties categorised under the Future of Severely Affected Locations (FOSAL) policy.

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	Variance Against Budget	Variance Against Prior Year Results
Net other gains/(losses)	Budgeted gains on sale of assets offset by recognition of loss on reversal of prior discount on Housing Infrastructure loans and no new loans or drawdowns during the year, and recording loss on interest rate swap instruments. In addition, recognising write down on assets under contract or demolished during the year. Losses are not budgeted for.	Refer to comments on variation from budget.
Asset revaluation reserve (Losses)/ Gains	Revaluation gains are dependent upon the class of asset being revalued each year and the movement in those assets. In 2023/24 land & buildings, and Roading assets were revalued.	Revaluation gains are dependent upon the class of asset being revalued each year and the movement in those assets. In 2022/23 three waters, parks facilities and airport infrastructure assets were revalued.
Statement of Financial Position		
CURRENT ASSETS		
Cash and Cash Equivalents	The increase in cash is due to timing of expenditure and borrowing programme throughout the year. Council is holding amounts on call in anticipation for future debt repayment.	Refer to comments on variation from budget.
Debtors and Other Receivables	Rates receivable, prepayments and other receivables higher than budget (\$1.5m). GST higher than budget due to late refunds falling outside of the 2023/24 financial year (\$8.5m), and higher rates in advances balance year-on-year (\$1.5m).	Roading Subsidy in prior year was \$20m higher than in current, which is offset by GST balance. Refer to comments on variation from budget.
Inventories	Inventories up on budget due to level of stock necessary for Water Treatment requirements.	Refer to comments on variation from budget.
Other Current Assets	Greater amount held as cash at year end rather than in short term deposits. Council has also recognised the settlement of the Devonport Concessionary Loan (\$7.8m) in the next 12 months, which has been brought forward.	Amount varies due to timing and requirements within Council.
Non-Current Assets Held For Sale	Decrease relates to Council decision during the year around its divestment strategy and sale of significant assets taking place (\$23m).	Refer to comments on variation from budget.
NON CURRENT ASSETS		
Derivative Financial Instruments NCA	Value of underlying instrument is based on interest rate. Interest rate fluctuation and level of borrowing underpin variance.	Value of underlying instrument is based on interest rate.
Investments - Other Entities	No material variance.	New Investment in Bay of Plenty Housing Equity Fund (\$300k).
Investments - Council Controlled Organisations	Increase due to additional borrowings by BVL, increase in LGFA borrowers notes with increased borrowings.	Refer to comments on variation from budget.
Investments - Other Non Current Financial Assets	No material variance.	Devonport Concessionary Loan (\$7.8m) under Current assets.
Investment Property	Investment property is determined in part of Council's divestment strategy for the next 5 years.	Refer to comments on variation from budget.
Intangible Assets	SaaS costs are budgeted as a capital cost, but change in recognition under accounting standards means greater operating costs for SaaS projects.	Decrease in intangibles assets aligns with reduced capitalisations from SaaS policy implementation, and continued amortisation of existing assets.
Forestry Assets	Impact of revaluation of forestry assets in 2023/24 was lower than budget due to log prices and reduction of forest areas, particularly in Council's half share in TECT park.	Refer to comments on variation from budget.
Property, Plant and Equipment	PP&E higher than budget due to revaluations in land & building, and roading (1 year ahead of 3-year schedule). Completion of other significant projects.	Refer to comments on variation from budget.
Te Manawataki o Te Papa Charitable Trust Land	Trust land not budgeted for as sale not recognised under accounting standards.	Refer to comments on variation from budget.
CURRENT LIABILITIES		
Payables and Deferred Revenue	Payables higher due to costs and services increases arising from inflation, and higher than anticipated interest rates affecting accrued interest on borrowings.	Refer to comments on variation from budget.

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	Variance Against Budget	Variance Against Prior Year Results
Deposits Held	Deposits held is lower than budget due to Construction Contracts (Retention Money) Amendment Act 2023, requiring amounts now to be held in cash instrument, Council has sought alternative arrangements where possible.	Refer to comments on variation from budget.
Employee Entitlements C	Employee entitlements growth in line with additional staff numbers. Offset by no accrued pay balance at year end due to timing.	Refer to comments on variation from budget.
Revenue in Advance	Revenue in Advance is lower than budget as Council settled the Works in Lieu liability during the year which had been anticipated to continue to wind down over the next few years.	Refer to comments on variation from budget.
Borrowings C	Lower than budget due to timing of debt maturity.	Higher than prior year due to timing of debt maturity.
Provisions C	Budgeted provisions did not eventuate.	New provision recognised for FOSAL.
Derivative Financial Instruments CL	Value of underlying instrument is based on interest rate. Interest rate fluctuation and level of borrowing underpin variance.	No material variance.
NON CURRENT LIABILITIES		
Deferred Tax Liability	Deferred tax is not budgeted for as yearly results determine movement and balance.	No material variance.
Borrowings NC	Borrowings are higher than budget due to substantial growth in capital programme and its delivery. Borrowings are higher to ensure a balanced budget for the financial year.	Refer to comments on variation from budget.
Provisions NC	No material variance.	No material variance.
Derivative Financial Instruments NCL	Value of underlying instrument is based on interest rate. Interest rate fluctuation and level of borrowing underpin variance.	
Other Non-Current Liabilities	Budgeted liability transacted through borrowings	No material variance.
Statement of Movements in Equity		
Retained Earnings	Variance due lower than budgeted surplus and adjustments.	Retained Earnings movement aligns to current year Operating Surplus and adjustments.
Restricted Reserves	Delayed investment in growth related capital spend due to resourcing constraints meant not as much was funded out of the reserves as budgeted.	Growth related spend has increased projects proceed. Refer to comments on variation from budget.
Council Created Reserves	Actual revenue in reserves was higher due to increase in depreciation expense due to prior year valuations impact and more capitalisations.	Higher number of assets capitalised in 2023/24 year meant reserve balance increases accordingly.
Asset Revaluation Reserves	Asset revaluation balance moves in line with revaluation cycle and with assets sold or written off.	Difference asset classes revalued in 2023/24 than in the 2022/23 year.
TCC (Group) Statement of Cash Flows		
Receipts from Rates Revenue*	Increase is due to active identification of additional rating units after adoption of rates resolution for 2023/24, and high collections of Rates (98.89%).	Increase is due to higher number of rateable properties, and active identification of additional rating units after adoption of rates resolution for 2023/24.
Grants and Subsidies Received	Grants from Department of Internal Affairs for Three Waters reforms were \$2.8m less than expected due to legislation repeal. IFF funding for Tauriko West transport project was behind budget (by \$5.9m). Variance offset by NZTA roading maintenance grants being ahead by \$4m and a further \$7.7m for NZTA operational and capital projects. An unbudgeted grant of \$2.4m was also received from Ministry of Health for water fluoridation.	Increase in funding for operational projects. Refer to comments on variances from budget.
Fees and Charges Received	User fees have been higher in Wastewater (volumes), Parking Management (fines and recoveries), Baycourt (venue hire) and Property rental (strong rental market).	User numbers continue to climb and are back to pre-covid levels for most activities. Refer to comments on variation from budget.
Interest Received	Higher interest rates than anticipated during annual plan and higher deposits delivery higher interest revenue.	Refer to comments on variation from budget.

FINANCIALS

	Variance Against Budget	Variance Against Prior Year Results
Dividends Received	No material variance.	No material variance.
Development and Financial Contributions Received	Development Contributions down due to reduced volumes in 2023/24 compared to both budget and 2022/23 results. Revenue primarily derived from city-wide development, Pyes Pā West and Tauriko Business Estate.	Refer to comments on variation from budget.
GST (net)	GST is assumed to be zero for budgeting purpose.	Refer to comments on variation from budget.
Payments to Suppliers	Higher than budget due to continued inflationary pressures, particularly in first half of year; SaaS expenditure being budgeted under capital spend but now treated as operational spend. The increase in spend in Payments to Suppliers is offset by the reduction in spend in acquiring Intangible Assets.	Refer to comments on variation from budget.
Payments to Employees	Personnel costs higher than expected due to additional recruitment costs which is partly offset by lower training costs. Higher Costs being captured due to SaaS projects no longer being in capital budgets.	Personnel expenses higher due to additional staff employed to meet workload requirements due to growth in Council to meet community needs.
Interest Paid	Finance costs are higher than budgeted due to higher interest rates, which impacts floating and new or replacement debt. Council is carrying slightly more debt than budgeted to meet expenditure needs.	Refer to comments on variation from budget.
GST (net)	GST is assumed to be zero for budgeting purpose.	Refer to comments on variation from budget.
Receipts from Sale of Investment Property	No material variance.	No material variance.
Receipts from Sale of Intangible Assets	No material variance.	No material variance.
Receipts from Sale of Property, Plant and Equipment	Receipts for sale of Property, Plant & Equipment, flows through Assets held for Sale (Pitau)	Refer to comments on variation from budget.
Receipts from Sale of Non Current Assets Held for sale	Sale of Pitau Village (Elder Housing)	Refer to comments on variation from budget.
Receipts from Sale of Investments and Council Controlled Organisations Repayment of Borrowings	No material variance.	No material variance.
Purchase of Property, Plant and Equipment	Reflect the actual capital programme spend for the year and includes the purchase of the building to replace Memorial Park facilities (22m) which was not budgeted.	Significantly up on 2022/23 due to greater capitalisation on significant projects (Cameron Road Stage 1, and upgrade of Te Maunga WWTP Second Bioreactor).
Purchase of Intangible Assets	Intangible purchases lower than budget due to change in SaaS policy. SaaS acquisitions are budgeted in capital expenditure but are operational spend.	Refer to comments on variation from budget.
Purchase of Other Investments	Higher Term deposits at year end than budgeted. Term Deposit investment is dependent upon cash balance, cash needs and available return.	No material variance.
Investments in Council Controlled Organisations	Additional investment in CCOs is not budgeted for.	BVL loan increased by further \$6.8m. Greater amount of LGFA borrower notes due to increased level of borrowing.
Purchase of Investment Property	Acquisition of Investment property is not budgeted for.	Purchase of Investment Property down on prior year, as 2022/23 included significant purchase of land for development for on-selling.
Proceeds from Borrowings	Higher level of borrowings to meet capital expenditure spend and maintain cashflow throughout the year.	Refer to comments on variation from budget.
Repayment of Borrowings	No material variance.	Higher than prior year due to timing of debt maturity.



Auditor's Report/Purongo a Te Kaiarotake

AUDITOR'S REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Tauranga City Council's annual report for the year
ended 30 June 2023

The Auditor-General is the auditor of Tauranga City Council (the City Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Leon Piers, using the staff and resources of Audit New Zealand, to report on the information in the City Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 1 November 2023. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 249 to 332:
 - present fairly, in all material respects:
 - the City Council and Group's financial position as at 30 June 2023;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 247, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan;

AUDITOR'S REPORT

- the statement of service performance on pages 89 to 198:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2023, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 94 to 195, presents fairly, in all material respects, actual capital expenditure, compared to the budgeted capital expenditure included in the City Council's annual plan; and
- the funding impact statement for each group of activities on pages 95 to 197, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan.

Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 238 to 243, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council and Group's audited information and, where applicable, the City Council's long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Emphasis of matter - uncertainty over the water services reform programme

Without modifying our opinion, we draw attention to Note 1.2 on pages 255 to 256, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities.

AUDITOR'S REPORT

Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the Council, as outlined in Note 1.2 on page 256, remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved. In addition, there is uncertainty around the water services reform legislation. It may be repealed or substantially amended with the change in government.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information, we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information, we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the Group or there is no realistic alternative to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

AUDITOR'S REPORT

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the City Council's Long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported and intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

AUDITOR'S REPORT

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 86, 199 to 237, 244 to 246 and 339 to 342, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the City Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the City Council's debenture trust deed and an audit engagement on the 2024-34 Long-term plan Consultation Document. Other than these engagements, we have no relationship with, or interest in, the City Council or its subsidiaries and controlled entities.



Leon Pierce
Auditor-General
on behalf of the Auditor-General
Tauranga New Zealand



05

Groups of Activities/Ngā Mahi Katoa



Groups of activities

Our performance management is a core activity for the council and is focused on delivering results for you and the city of Tauranga.

This section of the report outlines how well our activity groups performed during 2023/24 against the performance measures and targets set out in the 2021-31 Long-term Plan. It provides more detail for each activity group, including an overview of the year that has been, challenges faced, and a look forward, and includes comments about what sits behind the results and capital projects.

These include:

Transportation	92
Water Supply	104
Wastewater	113
Stormwater	119
Sustainability and Waste	125
City and Infrastructure Planning	131
Community Services	136
Community, People and Relationships	150
Economic Development	156
Emergency Management	163
Marine Precinct	169
Regulatory and Compliance	174
Spaces and Places	186
Support Services	193

Page numbers
to be updated

GROUPS OF ACTIVITIES

Community well-being

In May 2019, the purpose of local government in the Local Government Act 2002 was amended to reintroduce the 'four community wellbeings', requiring councils play a broad role in promoting the social, economic, environmental, and cultural wellbeing of their communities. For each activity group, we present the identified effects of our activities on the four dimensions of wellbeing.



Economic



Environmental



Social



Cultural

In the following pages we report on our performance for each activity over the last financial year. For each activity, we have set out a description of how the activity has contributed to that aspect of well-being.

Department of Internal Affairs Performance Measures

These measures are mandatory and were developed by the Department of Internal Affairs- Te Tari Taiwhenua (DIA). They reflect a range of information about our asset condition and responsiveness to service requests and enable us to benchmark against other councils. Where one of these measures is presented it is indicated by (DIA Measure) at the end of the measure text.

Our community outcomes

Community outcomes are a starting point for our Long-term Plan. They guide our decision-making to provide you with the city you want. You can refer to the icons in this section to see which community outcomes we are working to achieve through each activity

**We have a well-planned city**

Tauranga is a city that is well-planned with a variety of successful and thriving compact centres, resilient infrastructure, and community amenities.

**We value and protect our environment**

Tauranga is a city that values our natural environment and outdoor lifestyle, and actively works to protect and enhance it.

**We support business and education**

Tauranga is a city that attracts and supports a range of businesses and education opportunities, creating jobs and a skilled workforce.

**We can move around our city easily**

Tauranga is a well-connected city, easy to move around with a range of sustainable transport choices.

**We are inclusive**

Tauranga is a city that recognises and promotes partnership with tangata whenua, values culture and diversity, and where people of all ages and backgrounds are included, feel safe, connected and healthy.

**We are an integral part of the Bay of Plenty region and upper North Island**

Tauranga is a well-connected city having a key role in making a significant contribution to the social, economic, cultural and environmental well-being of our region.

GROUPS OF ACTIVITIES

Transportation



What we do

The Transportation activity manages Tauranga's transportation network, improving road safety and ensuring people enjoy easy access to different modes of transport. The activity operates and maintains local roads (including streetlights, bridges, footpaths, traffic signals, sumps, berms, bus shelters, parking buildings and parking machines), and monitors crash statistics to identify problem areas and determine solutions. Resilience of the transport network is supported by identifying the impacts of land use, growth and development on the network and parking resource, and identification of where future upgrades or control is required. The activity invests in walking and cycling projects, Public Transport projects and education to encourage greater use of more sustainable transport modes.

How this affects you

The activity contributes to the efficient and safe movement of people and goods on the local road network, providing better transport choices, connecting communities and supporting businesses that operate across the city.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

Highlights in 2023/24

Cameron Road stage one completed

A huge milestone was the delivery of Cameron Road stage one, one of our city's main arteries, connecting people in Tauranga's southern suburbs to the city centre. It is an important through route and a destination for many with schools, businesses and the hospital located along it.

The completion of the upgrade (between Harington Street and 17th Avenue) was marked by a dawn blessing, with three sculptures by artist Whare Thompson unveiled. There were many lessons learned through this project that were collated in a recent workshop. Participants in this session felt heard regarding the challenges the project faced and collaborated towards a positive future for all projects.

Go ahead for design and review of Cameron Road stage two

Commissioners gave the go ahead to review designs and costs for the transport and waters elements of the Cameron Road Stage two project. The team are now in their final stages of reviewing pricing to deliver the design elements. There is some uncertainty on whether the National Land Transport Fund (NLTF) will come through in September 2024 to fund the project, but we are still on track with the programmed procurement and have made sure contractual arrangements include clauses for funding changes.

GROUPS OF ACTIVITIES

Completion of Links Ave rehabilitation

The Links Ave pavement rehabilitation marks the end of a multi-year project which was politically sensitive and complicated by factors such as bus traffic, schools and failing pavement. In addition to the concrete pavement, we used asphalt to provide a quiet, smooth surface on this busy residential street. Being able to use concrete meant we could get in and out in a much shorter time.

Overall, the project provided many challenges between the school, residents, working hours, traffic management and storage of equipment. Coordinating two primary contractors and the concrete works to complete the project within time and budget constraints was a major achievement.

Started construction of growth infrastructure in Tauriko West

Construction of new infrastructure connections is now underway in Tauriko, marking the start of the Tauriko West growth area development. The new infrastructure will enable the development of up to 2,400 new homes, continued development of the Tauriko Business Estate, and safety improvements at intersections with State Highway 29 through the Tauriko area. The team lead by NZTA has completed project design, finalised land acquisition agreements, completed procurement of construction contractors and begun construction of the new SH29 intersections.

Started construction of Pāpāmoa East interchange

Construction began on the new interchange connecting Pāpāmoa East directly with the Tauranga Eastern Link State Highway 2. This interchange is key not only for supporting better connections for residents in Pāpāmoa East, but also enables continued development of the area. Over the past year, the project team completed design works for the new interchange, completed enabling works construction, including earthworks and a new intersection connection to Te Okuroa Drive, and commenced construction of the new bridge interchange.

Continued investment in traffic management and safety

The Tauranga Transport Operations Centre, which is responsible for managing the road network, invested in several new traffic management and safety features in the past year. These included installing a new Video Management System with advanced analytics to assist with traffic control, commissioning 12 new sets of traffic signals, and installing over 150 new CCTV cameras. The team also processed over 3800 bus lane offences, managed over 400 vehicle accidents and assisted Police in the resolution of more than 1000 public safety incidents.

Held largest Orange Day event to celebrate our school road safety leaders

We had the largest turn out to an Orange Day event in November 2023, giving us the chance to thank our school road safety leaders, as well as highlight their school road safety and active travel concerns. The event was held at Mount Maunganui after a hiatus following Covid and bad weather the year earlier.

GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS

	2023/2024 Actual \$000's	2023/2024 Budget \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
15th Avenue, Turret Road and Welcome Bay corridor	2,871	1,901	971	Design work for the project has been progressed sooner than initially budgeted to allow construction to be started earlier.
Accessible Streets	8,168	11,684	(3,516)	A number of Walking and Cycling projects were stopped due to concerns about funding availability as a result of changes to the Government Policy Statement on Land Transport (GPS).
City Centre Carpark Seismic Strengthening	2,762	0	2,762	This project had originally been expected to be finished in June 2023. Project was completed in September 2023, resulting in costs in the 2023/24 Financial Year.
Eastern corridor growth projects	17,887	19,233	(1,346)	Programme is progressing well and currently on track to be achieved within multi-year budget. Developer delivered projects, to allow development near the new Pāpāmoa Eastern Interchange, are progressing slower than anticipated.
Minor Renewal Works (Reseals, Streetlights, Kerb & Channel, Signs & Footpaths)	20,269	16,905	3,365	Links Avenue renewal that had been expected to be completed in the 2022/23 financial year was carried over to 2023/24.
Parking Infrastructure	5,581	2,393	3,188	Devonport Road carpark was not budgeted for and arose as part of a strategic property purchase. Dive Crescent carpark upgrade was carried over from the previous financial year, and had further funds allocated to it by Commissioners. The project was completed in early 2024.
Pedestrian Improvements	8,487	2,975	5,512	Links Avenue project that had been expected to be completed in the 2022/23 financial year was carried over to 2023/24. Some smaller projects were delivered under maintenance contract allowing faster delivery than budgeted.
Public transport infrastructure	7,494	2,852	4,642	Project was underspent in the 2022/23 financial year with budget carried over in the 2023/24 financial year. 115 new bus shelters were delivered as part of this project.
Roading upgrades and Improvements	20,283	13,749	6,534	Maunganui Road safety improvements progressed faster than initially budgeted, resulting in a higher spend this financial year. Unbudgeted project completed to build a retaining wall on Cambridge Road after a slip during a weather event.
Streetlight upgrading to LED	1,172	1,636	(464)	Further investigation of Maunganui Road street light poles identified that there had not been as much corrosion as initial assessments indicated. Additional maintenance work was completed instead of replacement as budgeted.
Te Papa Intensification	35,999	31,779	4,220	Cameron Road stage 1 spend was higher than budgeted due to changes in the scope of works and design changes due to the location of services within the roading corridor. This was partially offset by a lower spend on Cameron Road stage 2 design which is progressing slower than initially budgeted.
Western corridor growth projects	2,682	1,925	757	Delays in developer delivered projects which are now expected to be completed in the 2024/25 financial year.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - TRANSPORTATION

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF OPERATING FUNDING				
General Rates, Uniform Annual General Charges, Rates Penalties	28,834	24,489	32,779	8,290
Targeted Rates	3,548	5,558	6,466	908
Subsidies and Grants for Operating Purposes	6,715	6,906	28,813	21,907
Fees and Charges	4,738	5,272	5,334	62
Internal Charges and Overheads Recovered	0	0	89	89
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	1,737	1,788	3,551	1,763
Total Sources of Operating Funding (A)	45,572	44,013	77,032	33,019
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff and Suppliers	21,764	22,188	56,290	34,102
Finance Costs	5,760	5,986	8,851	2,865
Internal Charges and Overheads Applied	11,430	12,481	15,939	3,458
Other Operating Funding Applications	0	0	1	1
Total Applications of Operating Funding (B)	38,954	40,655	81,081	40,426
Surplus/(Deficit) of Operating Funding (A-B)	6,618	3,358	(4,049)	(7,407)

**Key Variance
Explanations for 2024**

Additional rates required to fund depreciation due to a major increase in roading valuation. This also lead to an increase in road repair and maintenance costs

Transport projects funded from a targeted rate reserve were rephased during annual plans and resulted in variance against LTP budgets.

Majority of variance relates to capital projects in Tauriko West which are being delivered by a third party have been reclassified as operational spend so associated grant funding has also been reclassified as operational resulting in a favourable variance to the LTP budget.

Minor Variance

Minor Variance

Increased enforcement of bylaws in parking & bus lanes.

Majority of variance relates to the capital projects in Tauriko West which are being delivered by a third party and have been reclassified as operational spend.

Changes in LTP capital programme timing and funding through various Annual Plans and an increase to Internal cost of borrowing to reflect Council's external cost of borrowing.

The methodology for overhead charges used in the LTP has been amended to reflect structure changes which is resulting in significant variances against budget.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - TRANSPORTATION

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF CAPITAL FUNDING				
Subsidies and Grants for Capital Expenditure	49,652	100,797	72,009	(28,788)
Development and Financial Contributions	5,070	5,575	3,485	(2,090)
Increase/(Decrease) in Debt	(32,735)	(6,747)	56,550	63,297
Gross Proceeds from the Sale of Assets	21	21	8	(13)
Lump Sum Contributions	0	0	185	185
Other Dedicated Capital Funding	0	0	0	0
Total Sources of Capital Funding (C)	22,008	99,646	132,237	32,591
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	(43,539)	66,964	53,636	(13,328)
- to improve level of service	75,251	51,239	58,454	7,215
- to replace existing assets	19,705	17,062	22,595	5,533
Increase/(Decrease) in reserves	(22,791)	(32,261)	(6,497)	25,764
Increase/ (Decrease) of investments	0	0	0	0
Total Applications of Capital Funding (D)	28,626	103,004	128,188	25,184
Surplus/(Deficit) of Capital Funding (C-D)	(6,618)	(3,358)	4,049	7,407
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2024**

Lower TSP Infrastructure Financing & Funding (IFF) & NZTA grant funding due to rephasing of capital programme. In addition to this a decision was made to not proceed with the Tauriko West IFF which had significant grant funding in the LTP.

Lower than budget due to fewer building consents being issued as a result of the downturn in the housing market.

Budget was negative due to capital delivery assumptions which are rephased at each annual plan. In addition to this there was additional debt funding for Cameron Road Stage One.

Minor Variance

Minor Variance

Delays in delivery of projects with budget carried over to next financial year.





Additional spend due to carry forward of budget from previous financial year and additional spend on Cameron Road Stage One.

Increased spend due to catchup on historical underspends with additional NZTA funding secured

Delays in growth funded projects means not as much has been funded out of the reserves than was budgeted.



GROUPS OF ACTIVITIES







PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide an efficient transport network, minimising all-day congestion.	Average speed across key parts of the transport network* (free flow speed = 59km/hr).	 26km/hr	29km/hr	 26km/h	<p>The average speed across key parts of the transport network* (freeflow speed = 59k/hr) was 26 km/hr in 2023/24.</p> <p>While continuing pressure on the city's transport network is resulting in long periods of moderate congestion throughout the day, we have major projects soon to commence that are designed to improve the network capacity.</p>
	Duration of peak across the transport network* (where traffic is travelling at 50% of free flow speed of 59km/hr).	 461min	300min	 457min	<p>The duration of peak across the transport network* (where traffic is travelling at 50% of freeflow speed of 59k/hr) was 457 min for 2023/24. While continuing pressure on the city's transport network is resulting in long periods of moderate congestion throughout the day, we have major projects soon to commence that are designed to improve the network capacity.</p>

* Hewletts Road (between Aerodrome Road and Totara Street); Turret Road/15th Avenue (between Hairini Bridge and Fraser Street); Cameron Road (between 15th Avenue and Elizabeth Street); Totara Street (between Hull Road and Hewletts Road)









GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide opportunities for walking, cycling and bus travel, and encourage increasing awareness of sustainable transport initiatives, including school walking/cycling programmes.	<p>Proportion of people journey to work via:</p> <p>1) a vehicle as the driver</p> <p>2) a vehicle as a passenger</p> <p>3) walking/jogging</p> <p>4) cycling</p> <p>5) bus</p> <p>6) didn't go to work or not stated</p> <p>7) Worked from home.</p>	<p></p> <p>1) 52%</p> <p>2) 0%</p> <p>3) 3%</p> <p>4) 2%</p> <p>5) 3%</p> <p>6) 26%</p> <p>7) 13%</p>	<p>1) 52%</p> <p>2) 3-5%</p> <p>3) 4%</p> <p>4) 8%</p> <p>5) 10%</p> <p>6) 23-25%</p> <p>7) 5-6%</p>	<p></p> <p>1) 61%</p> <p>2) 0%</p> <p>3) 1%</p> <p>4) 3%</p> <p>5) 2%</p> <p>6) 16%</p> <p>7) 14%</p>	<p>In 2023/24 the proportion of people journeying to work via:</p> <p>1) A vehicle as the driver – not achieved – with 9% more than the targeted proportion travelling to work as the driver.</p> <p>2) A vehicle as a passenger – not achieved – with 0% of those travelling to work as a vehicle passenger.</p> <p>3) Walking/jogging – not achieved – with 1% of those getting to work, doing so on foot.</p> <p>4) Cycling – not achieved with 3% cycling to work.</p> <p>5) Bus – not achieved with 2% of individuals travelling to work by bus.</p> <p>6) Didn't go to work or not stated – 16% of individuals did not travel to work or did not state their mode of transport.</p> <p>7) Worked from home – achieved – 14% of individuals worked from home.</p>

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide opportunities for walking, cycling and bus travel, and encourage increasing awareness of sustainable transport initiatives, including school walking/cycling programmes.	Number of participants in school children's walking and cycling programmes.	 10,441	6,000	 13,559	<p>Number of participants in programmes promoting children's walking and cycling, including road safety, was 13,559 for 2023/24. There were 215 Travel Safe primary students, 14 Travel Safe intermediate students, 2957 participants in Kids Can Ride (cycle education), 1100 early childhood/new entrant students learnt to cross the road with Ruben the Bear, approximately 6096 students were involved in either Feet First or The Wednesday Challenge promoted by Travel Safe, 102 intermediate students participated in the Bike Safety programme, 217 students were involved in Park n Stride, 641 students attended Orange Day celebrations, 106 students attended primary or intermediate workshops, 1036 Tauranga entries into the Helmet Competition - used to promote helmet use on bikes and scooters. 1075 attended Road Safety assemblies - focused on how to use the local infrastructure safely, gate activations to encourage active travel and how to wear your helmet.</p>
We will provide a well-maintained and fit-for-purpose road and footpath network, and well-utilised and available city centre parking.	Average quality of ride of the sealed road network as measured by Smooth Travel Exposure e.g., percentage of smooth travel exposure (DIA measure).	 92%	91-92%	 90%	

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide a well-maintained and fit-for-purpose road and footpath network, and well-utilised and available city centre parking.	Percentage of footpaths that fall within the level of service standard for the condition of footpaths set out in the asset management plan (less than or equal to 1.5m of grade 4 or 5 faults per km of footpath). (DIA measure).	 97%	98-100%	 98%	
	The percentage of the sealed local road network that is resurfaced (DIA measure).	 3%	4%	 4%	
	The percentage of customer service requests relating to roads and footpaths responded to within seven calendar days (DIA measure).	 92%	90%	 93%	
We will identify and respond to safety issues, through education and engineering solutions.	The change from the previous year in the number of deaths and serious injury crashes on the local road network expressed as a number (DIA measure).	 Reducing	Reducing (27)	 +10 (37)	The number of death and serious injury (DSI) crashes in 2022/23 was 27. The number of DSI crashes in 2023/24 is 37, an increase of 10 crashes. While the overall number of DSI crashes has increased compared to the previous year, there were no fatal crashes recorded in FY 2023/24.

GROUPS OF ACTIVITIES

Challenges in 2023/24:

To get our city moving, and keep it moving, we are investing in a fit-for-purpose transport network to meet the needs of our growing city. Correct long-term underinvestment in our transport system is no easy job and the 2023/24 financial year was challenging with the rolling out of a new transport structure to meet the significant capital programme of works over the next 10 years. But we have now finalised all management positions within this new structure and the new transport leadership team can hit the ground running from July 2024.

The delivery teams also had some challenges this year as they worked to deliver an increased number of projects, while at the same time managing several resignations in the team. Another challenging space was around traffic management, which is not only becoming increasingly expensive to deliver, but is also drawing frustration with the community, who are looking for alternative approaches to lines of orange cones and large trucks at sites along the transport system.

A further challenge for this year, and one that will be ongoing, is changes in funding direction signalled in the Government Policy Statement on Land Transport (GPS) for 2024/25. The funding changes made it challenging to maintain a unified work programme in 2023/24, with the biggest impact in safety improvement projects for community hubs. It's likely the funding may not be in place for next year.

Looking ahead

In 2024/25 we will:

- roll out the 2024/25 road maintenance and renewal programmes. Continue management of our primary road maintenance contract. Continue to develop road maintenance innovations such as the concrete roads and alternative surfacing options we have been trialling through 2023/24. Build a succession plan for our mature team demographic.
- assist with the Network Integration Project, to provide predictable journey times for road users during and after the key 5 transport construction projects*. Grow Tauranga Transport Operations Centre (TTOC) capability and resilience to enhance the delivery of service to our community. Plan and execute TTOC's move to 90 Devonport Rd with minimal disruption to the services we provide.
- manage and co-ordinate corridor access requests and traffic management plan applications. Participate in the Temporary Traffic Management (TTM) Advisory Panel established to reduce the cost of TTM. And as part of the advisory panel work, actively assess and pursue opportunities to reduce traffic management costs across our range of transportation projects.
- develop the Major Projects Strategic Plan which will be consistent across the next 10 years.
- develop an HR competency framework allowing us to build focussed development plans for staff.

* projects include - Cameron Road Stage 2, Pāpāmoa East Interchange, Tauriko West Enabling Works, 15th Ave and Turret Road and Connecting Mount Maunganui

GROUPS OF ACTIVITIES

Water supply



What we do

The Water Supply activity provides residents and businesses of Tauranga City with drinking water. Water is a primary resource for living, economic activity and firefighting.

Through this activity customers are supplied with a constant, adequate, sustainable and high-quality water supply.

The activity will:

- Manage the water supply catchments, which protect source water, abstract and treat raw water from source streams and produce drinking water of suitable quality and quantities. The supply of water is managed in accordance with the Water Safety and Asset Management Plans.
- Distribute drinking water to the point of supply where it meets specific flow, pressure and quality standards.
- Efficiently operate, maintain and renew TCC water assets with a replacement cost in excess of \$600 million.
- Plan and timeously deliver infrastructure assets to meet future water supply requirements for the growing city.
- The activity aims to educate the community about water, wastewater and stormwater conservation, and to source water in an environmentally acceptable way that acknowledges and respects Te Mana o te Wai the values Tangata Whenua place in water resources.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

How this affects you

To provide a high quality, efficient and reliable Water Supply system that is affordable, protects public health and safety, and meets the levels of service for customers in residential, rural residential and commercial / industrial areas.

To manage the effects of population growth on the water supply network and water volumes and provide sustainable long-term solutions.

Highlights in 2023/24

Future-proofing our water supply

In 2023/24, we continued to manage the city's water resources effectively amidst urban growth, maintaining consumption below peak levels seen in 2019/20. This achievement underscores our commitment to sustainable water management and our ongoing efforts to ensure the resilience of Tauranga's water supply. Our anticipated water consumption for the current financial year is approximately 15.2 million cubic metres, compared with around 16 million cubic metres in 2019/20).

Central to achieving this includes the Water Watchers Plan launched in November 2021, which offers advice on ways we can all better manage water all year round, not just in the hottest months. We also made significant strides in detecting water leaks over the past two years, measuring a reduction of our leakage index from 18.3% to 16.6% over the last year.

GROUPS OF ACTIVITIES

Ticking all the boxes for water quality

We continue to work with partners to enhance standards and promote safe drinking water practices across our region. This year, we worked with the Western Bay of Plenty District Council to review and upgrade our joint Hygiene Code of Practice to make sure we are aligned in the latest Drinking Water Quality Assurance Rules. As part of our ongoing commitment to the delivery of safe drinking water, we submitted our performance measures to Taumata Arowai in September 2023 and completed the annual quality compliance reporting against the Drinking Water Quality Assurance Rules in February 2024.

SIGNIFICANT CAPITAL PROJECTS				
	2023/2024 Actual \$000's	2023/2024 Budget \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
Eastern corridor growth projects	435	499	(64)	Minor variance.
Waiari new water supply system	2,901	700	2,201	Budget brought forward to complete works on Waiari water treatment plant and coast water trunk mains.
Water Network Upgrades & Renewals	9,931	7,097	2,834	Budget brought forward to complete additional works around Oceanbeach Road and Hamilton Street.
Water Supply Plant Upgrades & Renewals	4,297	1,661	2,636	Water fluoridation project was not budgeted for this year. This is a compliance project funded by the Ministry of Health.
Western Corridor growth projects	806	4,455	(3,649)	Continued delays with Waka Kotahi works has slowed developer progress at Tauriko West.
Reservoir Upgrades & Renewals	3,204	4,073	(870)	Delays with reservoir upgrades while Waiari water treatment plant was being fully commissioned.
Te Papa Intensification	1,198	992	206	Water supply costs and associated budgets related to Cameron Road Stage 1 were transferred from the Transportation activity.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - WATER SUPPLY

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF OPERATING FUNDING				
General Rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0
Targeted Rates	40,734	44,963	38,017	(6,946)
Subsidies and Grants for Operating Purposes	0	0	2,386	2,386
Fees and Charges	206	964	391	(573)
Internal Charges and Overheads Recovered	9	9	498	489
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	0	0	0	0
Total Sources of Operating Funding (A)	40,949	45,936	41,292	(4,644)
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff and Suppliers	16,857	18,553	21,957	3,404
Finance Costs	8,260	8,921	11,215	2,294
Internal Charges and Overheads Applied	6,547	7,186	5,010	(2,176)
Other Operating Funding Applications	0	0	8	8
Total Applications of Operating Funding (B)	31,664	34,660	38,190	3,530
Surplus/(Deficit) of Operating Funding (A-B)	9,285	11,276	3,102	(8,174)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	809	1,187	0	(1,187)
Development and financial contributions	13,919	13,256	7,411	(5,845)
Increase/(Decrease) in debt	9,875	24,295	8,096	(16,199)
Gross Proceeds from the Sale of Assets	0	0	0	0
Lump sum contributions	0	0	16	16
Other Dedicated Capital Funding	0	0	0	0
Total Sources of Capital Funding (C)	24,603	38,738	15,523	(23,215)

**Key Variance
Explanations for 2024**

LTP Water consumption volumes revised down during Annual Plan processes mainly because of wet weather and concentrated water conservation programmes

Unbudgeted grant from Ministry of Health for installation of fluoridation systems.

Budgeted income from forestry not received as tree felling was delayed to 2024/25

Internal interest on reserves was more than budgeted.

Repairs and maintenance exceeded budget as a result of additional reticulation and mechanical reactive works.

Changes in LTP capital programme timing and funding through various Annual Plans and an increase to Internal cost of borrowing to reflect Council's external cost of borrowing.

The methodology for overhead charges used in the LTP has been amended to reflect structure changes which is resulting in significant variances against budget.

Minor variance.

Grants from Central Government relating to 'shovel ready' projects were received earlier than budgeted in the LTP.

Lower than budget due to fewer building consents being issued as a result of the downturn in the housing market.

Rephasing of capital expenditure since the LTP resulted in than loan funding budgeted.

Minor variance.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - WATER SUPPLY

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	32,370	25,866	5,076	(20,790)
- to improve level of service	4,442	10,849	3,709	(7,140)
- to replace existing assets	7,320	8,979	14,949	5,970
Increase/(Decrease) in reserves	(10,244)	4,320	(5,109)	(9,429)
Increase/(Decrease) of investments	0	0	0	0
Total Applications of Capital Funding (D)	33,888	50,014	18,625	(31,389)
Surplus/(Deficit) of Capital Funding (C-D)	(9,285)	(11,276)	(3,102)	8,174
Funding Balance ((A-B)+(C-D))	0	0	0	0

Key Variance
Explanations for 2024

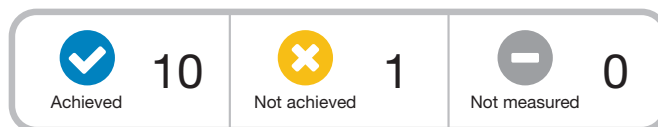
Water connection from Matakokiri to Redwood did not progress. There are delays with Oropi trunk main upgrade and the development around the western corridor are also experiencing delays due to Waka Kotahi works.



Upgrades to Oropi and Joyce Rd networks are delayed.

Reservoir renewal works was revised and escalated. The reticulation network renewals also revised to work in tandem with transportation projects.







LTP Water consumptions volumes revised down during Annual Plan processes mainly because of wet weather and concentrated water conservation programmes means less cash reserve in the activity than was budgeted. And also less development contributions revenue being received into the reserves.

GROUPS OF ACTIVITIES











PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide a water supply network across the city, delivering safe drinking water that meets with drinking water standards (bacteria and protozoal) and customer expectations around clarity, taste, odour, water pressure and continuity of supply.	<p>The extent to which Council's drinking water supply complies with:</p> <p>Part 4 of the drinking-water standards (bacteria compliance criteria).</p>	 100%	100%	 100%	<p>Council's drinking water supply is complying with Part D3.29 of the Drinking Water Quality Assurance Rules (bacteria compliance criteria). To determine this result, approximately twenty one E.coli tests are taken monthly from each of the three water treatment plant supply networks from a number of sites in each reticulation network.</p> <p>The compliance requirements for bacteria have changed from the Ministry of Health requirements Part 4 of DWSNZ (2005 updated 2018) as of 14 November 2022 to the requirements under the Drinking Water Quality Assurance Rule for implementation from 1 January 2023.</p> <p>The rules also require compliance against RuleT3 Bacterial Rules for water disinfected with Chlorine.</p> <p>An independent audit of both the bacterial and protozoa compliance was undertaken by Wai Comply Ltd and confirmed compliance was met for 2023/24 against the Drinking Water Quality Assurance Rules 2022 (DWQAR) and Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (DWS).</p>





GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide a water supply network across the city, delivering safe drinking water that meets drinking water standards (bacteria and protozoa) and customer expectations around clarity, taste, odour, water pressure and continuity of supply.	The extent to which Council's drinking water supply complies with: Part 5 of the drinking-water standards (protozoal compliance criteria) (DIA measure).	 100%	100%	 100%	<p>The compliance requirements for protozoa have changed from the Ministry of Health requirements Part 5 of DWSNZ (2005 updated 2018) as of 14 November 2022 to the requirements under the Drinking Water Quality Assurance Rule for implementation from 1 January 2023, which for TCC, requires Rule T3 for membrane filtration (up to 4 log) to be met.</p> <p>The requirements to meet the Protozoa compliance are being monitored and reported in Infrastructure Data which monitors and validates results and the requirements for protozoal compliance have been met.</p> <p>It is noted that Taumata Arowai will not issue an annual report indicating individual council compliance to the Drinking Water Quality Assurance Rules.</p> <p>An independent audit of both the bacterial and protozoa compliance was undertaken by Wai Comply Ltd and confirmed compliance was met for 2023/24 against the Drinking Water Quality Assurance Rules 2022 (DWQAR) and Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (DWS).</p>
	The percentage of residents who are aware of ways they can conserve water and have taken steps to do so.	 83%	≥ 80%	 83%	
We will manage the average consumption of drinkable water.	The percentage of real water loss from Council's networked reticulation system (includes real losses through leaks in the network, non-revenue water and apparent losses through metering inaccuracies or water theft) (DIA measure).	 16.6%	≤ 18%	 16.6%	<p>The water losses reported are for 2022/23 is 16.6% the next water loss assessment will be in October 2024. Water loss is assessed and reported annually. The latest data indicates an improvement from 18.3% reported in 2021/22.</p>



GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will manage the average consumption of drinkable water.	Annual peak demand in litres per capita per day.	 336	≤ 450	 319	Peak day demand was 50,863 m ³ (1 m ³ = 1000 litres) based on a water serviced population of 159,260 in June 2024. The peak day assessment is only assessed in Q3 following the summer peak period. This year the peak day demand occurred in December 2023.
We will manage the average consumption of drinkable water.	The average consumption of drinking water per day per resident within the city based on water leaving the water treatment plants in litres per capita per day.	 268	≤ 330	 261	The water supplied to the city (population 159,260 in June 2024) was 15,191,501 m ³ for the year.
	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site. (DIA measure).	 58 min	≤ 60 min	 45 min	The median response time to attend urgent callouts was 45 minutes. 481 out of 776 (62%) callouts were attended to in under one hour.
	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: b) resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. (DIA measure).	 4hrs 35 min	≤ 5hr	 2hrs 46 min	71% (553 out of 776) callouts were resolved within 5 hours. The median response time to resolve urgent callouts was 2 hours and 46 minutes.

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will manage the average consumption of drinkable water.	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: c) attendance for non-urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site (DIA measure).	 18 hrs 11 min	≤ 24hr	 12 hrs 36 min	80% (1348 out of 1690) callouts were resolved within 24 hours. The median response time to attend non-urgent callouts was 12 hours and 36 minutes.
	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured: d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (DIA measure).	 22hrs 18 min	≤ 28hr	 18hrs 52 min	74% (1253 out of 1690) callouts were resolved within 28 hours. The median response time to resolve non-urgent callouts was 18 hours and 52 minutes.

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will manage the average consumption of drinkable water.	<p>The total number of complaints received by the local authority for any of the following:</p> <p>(a) drinking water clarity; (a) drinking water taste; (b) drinking water odour; (c) drinking water pressure or flow; (d) continuity of supply; and (e) the local authority's response to any of these issues, expressed per 1000 connections to the local authority's networked reticulation system. (DIA measure).</p>	 12.9	≤ 10	 13.48	<p>This is calculated on 61,418 water service line connections with a total of 828 incidents:</p> <p>(a) drinking water clarity - 155 complaints (b) drinking water taste - 171 complaints (c) drinking water odour - 4 complaints (d) drinking water pressure or flow - 101 complaints (e) continuity of supply - 354 complaints.</p> <p>Council's response to any of these issues / other complaints that are not covered by (a) – (e) numbered 43.</p> <p>* Majority of 'Continuity of supply' complaints relates to false call outs and meter that needed to be turned on.</p> <p>* Pāpāmoa East - taste/ odour resulted in a significant number of complaints, arising from an unexpected source water aesthetic issue.</p> <p>* Another large number of water quality CCMS was logged due to an aesthetic discoloured water issue experienced in Central Tauranga mid-June 2024.</p>

GROUPS OF ACTIVITIES

Challenges in 2023/24:

This year brought us an unexpected challenge with our water quality during the busy summer holiday period. Between December 2023 and mid-February 2024, we encountered an unexpected taste and odour issue in our water supply, leading to a significant number of complaints from customers. This issue affected individuals particularly sensitive to certain taste-causing compounds, present in minute quantities (equivalent to one teaspoon of the compound in 200 Olympic-sized swimming pools). To address this, we added powdered activated carbon into the water, effectively removing the offending compounds. However, this process was not an immediate fix. It involved first identifying the problem and then establishing a reliable carbon dosing system.

We were able to successfully manage the issue and restore the water quality and we appreciated the patience and understanding of affected residents as we worked through this situation and remain committed to maintaining the highest standards in our water supply.

Looking ahead

In 2024/25 we will:

- advance the consenting process for the Waiorohi and Tautau source water by 2026. This ongoing effort includes planning, engagement, and field studies to meet regulatory requirements associated with the consenting. Integral to this process is the drafting of the Water Demand Management Plan, expected to be finalized early in the 2024/25 year. This plan details Tauranga's progress towards becoming a water-efficient city. It encompasses initiatives such as the Water Conservation Project, the formulation of a Water Loss Strategy, and collaboration with major water users to promote efficient water usage practices. These efforts aim to ensure sustainable water management practices for the future.
- implement the fluoride directive for water supply from the Director General of Health across all Council's water treatment plants.
- commence the renewal of the Joyce Road technology upgrade. In addition, a mini hydroelectrical unit will be installed and commissioned, which will cover the power requirements for the Joyce Road plant

GROUPS OF ACTIVITIES

Wastewater



What we do

The Wastewater activity provides a network of infrastructure to manage sewage, protecting public health and the natural environment.

The activity collects wastewater from all connected properties in the City and transports it to two treatment plants. The wastewater receives tertiary treatment to a high-quality effluent standard via wetlands and ultraviolet disinfection prior to ocean discharge.

The Te Maunga Wastewater Treatment Plant is being upgraded to accommodate the additional flow and load resulting from the City's growth.

How this affects you

The safe removal of all wastewater from every connected property in the city. High quality effluent returned to the environment that meets community expectations and environmental standards.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

Highlights in 2023/24

We are getting smart about waste

Our wastewater teams have been busy this year helping to look after our environment and protect public health through several initiatives. This year marked the end of the disposal of biosolids (what's left over once sewerage has been treated) from the Te Maunga and Chapel Street Treatment Plants to landfill. Instead, the biosolids are now being composted by worms for beneficial re use, which not only benefits the environment, but it also reduced disposal costs and enabled Council to meet its Waste Minimisation targets for Biosolids ahead of schedule.

We have continued work that started in 2022/23 to de sludge pond 1 at Te Maunga Treatment Plant, successfully removing over 11,000 dry tonnes of stabilised sludge across the two years.

The Wastewater Programme Business Case (WPBC) is a future focussed project looking at the future of wastewater management within the city over the next 30 to 50 years and beyond. The project team which includes tangata whenua representation has progressed to looking at long list options and what investigations might be necessary to inform the selection of a short list of preferred options.

GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS				
	2023/2024 Actual \$000's	2023/2024 Budget \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
Eastern Corridor - Pāpāmoa East	1,122	441	682	Budget was brought forward to complete works on the Opal Drive rising main and Pāpāmoa East pump stations.
Eastern Corridor Trunk Wastewater	3,918	7,312	(3,394)	Compliance issues around uplifting the consent for the Opal Drive pump station have delayed works.
Tauriko Business Estate Capacity Improvements	1,093	50	1,043	Developer reimbursement for council owned wastewater assets not budgeted for in 2024.
Te Maunga Wastewater Treatment Plant upgrade and outfall pipeline	19,234	21,755	(2,521)	Delay with the ground work preparation for the installation of the second bioreactor. Budget has been carried forward to future years.
Te Papa Intensification	611	617	(6)	Minor variance.
Wastewater Reticulation Renewals	10,296	7,104	3,192	Budget brought forward to complete reactive work required as a result of weather events and early renewals around transport works.
Wastewater Reticulation Upgrades	810	2,500	(1,691)	Consenting delays for the Mansels Road renewal and deferred works on Matua Beach Road/Kulim Avenue/Vale Street mains and Churchill Road sewer.
Wastewater Treatment Plant Renewals	1,281	838	443	Budget brought forward to complete unscheduled renewals on Chapel Street roof and Te Maunga outfall building.
Western Corridor - Tauriko West	18	3,663	(3,646)	Scheduled works on Tauriko West temporary pump station rising main was not completed by the developer.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - WASTEWATER				
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF OPERATING FUNDING				
General Rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0
Targeted Rates	40,216	44,615	44,788	173
Subsidies and Grants for Operating Purposes	0	0	0	0
Fees and Charges	2,033	2,097	2,641	544
Internal Charges and Overheads Recovered	2	(1)	907	908
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	0	0	0	0
Total Sources of Operating Funding (A)	42,251	46,711	48,336	1,625
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff and Suppliers	17,263	17,204	28,113	10,909
Finance Costs	6,621	7,518	8,545	1,027
Internal Charges and Overheads Applied	6,959	7,651	6,487	(1,164)
Other Operating Funding Applications	1,500	1,500	47	(1,453)
Total Applications of Operating Funding (B)	32,343	33,873	43,192	9,319
Surplus/(Deficit) of Operating Funding (A-B)	9,908	12,838	5,144	(7,694)

Key Variance Explanations for 2024
Minor variance.
Additional revenue not budgeted from Western Bay of Plenty District Council for treatment of Omokoroa wastewater due to higher quantity processed
Internal interest on reserves was more than budgeted.
Desludging at Te Maunga wastewater treatment plant was accelerated from every ten years to every three years so all costs were brought forward from future years and debt funded. There was also a delay with installing a bioreactor which has increased operational costs as the plant tries to cope with demand.
Changes in LTP capital programme timing and funding through various Annual Plans and an increase to Internal cost of borrowing to reflect Council's external cost of borrowing.
The methodology for overhead charges used in the LTP has been amended to reflect structure changes which is resulting in significant variances against budget.
Lower than budgeted spend from Biosolid Reserve due to timing differences in pond desludging.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - WASTEWATER

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	2,152	400	0	(400)
Development and financial contributions	11,114	11,520	6,733	(4,787)
Increase/(Decrease) in debt	12,241	1,869	4,607	2,738
Gross Proceeds from the Sale of Assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other Dedicated Capital Funding	0	0	0	0
Total Sources of Capital Funding (C)	25,507	13,789	11,340	(2,449)
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	45,619	42,123	25,632	(16,491)
- to improve level of service	2,889	802	711	(91)
- to replace existing assets	10,929	9,995	12,380	2,385
Increase/(Decrease) in reserves	(24,022)	(26,293)	(22,239)	4,054
Increase/ (Decrease) of investments	0	0	0	0
Total Applications of Capital Funding (D)	35,415	26,627	16,484	(10,143)
Surplus/(Deficit) of Capital Funding (C-D)	(9,908)	(12,838)	(5,144)	7,694
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2024**

Grants from Central Government relating to 'shovel ready' projects were received earlier than budgeted in the LTP.

Lower than budget due to fewer building consents being issued as a result of the downturn in the housing market.

After LTP in AP some additional operational loan funding was budgeted for desludging.

Opal Drive pump station work was delayed due to resource consent requirements. Ground preparation works delayed works on the bioreactor 2 at Te Maunga wastewater treatment plant.







Works on the Pāpāmoa wastewater trunk main replacements did not progress.

The programme for renewal works on reticulation and pump stations was escalated.





Delays in growth funded projects means not as much has been funded out of the reserves than was budgeted.

GROUPS OF ACTIVITIES



PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide a reliable, well-maintained wastewater system that is available to all serviced zones.	The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system (DIA measure) .	 0.9	≤2	 1.07	There were 64 instances of sewer overflows reported taking place in dry weather per 59,760 connected properties for 2023/24.
	Compliance with council's resource consents for discharge from its sewerage system measured by the number of: a) abatement notices b) infringement notices c) enforcement orders d) convictions, received by council in relation those resource consents (DIA measure) .	 Nil	Nil	 Nil	There were 0 abatement notice, 0 infringement notices, 0 enforcement orders, and 0 convictions received for 2023/24.
We will provide emergency response to sewage overflows, to minimise risk of safety to persons or damage to property.	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times are measured: a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site (DIA measure) .	 33 min	≤60 min	 26 min	There were 201 instances of overflow resulting from a blockage or other fault in the territorial authority's sewerage system 2023/24.

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide emergency response to sewage overflows, to minimise risk of safety to persons or damage to property.	Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times are measured: b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (DIA measure) .	 2hrs, 46min	≤5 hr	 2hrs, 8min	There were 201 instances of overflow resulting from a blockage or other fault in the territorial authority's sewerage system 2023/24.
We will provide satisfaction to our customers.	The total number of complaints received by council for any of the following: a) Sewage odour b) Sewerage system faults c) Sewerage system blockages d) the council's response to issues with its sewerage system. These are expressed per 1,000 connections to the Council's sewerage system (DIA measure) .	 5	≤10	 3.10	There were 237 instances of complaints reported per 76,353 connected properties

Challenges in 2023/24:

A key project in 2023/24 to provide for Tauranga's current and future growth included the construction of a new bioreactor at the Te Maunga Wastewater Treatment Plant. The project faced some challenges due to ground conditions at the new site, delaying the beginning of construction. This delay also had implications for maintenance of the existing bioreactor. Despite this the team were still able to ensure that the city's wastewater remained treated to very high standard and within consent requirements.

This year also highlighted the ongoing need to continue raising awareness in the community about the danger of blocked pipes and what should and shouldn't be flushed down the toilet and sinks. The end of the year and in the lead up to winter saw a spike in wastewater overflows across the city due mainly to a build-up of fats, oils, and grease within areas of the network. When these are washed into the network they solidify and block pipes leading to overflows that pose a serious risk to public health and our

environment and need to be fixed immediately. Council will continue to raise community awareness about the causes of overflows and what we can do to reduce this impact on our environment.

Looking ahead

In 2024/25:

- construction of Opal Drive Pump Station and storage is due to begin in mid-2024. The new pump station is a key project in providing for current and future growth in Pāpāmoa.
- Te Manga Treatment Plant Upgrades Project including a new bioreactor, clarifier and headworks will continue to provide capacity for current and future growth across the City.
- the Wastewater Programme Business Case will develop a long list of potential options for the future of the City's wastewater system and initiate the investigations and assessments required to inform selection of a short list of preferred options.

GROUPS OF ACTIVITIES

Stormwater



What we do

This activity manages stormwater through infrastructure to receive, treat and dispose of stormwater through a network of soakage systems, pipes, open drains, treatment devices, secondary flow paths, and natural assets. In addition, this activity utilises planning mechanisms such as the City Plan, and education activities.

How this affects you

This activity manages stormwater in an environmentally acceptable way to protect public health and safety whilst managing the effects of population growth.

It provides sustainable long-term solutions acknowledging Te Mana o te Wai and respecting the values tangata whenua place in water resources.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

Highlights in 2023/24

Managing stormwater to protect communities

The importance of stormwater management was brought into sharp focus in 2023, following the historic rainfall and extreme weather events in the first half of the year. In the 2023/24 financial year, Council stormwater teams carried out essential activities that continue to help manage the impacts of such events on our communities and reduce the impact on the environment.

Improving stormwater in high traffic areas

New and improved stormwater quality treatment in high traffic areas, such as Cameron Road Stage One, reduces the level of contaminants discharging into the harbour and the impact on our environment. Council installed a number of treatment devices along Cameron Road to reduce the level of contaminants such as sediment, copper and zinc being discharged through the stormwater network.

Using data to future-proof the city against flooding

This year we updated our stormwater modelling of catchments, such as Matua, to improve Council's and the community's knowledge on potential flooding and overland flow paths within the city. Having this information enables both Council and property owners to make considered decisions around protecting overland flow paths and reducing the potential for flooding of properties and building resilience to increases in events.

Upgrading our flood defences

Teams completed Wairakei culvert upgrades at Longview Drive, Evans Road, Palm Beach Boulevard and Hartford Avenue, improving the stormwater management of the Wairakei Stormwater Corridor.

GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS				
	2023/2024 Actual \$000's	2023/2024 Budget \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
Eastern Corridor - Pāpāmoa East Interchange	560	627	(68)	Minor variance.
Pyes Pā West growth projects	7,175	2,435	4,740	Pyes West dam and wetland 5 were progressed with additional funding from developer contributions to mitigate flood risk to downstream properties and allow development for dwellings on several properties surrounding the wetlands.
Stormwater Level of Service projects	1,649	1,745	(96)	Services related to establishment of the freshwater management tool came in below budget.
Stormwater recovery programme bulk fund	773	325	448	Works carried out and funded by the Stormwater Reactive Reserve were not budgeted.
Stormwater renewals projects	2,202	2,304	(101)	Scheduled reticulation and treatment renewals to assets were completed under budget.
Tauriko Business Estate growth projects	1,293	303	990	Developer works delayed in 2022/23 were carried out under a revised 2023/24 budget.
Te Papa Intensification	4,217	2,724	1,493	Stormwater costs and associated budgets related to Cameron Road Stage 1 were budgeted in Transportation in the Annual Plan but moved to Stormwater during the 2023/24 year. Budget for Cameron Road Stage 2 has been deferred.
Wairakei stream stormwater capital projects	3,654	4,616	(962)	Developer work related to the Emerald Shores culvert upgrade was completed in ahead of schedule in 2022/23.
Western Corridor - Bethlehem	23	1,430	(1,407)	Stormwater projects related to Bethlehem are on hold while a feasibility study is completed, prompted by a change in scope.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - STORMWATER				
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF OPERATING FUNDING				
General rates, Uniform Annual General Charges, Rates Penalties	27,181	28,497	30,066	1,569
Targeted Rates	2,370	2,439	1,603	(836)
Subsidies and grants for operating purposes	0	0	61	61
Fees and charges	10	10	48	38
Internal charges and overheads recovered	0	0	0	0
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	1	1	0	(1)
Total Sources of Operating Funding (A)	29,562	30,947	31,778	831
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff & Suppliers	10,552	10,336	10,811	475
Finance Costs	5,226	5,912	7,788	1,876
Internal Charges and Overheads applied	4,157	4,591	3,002	(1,589)
Other Operating Funding applications	0	0	1	1
Total Applications of Operating Funding (B)	19,935	20,839	21,602	763
Surplus/(Deficit) of Operating Funding (A-B)	9,627	10,108	10,176	68

Key Variance Explanations for 2024
Additional rates required to fund upgrade of flood plans required by Environment Court.
Application of targeted rates was less than budgeted, mainly because of less use of reactive reserve
Minor variance.
Minor variance.
Minor variance.
Upgraded flood plans not budgeted for.
Changes in LTP capital programme timing and funding through various Annual Plans and an increase to Internal cost of borrowing to reflect Council's external cost of borrowing.
The methodology for overhead charges used in the LTP has been amended to reflect structure changes which is resulting in significant variances against budget.
Minor variance.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - STORMWATER

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	3,341	3,675	2,719	(956)
Increase/(Decrease) in debt	14,967	21,896	9,252	(12,644)
Gross Proceeds from the Sale of Assets	0	0	106	106
Lump sum contributions	0	0	0	0
Other Dedicated Capital Funding	0	0	0	0
Total Sources of Capital Funding (C)	18,308	25,571	12,077	(13,494)
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	17,876	11,049	13,616	2,567
- to improve level of service	10,888	21,319	5,723	(15,596)
- to replace existing assets	1,637	1,522	2,269	747
Increase/(Decrease) in reserves	(2,466)	1,789	645	(1,144)
Increase/ (Decrease) of investments	0	0	0	0
Total Applications of Capital Funding (D)	27,935	35,679	22,253	(13,426)
Surplus/(Deficit) of Capital Funding (C-D)	(9,627)	(10,108)	(10,176)	(68)
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2024**

Lower than budget due to fewer building consents being issued as a result of the downturn in the housing market.

Overall capital expenditure requiring loan funding was less than budgeted.

Prior year correction.

Budget was brought forward to complete works on Pyes Pā West dam 5 and wetlands.











Planned upgrades on Awaiti Place have been delayed.

Reactive work on reticulation was not budgeted for.



Due to growth funded projects being brought forward it meant more funding came out of the reserve than was budgeted.

GROUPS OF ACTIVITIES



PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide a conveyance and treatment network to effectively manage stormwater and to deliver safety to persons.	The number of flooding events that occur in a territorial authority district (DIA measure). A flooding event refers to an overflow of stormwater that enters a habitable floor (meaning a building, including a basement, but does not include garden sheds or garages).	 4	No more than one flooding event	 0	0 flooding events for habitable floors were reported from our 61570 connections in 2023/24.
	For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system.) (DIA measure).	 0.06	<1	 0	There were 0 flooding events, therefore the number of habitable floors affected by flooding was 0 per 1000 properties connected to our stormwater system in 2023/24.
We will provide a timely response to a flooding event.	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site (DIA measure).	 37 min	<90 min	 28 min	There were 82 notifications regarding some form of flooding event. The median response time was 0 hours and 28 minutes in 2023/24.
	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel resolve the problem (DIA measure).	 2hr 13 min	<8 hr	 1hr 39 min	There were 82 notifications regarding some form of flooding event, and these were resolved with a median response time of 1 hour and 39 minutes for 2023/24.
We will provide satisfaction to our customers.	The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system (DIA measure).	 3.6	<2	 1.49	Total of 92 requests for service were received per 61570 stormwater connections for 2023/24.

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide a stormwater system that avoids impact on the environment.	<p>Council's stormwater compliance with resource consents for discharge from its stormwater system measured by the number of:</p> <p>a. abatement notices;</p> <p>b. infringement notices;</p> <p>c. enforcement orders;</p> <p>d. convictions received in relation to those resource consents (DIA measure).</p>	 Nil	Nil	 Nil	There were 0 abatement notices, 0 infringement notices, 0 enforcement orders or 0 convictions received with respect to council's compliance with resource consents for discharge from its stormwater system for 2023/24.

Challenges in 2023/24:

Our city's growth and development, together with the increase in extreme weather events, have kept our stormwater management teams busy this year. A key focus has been protecting overland flow paths (the areas where rainfall flows when stormwater drains are too full) and areas prone to flooding from development. And where development is occurring, making sure aging stormwater infrastructure is being upgraded and renewed to meet growing demand and modern quality standards.

The extreme weather events placed additional pressure on Council teams, with an increase in requests from landowners with private ponds and streams requesting maintenance support from council, despite council not carrying responsibility, nor accounting for such work in its budget.

Looking ahead

In 2024/25, we will:

- lodge a comprehensive stormwater consent application for the future growth area of Tauriko West, along with a review of several Catchment Management Plans for the City's existing comprehensive stormwater consents, including the Mount Industrial and Pāpāmoa catchments.
- continue progress on updating stormwater modelling across the city.
- undertake further inclusion of stormwater quality treatment in high priority areas of the roading network being redeveloped, to reduce the level of contaminants discharging to the environment.

GROUPS OF ACTIVITIES

Sustainability and waste



What we do

The Sustainability and Waste activity enables the Council and community to take action to improve their sustainability performance and contributes to the protection of public health and the environment through managing the collection and disposal of the community's waste. It focusses on:

- Reducing and recovering waste within the City
- Reducing energy consumption and carbon emissions within Council operations
- Applying the latest proven, and cost effective waste and sustainability approaches
- Collection of information and data to enable effective decision-making
- Ensuring waste is transported to approved waste facilities for treatment, recovery and/or disposal
- Providing comprehensive sustainability and waste programs
- Supporting Council activities to deliver improved sustainability outcomes for both corporate operations and individuals in the community.

How this affects you

The Sustainability and Waste activity supports both the Council and community to improve its sustainability performance and ensure the protection of public health and the environment via managing the collection and disposal of the community's waste. This activity aims to achieve the outcomes within the 2016 Waste Management and Minimisation Plan (WMMP); implement Council's corporate Energy Management Action Plan, develop a refreshed corporate sustainability framework and achieve and maintain Council's Certified Emissions Measurement and Reduction

Scheme (CEMARS) certification. The activity will contribute to the development and implementation of a City-wide Environmental Strategy.

While the activity is primarily focused on the environmental aspect of community well-being through its education programmes and community activities also has a social focus. The implementation of kerbside recycling and effective management of waste facilities aims to ensure the economic wellbeing of the community. The activity is also actively working with Hapu and Iwi about the way the activity is managed and how the activity can be even better in the future.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

Highlights in 2023/24

We are now recycling more than we're throwing away

Tauranga residents diverted an impressive 53% of their household waste from landfill using the kerbside collection service this year. This means that more food scraps, recycling, glass, and garden waste was either recycled or composted, than rubbish that was sent to landfill.

Just under 17,500 Tauranga households have now signed up to the kerbside garden waste collection service. This is 28% of all residential households that have chosen to opt in for this service and have collectively diverted 5,772 tonnes of garden waste from landfill.

GROUPS OF ACTIVITIES

Managing the rubbish generated by our summer visitors

We upgraded litter management services to deal with the increase in visitors over the summer period, through increased litter collection and an upgrade and refreshment of the additional litter bins that are installed over this period to keep Tauranga looking beautiful

Our hard work is getting noticed

In recognition of Council's targets and actions to reduce emissions and reach net-zero by 2050, we were granted the Local Government Funding Agency's Climate Action Loan rate, which will save the city around \$200k annually in reduced borrowing costs.

In May 2024, our Resource Wise Programme, which is in its 10th year, was awarded best initiative to reduce waste and redesign products at the Waste MINZ Excellence awards for its efforts in diverting 1118.9 tonnes or 60% of the members' collective total waste from landfill over the past 10 years. In 2023/24, the programme engaged with 53 schools and businesses, of these we have audited 23 participants' waste to help us identify the key problem products and make recommendations for improvement.

SIGNIFICANT CAPITAL PROJECTS

	2023/2024 Actual \$000's	2023/2024 Budget \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
Kerbside Waste Collection Capital Works	0	895	(895)	Lower bin volumes required in 2023/24 due to surplus bins available in stock.
Miscellaneous renewals	227	101	127	Renewals budget from previous years was carried forward to 2023/24 which shows as an overspend against Annual Plan.
Waste Facilities Redevelopment	781	9,902	(9,121)	Upgrade of Te Maunga Resource Recovery Park was delayed due to change in scope.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - SUSTAINABILITY AND WASTE

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF OPERATING FUNDING				
General rates, Uniform Annual General Charges, Rates Penalties	4,767	5,623	7,434	1,811
Targeted Rates	11,915	12,731	13,603	872
Subsidies and grants for operating purposes	535	551	2,317	1,766
Fees and charges	58	60	403	343
Internal charges and overheads recovered	0	0	0	0
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	0	0	0	0
Total Sources of Operating Funding (A)	17,275	18,965	23,757	4,792
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff & Suppliers	11,762	12,966	14,447	1,481
Finance Costs	357	461	358	(103)
Internal Charges and Overheads applied	3,208	3,503	3,109	(394)
Other Operating Funding applications	0	0	0	0
Total Applications of Operating Funding (B)	15,327	16,930	17,914	984
Surplus/(Deficit) of Operating Funding (A-B)	1,948	2,035	5,843	3,808
SOURCES OF CAPITAL FUNDING				

**Key Variance
Explanations for 2024**

Additional rates required to fund operational spend relating to sustainability initiatives not budgeted in the LTP.

Rating units higher than originally anticipated in LTP and higher uptake in optional bin services generated a favourable variance to budget

Waste Levy Revenue was higher than budgeted in the LTP. The annual allocation provided by Central Government is difficult to forecast.

Sale of glass collected at kerbside was higher than budgeted.

Additional costs relating to resource consents and operational projects not budgeted in the LTP

Decrease in anticipated borrowing relating to capital projects not delivered

The methodology for overhead charges used in the LTP has been amended to reflect structure changes which is resulting in significant variances against budget.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - SUSTAINABILITY AND WASTE

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
Subsidies and grants for capital expenditure	9,811	0	3,889	3,889
Development and financial contributions	0	0	0	0
Increase/(Decrease) in debt	6,201	1,602	(3,947)	(5,549)
Gross proceeds from the sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total Sources of Capital Funding (C)	16,012	1,602	(58)	(1,660)
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	16,893	2,543	1,433	(1,110)
- to replace existing assets	294	104	227	123
Increase/(Decrease) in reserves	773	990	4,125	3,135
Increase/ (Decrease) of investments	0	0	0	0
Total Applications of Capital Funding (D)	17,960	3,637	5,785	2,148
Surplus/(Deficit) of Capital Funding (C-D)	(1,948)	(2,035)	(5,843)	(3,808)
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2024**

Grant from Central Government relating to prior years was received in 2023/24.

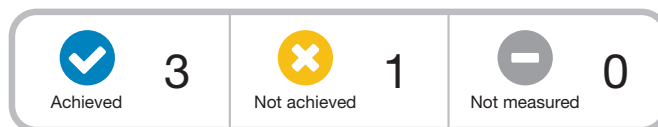
Lower than budgeted capital expenditure has decreased borrowing requirements.









Upgrade of Te Maunga Resource Recovery Park was delayed, due to change in the scope to ensure the project is future proofed.

Higher than anticipated costs incurred on minor renewals programme.

Grant from Central Government relating to prior years was received in 2023/24 which went into a reserve.

GROUPS OF ACTIVITIES



PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide a rubbish collection service to all residential properties in urban and rural-residential areas.	Percentage of residents that are satisfied with Council run rubbish collection service.	 71%	75%	 82%	
We will provide transfer stations and maintain closed landfill sites.	Transfer stations provide customers with a seven day service for refuse and green waste facilities and free access to a recycling centre (except on Good Friday, Christmas Day and New Years' Day).	 Achieved	Achieved	 Achieved	In total, Te Maunga Transfer Station remained open to all customers seven days a week and Maleme St Transfer Station remained open to commercial account holders six days a week in 2023/24. Both Transfer Stations remained open except for Christmas Day, New Year's Day, and Good Friday in 2023/24.
	Number of abatement notices/infringements issued in relation to closed landfill resource consents.	 Nil	Nil	 Nil	
Providing behaviour change programmes across community that target community behaviours and lead to a reduction of waste to landfill.	Average amount of waste sent to landfill per capita/per annum based on current operating environment.	 466 kg	450 kg	 488.7 kg	During 2023/24, the total average amount of waste sent to landfill per capita/per annum based on current operating environment was 488.7 kg. Construction and demolition waste diversion presents an opportunity to further drive a reduction in total waste to landfill per capita. Facility upgrades/new facilities and behaviour change programmes are planned to enable this diversion.

GROUPS OF ACTIVITIES

Challenges in 2023/24:

Climate change is a complex, long-term challenge that requires immediate and persistent action. We expect to continue to face challenges in obtaining sufficient funds to build the long-term resilience of our communities and city.

A number of other challenges at the operations level this year included: the increase in illegal dumping in the community, resulting in increased costs to Council to clean up; our lack of processing facilities in Tauranga for construction and demolition waste meant we were unable to offer those in the sector viable solutions for diversion of that waste from landfill. The initial Te Maunga Transfer Station Redevelopment experienced a significant cost increase, causing the project to be halted. However, this pause allowed for better planning to ensure that future infrastructure development would be more cost-effective and community focused; and lastly we had some challenges through the consenting process for the Te Maunga Closed Landfill and allowing enough time to understand the full impacts of the existing discharges and other activity impacting Rangataua Bay.

Looking ahead

In 2024/25, we will:

- deliver a wide range of actions as identified in the city's Climate Action & Investment Plan, including opening a fund for community groups to help them respond to climate change.
- continue to deliver waste collection and processing services for Tauranga households.
- plan, design, and upgrade areas of Te Maunga Transfer Station that are critical to safe and efficient operations.
- install new designs on trucks that collect litter and illegal dumping, and service public litter bins across the city.
- deliver a significant litter bin renewal programme to refresh old litter bins in the community.
- develop a waste infrastructure plan for Tauranga city for the next 20 years, which will include a new publicly accessible transfer station for the North-West.
- work together with local iwi to identify ways to reduce the impacts of discharges associated with the closed Te Maunga Landfill and lodge consenting applications for the three consents (air, stormwater, and leachate).

GROUPS OF ACTIVITIES

City and infrastructure planning



What we do

The City & Infrastructure Planning activity is responsible for the preparation of City Plan, plan changes, and implementation issues within the statutory requirements of the Resource Management Act 1991 plus technical input into the SmartGrowth partnership. This includes responsibility for leading greenfields structure planning and intensification spatial planning.

It provides professional policy and technical advice to Council on national, regional, sub-regional and local planning and growth management issues and practice.

The activity monitors national, sub-regional and local population and land-use trends so that good information is available for Council policy development and decision making.

The activity is responsible for ensuring land use and infrastructure planning is undertaken in an integrated manner. The team is responsible for progressing transport, water supply, wastewater, stormwater and resilience planning for the City in conjunction with the Infrastructure Group.

This includes input into Waka Kotahi NZ Transport Agency (NZTA) projects. The team is also responsible for growth funding through development contributions, developer agreements and new funding sources such as IFF levies.

How this affects you

The activity has an active role in promoting sustainable management of Tauranga City's natural and physical resources for existing and future people and communities with a focus on taking an integrated land use and infrastructure approach to managing the city's current and future population and urban growth.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

Highlights in 2023/24

Enabling Housing Supply through Intensification

Plan change 33 (Enabling Housing Supply) responds to the government directive to make changes to housing rules to allow greater density of housing within certain areas of Tauranga. We are short of homes, and there's little choice in the type and size of dwellings we can live in. To help address these issues, Tauranga needs to grow up as well as out, and we have been given strict direction from the government to enable this. Plan Change 33 became operative in part on 26 June 2024. Council received the decision from the Minister responsible for RMA Reform on Thursday 27 June 2024, who accepted Council's alternative recommendation on increased heights in Mount Maunganui North. The Plan change became 'operative in full' on 17 July 2024.

Mount Maunganui

The Mount to Arataki area is a unique place, reflected in the amount of people who have decided to call it home. The Mount to Arataki Spatial Plan (MSP) sets a 30-year vision for the area, addressing the opportunities and challenges that growth will bring, to enhance the wellbeing of this neighbourhood now and in the future. The plan along with the Mount Industrial Planning Study have now been completed and adopted by Council.

Greenfield Plan Changes

In order to increase the amount of land available for both residential housing and business use, zoning changes have been notified for a number of areas around the city including Tauriko West, Tauriko Business Estate and Upper Ohauti.

GROUPS OF ACTIVITIES

Smartgrowth

The SmartGrowth Strategy, developed by Council, Western BoP District Council, BoP Regional Council, and tangata whenua, is our plan to manage growth. It considers how housing, land, infrastructure, transport, community development, tāngata whenua aspirations, and the natural environment need to be looked at together to achieve effective long-term growth.

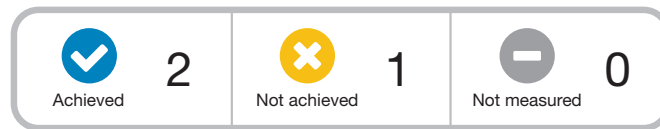
The SmartGrowth Strategy (including the Future Development Strategy) will make sure that as our sub-region continues to grow, we're ready to manage it in a proactive way. We have now completed the update of this strategy and it has been adopted.



TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - CITY AND INFRASTRUCTURE PLANNING					Key Variance Explanations for 2024
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's	
SOURCES OF OPERATING FUNDING					
General rates, Uniform Annual General Charges, Rates Penalties	13,674	14,047	8,293	(5,754)	Rates less than budgeted as a result of expenditure being under budget.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	1,214	641	23	(618)	Grants from NZTA have been moved to transport due to an organisational restructure
Fees and charges	1,422	1,463	1,586	123	Minor variance
Internal charges and overheads recovered	0	0	0	0	
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	0	0	0	0	
Total Sources of Operating Funding (A)	16,310	16,151	9,902	(6,249)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	14,304	12,527	9,758	(2,769)	Consultancy and legal costs are lower than budgeted due to delayed hearings for plan changes.
Finance Costs	263	287	320	33	Minor Variance
Internal Charges and Overheads applied	3,180	3,458	1,708	(1,750)	The methodology for overhead charges used in the LTP has been amended to reflect structure changes which is resulting in significant variances against budget.
Other Operating Funding applications	0	0	1	1	
Total Applications of Operating Funding (B)	17,747	16,272	11,787	(4,485)	
Surplus/(Deficit) of Operating Funding (A-B)	(1,437)	(121)	(1,885)	(1,764)	

GROUPS OF ACTIVITIES



TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - CITY AND INFRASTRUCTURE PLANNING					Key Variance Explanations for 2024
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's	
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	2,940	1,890	2,244	354	Loan funded operational projects carried over from previous year.
Gross Proceeds from the Sale of Assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other Dedicated Capital Funding	0	0	0	0	
Total Sources of Capital Funding (C)	2,940	1,890	2,244	354	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	0	0	0	0	
- to replace existing assets	0	0	0	0	
Increase/(Decrease) in reserves	1,503	1,769	359	(1,410)	Rate funded debt retirement assumptions changed in the AP from what was in the LTP.
Increase/ (Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	1,503	1,769	359	(1,410)	
Surplus/(Deficit) of Capital Funding (C-D)	1,437	121	1,885	1,764	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

GROUPS OF ACTIVITIES





PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will develop and review the City Plan, including public consultation, to guide the growth of the City and the provision of land able to be developed for the next 10 years	Percentage of building consents approved for new dwellings that will be located in the zone(s) where permitted (refer City Plan zones)	 100%	100%	 100%	<p>% of building consents approved for new dwellings that will be in the zone(s) where permitted (refer City Plan zones) was 100% for 2023/24.</p> <p>From 1 July 2023 to 30 June 2024, 312 distinct building consents have been issued for new dwellings. A total of 500 new dwellings have been consented (43 building consents have more than 1 dwelling unit proposed) and will be in the zones where new dwellings are permitted in the City Plan</p>

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will deliver and monitor a planning framework for the city that provides sufficient development capacity to accommodate ongoing growth	Compliance with the National Policy Statement for Urban Development Capacity which require 3, 10 and 30 years of development capacity and infrastructure capacity to be provided/identified along with additional buffers	 Not achieved	Short-term compliance achieved	 Not achieved	<p>The 2022 Housing and Business Assessment (HBA) identified a short-term (next three years) housing shortfall for Tauranga City as of 30 June 2022 of 724 dwellings, rising to a 1,412 dwelling shortfall when the required NPS-UD competitiveness margin of 20% was applied.</p> <p>- From 1 July 2022 to 30 June 2024, 978 less dwelling consents for additional dwellings were issued than projected demand for this period (i.e., 1,338 dwelling consents issued vs 2,316 dwellings projected).</p> <p>- While consent issue indicates less dwelling uptake has been realised than projected, and more dwelling supply remains as a result, short term non-compliance with supply as quantified in the 2022 HBA remains. The lower than projected delivery of additional dwellings means that the existing housing supply shortfall increases.</p> <p>Plan Change 33: Enabling Housing Supply, and upcoming Tauriko West and Ohauti South City Plan changes to enable residential development are expected to assist in reducing non-compliance with the NPS-UD housing requirements but not fully address the identified shortage of development capacity.</p> <p>TCC has written to the Minister of the Environment, as required per the NPS-UD and advised of the non-compliance. Discussions continue with central government as to interventions which could be implemented to address the housing shortfall.</p>

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide a Development Contributions Policy which enables collection of development contributions to fund growth-related capital expenditure	Ensure DC policy is current and updated annually with the Annual or Long-term Plan	 100%	100%	 100%	Council adopted the Development Contributions Policy 2023/24 in June 2023. Council adopted the new Development Contributions Policy 2024/25 in April 2024 to apply from 1 July 2024.

Challenges in 2023/24:

It is no secret that Tauranga face issues around land shortage and housing affordability, and while several plans and policy changes to help relieve those issues are in place or underway, we are working in a challenging environment to meet our growth demands.

While progress is being made to address housing and business land shortfalls, in the 2023/24 year the short-term shortfalls continued to increase. Other projects took longer to complete than anticipated, for example, Te Tumu structure planning and Plan Change 27 (Flooding from Intense Rainfall), due to a range of complex issues.

We expect infrastructure cost increases, funding constraints, and development feasibility challenges to continue to be substantive challenges affecting project deliverability and the ability to achieve desired outcomes, such as affordable housing.

Looking ahead

In 2024/25 we will:

- complete the Tauriko West, Tauriko Business Estate and Upper Ohauti plan changes.
- progress the Te Tumu, Keenan Rd and Business Land plan changes toward notification.
- focus on addressing infrastructure cost, funding, and development feasibility funding.

GROUPS OF ACTIVITIES

Community services



Activities Include

- Arts and Culture
- City Centre Development
- Community Partnerships
- Elder Housing
- Libraries
- Venues and Events

What we do

We educate and support community organisations and internal teams.

We also:

- manage the Tauranga Heritage Collection, Baycourt and the Historic Village
- help fund Tauranga Art Gallery and The Elms
- manage relationship agreements with Creative Bay of Plenty and The Incubator
- add economic value to the city centre through the upgrade of the Civic Precinct and the Waterfront
- encourage greater visitation to the city centre by providing spaces and activities that encourage people to visit the city centre
- increase collaboration with the private sector to support opportunities for the growth and development of the city centre
- work to help build a city centre that is a great place to live, work, learn and play
- encourage a sense of pride and ownership people feel in their city
- approve events on Council's public open spaces (parks, roads etc.)
- provide financial support to events
- provide civic events such as ANZAC Day commemorations
- provide 246 elder housing units within nine villages

How this affects you

We improve social equity while building a sense of community, mana and regional identity. Our activities attract visitors to Tauranga.

The city centre is the commercial heart of Tauranga, providing employment and other economic activity. It produces environmental, economic, and social benefits by enabling the interaction of people for business, cultural and social activities.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

GROUPS OF ACTIVITIES

Highlights in 2023/24

This year, we delivered a wide range of activities to build and celebrate the richness of Tauranga's communities, from our ethnic women's swimming programme to providing precooked meals for people aged over 65, from hosting world class Jazz to welcoming the Netherlands football team for the FIFA Women's World Cup, and everything in between:

- 1 Our history scavenger hunt and stand for Children's Day was very popular and was an effective way to get information about the Tauranga Museum project out to the community.
- 2 Established and continuing to build on existing relationships with arts & culture organisations. A particular highlight was spending time with Creative New Zealand and the Arts Foundation when they visited as part of their roadshow.
- 3 Delivery of Super Support; a community-led pilot programme supported by Council to provide precooked meals and basic pantry supplies for people aged over 65.
- 4 Selected as a finalist in the annual Diversity Works awards in the 'Respectful Culture' category. Diversity Works is the national body for workplace diversity, equity, and inclusion. Winners will be announced in August 2024.
- 5 Supporting the health and wellbeing of our ethnic communities through the ethnic women's swimming programme, establishment of a work programme in collaboration with other local stakeholders around ethnic community health, and Council support through the Community Grant Fund to Diversity Counselling NZ to support free counselling for culturally diverse communities.
- 6 Library Collections for lending adapted to changing needs of the community by adding World languages, dementia friendly, book-club kits and borrowable technology. Use of the digital library resources was 200% of the target.
- 7 Early Childhood Centres have embraced library outreach service with 900 preschoolers visiting in two months, with 100% positive feedback from the childcare centres stating we're successfully supporting early literacy and encouraging a love for stories.
- 8 The Cargo Shed was successfully relaunched as an events space in May 2023 after extensive earthquake strengthening and building restoration works. It hosted 64 events (averaging more than one per week in its first year of operation, an encouraging result) including a number of high-profile events such as DayBreak - Festival of Innovation, Tauranga Arts Festival and The Bay of Plenty Wedding Show. The day-to-day operation of the century-old facility is managed by Baycourt Community & Arts Centre.
- 9 Hosted the Netherlands football team for the FIFA Women's World Cup in July 2023, a major event for Aotearoa. The team were welcomed to the city with a formal pōhiri which was followed by an open training session with the community and an array of local, national and international media outlets. The Venues and Events team worked with Bay Oval, the Dutch Embassy and city partners to support the Netherlands team during their time here.

GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS

	2023/2024 Actual \$000's	2023/2024 Budget \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
Civic Rebuild Capital Programme - Library	11,389	27,850	(16,461)	Delivery of the project will be later than initially planned in the LTP 2021-31. Upon completion of the design work the project was re-phased to match delivery anticipated per the external project manager's cashflow. Construction commenced near the end of the 2023/24 financial year and is scheduled to complete in 2026/27.
Civic Rebuild Capital Programme – Museum, Exhibition Gallery and Civic Whare	6,290	7,457	(1,167)	Design work was completed in June 2024. These costs were lower than initially anticipated in the Annual Plan, which were based on initial estimates. These estimates have been subsequently refined and re-phased by the external project manager as the project has progressed, along with the remaining costs of the overall build to assist with the efficiency of the over-arching Te Manawataki o Te Papa programme of work. Site work has now commenced and construction is anticipated to begin in late 2024.
Elder Housing Disposal	(23,417)	0	(23,406)	Sale of Pitau village was originally budgeted for in 2022/23 year.
Historic Village Infrastructure Upgrade	3,157	1,662	1,495	Complex 2 upgrade project had further budget approved during the year via Council to cover the cost of unforeseen structural and seismic building issues.
Historic Village Renewals	779	692	87	Building renewals overspent due to a significant amount of work needed on Building 52 to bring it up to a suitable state for tenancy. Given the age and condition of the building, a number of unforeseen issues needed to be dealt with onsite to complete the project and achieve compliance with building codes.
Library buildings renewals	247	86	162	Carry forward from previous year. Favourable variance against the revised budget (\$380k)
Library stock	1,073	1,052	21	Minor overspend for library stock renewals.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - COMMUNITY SERVICES					Key Variance Explanations for 2024
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's	
SOURCES OF OPERATING FUNDING					
General rates, Uniform Annual General Charges, Rates Penalties	28,247	29,304	32,985	3,681	Increased rates requirement due to increased operational spend across Historic Village, Libraries, Arts & Culture and City Events.
Targeted Rates	5,505	5,873	3,500	(2,373)	Timing of targeted rate differed due to civic centre projects under Libraries. This was rebudgeted in the 2023/24 Annual Plan.
Subsidies and grants for operating purposes	168	172	622	450	Increased subsidy revenue in City Events to offset unbudgeted events funding during the year.
Fees and charges	2,180	2,287	2,218	(69)	Minor Variance
Internal charges and overheads recovered	0	0	(10)	(10)	Minor Variance
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	0	0	37	37	Minor Variance
Total Sources of Operating Funding (A)	36,100	37,636	39,352	1,716	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	22,299	22,309	34,151	11,842	Following completion of 2021-31 LTP, a restructure of city centre activities re-aligned CBD development costs into a single activity. Capital budgets on several projects were also converted into operational budgets to cover costs on initial planning phases. Libraries, Events and Arts and Culture had additional salary costs. Historic Village had a larger spend on repairs & maintenance than expected.
Finance Costs	705	1,199	1,703	504	Changes in LTP capital programme timing and funding through various Annual Plans and an increase to Internal cost of borrowing to reflect Council's external cost of borrowing.
Internal Charges and Overheads applied	8,046	8,725	8,143	(582)	The methodology for overhead charges used in the LTP has been amended to reflect structure changes which is resulting in significant variances against budget.
Other Operating Funding applications	22	22	(2)	(24)	Minor Variance
Total Applications of Operating Funding (B)	31,072	32,255	43,995	11,740	
Surplus/(Deficit) of Operating Funding (A-B)	5,028	5,381	(4,643)	(10,024)	

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - COMMUNITY SERVICES

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	6,510	6,510
Development and financial contributions	0	0	0	0
Increase/(Decrease) in debt	8,196	35,533	22,744	(12,789)
Gross Proceeds from the Sale of Assets	0	0	16,730	16,730
Lump sum contributions	0	0	2	2
Other Dedicated Capital Funding	0	0	0	0
Total Sources of Capital Funding (C)	8,196	35,533	45,986	10,453
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	8,677	39,488	21,460	(18,028)
- to replace existing assets	2,880	2,656	(4,134)	(6,790)
Increase/(Decrease) in reserves	1,667	(1,230)	24,017	25,247
Increase/ (Decrease) of investments	0	0	0	0
Total Applications of Capital Funding (D)	13,224	40,914	41,343	429
Surplus/(Deficit) of Capital Funding (C-D)	(5,028)	(5,381)	4,643	10,024
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2024**

Better Off Funding grants received in relation to new museum, exhibition gallery and civic whare.

During the progressions of the Te Manawataki o Te Papa design phase, funding assumptions and timelines for delivery have been refined.

Proceeds from sale of Pitau Elder Housing Village which settled a year later than budgeted in the LTP.

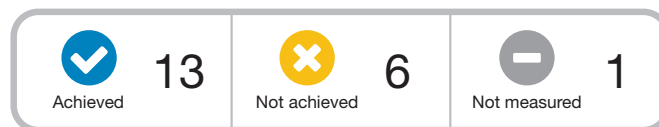
Minor Variance







Re-phasing of majority of 2023/24 budgets particularly in the city centre and library.

Reclassification of funding relating to prior year Elder Housing purchase.















Proceeds from sale of Pitau elder housing village went into a reserve.

GROUPS OF ACTIVITIES









PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
Arts & Culture We will facilitate, support and advocate for the arts in Tauranga including management of relationships with Creative Bay of Plenty, Tauranga Art Gallery, and The Elms	Number of community facilitations undertaken	 112	30	 86	There have been a total of 86 facilitations undertaken with arts and culture organisations and community members. Highlights were having some one-on-one time with Creative New Zealand and The Arts Foundation when they visited on their roadshow and the Community Arts Advisor also hosted a catch-up with the leaders of Tauranga's arts sector organisations to build partnerships and collaboration.
	Number of proposals received for the Creative Communities Scheme	 62	65	 74	We were impressed by the number of high-quality applications that we received for Creative Communities Scheme. Because of this, we had allocated all of the funds by March 2024. The next funding round will be held in Q1 2024/25.
We will provide a museum collection which is available to the community, whilst safeguarding historical and culturally important items.	The number of items loaned to schools through the Hands On Tauranga service	 546	300	 741	The total number of items loaned to schools through the Hands on Tauranga service is 741. The total number of: <ul style="list-style-type: none"> • Objects used for Outreach in schools was 448. • Students that experienced an Outreach session was 5244. • Teachers, libraries and art gallery staff, and Elms volunteer educators who received a professional development session from the museum educator was 221.







GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
Community Partnerships We will facilitate social outcomes by working with other organisations, and coordinate approaches to enable community-led initiatives and community capacity building	Number of proposals received for the Match Fund	 132	30	 62	
	Number of proposals received for the Community Grant Fund	 185	5	 90	
	Community projects contributed to by Project Tauranga partners each year	 Not Measured	8	 Not Measured	Project Tauranga has been discontinued.
Libraries Resources for information, reading and recreation are provided digitally	Virtual visits total	 1,668,389	500,000	 1,192,040	The number of virtual visits was 1,192,040. The high result compared to target shows the continued popularity of access to the libraries website, catalogue and Pae Koroki Tauranga Archives Online.
Library spaces are community hubs for place making in the city centre and neighbourhood centres	Visits to Council Libraries (all four combined)	 617,513	600,000	 701,455	There were 701,455 total visits to our libraries. This was a good result showing a 14% increase since previous year. The programme of events and activations at all locations contributed to increased visitor numbers.
	Residents' satisfaction with library services	 87%	75%	 90%	
Programmes, events and learning opportunities build skills and connect our community	Number of participants in all programmes	 29,519	28,600	 36,118	The total number of participants in all programmes was 36,118. The high numbers of participation in programmes and events contributed to the overall increase in visitors to all library locations.

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
Venues & Events Provide a comprehensive and fully functional performing arts venue, which is for use by the community and to attract high quality performing arts events to our city.	Number of patrons attending ticketed events at Baycourt	 59,038	70,000	 64,541	The total number of patrons that attended ticketed events at Baycourt was 64,541. Despite not achieving this measure, we have seen a 9% increase in attendance this year. The target of 70,000 tickets has only been achieved once in the past seven years demonstrating the ambitious nature of this target. Despite this measure not being achieved, the result demonstrates a reassuring stabilisation in annual results not experienced since the peak in 2017/18.
	Level of satisfaction based on monthly survey of hirers to Baycourt	 87%	80%	 94%	The total level of satisfaction based on monthly survey of hirers to Baycourt was 94%. A total of 24 survey responses were collected across the year.
Deliver a diverse programme of arts experiences and events through a year-round programme.	The number of event days that Baycourt is occupied from total possible available days using booking information.	 250	280	 239	Of the 282 days available to be booked this year, a total of 239 days (or 85%) were utilised for events at Baycourt. Compared to the previous seven years as a percentage of available days, the 2023/24 result is the most successful on record. With 84 days unavailable this year due to planned/ necessary maintenance, Christmas/New Year closure, and venue prep and reset days etc., there were a maximum of 282 days that could be booked this year - the target of 280 event days therefore represents 99% venue utilisation. This KPI has an ambitious target, and it is unsurprising therefore it was not met.







GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
Venues & Events We will provide a well maintained and managed Historic Village as a community facility, available for commercial and community tenancies and as a function and events venue	Number of annual visitors to Historic Village	 225,239	250,000	 229,112	The total number of visitors to the Historic Village 229,112, 20,888 behind target. However, this year's gate entries were up on last year by 3,873 entries. While we had more community events this year, attendees to the events were down on previous throughput.
	Occupancy rate of Historic Village leasable village space	 86%	95%	 93%	The total occupancy rate of Historic Village leasable village space was 93%. Missed target by 2%. This is a good result overall when taking disruption caused by capex works into consideration.
	Occupancy rate of Historic Village hireable venue space	 8%	35%	 5.5%	The total occupancy rate of Historic Village hireable venue space was 5.5%. To put this into context during Q4 we hosted 100 events at the Historic Village and venues were occupied for a total of 956.5 hours.

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
<p>Venues & Events</p> <p>We will invest in and/or attract events to Tauranga that meet the objectives of the Legacy and Major Event Funds</p>	<p>Number of visitor nights as a direct result of Legacy and Major Event Fund investments</p>	<p>149,733</p>	<p>85,000</p>	<p>133,608</p>	<p>Total number of visitor nights as a direct result of delivered events in 2023/24 for:</p> <ul style="list-style-type: none"> Legacy Event Fund investments was 97,054 Major Event Fund investments was 36,554 <p>List of Legacy events delivered:</p> <ul style="list-style-type: none"> Zespri AIMS Games Tauranga Arts Festival Tauranga City to Surf Tinman Triathlon A Night Before Christmas EVES Surfbreaker triathlon 23/34 Beach Volleyball Series Tauranga Half (Mount Festival of Multisport) Eastern Regional Championships (Surf Lifesaving) Oceans 2023 Surf Lifesaving Marra Sprint Triathlon Tauranga Multicultural Festival National Jazz Festival Generation Homes Mount Swim <p>List of Major events delivered:</p> <ul style="list-style-type: none"> The Classic NZ Festival of Squash T20 Blackclash Blackcaps vs Bangladesh Blackcaps vs South Africa Ultimate Athlete

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
Venues & Events We will invest in and/or attract events to Tauranga that meet the objectives of the Legacy and Major Event Funds	Total "Net Benefit" contribution of events within the Legacy and Major Event Funds	 \$8,869,954	\$5.5M	 \$7,329,391	The investment is the Event Fund and amount we contributed to events from that fund was \$726,500 which resulted in those events delivering a Net Benefit to the city of \$7,329,391. It is down from the previous year due to the 2022/23 year being boosted by the England v Black Caps test which attracted high visitation and spend in the city over the 5 days. We didn't have a test nor event of that calibre in the 2023/24 period.
	Percentage of all Event Funding Framework supported events held in off-peak months (i.e. April to November)	 59%	50%	 47.67%	The total was 47.67% The National Jazz Festival, funded through the Legacy Event Fund, is historically held over Easter weekend which fell early this year affecting the end of year result.
We will deliver successful council-led events.	Public attendees are satisfied or very satisfied (via survey) with the council-delivered event they attended	 90%	85%	 96%	The total % of public attendees who are satisfied or very satisfied (via survey) with the Council-delivered event they attended is 96%. The total list of Council-delivered event(s) from 01 July 2023 to 30 June 2024 are: <ul style="list-style-type: none"> • Tauranga Moana Bomb Comp (Dec 2023, surveyed) • New Year's Eve Community events (Dec 2023, community events cancelled due to weather, fireworks still delivered) • Children's Day (Mar 2024, surveyed) • Anzac Day (Apr 2024)

GROUPS OF ACTIVITIES

Challenges in 2023/24:

Balancing community expectations with funding constraints poses challenges in any year, but particularly this year in anticipation of the Long-term Plan 2024-34 and the establishment of the new community funding policy. Our new Community Arts Advisor was central to helping build trust between Council and different organisations.

Alongside funding constraints, a lack of fit-for-purpose venues, spaces, and accommodation in Tauranga to meet the increasing demand and growth in scale of events has resulted in the city missing out on major events. The need to retrofit venues to meet industry expectations is ongoing and places additional pressure and challenges not only on staff but also on the event industry.

And sometimes it is just the things we can't control - extreme weather on the night of New Year's Eve 2023 resulted in the cancellation of all five Council community celebrations, however, we successfully delivered several fireworks displays across the city for the community to enjoy.

Homelessness in the Western Bay of Plenty region is an ever-increasing issue. Our work programme reflects initiatives that proactively increase collaboration in both prevention of homelessness and support for those experiencing homelessness and housing stress.

This year, problematic customer behaviour caused threats to safety. Collaboration with agencies and other council teams has been important and some of the mitigation measures included physical changes to spaces and furniture inside and around buildings, security protocols and policies.

Looking ahead

In 2024/25, we will:

- implement the Safer Communities Action and Investment Plan to strengthen relationships and improve safety and perceptions of safety in our city.
- launch the youth special interest group, expanding a portfolio of youth voluntary interns, and convening a youth sector steering group to support the Mahi Tuturu 2.0 youth sector review.
- supporting more grass roots Kaupapa Māori initiatives by empowering and supporting ropū (groups) to achieve great things in their hāpori (community).
- improve accessibility for our disabled community with Skillet's Access Maps, a guide to exploring our city with ease, with essential information including detailed accessibility reports for locations across the city, accompanied by photos highlighting features such as mobility parking, onsite accessible toilets, and accessible picnic tables.
- start building the new Library Community Hub. The fit out of the spaces is being planned in consultation with community groups.
- launch a Tauranga events website and associated social media platforms. This is in response to community feedback which has indicated that the greatest barrier to people attending events in our city is a lack of awareness about what's on. It will be supported by marketing promotion to share the information with our community and drive traffic to these digital platforms.
- open a new venue at The Historic Village, which is expected to host weddings, conferences, meetings, and celebrations. The first half of the financial year will be focused on procuring equipment and fitout, securing tenants where applicable and marketing and booking events for the new space.

GROUPS OF ACTIVITIES

Community, people and relationships



Activities Include

- Community Relations
- Customer Service
- Democracy Services
- Te Pou Takawaenga Māori Unit

What we do

This activity involves both our mayor and councillors (and commissioners until the end of the triennial local authority elections in October 2022), and the staff who support them to foster closer relationships between tangata whenua and communities and be effective, responsible and accountable decision makers.

We:

- respond to face-to-face enquiries, LIM and property file applications
- respond to enquiries via other channels
- communicate and engage with our communities
- internally, coach and advise staff about the best ways to communicate and engage
- support the mayor and councillors while facilitating Council meetings
- maintain strategic relationships between Council, tangata whenua and the wider Māori community.

How this affects you

We connect people with Council, helping communities understand how we work and how they can play a part in the decision-making that shapes our city.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

Highlights in 2023/24

Returning the city to democracy

July 2024 saw the return of democracy to Tauranga. We produced 'Vote '24' - a full-service creative campaign encouraging candidates to stand in the 2024 local election and our community to get out and vote.

To encourage people to stand for Council our tongue-in-cheek campaign "Have you got what it takes to run this city?" asked the community to hire the best candidates for Council, and featured across multiple media channels including digital billboards, social media, radio, digital, web, and print.

To encourage people to get out and vote and to attract a wide range of diverse voters, including our harder to reach communities, we used a variety of tactics in our campaign "Who will you hire to run this city?" to attract a wide range of diverse voters. We used social media, targeted advertising, translations of key messages into Te Reo and eight other languages, focusing on rangatahi, Māori, Pasifika and ethnic communities.

Voters were able to watch 90-second video interviews from candidates on our election webpage, our goal being to help voters learn about their candidates, as lack of knowledge about candidates is one of the reasons people say they don't vote. We placed 45 orange voting bins around the city to make it easy for voters to drop off their voting documents, including in every supermarket. Four special voting locations for the three-week voting period, and a mobile special voting unit went out alongside the mobile library to provide more opportunities for people to vote.

GROUPS OF ACTIVITIES

Making it easier to find out what's happening in your neighbourhood

We've enhanced Let's talk Tauranga, our digital engagement portal, by adding neighbourhoods to the site so the community can find out what projects are happening where they work, live and hangout. In time for the local election, our neighbourhoods aligned with the new ward boundaries.

Media coverage is generally more positive, in part due to proactive storytelling about capital projects and the city centre, and through providing clear, balanced responses to media enquiries on complex Council decisions. We're consistently hitting an average Media Impact Score of 2.4 over the past 12 months - much higher than the local government average of 1.8.

Improving how we connect with our community

Self-service kiosks were introduced for Council payments. All Council payments can be made at the kiosks. The project team engaged with accessibility representatives to ensure the kiosks meet as many users' needs as possible. Lifters have been added to enable it to change height at the press of a button and the text colour on-screen can be changed to assist with vision or sensory needs.

The Contact Centre was recognised by The Association of Local Government Information Management (ALGIM) in December 2023, placing us within the top 10 for Best Customer Experience nationally. External contracts for after-hours call management were renewed for Western Bay, Taupo, and BoP Regional Council.

GROUPS OF ACTIVITIES









TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - COMMUNITY, PEOPLE & RELATIONSHIPS					Key Variance Explanations for 2024
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's	
SOURCES OF OPERATING FUNDING					
General rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0	
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	3	3	9	6	
Fees and charges	1,796	1,689	1,527	(162)	LIMs revenue lower than budgeted which is a direct result of the downturn in the housing market. This is offset by receipt of unbudgeted revenue for citizenship and expense recoveries in Democracy and Strategic Māori Engagement.
Internal charges and overheads recovered	9,458	9,514	9,508	(6)	Minor variance
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	0	0	0	0	
Total Sources of Operating Funding (A)	11,257	11,206	11,044	(162)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	11,118	11,067	11,171	104	Personnel costs above budget due to higher staff numbers than in LTP budget, as well as Papakainga grant payments which were not included in the LTP budget.
Finance Costs	104	104	139	35	Changes in LTP capital programme timing and funding through various Annual Plans and an increase to Internal cost of borrowing to reflect Council's external cost of borrowing.
Internal Charges and Overheads applied	0	0	0	0	
Other Operating Funding applications	0	0	1	1	Minor variance
Total Applications of Operating Funding (B)	11,222	11,171	11,311	140	
Surplus/(Deficit) of Operating Funding (A-B)	35	35	(267)	(302)	
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	0	0	5	5	Minor variance
Gross Proceeds from the Sale of Assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other Dedicated Capital Funding	0	0	0	0	
Total Sources of Capital Funding (C)	0	0	5	5	

GROUPS OF ACTIVITIES





TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - COMMUNITY, PEOPLE & RELATIONSHIPS					Key Variance Explanations for 2024
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	0	0	5	5	Unbudgeted equipment purchase for Communications.
- to replace existing assets	0	0	0	0	
Increase/(Decrease) in reserves	35	35	(267)	(302)	Change in overall balance of activities due to operating deficit.
Increase/ (Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	35	35	(262)	(297)	
Surplus/(Deficit) of Capital Funding (C-D)	(35)	(35)	267	302	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

GROUPS OF ACTIVITIES



PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
Community Relations Organisational capability for delivery of communication and engagement activity is enhanced	Trust and confidence in the organisation will increase as shown by an increase in satisfaction by survey	 30%	Improvement on 2022/23 baseline (30%)	 26%	<p>The 2023/24 result from the annual residents' survey was 26% down from 30% in 2022/23.</p> <p>There are many contributing factors which can impact how residents rank trust and confidence with the organisation. As we head towards a return to democracy in Tauranga, we are navigating the ongoing cost of living crisis, global uncertainty, and the biggest shake up of New Zealand's media landscape in history.</p> <p>The 'Vote 24' election campaign has started, and we are seeing an increase in political scrutiny in the media and on social media.</p> <p>However, media coverage is generally more positive and we're consistently hitting an average Media Impact Score of 2.4 - much higher than the local government average of 1.8.</p>
Customer Service We will provide a service centre and a 24/7 contact centre to respond to enquiries by multiple access channels where customers can make enquiries and request information	Enquiries at service centre will be managed at first point of contact	 99%	97%	 99%	21,209 (99%) of 21,507 enquiries in the service centre were resolved at first point of contact for the year 2023/24.
	Percentage of calls at contact centre that are resolved at first point of contact	 88%	80%	 87%	The contact centre for the 2023/24 year answered 124,626 calls, of which 108,424 (87%) of these were resolved at first point of contact.
	Customer Satisfaction for service centre and contact centre - Net Promoter Score rating will be above 40	 58	45	 58	<p>Customer Satisfaction for the contact centre has been positive, with a rating of 58.</p> <p>Due to a restructure the NPS results recorded for Q4 do not include results due to LIM report and Property File enquiries.</p>

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide a Land Information Memoranda service	10 Day Statutory timeframes are met	 93%	100%	 83%	2,796 (83%) of 3,388 LIMS were issued within the 10-day statutory timeframe for 2023/24. The final quarter has been exceptional with 799 of 806 LIMS (99%) being issued on-time or early. This lifted overall performance to 83% for the year. The team had been through a restructure and were short staffed during the first 3x quarters, which flowed through to the first part of the last quarter, however, now have the ability to deliver to target again.
Democracy Services We provide opportunities for the community to participate in decision making.	Percentage of residents who are satisfied or neutral with the way the Council involves the public in decision-making processes.	 55%	61%	 51%	The 2023/24 result from the annual residents' survey was 51%, down from 55% in 2022/23.

Challenges in 2023/24:

As we navigate ongoing cost of living pressures in New Zealand and global uncertainty, finding ways to 'cut through' the noise to reach our audiences has been challenging this year. It's important we can talk to the community, particularly with the number of large capital projects needing strategic communications and engagement support, with several years of disruption still to come before the benefits of these projects are fully realised. To help show the progress of transformative projects in our city centre and to highlight investment in infrastructure, amenities, and parks and reserves for future generations, we're going to be increasing our visual storytelling.

The change of central government has brought some uncertainty about future levels of funding for some Council projects. Things are changing quickly, and we continue to pivot and adjust messaging for several projects particularly in the transport and infrastructure space.

An additional challenge this year was the changes to legislation for Land Information Memoranda (LIM), with participation in the drafting of the regulations particularly time consuming. A restructure to better position the LIM drafting team within the Regulatory Group resulted in mostly inexperienced team members in the Service Centre, which has been overcome with support and training.

Looking ahead

In 2024/25 we will:

- introduce a dedicated digital platform for all 'Council news' where we can communicate directly with our residents and ratepayers without relying on local media to publish our media releases.
- move Contact Centre systems to a new platform that will support smart technology and reliable and agile telecommunications, replacing old systems that will be unsupported by October 2025.
- implement a restructure that will create improved training and advisor support systems to improve the accuracy of responses to the wide range of customer enquiries.
- roll out a thorough induction process as well as training and professional development programmes for the newly elected mayor and councillors after 3 ½ years of Commissioners to equip them with all the knowledge and skills required to effectively govern.
- relocate our council and committee meetings into the new Council administration building at 90 Devonport Road.

GROUPS OF ACTIVITIES

Economic development



Activities Include

- Airport
- Economic Development

What we do

We act as an economic development facilitator, mostly through Priority One and Tourism Bay of Plenty. Our focus is on visitors, investors, business and skill attraction, skill development, and supporting innovation.

We provide a high-quality airport that is self-funding and generates income.

How this affects you

Our investments improve prosperity for the whole community while building economic resilience and sustainability. The airport connects Tauranga with the rest of the country and the world.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

Highlights in 2023/24

Fostering innovation and creating opportunities for our city to prosper

In March and April 2024, we collaborated with 30 organisations from across the city to host the Daybreak Festival of Innovation, showcasing the region's innovation community, share knowledge and build connections. Daybreak delivered a range of world-class opportunities in the city centre for knowledge workers, entrepreneurs, educators and the next generation to engage with innovation and creativity in our community.

Supporting the economic development of our region

Tauranga is one of New Zealand's fastest growing cities and needs an economy underpinned by skilled talent to deliver sustainable economic growth. This year, we continued to support the valuable work of Priority One, the Western Bay of Plenty region's economic development organisation, to grow a sustainable economy that improves productivity and delivers prosperity to Tauranga's people and communities:

Priority One Instep programme

This year Instep engaged with over 1400 local secondary school students and 60 businesses to connect and excite students about the many career pathways open to them. In addition, more than 600 students across eight schools entered the Young Initiative Awards, and benefited from learning work-ready and design thinking skills from the 30 businesses that were directly involved. The Instep Young Leaders Programme helped 33 students develop their leadership and work-ready skills, and the Canvas Careers Expo, in partnership with Tauranga Rotary, saw over 3,000 students engage with 70 exhibitors, exploring future training and career opportunities.

GROUPS OF ACTIVITIES

Mode Shift Hub

Priority One identified an opportunity to shift the minds and transport modes of Tauranga commuters. By partnering with ten businesses and local councils, the agency ran a month-long experience enabling local commuters to map their journey to work and experience different ways to commute. The project engaged over 600 individuals and 85 businesses with 58% of visitors indicating they were likely to trial different commuter modes.

We continue to invest in Tauranga's main gateway

Tauranga Airport is the third busiest airport for general aviation, which has the most diverse range of air operations in the country. In 2023/24, the airport experienced strong growth in all revenue streams resulting in a strong surplus for the year. Our Terminal Precinct development resulted in an additional 340 public car parks and three more regular passenger transport aircraft stands. We completed the acquisition of all airfield lighting, visual navigation aids and power supply assets from Airways NZ, our national air traffic control service provider, and commenced the installation of the new airfield lighting and visual navigation aids to reduce missed approaches and the resulting disruptions by up to 90%.

SIGNIFICANT CAPITAL PROJECTS				
	2023/2024 Actual \$000's	2023/2024 Budget \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
Airport Carpark Design and Consent	2,813	3,197	(384)	This project is expected to be completed early 2024/25
Airport New Hangar Lease Sites	526	0	526	Unspent budget from the 2022/23 year was carried forward to 2023/24. The project is almost complete.
Airport New Power Centre	3,035	2,000	1,035	Unspent budget from the 2022/23 year was carried forward to 2023/24. The project is expected to be completed early 2024/25
Airport New Apron Gate	0	1,500	(1,500)	This project will commence in August 2024 with completion Q2 2025
Airport New Fire Station	2,007	2,000	7	Minor variance

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - ECONOMIC DEVELOPMENT					Key Variance Explanations for 2024
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's	
SOURCES OF OPERATING FUNDING					
General rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0	
Targeted Rates	5,008	5,165	5,318	153	Several additional grants paid to community organisations during the year that had not been included in the LTP budget.
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	9,387	9,964	12,758	2,794	Higher than budgeted airport lease and parking revenue.
Internal charges and overheads recovered	11	16	374	358	The methodology for overhead charges used in the LTP has been amended to reflect structure changes which is resulting in significant variances against budget.
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	0	0	0	0	
Total Sources of Operating Funding (A)	14,406	15,145	18,450	3,305	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	8,791	9,043	10,191	1,148	Higher costs than budgeted in the LTP due to an increase in repairs and maintenance completed at the same time as the airport terminal and parking development. As well as several additional grants paid to community organisations from Economic Development activity which were not budgeted in the LTP budget
Finance Costs	183	170	358	188	Changes in LTP capital programme timing and funding through various Annual Plans and an increase to Internal cost of borrowing to reflect Council's external cost of borrowing.
Internal Charges and Overheads applied	1,054	1,168	1,016	(152)	The methodology for overhead charges used in the LTP has been amended to reflect structure changes which is resulting in significant variances against budget.
Other Operating Funding applications	0	0	5	5	Minor variance
Total Applications of Operating Funding (B)	10,028	10,381	11,570	1,189	
Surplus/(Deficit) of Operating Funding (A-B)	4,378	4,764	6,880	2,116	

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - ECONOMIC DEVELOPMENT

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(Decrease) in debt	0	212	6,829	6,617
Gross Proceeds from the Sale of Assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other Dedicated Capital Funding	0	0	0	0
Total Sources of Capital Funding (C)	0	212	6,829	6,617
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	0	212	2,867	2,655
- to improve level of service	0	0	3,561	3,561
- to replace existing assets	678	175	2,301	2,126
Increase/(Decrease) in reserves	3,700	4,589	4,980	391
Increase/ (Decrease) of investments	0	0	0	0
Total Applications of Capital Funding (D)	4,378	4,976	13,709	8,733
Surplus/(Deficit) of Capital Funding (C-D)	(4,378)	(4,764)	(6,880)	(2,116)
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2024**

Increase in debt as a result of Airport development approved in 2023/2024

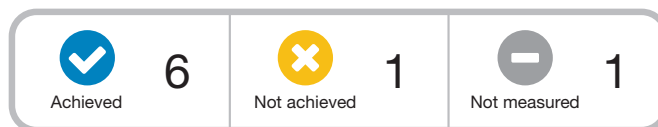
Increased carparking area - project included in Airport development budget approved in 2023/24.









Improved runway lighting as part of the Airport development budget approved 2023/24

Replacement of fire station and power centre, part of the airport development budget approved in 2023/24.





Cash reserve is higher than expected due to higher operating surplus which has offset the increase in additional renewal funding.

GROUPS OF ACTIVITIES







PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
Airport We will provide an airport that caters for scheduled commercial flights and enables growth in traveller numbers	Number of passengers through the airport each year- this is a 12-month running total	 531,014	450,000	 552,989	In 2023/24, the total number of passengers through the airport was 552,989.
We will provide airport customers with fit-for-purpose airport facilities	Customer satisfaction with airport facilities as measured by point of user survey	 Not Measured	90-100%	 Not Measured	No survey completed this year
Economic Development Priority One will provide facilitation service to increase investment and innovation in Tauranga, leading to a more productive economy	Gross Domestic Product per Employee in the city	 \$115,839	\$97,000	 \$120,731	Infometrics Regional Economic Profiles, and Sector Profiles, have been updated with data to 31 March 2023.
We will provide improved alignment of residents' skills with business needs, leading to meaningful work outcomes for our community	Knowledge Intensive Jobs – share of total jobs	 29%	28.9%	 36.1%	Infometrics Regional Economic Profiles, and Sector Profiles, have been updated with data to 31 March 2023. Employment in knowledge intensive industries in Tauranga City was 30,219 in 2023, which accounted for 36.1% of total employment. This was lower than the New Zealand total (38.4%).

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide improved alignment of residents' skills with business needs, leading to meaningful work outcomes for our community	Unemployment Rate	 3%	<6%	 3.1%	<p>Infometrics Regional Economic Profiles, and Sector Profiles, have been updated with data to 31 March 2024. The annual average unemployment rate in Tauranga City was 3.1% in the year to March 2023, down from 3.2% in the previous 12 months.</p> <p>In the year to March 2023, the annual average unemployment rate in Tauranga City was lower than in New Zealand (3.3%).</p> <p>The unemployment rate in Tauranga City reached a peak of 7.3% in the year to March 2002 and a low of 3.1% in the year to March 2023.</p>
	Mean annual earnings	 \$66,036	\$60,000	 \$71,236	<p>Infometrics Regional Economic Profiles, and Sector Profiles, have been updated with data to 31 March 2023. Mean annual earnings in Tauranga City were \$71,236 in the year to March 2023, which was lower than in New Zealand (\$74,754).</p> <p>Mean earnings in Tauranga City increased by 7.9% over the year to March 2023, compared with an increase of 7.4% in New Zealand.</p> <p>Since 2001, earnings growth in Tauranga City reached a maximum of 7.9% in 2023 and a minimum of 2.0% in 2010.</p>

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
<p>Economic Development</p> <p>We will work collaboratively with Tourism Bay of Plenty and the tourism sector to increase visitor expenditure at a faster rate than Tauranga's GDP</p>	Increased visitor spend - international and domestic	 9%	No set target	 0.1% increase	<p>Visitor spend within the TCC boundaries is as follows:</p> <p>Post covid - 0.1% increase compared to YE June 2023 and 12.8% increase compared to YE June 2019.</p> <p>Please note the following:</p> <p>1. The spend figures in this table represent visitor spend via electronic card transactions only and within the TCC boundaries, and does not include pre-bookings, online purchases or cash purchases. As such, these figures represent only a portion of the market and are not a true representation of the economic value of tourism in the region.</p> <p>2. Research to be expanded for YE June 2025 to include more qualitative insights to inform priorities and areas of influence.</p>
Resident likelihood to recommend Tauranga as visitor destination	Net promoter score	 33%	Maintain (33%)	 32%	The 2023/24 result from the annual residents' survey was 32%, down from 33% in 2022/23.

GROUPS OF ACTIVITIES

Challenges in 2023/24:

The state of the country's economy in 2023/24 created some challenges for the city's economic development. As the economy weakened businesses grew more pessimistic and demand became more of an issue than supply. As a result, we've seen unemployment figures rise relatively quickly from a low base, with unskilled roles and the construction sector most at risk, and attrition of talent to Australia is a concern. Other economic challenges such as housing supply and affordability continue to further impact on our ability to retain and attract talent.

Road congestion also continues to impact business and freight productivity, particularly on State Highway 29. Our investment in roading remains the top priority for businesses as it addresses freight access to and from the port, but also helps unlock much needed housing, as well as industrial land.

At the day-to-day delivery level, we faced some logistical challenges during the construction of the new airport car parking spaces, due to much of the work being in or adjacent to existing car parking, which had to remain operational through the project.

Looking ahead

In 2024/25, we will:

- progress a City Deal with the Government to help address Tauranga's significant infrastructure deficit. Whilst investment in several key assets is required, SH29 has been identified as the top priority for infrastructure investment as it will help unlock housing and business land, as well as protect a key freight route to the Port of Tauranga.
- work with industry to develop a sub-regional energy strategy to ensure Tauranga has a cohesive plan to respond and address its stationary and transport energy needs. Priority One has been involved with a range of central government led initiatives, which have illustrated a disconnection between stationary energy and transport energy, as well as engagement and coordination within the wider industry and relevant stakeholders. Without a cohesive regional plan, the result could be ongoing and create significant constraints to both growth and the economy and an inability to effectively transition to low carbon fuels.
- continue to create a city where talent wants to live.
- complete construction of three new aircraft hangers allowing space for further overnight regular passenger transport and corporate aircraft.
- construct up to a further 16 aircraft hangars to cater for private and commercial aircraft operator demand.

GROUPS OF ACTIVITIES

Emergency management



What we do

The activity works with communities, businesses and partners/stakeholders (e.g. NZ Police, Fire & Emergency NZ, Non-Government Organisations and community groups) to ensure effective resilience to, response to, and recovery from hazard events in Tauranga.

Central to this is an all-hazards, all risks, integrated and community-focused approach that prioritises:

- identifying, assessing and communicating about hazards and risks to the community;
- promoting and enabling our communities to be aware of, and resilient to hazard consequences;
- preparing Council for its role of coordinating the response to and recovery from emergencies;
- collaborating with partner agencies and organisations to be able to collectively support our communities during and after emergencies;
- leading or supporting a citywide response and coordination of relief for people and animals during an emergency; and
- enhancing Tauranga's capability to recover from emergencies.

How this affects you

To increase community awareness, understanding, readiness, resilience and participation in emergency management.

Tauranga City Council is part of the Bay of Plenty Civil Defence Emergency Management Group, along with the region's Regional and District Councils. The functions of the Civil Defence Emergency Management (CDEM) Group include the coordination of civil defence emergency management planning, delivering CDEM programmes and CDEM activities across the region, and carrying out risk management.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

Highlights in 2023/24

We're working with our communities to be prepared for the next emergency

Our communities, and those in our neighbouring regions, experienced first-hand the importance of emergency preparedness following the severe weather events in 2023. This year, we continued to increase the overall capability and capacity of Council staff to support the city in the event of an emergency. This included the roll-out and delivery of an annual training program, including monthly training opportunities to all Emergency Operations Centre staff, which saw a marked increase in the levels of engagement and confidence among staff.

We also proudly led a piece of work aimed at aligning the way local emergency services and supporting agencies respond to an event. The Multi-Agency Response Engagement Framework aims to support response agencies to understand 'who is responsible for what' during an incident of any size - a common challenge in multi-agency events. Months of work, collaboration and testing has resulted in a live document that will ensure a better response system for agencies.

Bringing emergency response to life through Virtual Reality

We created and delivered an award-winning Earthquake & Tsunami Virtual Reality Module for community education this year. The VR experience has received very positive feedback from the community and has been utilised across our summer education campaign, visits to local schools and retirement villages as well as numerous community engagement events. Our VR experience has been nominated for several awards, received international media attention and has been adopted by neighbouring local and regional councils. The team are already creating the next educational module based on flooding. Watch this space.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - EMERGENCY MANAGEMENT					Key Variance Explanations for 2024
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's	
SOURCES OF OPERATING FUNDING					
General rates, Uniform Annual General Charges, Rates Penalties	1,729	1,876	1,482	(394)	Rates requirement was lower than budgeted due to lower consultancy, education and operating costs.
Targeted Rates	211	422	201	(221)	Budget was updated in the 2023/24 Annual Plan and funding is aligned to this.
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	0	0	0	0	
Internal charges and overheads recovered	0	0	0	0	
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	0	0	0	0	
Total Sources of Operating Funding (A)	1,940	2,298	1,683	(615)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	1,221	1,357	1,061	(296)	Lower consultancy, education and operating costs due to project delays resulting in a reduction of projects initiated and work undertaken.
Finance Costs	132	179	86	(93)	Lower interest costs as a result of lower debt levels.
Internal Charges and Overheads applied	531	577	273	(304)	The methodology for overhead charges used in the LTP has been amended to reflect structure changes which is resulting in significant variances against budget.
Other Operating Funding applications	0	0	0	0	
Total Applications of Operating Funding (B)	1,884	2,113	1,420	(693)	
Surplus/(Deficit) of Operating Funding (A-B)	56	185	263	78	
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	3,547	9	0	(9)	Minor variance.
Gross Proceeds from the Sale of Assets	0	0	0	0	
Lump sum contributions	0	0	0	0	
Other Dedicated Capital Funding	0	0	0	0	
Total Sources of Capital Funding (C)	3,547	9	0	(9)	

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - EMERGENCY MANAGEMENT

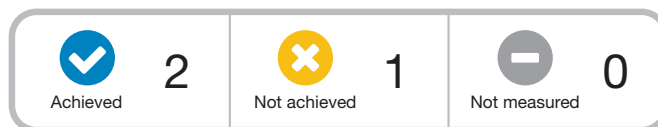
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	3,538	0	0	0
- to replace existing assets	36	37	0	(37)
Increase/(Decrease) in reserves	29	157	263	106
Increase/ (Decrease) of investments	0	0	0	0
Total Applications of Capital Funding (D)	3,603	194	263	69
Surplus/(Deficit) of Capital Funding (C-D)	(56)	(185)	(263)	(78)
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2024**

Minor variance

Some operational costs were carried forward but were funded from prior year rates.





GROUPS OF ACTIVITIES



excluding additional measures

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide an Emergency Operations Centre (EOC) to ensure an effective emergency response	<p>The city is prepared for and can effectively respond to an emergency.</p> <p>Measured by annual audit by EMBOP, the CDEM Group office.</p> <p>Measures include aggregate score across:</p> <ul style="list-style-type: none"> • EOC Control appointments and function leads trained to Joint Committee specified levels, • EOC practised within last 12 months. • EOC response procedures reviewed within last 3 years. 	<p>80%</p>	Advancing	<p>95%</p>	<p>The result for the last period (2022/23) was 80%, the results for 2023/24 was 95% therefore performance measure is advancing.</p> <ul style="list-style-type: none"> • Of the 41 controller appointments and functions leads, 41 have been trained on the Integrated Training Framework (ITF) Intermediate Course (the training standard set by the Joint Committee for function leads). • 1 EOC exercise for untrained staff have taken place in the past year to provide experience and knowledge. • 1 EOC exercise for trained staff have taken place in the past year. • All response procedures have been reviewed in the last three years. <p>In addition to the exercises there has been 8 x EOC Monthly Standups conducted. These are one-hour sessions and content include EOC processes and procedures, standard operating procedures and activities to practice what has been revised. Each year response procedures are reviewed and ad hoc updates to standard operating procedures are made when required.</p> <p>TCC has also recently completed our annual audit conducted by Emergency Management Bay of Plenty. A successful result with draft report highlighting 3 x minor corrective actions.</p>

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide community education initiatives increase public awareness and preparedness	Percentage of residents that know they need to be self-reliant in the event of a major civil defence emergency	 80%	95%	 82%	<p>The 2023/24 result from the annual residents' survey was 82%, up from 80% in 2022/23. Community education activities across the city have been very successful this year. We continue to see success from our virtual reality headsets as part of tsunami and earthquake education. The team have also recently appointed a new contract to design and build our next VR module based on flooding education. Council will be working alongside Emergency Management Bay of Plenty to roll-out a Community Emergency Hub Framework across the city. This will be based on the highly successful Wellington model and will begin with the existing Otūmoetai Community Response Team.</p>
	Percentage of residents who are prepared for an emergency	 53%	50%	 52%	<p>The 2023/24 result from the annual residents' survey was 52%, down from 53% in 2022/23. Community education engagements opportunities have been well-received. There have been a number of community engagement activities undertaken throughout the year, including visits to high schools, the annual Home Show, and demonstrations to neighbouring local councils.</p> <p>Meetings with community groups are progressing well. Otūmoetai will be first pilot group in the coming months.</p>

GROUPS OF ACTIVITIES

Challenges in 2023/24:

Tsunami evacuation preparedness and planning remains a constant focus for the Emergency Management Team and other key parts of Council. With new modelling technologies, we were able to update our existing evacuation maps in late 2023, but now we need to focus on updating our mass evacuation plans with other emergency services and agencies, as well as continuing to work with community representatives to achieve the best outcomes for a safe and well-prepared community.

As our city continues to grow and diversify, the capacity of our emergency management team to educate and engage with communities will continue to be a challenge. The extreme weather events of 2023 reinforced the importance of community during response, and this is something that our team will look to leverage in coming months. The emergency management team will continue to work with other council departments and community groups to maintain existing relationships and develop new ones to ensure that our messages are reaching as wide as possible. Connections with iwi/hapu and marae across the city will also play a significant role in making sure that community is ready to respond when the time comes.

Looking ahead

In 2024/25, we will:

- roll-out Community Emergency Hubs across the city to help address some of the challenges being faced. Based on the Wellington Regional Emergency Management Office model, the framework has had great success in encouraging and empowering communities to 'stand up' and provide help 'for the community, by the community'.
- undertake ongoing assessment and planning towards improving tsunami evacuation routes and tsunami awareness in the city. It is hoped that by continuing to work alongside reputable consultancy firms, internal council departments and the community, Council will be able to improve on the challenges identified from previous studies and plans.
- construct a new dedicated emergency operations centre that will benefit not only Council staff but its residents. The purpose-built facility will significantly improve our capability to respond to emergencies. By providing a modern centre that will allow our trained and dedicated staff and emergency services partners to come together and help those in need, the centre is a huge step forward in having our city and communities well-prepared in the event of emergencies.

GROUPS OF ACTIVITIES

Marine precinct



What we do

The Tauranga Harbour Marine Precinct is a project to deliver provides a purpose-built marine servicing facility at Sulphur Point. The precinct will provide a base for boat building and refit businesses in Tauranga and will be managed by Tauranga City Council under the Vessel Works brand.

How this affects you

To deliver one of New Zealand's top Marine Precinct facilities that will service the Bay and wider New Zealand efficiently and create the 'one-stop shop' for the servicing needs of the marine industry. It contributes to the Tauranga lifestyle and economically supports local marine based business, retail, accommodation, restaurants and tourism sectors.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

Highlights in 2023/24

Delivering one of New Zealand's top Marine Precinct facilities

The sale of the Marine Precinct at Sulphur Point in May 2024 guaranteed its future in promising significant economic benefits to Tauranga's marine industry, while bringing new business and opportunities to the city. It will also provide essential facilities for local marine businesses to expand and thrive.

A standout has been ongoing positive feedback from our customers. They consistently express satisfaction with our facilities and service, reflecting our dedication to delivering outstanding service and value.

GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS

	2023/2024 Actual \$000's	2023/2024 Budget \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
Marine Precinct Development	0	422	(422)	Project no longer required. The unspent budget for this project has not been carried forward to future years.
Marine Precinct Offloading Wharf	7	1,764	(1,757)	Project delayed due to pending sale of Vessel Works business (Marine Precinct).
Marine Precinct renewals	76	111	(35)	Renewals work delayed due to securing materials and contractor availability. The unspent budget for this project has not been carried forward to 2024/25.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - MARINE PRECINCT

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
SOURCES OF OPERATING FUNDING					
General rates, Uniform Annual General Charges, Rates Penalties	0	0	0	0	
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	0	0	
Fees and charges	1,032	1,115	1,250	135	Commercial rent on a property that was not owned at the time the LTP was prepared.
Internal charges and overheads recovered	0	0	4	4	Minor variance
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	0	0	10	10	Minor variance
Total Sources of Operating Funding (A)	1,032	1,115	1,264	149	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	1,273	1,312	1,321	9	Minor variance
Finance Costs	635	774	1,282	508	Changes in LTP capital programme timing and funding through various Annual Plans and an increase to Internal cost of borrowing to reflect Council's external cost of borrowing.
Internal Charges and Overheads applied	308	340	380	40	Minor variance
Other Operating Funding applications	0	0	(21)	(21)	Minor variance
Total Applications of Operating Funding (B)	2,216	2,426	2,962	536	
Surplus/(Deficit) of Operating Funding (A-B)	(1,184)	(1,311)	(1,698)	(387)	

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - MARINE PRECINCT

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	0	0	0	0
Development and financial contributions	0	0	0	0
Increase/(Decrease) in debt	1,195	4,530	6	(4,524)
Gross Proceeds from the Sale of Assets	0	0	0	0
Lump sum contributions	257	0	0	0
Other Dedicated Capital Funding	0	0	0	0
Total Sources of Capital Funding (C)	1,452	4,530	6	(4,524)
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	0	0	0	0
- to improve level of service	1,452	4,530	6	(4,524)
- to replace existing assets	530	114	76	(38)
Increase/(Decrease) in reserves	(1,714)	(1,425)	(1,774)	(349)
Increase/ (Decrease) of investments	0	0	0	0
Total Applications of Capital Funding (D)	268	3,219	(1,692)	(4,911)
Surplus/(Deficit) of Capital Funding (C-D)	1,184	1,311	1,698	387
Funding balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2024**

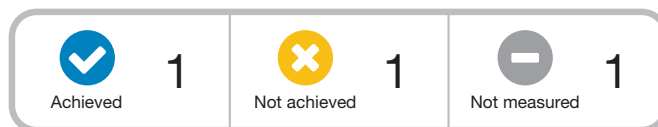
Development of a new offloading wharf has been delayed.







Development of a new offloading wharf has been delayed.

Fewer asset renewals required.

Cash reserve is lower than expected due to higher operating costs.

GROUPS OF ACTIVITIES



PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide the marine industry with access to efficient and reliable large/heavy vessel lifting and hardstand facilities.	Average annual hardstand occupancy.	 43%	60%	 36%	The total annual average hardstand occupancy for 2023/24 was 36%. Intensified competition within the commercial marine refit sector remains a significant factor influencing our operations. The marine precinct divestment will pave the way for substantial advancements, furthering Tauranga's position as a hub for high-value marine activities such as superyacht maintenance and refits.
We will provide the marine industry with access to quality berthing facilities, for working vessels, that are well utilised and fit for purpose.	Average annual berth occupancy.	 62%	>65%	 66%	The total average annual berth occupancy for 2023/24 was 66%. Our Bridge Wharf berthing facilities and floating pontoon offer active fishing vessels and those requiring on-water refit with reliable power, water, and waste removal services. Planned additional investments in wharf facilities will enhance operations for all fleets, providing modern, efficient, and safe amenities.
We will provide the fishing industry with facilities (wharfs) that are readily accessible, fit for purpose and commercially viable. These facilities are to enable fish to be unloaded and access to existing private sector ice loading facilities.	Percentage of customers satisfied with fish unloading facilities and access to existing ice loading facilities.	 Not measured	80%	 Not measured	Note: This KPI was not measured due to a new proposed wharf

Challenges in 2023/24:

The current economic environment and escalating construction costs hinders our ability to address the shortage of berthage for recreational 'white boats' at the Marine Precinct. Addressing the berthage issue is crucial to enhancing our capacity to accommodate larger vessels for on-water refit operations.

Looking ahead

In 2024/25:

The Marine Precinct divestment will pave the way for substantial advancements, furthering Tauranga's position as a hub for high-value marine activities, such as superyacht maintenance and refits. Additional investments in city wharf facilities will enhance operations for the fishing fleet, providing modern, efficient, and safe amenities.

GROUPS OF ACTIVITIES

Regulatory and compliance



Activities Include

- Animal Services
- Building Services
- Environmental Health and Licensing
- Environmental Planning
- Regulation Monitoring

What we do

We administer Acts, Regulations, Bylaws and Policies relating to:

- animals
- buildings are developed in a safe and compliant manner
- environmental planning
- environmental health and licensing
- monitoring regulations.

How this affects you

Our activities promote a safe and healthy environment for people and animals, ensuring that building work is safe and meets code, and that our city develops in the right way. We ensure that bylaws are consistently applied, and that people are educated about their responsibilities.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

Highlights in 2023/24

We're doing up the dog pound to improve safety and animal welfare

Work began this year on an upgrade to the Tauranga dog pound, primarily to make it safer for visitors and staff, and to provide a better environment for the dogs. Once complete, the upgrade will include: a reception area where people waiting to collect their dog can be separated from those leaving with a dog, enhancing everyone's safety; three exercise areas allowing for more dogs out in the open at one time each day, sometimes, these dogs can be held for up to 18 months or longer depending on court processes, and this will allow these dogs to have regular outdoor time; and lastly, a veterinary room where vets can easily examine impounded dogs with a dog wash area for neglected animals.

Body cameras for animal services staff to improve their safety

This year saw the introduction of body cameras for all field officers within animal services. The cameras are forward facing so anyone they are dealing with can see their own behavior on the camera screen, which has been proven to help reduce aggression. It also captures all the actions of the officer and the person they are dealing with which not only can be used evidentially but also helps when a member of the public makes a complaint about the actions of a staff member.

GROUPS OF ACTIVITIES

Working with a full team

After some challenging months with staff shortages, the teams within building, animal and health and licensing services returned to full capacity this year. This was a great moral boost for the whole team and enables the delivery of a full range of duties and services. Some further highlights from across our regulatory and compliance work include:

- Holding Licensee forums for ON/OFF/CLUB licensed premises with more anticipated in the year to come. Feedback from those who have attended the forums has been positive.
- Implementing the new fee structure and required amendments to our Freedom Camping Bylaw, following legislative changes to the Freedom Camping Act. These changes have enabled us to drive for compliance with our bylaw, given the increased penalties and better restrictions on self-containment rules.
- The continued use of Licence Plate Recognition (LPR) technology allowing us to effectively enforce both paid and time-restricted parking rules across the city. The efficiency of these systems helps encourage driver compliance, create vehicle turnover, and support vibrancy in the city centre and other commercial areas.
- The tireless work from our Bylaw teams to connect the people in our city experiencing homelessness with the proper support services. We had some great results in helping these individuals in getting off the streets.

SIGNIFICANT CAPITAL PROJECTS

	2023/2024 Actual \$000's	2023/2024 Budget \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
Animal Pound Extension & Refurbishment	448	130	318	Due to market changes, pricing escalation and a recent increase in demand from main contractors seeking work, project costs increased. An option was chosen to carry out the construction of the reception area, dangerous dog area and vet nurse & storage facility consecutively in order to keep all areas fully operational.

GROUPS OF ACTIVITIES





TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - REGULATORY & COMPLIANCE					Key Variance Explanations for 2024
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's	
SOURCES OF OPERATING FUNDING					
General rates, Uniform Annual General Charges, Rates Penalties	6,939	7,323	8,092	769	Lower user fees in Environmental Planning resulted in unbudgeted rates funding.
Targeted Rates	0	0	0	0	
Subsidies and grants for operating purposes	0	0	41	41	Minor variance
Fees and charges	19,703	20,813	17,949	(2,864)	Lower volumes in Building Services and Environmental Planning relating to the housing market downturn resulted in an unfavourable variance against budget.
Internal charges and overheads recovered	0	0	97	97	Minor variance
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	155	160	132	(28)	Minor variance
Total Sources of Operating Funding (A)	26,797	28,296	26,311	(1,985)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	17,228	17,780	21,524	3,744	Consultants costs in Building Services and Environmental Planning were higher due to higher vacancies.
Finance Costs	260	339	403	64	Interest on cash deficit due to higher deficits in Animal Services and Building Services.
Internal Charges and Overheads applied	11,266	12,141	7,577	(4,564)	The methodology for overhead charges used in the LTP has been amended to reflect structure changes which is resulting in significant variances against budget.
Other Operating Funding applications	0	0	11	11	Minor variance
Total Applications of Operating Funding (B)	28,754	30,260	29,515	(745)	
Surplus/(Deficit) of Operating Funding (A-B)	(1,957)	(1,964)	(3,204)	(1,240)	

GROUPS OF ACTIVITIES



TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - REGULATORY & COMPLIANCE					Key Variance Explanations for 2024
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's	
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	350	11	443	432	Delays in project for Pound renovations.
Gross Proceeds from the Sale of Assets	0	0	0	0	
Lump sum contributions	0	0	4	4	
Other Dedicated Capital Funding	0	0	0	0	
Total Sources of Capital Funding (C)	350	11	447	436	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	0	0	0	0	
- to improve level of service	350	11	447	436	Delays in project for Pound renovations.
- to replace existing assets	0	0	0	0	
Increase/(Decrease) in reserves	(1,957)	(1,964)	(3,204)	(1,240)	Lower than budgeted user fees and higher employee costs have impacted cash balances.
Increase/ (Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	(1,607)	(1,953)	(2,757)	(804)	
Surplus/(Deficit) of Capital Funding (C-D)	1,957	1,964	3,204	1,240	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

GROUPS OF ACTIVITIES









PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
Animal Services We will provide an effective dog registration process that supports a safe community.	All known dogs are registered, or appropriate enforcement action is taken.	 98%	100%	 99%	There were 15240 dogs registered from a database of 15910 known dogs. Of the 670 unregistered dogs, 497 infringements were issued, leaving 173 dogs for which there were no enforcement action in 2023/24. As previously reported this target is not achievable because the number of known dogs change daily.
We will provide a prompt response time to animal behavioural issues.	All urgent animal requests are responded to within 60 minutes where there is an ongoing risk to safety.	 86%	100%	 85%	In 2023/24 85% of all urgent requests were responded to within 60 minutes. Of 52 complaints that had potential ongoing risk(s), 8 (15%) were not responded to within the required timeframe. The ability to respond within the 60-minute window is influenced by two key factors. 1. Whether the correct information is provided to staff by the contact centre and 2. Whether Animal Services staff respond appropriately when they are advised. For this year half (4) of the situations were a result of the call centre not correctly processing the complaint and (4) were a result of animal service staff not responding in a timely manner. This failure arose where new staff hadn't responded appropriately, exacerbated with a 60% staff turnover this year. In response to 1. the system has been improved to ensure no processing errors, and 2. further training to staff has been provided.

GROUPS OF ACTIVITIES







PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
We will provide dog management and behavioural education to the community.	Provide educational presentations regarding dog handling, management and bite prevention to schools and other relevant businesses.	 13 events	15 events	 5 events	For the year 2023/24, 5 events were provided by the team on educational presentations regarding dog handling, management and bite prevention to schools and other relevant businesses. The provision of educational events suffered because of staff changes and shortages throughout the year. However approximately 1765 people were engaged with over four public events and one school visit.

GROUPS OF ACTIVITIES







PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
Building Services We will provide technical advice and consent decisions within statutory timeframes.	Percentage of building consent applications processed within legal timeframes. [^]	 64%	99%	 65%	In 2023/24, 65% of building consent applications were processed within legal timeframes. The YTD figure particularly reflects poor results in Jul-Oct, and again in Feb and March. There has been significant work completed to understand why consents are going over time and to address those reasons. The results since November show a significant improvement (up to over 80% in June). Unfortunately, a computer system issue saw a number of consents go over statutory timeframes in February and March. This has been resolved and hasn't affected any other consents since. The reported figure is only for Building Consent applications. If amendment applications are included, the average increases to 75%.
	Carrying out of building inspections (on average).	 2.6 days	4 Days	 1.1 days	Building inspections (on average) were able to be carried out within 1.1 days of the booking date for 2023/24. This is driven in part by reduced volumes of inspections, but also by improved booking practices by the industry.
Building Services We will ensure all private pools barriers within Tauranga city are safe and compliant.	Percentage of properties with compliant pool fencing or appropriate enforcement action is taken.	 100%	100%	 100%	Of the total 1050 pools inspected, 77 (7.3%) were found to be non-compliant with issues and 9 Notices to Fix were issued in 2023/24. All pool non-compliances were remediated within timeframe.

[^] The statutory clock begins on day zero with the submission of a complete application, with any incomplete applications rejected. The Building Consent Authority (BCA) endeavours to determine whether applications are complete or incomplete within 48 hours. The BCA has a statutory time frame to meet as specified in section 48 of the Building Act 2004, e.g. within 10 working days after receipt by the BCA of the application for national multiple-use approval and in all other cases, within 20 working days after receipt by the BCA of the application.











GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
Ensure building warrant of fitness are current and compliant.	Ensure Building warrant of fitness are renewed on time and are compliant with the building compliance schedule.	92% 	95%	85% 	1502 of the 1762 (85%) building warrant of fitness were renewed on time and were compliant in 2023/24. 160 documents have been received from the Independent Qualified Person undertaking inspections (IQP) to explain the reasons why a Building Warrant of Fitness cannot be issued under MBIE's BRaD system (BWof Report and Declaration). A total of 654 Notices to Fix were issued for overdue warrants.
Environmental Health and Licensing We will undertake audits of all food premises registered with Tauranga City Council.	Percentage of TCC verified food premises that have been inspected and had appropriate enforcement action taken.	62% 	100%	98% 	In 2023/24, 697 of 710 food premises verifications were conducted. In addition, food safety officers conducted 46 food safety investigations resulting in a total of 26 enforcement interventions. Failure to achieve the target was due to staff resourcing issues throughout the year, however with the help of contractors in the final quarter the team came closer to achieving the target which is a significant improvement over the last few years (62% in 2022/23).
Council will aim to reduce alcohol-related harm by annually inspecting alcohol licensed premises to ensure compliance with the Sale and Supply of Alcohol Act 2012 and licensing conditions in general.	Percentage of new and renewed licensed premises inspected and appropriate enforcement action taken.	80% 	100%	93% 	Between 1 July 2023 and 30 June 2024 out of the 122 renewals that required inspection 113 were completed (93%). The balance of the licensed premise renewals still to be inspected (9) will be inspected during Q1 of the 2024-2025 year. The total number of new licensed premises inspected between 1 July 2023 and 30 June 2024 were 36. While the KPI has not been met, results are an improvement on last year's results (80%) largely because we were fully staffed for most of the year. The necessity to inspect and report on 36 new premises increased the overall inspection tally and workload.

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
<p>Environmental Planning</p> <p>We will meet the community's expectations through making informed decisions, delivering fit for purpose vested infrastructure through robust engineering assessments and by taking an education first approach to compliance.</p>	Percentage of new resource consent applications processed within statutory timeframes.	 69%	95%	 85%	In 2023/24, 328 of 388 resource consent applications were processed within statutory timeframes. Significant effort was put into improving decision timeframe compliance, and although the target of 95% was ultimately not achieved for the full reporting period, the result marks a 16% improvement on results from the previous financial year (69%). Staff will continue to focus on improving performance against regulatory timeframes, with the goal of achieving the target of 95% in 2024/25.
	Percentage overall satisfaction with level of advice given response times and clarity of communication.	 80%	80%	 79%	For the year 2023/24, feedback was received from 14 applicants (14 responses). Of this feedback, 11 (79%) was satisfied, and 3 had a poor experience. The most common reasons for negative responses were related to costs, or challenges finding information, while positive responses focussed on helpfulness of staff. The low number of responses, despite proactive attempts to engage, makes it difficult to consider this result to be representative. Further work will go into this process next year to ensure Council has a better understanding of customer needs and experience.
	Percentage of compliance and enforcement actions undertaken following the principles set out in the R&C Compliance Charter and Strategy.	 99%	100%	 100%	For 2023/24, in total, 367 incidents were received, of which 207 were confirmed breaches. 133 incidents were unconfirmed (the remainder remain open). Of the 207 confirmed breaches, 195 were resolved through Alternative Dispute Resolution (voluntary compliance, education and advice, referral, etc), and 12 by enforcement comprising of: - 5 Abatement Notices, - 2 Infringement, - 5 Formal Warning

GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
Environmental Planning We will meet the community's expectations through making informed decisions, delivering fit for purpose vested infrastructure through robust engineering assessments and by taking an education first approach to compliance.	Percentage of building consent, resource consent and service connection applications are assessed for development contributions as well as invoiced and collected as appropriate.	 100%	100%	 100%	The total for DC's assessed on BC's is 1441 building consents with DC assessment of \$18.9m. In addition to this there has been 383 resource consents assessed with \$6.8m of DCs assessed.
Regulation Monitoring We will undertake noise monitoring to ensure community amenity is protected from excessive and unreasonable noise.	Percentage of noise complaints that are attended and are resolved through appropriate enforcement action.	 100%	100%	 100%	5507 total noise complaints were responded to and resolved. Of these: • 468 Excessive Noise Directions were served, • there were 21 seizures of equipment / devices, • there were 44 complaints where contractors were unable to affect a seizure, • 7 Abatement Notices issued, • 3 Abatement Notices were cancelled due to noise issues being mitigated, • 8 Infringement Notices issued, • 0 Formal Warning issued.
Regulation Monitoring We will monitor traffic and parking bylaw and related legislation, taking an education approach to raise awareness in the community, or enforcement where appropriate.	Respond to all parking complaints within 24 hours.	 92%	100%	 92%	For 2023/24 2282 complaints received, of which 185 were attended to more than 24 hours after receipt. This is largely due to continuing issues with computer systems which have resulted in some complaints not being received by our officers within the KPI timeframe.
Regulation Monitoring We will monitor traffic and parking bylaw and related legislation, taking an education approach to raise awareness in the community, or enforcement where appropriate.	Enforce parking compliance at known hotspot areas (events, sports fields, markets) and during school patrols on average at least two times per week.	 100%	100%	 100%	For the period 01 July 2023 to 30 June 2024, the team attended on average one or more hotspot areas at least 4 times per week and took enforcement action where appropriate.
We will monitor the Freedom Camping Bylaw.	a) Daily patrols of key designated and prohibited freedom camping sites from Nov-April. b) Patrol same sites 4 nights a week from May-Oct. And appropriate action is taken regarding breaches of the bylaw – education and/or enforcement.	 100%	100%	 100%	For 2023/24 1503 infringements have been issued and 1066 complaints received. 276 infringements issued during Q4 are linked to overstayers at Cambridge Park following failed attempts to remove them.

 GROUPS OF ACTIVITIES

Challenges in 2023/24:

We faced several challenges in our animal services space this year. In March, we were hit with staff shortages during what was the busiest month for attacks on people and their pets for some time.

The work environment has become more volatile with owners of offending dogs often reverting to aggression and obstruction to stop officers completing their duties. This has resulted in officers withdrawing from the scene and either returning with a search warrant with Police assistance or formal complaints being laid with and investigated by the Police.

The high volume of unvaccinated dogs in our dog pound resulted in several canine parvovirus outbreaks, even though the pound has been designed to minimise cross contamination. We completed a review of our processes to minimise these outbreaks and undertook a deep clean of the whole area, changed cleaning products, and introduced a curfew for all incoming dogs to reduce the risk of cross contamination.

Economic woes affected the volumes of building consent applications, which remained lower than typical, particularly when compared to the record application numbers in 2021. This is felt most acutely in the new dwelling segment of the market, which is nearly 50% down compared with the previous year.

This year, we continued to see an increase in the number of people experiencing homelessness in our city. Homelessness is difficult to effectively address at a local government level without proper support from central government services. However, the team managed increased levels of complaints and had to work with both the homeless and complainants to manage everyone's expectations.

Additionally, we have dealt with significant increases in complaints and investigations into encroachments into public places. These are often historical and require considerable time to investigate and work to a solution with the customer.

Looking ahead

In 2024/25, we will:

- complete the pound redevelopment, expanding the exercise and rehabilitation areas for impounded dogs, together with a new dog wash area to better prepare dogs for adoption.
- reduce external contractors now that our staffing is nearing full capacity.
- finalise and improve processes and procedures for our Quality Management System and training and calibration of our Environmental Health Officers/Food verifiers. Our aim is to deliver a high performing, professional and consistent registration and verification service that ensures we continue to streamline our service for businesses while maintaining our approval as a "Recognised Verification Agency".
- fully implement the Alcohol Licensing Quality Management System to assist the team in providing a better service to the community.
- enforce and manage the Cameron Road bus lane once operational, with several kilometres of new bus lane needing proactive enforcement outside of our current hours of service. We are proposing to use a combination of CCTV/ANPR camera enforcement and physical officers on site to remove vehicles when required ensuring this piece of infrastructure functions efficiently. We are also working with Auckland Transport regarding transit lane enforcement systems.
- work closely with the Transportation and Spaces & Places team as they implement paid parking at three boat ramps. We will assist with data gathering and enforcement strategies using best practices from our knowledge of the industry.

GROUPS OF ACTIVITIES

Spaces and places



Activities Include

- Cemeteries
- Mount Beachside Holiday Park
- Marine Facilities
- Spaces and Places

What we do

We provide cemetery and cremation services, quality beachside accommodation, safe and wellmaintained marine facilities, attractive parks, and quality urban spaces.

How this affects you

We provide services and spaces that make Tauranga a better place to live while helping to connect our communities.

KEY IMPACT ON COMMUNITY WELL-BEING



Economic



Environmental



Social



Cultural

Highlights in 2023/24

This year we delivered some exciting new facilities and community spaces for our communities to enjoy, increasing vibrancy and wellbeing in our city.

We've created the largest urban wetland in the southern hemisphere

This year, we completed the Kopurererua River wetlands restoration work and river realignment, which saw more than 180,000 plants established. Combined with the previous year's efforts, we have now planted more than 300,000 plants and native vegetation across more than 8 hectares. The area now creates the largest urban wetland in the southern hemisphere as a breeding habitat for native wetland birds and freshwater fish.

Te Rere o Ōmanawa/Ōmanawa Falls reopened to the public

We opened Te Rere o Ōmanawa/Ōmanawa Falls to the public after it had been closed for safety reasons for several years. Partnering with hapū, Ngāti Hangarau and Tourism Bay of Plenty, this project provides the public with culturally and physically safe access to the waterfall. The design ensures that there is recognition of the hapū and their connection to the falls while providing an opportunity for visitors to learn about the area.

We transformed underutilised land into a world class skatepark

We opened the Destination Skate Park on Maunganui Road, providing 3000sqm of skating for all roller codes and modes. Designed in collaboration with the local roller community, features of the wider skatepark include a large flow bowl, a surf/skate ditch, competition style stairs, and a street skate area. Key features of the beginner to intermediate skate area include a learner's skinny ledge, a learner's rail, a small quarter pipe, a large flat concrete pad, and many other street-skate obstacles.

GROUPS OF ACTIVITIES

A new coastal pathway for all to enjoy

We opened the Marine Parade coastal path in time for the summer visitors in December 2023. The 3 kilometre path has proven to be popular with both residents and visitors enjoying the opportunity to walk, cycle, or scoot along the path while enjoying the views over the moana and dune environment.

Delivery of gold standard tourism services

Mount Beachside Holiday Park were delighted this year to receive the Gold Sustainable Tourism Business Award, which recognises the best sustainable tourism businesses in New Zealand, with the delivery of exceptional customer experiences an integral part of everything they do. This award identifies those businesses leading the way in making New Zealand a world-class sustainable visitor destination.

Adding to the accolades, we also achieved the Qualmark Gold Sustainable Tourism Business Award for the Mount Beachside Holiday Park, which retained its 4-Star plus rating.

SIGNIFICANT CAPITAL PROJECTS

	2023/2024 Actual \$000's	2023/2024 Budget \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
Beachside various capital renewals	60	61	(0)	Minor variance
Blake Park Reserve Development	482	820	(338)	Budget was deferred during 2023/24 and revised down to \$499k, project to be completed in 2026/27.
Cemeteries various capital renewals and level of service	801	1,696	(896)	Contractor availability meant that the works were delayed on crematorium, chapel and cemetery loop road.
Cemeteries Land Sale	0	(2,000)	2,000	Land sale to transportation has been delayed.
City Centre - Streetscape projects	7,748	4,498	3,250	Elizabeth Street streetscape is now complete. There were delays with the Elizabeth Towers project resulting in cost escalations and a contractual claims. The Tunks Reserve upgrade was also completed in December 2023 (earlier than anticipated in the Annual Plan).
Civic Rebuild Capital Programme	9,269	16,730	(7,461)	A number of projects in the Te Manawataki o Te Papa programme have been re-phased as the design process progresses leading to an overall underspend against Annual Plan budget. The Masonic Park Upgrade project is due for completion and re-opening in early September 2024.
Gordon Spratt upgrades	2,400	5,509	(3,109)	Project delayed due to the commencement of construction work on the Alice Johnson Pavilion.
City Operations Vehicles & Equipment	3,770	2,997	773	Vehicles & Equipment for the City Operations team required to in-house additional contracts. This was not budgeted in the 2023/24 Annual Plan.
Kopurererua Valley Development	2,513	2,979	(467)	The Kopurererua stream realignment project is now complete. Underspend reflects unspent contingency budget.
Marine asset renewals	855	1,027	(172)	Delays with Dive Crescent sea wall renewals due to contractor availability issues.
Marine Facilities Upgrades	2,797	0	2,797	The Beacon Wharf Upgrade was intended to be complete in 2022/23, however it commenced in May 2023 so budget was carried forward to 2023/24. The project is now complete.

GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS				
	2023/2024 Actual \$000's	2023/2024 Budget \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
Marine Parade Boardwalk	3,738	0	3,738	Budget was brought forward from future years to complete a new path along the coastal reserve between Hopukio (Mount Drury Reserve) and Oceanbeach Road. This was completed in December 2023.
Mauao Placemaking & Interpretation	532	0	532	Budget was carried forward from 2022/23 to complete the Mauao Placemaking project.
Memorial Park to City centre Pathway development	5,162	1,700	3,462	Stage 1 of this project from the underpass to the Strand continued in 2023/24, with a further \$2.4m allocated to it by Council in the year. Completion is due in September 2024. Early concept work continues on the Stage 2 element of the project between Memorial Park and the Underpass.
Miscellaneous Parks projects	15,721	16,322	(643)	Various minor project delays and deferrals.
Ōmanawa Falls formal track establishment	2,496	100	2,396	Budget was carried forward from 2022/23 to finish the track construction and cliff stabilisation work due to consenting delays. Additional budget was approved during the year via Council.
Open Space level of service land purchase - Growth	3,878	1,411	2,467	Budget was approved during the year via Council for a land purchase at Kennedy Road and Hastings Road. This is offset by a budgeted land purchase in Pāpāmoa that did not eventuate.
Parks & Property Renewals	5,217	4,207	1,009	Consenting issues in 2022/23 resulted in a large carry forward across the programme which was subsequently spent in 2023/24.
Sports Fields Upgrades	3,291	3,833	(542)	This work is part of the Active Reserves Masterplan which is a multi year project that is seasonally dependent. Work is ongoing and scheduled to be completed in the summer months. Unspent budget will be carried forward to 2024/25.
The Strand Sea Wall	2,406	1,188	1,218	Budget split out from Marine Asset Renewals and brought forward as this project is being completed in conjunction with the North Reserve project. Completion expected in November 2024.
Waterfront Playground/North Reserve	2,858	4,800	(1,942)	Playground project commenced later than anticipated leading to an underspend in 2023/24. Designs completed in late 2023/24 and construction commenced in July 2024. The North Reserve project is scheduled to complete in November 2024.
Western corridor growth projects	0	240	(240)	Ohauti reserve development deferred to 2030/31 due to ongoing planning with Ministry of Education.
Indoor Courts - 483 Cameron Road	19,130	50	19,080	This project has been re-scoped following the Council decision not to build new indoor courts as part of the Memorial Park Recreation Hub project, and instead purchase 483 Cameron Road and fit that property out to hold the new courts. The spend in 2023/24 represents the acquisition of the property and design costs.
City Operations Mount Maunganui Depot	201	80	121	Additional requirements around provision of services to the site than originally budgeted.
Mount Maunganui Skatepark	3,723	2,029	1,694	The skatepark project had further budget approved during the year via Council to construct stages 3 and 4, as well as additional external funding provided to TCC part way through the project. Council originally approved zones 1 and 2 of the park and zones 3 and 4 were dependant on external funding being sought.
City Operations Tauriko Depot	1,885	300	1,585	Budget was brought forward from 2024/25 to finish building the depot. The overspend is due to additional requirements around the provision of services to site.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - SPACES & PLACES

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF OPERATING FUNDING				
General rates, Uniform Annual General Charges, Rates Penalties	50,663	52,928	63,151	10,223
Targeted Rates	5,142	5,992	5,193	(799)
Subsidies and grants for operating purposes	70	72	278	206
Fees and charges	5,578	5,868	6,489	621
Internal charges and overheads recovered	(1)	0	(42)	(42)
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	515	515	1,292	777
Total Sources of Operating Funding (A)	61,967	65,375	76,361	10,986
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff & Suppliers	35,909	38,031	47,309	9,278

**Key Variance
Explanations for 2024**

Increased rates requirement due to increased operational spend across City Operations, Bay Venues Limited, Spaces and Places and Cemeteries. City Operations was formed in 2023/24 and was not factored into the LTP. It consists of two large maintenance contracts relating to Mount/ Pāpāmoa reserves and natural vegetation that were brought in-house.

Underspend in Community Facilities meant less being funded from Targeted rate.

Unbudgeted grants received in Spaces and Places relating too Tourism Infrastructure Funding from the Port of Tauranga which was allocated to projects such as the Marine Parade Boardwalk and Mauao viewing platform. This is partially offset by other grants that didn't eventuate.

Higher than budgeted revenue in Cemeteries, Spaces and Places, Beachside and Bay Venue Limited.

Minor variance

Increased intercompany revenue due to higher intra-group loan balance between TCC and Bay Venues Limited.

Grant funding for Bay Oval Stage 2 Pavilion was carried forward from 2022/23 due to construction delays. Bay Venues renewals grant was higher than budget due to early delivery of renewals at Mount Hot Pools and Baypark Stadium while carrying out other projects. City Operations was formed this year, and two large maintenance contracts were brought in-house relating to Mount/ Pāpāmoa reserves and natural vegetation, as well as a number of smaller contracts. There has been some unbudgeted set up costs incurred and additional employee costs to bring on staff 4-6 weeks early for another two contracts being brought in house from 1 July 2024. These contracts were brought in house to improve the overall level of service across our community.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - SPACES & PLACES

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
Finance Costs	6,609	6,775	12,452	5,677
Internal Charges and Overheads applied	8,269	9,084	10,075	991
Other Operating Funding applications	0	0	3	3
Total Applications of Operating Funding (B)	50,787	53,890	69,839	15,949
Surplus/(Deficit) of Operating Funding (A-B)	11,180	11,485	6,522	(4,963)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	9,051	36,000	0	(36,000)
Development and financial contributions	1,549	1,121	2,305	1,184
Increase/(Decrease) in debt	23,084	(4,402)	60,301	64,703
Gross Proceeds from the Sale of Assets	0	0	(34)	(34)
Lump sum contributions	1,674	4,483	3,041	(1,442)
Other Dedicated Capital Funding	0	0	0	0
Total Sources of Capital Funding (C)	35,358	37,202	65,613	28,411
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	4,424	11,706	9,275	(2,431)

**Key Variance
Explanations for 2024**

Changes in LTP capital programme timing and funding through various Annual Plans and an increase to Internal cost of borrowing to reflect Council's external cost of borrowing.

The methodology for overhead charges used in the LTP has been amended to reflect structure changes which is resulting in significant variances against budget.

Minor variance

Subsidies relating to better off funding for waters reform were not received after the reform reset was announced. This is partially offset by grants received from external parties to contribute to the Mount Maunganui destination skatepark.

Higher financial contributions than expected as we have started charging Development Contributions on new community infrastructure after the LTP was adopted, including Memorial Park and the central library.

Higher capital expenditure resulted in more borrowing required.

Minor Variance

Memorial Park external grant funding aquatics to be received later than budgeted in the LTP due to delays in project delivery.

Behind budget due to timing of programme rephasing associated with land purchases and development in the western corridor and rephasing of Ohauti reserve development.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - SPACES & PLACES

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
- to improve level of service	33,077	28,479	83,894	55,415
- to replace existing assets	6,328	11,455	5,908	(5,547)
Increase/(Decrease) in reserves	2,709	(2,953)	(26,942)	(23,989)
Increase/ (Decrease) of investments	0	0	0	0
Total Applications of Capital Funding (D)	46,538	48,687	72,135	23,448
Surplus/(Deficit) of Capital Funding (C-D)	(11,180)	(11,485)	(6,522)	4,963
Funding Balance ((A-B)+(C-D))	0	0	0	0

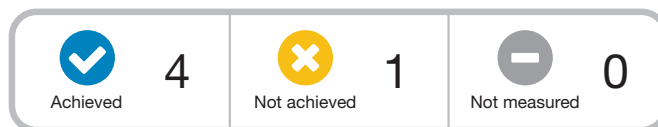
Key Variance
Explanations for 2024











Ahead of budget mainly due to the Cameron Road indoor courts project and a number of other smaller projects which include Memorial park to CBD walkway development, Marine Parade Boardwalk, Ōmanawa falls formal track, Masonic park upgrade, Elizabeth Street Streetscape and Strand Extension Streetscape.

Behind budget due to programme rephasing associated with community buildings, parks roading, Bay Venues property, coastal structures and marine asset renewals - mainly due to consenting delays and contractor availability.

Renewal funding higher than budgeted due to the indoor courts project at Cameron Road being delivered earlier than budgeted in the LTP which assumed no relocation. Inter-entity loan with Bay Venues Ltd is higher than budgeted due to office fit out.

GROUPS OF ACTIVITIES



PERFORMANCE MEASURES					
Level of service	Performance measures	2022/23 result	2023/24 target	2023/24 result	Comments
Spaces & Places We will provide a network of open spaces, parks, and playgrounds for the use of residents and visitors to the city.	Percentage of residential households that are within 500m of an open space.	 92%	90%	 93%	For 2023/24 93% of residential households are within 500m of an open space. This measure has been incorporated into the measure of accessibility to neighbourhood area open space for the next long-term plan.
We will provide a network of playgrounds enabling a variety of experiences for all age groups. Playgrounds can be targeted at young children, older children or can be exercise equipment for both adults and children.	Percentage of residential households that are within 500m of a playground.	 67%	65-70%	 67%	67% of residential households are within 500m of a playground for 2023/24. This measure has been incorporated into the measure of accessibility to neighbourhood area open space for the next long-term plan.
We will provide high quality coastal and reserve land and structures.	Removal of 20 coastal encroachments from public land each year.	 3	20	 12	In 2023/24, a total of 12 coastal encroachments were removed from public land. Adoption of the Use of Council Land Policy means there is no longer a target to remove 20 encroachments per year. Council will continue to have a planned programme of removals which can be reported as an operational matter when required.
	The amount of parks land protected in the City Plan as a Special Ecological Area that is restored.	 +2%	Additional 2%	 +2%	The management of Special Ecological Areas has seen an additional 2% restored across the city. Seven hectares of freshwater wetland and fish habitat restoration in the Koprerua Valley. This project was complete by end of June 2024.
Mount Beachside Holiday Park We will provide a range of accommodation options for visitors to the region.	Number of guest nights.	 83, 903	80,000	 83,319	In 2023/24, the Mount Beachside Holiday Park had 83,319 Guest Nights.

GROUPS OF ACTIVITIES

Challenges in 2023/24:

After a long period of underinvestment, combined with ongoing population growth, Tauranga doesn't have enough spaces and places to meet the needs of all our communities. An ongoing challenge is finding ways to fund the upgrades, replacements and new places and spaces we need – this includes working with partners to redevelop what we already have.

We continue to work with sports and community organisations to address increasing demand for use of our facilities and sports fields. We are committed to ensuring that the fees and charges for council-owned facilities continue to be affordable to the organisations who use them while not imposing additional burden on the general ratepayer.

People love their local reserves. However, we are challenged to ensure that all residents have access to open space that provides a quality play experience and opportunities to enjoy being in nature.

Additionally, on the more day-to-day management of our community facilities, we continued to have a problem with noise from loud exhausts and music throughout the night disturbing guests at our Mount Beachside Holiday Park, and we continue to struggle with a rabbit population explosion on Mauao reserve, digging up sites and newly grassed areas.

Looking ahead

In 2024/25, we will:

- open two new community centres in Merivale and Gate Pā. This significant investment in community facilities has long been a desire of the Merivale and Gate Pā communities, particularly as the area grows and changes over time.
- commence a programme of reserve enhancement and playground renewal at four reserves to ensure they better meet community expectations of reserves as spaces for play and community gathering and to ensure residents have access to nature. Through this programme, we also aim to enable our reserves to be spaces where we can see our Tauranga stories creating a sense of belonging.
- complete construction of a new sports pavilion at Gordon Spratt Reserve. This will provide a home for two sports organisations and allow the existing facilities to be more available to other community organisations.
- commence the design and consenting process for the Beachfront & Playground Project.

Support services

What we do

We predominately provide internal support to our organisation. Our activities help in the effective and efficient delivery of all council services.

How this affects you

We support activities and services that affect our community directly.

Asset Services

This activity ensures assets vested to Council and used by the public are fit-for-purpose and that Council's assets are managed in accordance with best practice providing best value for investment in infrastructure for the community.

Highlights in 2023/24

- Completed renewal forecasting and draft Asset Management Plans that informed the Long-term Plan and Infrastructure Strategy.
- Released updated information on slope hazard zones and held four public drop-in sessions.

Challenges in 2023/24

- Releasing slope hazard zone information in a year following large-scale landslides across New Zealand, increased community inquiries and concerns.

Looking ahead

In 2024/25 we will:

- jointly release coastal flooding mapping with Bay of Plenty Regional Council.
- complete a combined Strategic Asset Management Plan for all asset activities and review our Asset Management Steering Group Terms of Reference and Commitment.
- update design rainfall standards in the Infrastructure Development Code.

Capital Programme Assurance Division (CPAD)

Providing assurance that the organisations capital programme is planned and executed effectively and consistently and delivers on the agreed community outcomes.

Highlights in 2023/24

- The CPAD Team has adopted a more assurance-oriented approach this year. We have enhanced project management discipline by conducting internal project audits and offering internal training opportunities for formal project management certification. 15 staff are currently attending this course.
- The GIS Team has focused on transitioning services to a new infrastructure platform, Amazon Web Services (AWS). The team has delivered an updated and enhanced community-focused GIS Viewer, MAPI, which has been well-received by the community.
- The Business Intelligence Team continues to provide easily accessible insights for the organisation. These include the transport insights portal to consolidate transport-related information into a single platform, financial performance dashboards offering straightforward access to financial data, and the Forward Works Viewer, which combines all work happening across the city in one viewer, helping with prioritisation, sequencing and cross team communications.
- The team has also established an organisation-wide community of practice, bringing together data-related personnel to connect, share knowledge, and promote consistency. This initiative aims to move us toward a self-service model.

Challenges in 2023/24

- The increasing demand for insight and advice across teams has led to a level of prioritisation, based on what activities have the biggest impact to our community.
- Council's work programme is larger than ever. The team's function has therefore had to scale up its controls, processes, and staff to keep pace with the large capital programme.

GROUPS OF ACTIVITIES

- Reports have been lengthy and difficult for Council to interpret, but we have developed a new dashboard, which presents project, financial, AIP and KPI data information in an easier to consume format.

Looking ahead

In 2024/25 we will:

- continue to implement a new dashboard, aggregating project, financial, action and investment plan and KPI data, to improve Council's understanding of how the city is changing.

Strategic Investment & Commercial Facilitation

The activity supports the strategic planning of works and projects involving Council's property needs and existing property assets, to enable the city's growth and success as a city that is well-connected, has good infrastructure and other civic facilities, attracts and supports a range of business and education opportunities, and is well-connected with a range of sustainable transport choices. The activity seeks to deliver strategic property that is appropriately planned, managed, and utilised for the benefit of the community.

Highlights in 2023/24

- There were a number of highlights for our Strategic Property team, including the transfer/vesting of 91-95 Willow in Te Manawataki o Te Papa Charitable Trust, the establishment of an Asset Realisation Reserve, the unconditional sale of the Marine Precinct and Vessel Works, the purchase 483 Cameron Road for a new indoor court facility, the transfer of Te Pahou Reserve to mana whenua, and the sale of 57 Pitau Road.

Challenges in 2023/24

- Navigating the Property Divestment Policy.
- Stakeholder management in a time sensitive environment, including maintaining appropriate communication lines to overcome siloed information and ensure seamless communication between activities.
- Streamlining decision-making processes to avoid delays and misunderstandings.
- Ensuring the team has the skills and capacity to meet strategic objectives and build the community's resilience to climate change and natural hazards.

Looking ahead

In 2024/25 we will:

- continue to implement the divestment programme.
- continue to support Spaces & Places developments.
- complete the settlement of the Marine Precinct sale and undertake related wharf developments.
- complete acquisition of properties impacted by landslips.

Digital Services

Digital Services assists Tauranga City Council to meet its long-term plan goals and the community through the provision of digital products and engagement platforms.

Highlights in 2023/24

- Roll-out of our programme to modernise our Enterprise Resource Planning technology, the software platform that supports core council processes.
- Support programme for our incoming elected councillors to use digital technology to work efficiently and to govern and manage council meetings. This is designed to streamline governance services with increased protection and retention of council records.
- Provided digital direction across our city redevelopment programme, ensuring our community is informed, connected, and engaged digitally across our redeveloped city centre.
- Implemented environmental sensors in several key city locations to track air quality, vehicle emissions, and construction noise levels overtime as our city centre is being transformed.
- Launched a 12-month smart bin trial at Pilot Bay. The solar-powered compactor bins can hold three times more rubbish than a normal bin and notify us when they need emptying.
- Developing a free, city Wi-Fi model and partnership approach that will deliver a high quality, managed, free wi-fi service to our core city centre locations for community and visitors.

Challenges in 2023/24

- Organisation capacity to support the larger digital initiatives remains a challenge. With the organisation's increased cadence of delivery, getting the necessary support from already busy teams has proved challenging. Teams who have taken up the challenge, however, have made significant gains in terms of leveraging technology to streamline their processes and gain efficiencies.

GROUPS OF ACTIVITIES

Looking ahead

In 2024/25 we will:

- continue to focus on cybersecurity programmes and the cybersecurity skills of our people.
- build our understanding of some of the challenges our community faces, and developing a programme of activity that leverages smart technologies to improve community experience and outcomes.

Finance

The finance function ensures that Council can continue to deliver services to the community to meet the four wellbeings and delivers on agreed priority outcomes into the future in a way that is affordable and financially sustainable.

Highlights in 2023/24

- Completed the 2024-34 Long-term Plan financial strategy that identified how we will deliver the infrastructure investment and services required for our growing city, and how this can be sustainably financed.
- Introduced a new industrial rating category in the Long-term Plan to better categorise the ratepayers within the city that benefit from, or contribute to, the costs of activities, and ensure people pay their fair share for the infrastructure and services provided by council.
- Negotiated an Infrastructure Funding and Financing (IFF) agreement with central government to finance the ratepayer share of Te Manawataki o Te Papa in line with our community consultation.
- Developed targeted rates to one, recover growth costs in West Bethlehem and Pyes Pā, and two, meet current and future growth needs in Pāpāmoa and Wairākei.
- Through modelling, we developed more detailed understanding of the debt and revenue requirements for three waters activities, determining whether they are provided internally or externally to Council over the next ten years.

Challenges in 2023/24

- Debt levels now exceed \$1billion and are projected to increase to \$2.6 billion by the end of the Long-term Plan, requiring strong financial planning, information for prioritisation and treasury management.
- Completion of rating property revaluation to meet legislative and audit requirements and the introduction of the IFF levy both had challenging technical requirements, along with limited availability of skilled valuers for revaluations.

- Negotiating with central government on acceptable arrangements for the IFF levy agreed for transportation and the proposed IFF levy for Te Manawataki o Te Papa.

Looking ahead

In 2024/25 we will:

- continue financial and business planning to ensure a sustainable financial strategy for Council in response to changing central government funding, particularly for transportation.
- implement the new rating, revenue and banking software using SAP, and complete the update of the financial system to SAP, which is better able to support revenue collection and provide integrated financial transactions, controls and information.
- continue analysis of revenue and expenditure to support the required level of infrastructure delivery, while keeping it affordable and fairly distributed across our community.
- assess impacts of potential changes to enable Local Water Done Well, the Government's new waters initiative.

Legal, Risk and Procurement

A major organisational priority is the improvement of the project delivery functions. The Legal and Commercial teams have been identified as a critical component to achieving that outcome (working alongside the Capital Projects Assurance Division, and directors of Transport, Waters and Spaces and Places).

Improved procurement and risk management capability have been identified as key workstreams in the project delivery change management project.

The Procurement team support the organisation to deliver the right outcomes for Council and enable the business to function effectively. Decisions are made in a commercially astute manner that are both fair and transparent, achieving the best possible outcomes for our customers and the community.

Highlights in 2023/24

- Introduction of a new risk reporting tool called CAMMS, which provides better insight into risk for risk owners and more accurate reports for governance. It is another improvement in the risk maturity of Council.
- The start of supplier drop in sessions from the procurement team gave an opportunity for local and mainly smaller suppliers to understand how to work with Council. This coupled with changes to the procurement policy is leading to a greater diversity of suppliers.

GROUPS OF ACTIVITIES

- Given it was the biggest year for delivery in the history of the organisation the legal and procurement teams produced a record number of contract documents and also saw the number of litigation matter reduce to the lowest in 7 years.

Challenges in 2023/24

- A restructure of the function brought disruption to staff across the organisation and difficulty in relationships with suppliers. This has led to a reduction of staff despite an increase in work.
- The continued increase in delivery has led to a great volume of work.
- Legislative changes from the government have led to a lot more involvement in giving advice and changing templates.

Looking ahead

In 2024/25 we will:

- Likely continue to see an increase in litigation matters, as is usually the case when the economy is struggling.
- look to embed the structure changes.
- continue to see legislative change particularly in the RMA space as well as rolling out the introduction of the new NZS3910 construction contract.
- continue to implement the changes to the procurement policy, particularly in relation to the broader outcomes.
- continue to roll out CAMMS to the organisation and work with the Audit and Risk committee to ensure fit for purpose reporting.

Health and Safety

We are committed to ensuring that all of our people are healthy and safe every day at work. By actively promoting health and safety we will provide a better work environment that contributes to our success, and ultimately deliver better outcomes for our community.

Highlights in 2023/24

- The development and implementation of the Contract Management Standard. Outlining the requirements for a systematic approach to the selection and management of contractors, sub-contractors, and suppliers to minimise the risk of harm to TCC workers, customers, visitors, and members of public.

Challenges in 2023/24

- Increasing levels of antisocial behaviour, including verbal or physical assault to our frontline staff.

Looking ahead

In 2024/25 we will:

- review and enhancement of our emergency preparedness and response capabilities, ensuring staff are aware of and trained in our processes.
- continue alignment with ISO 45001, by developing standards, guidelines and templates to simplify health and safety, enabling integration into day-to-day activities.

Human Resources

We provide people-related activities and services that focus on ensuring our employees are informed, engaged and motivated so they can deliver for our community, now and in the future.

Highlights in 2023/24

- Recognised for our work by winning the Learning and Development (Large Organisation) Award at the 2024 HRNZ awards. This acknowledged the successful implementation of the leadership change programme, including the MyTeamPulse survey and Wired-Up tools, empowering teams to drive engagement and create the right culture.
- Piki Ake, our 12-month cadetship in partnership with the Ministry of Social Development, now in its second year. And successful introduction of Summer Internships. Both programmes supporting Tauranga youth through education and employment experiences.
- The implementation of the SAP SuccessFactors as our new Human Resources Information System (HRIS) is well in train.
- The development of a new Drug and Alcohol Policy, aimed to provide a drug and alcohol risk-free work environment. Achieved by proactively identifying and working with individuals who may pose a safety risk, to keep both themselves and others safe at work.

Challenges in 2023/24

- Maintaining a sustainable and cost-efficient workforce, while ensuring Council have the capabilities and capacity as an organisation to deliver the scale and complexity of the projects covered in the LTP work programme.
- Maintaining a highly engaged workforce.

GROUPS OF ACTIVITIES

Looking ahead

In 2024/25 we will:

- continue to deliver enhancements to our HRIS digital environment, promoting efficiencies particularly in our recruitment and onboarding experiences and learning management system.
- continue to attract, develop, engage and retain our people to deliver for the people of Tauranga.

Property Management

Council holds land and buildings for a strategic future purpose or immediate benefit to the wider community. Property Management works with the community and other Asset Managers to make sure that we best utilise our assets to either generate revenue or provide a community benefit.

Highlights in 2023/24

- The Lease & Property Management team has increased revenue from our commercial property portfolio and has integrated the SAP financial software into its business practises, leading to more efficient transactions.

Challenges in 2023/24

- Two new initiatives – the proposed introduction of Licence to Occupy arrangements for hospitality businesses in Mount Maunganui, and the introduction of changes to Council's user fees and charges for groups leasing reserve land has required careful balancing of outcomes and amendments to administrative processes.

Looking ahead

In 2024/25 we will:

- focus on further streamlining of financial and customer service processes and embedding expected changes to the leasing and licensing portfolio.

Strategy and Corporate Planning

A successful city balances social, cultural, economic and environmental wellbeing, alongside effective urban form and transport. The Strategy and Corporate Planning team supports the mayor and councillors and the organisation to make good decisions and ensures that Council is future focussed and keeping up with the pace of change.

Highlights in 2023/24

- Adoption of the Our Direction strategic framework, including two new strategies (Tauranga Matauranui – Inclusive City Strategy, and Tauranga Taurikura – Environment Strategy) and nine new action and investment plans (including Tauranga's first Climate Plan).
- Adoption of the 2024-34 Long-term Plan, which continues to build upon the foundation laid in the previous plan, emphasising delivery and the completion of projects, as well as ensuring everyone is paying their fair share for the resources they use.

Challenges in 2023/24

- Accelerated timeframes for the development of the Long-term Plan due to the Commission's term ending in July 2024.

Looking ahead

In 2024/25 we will:

- assist with the transition back to democracy and the induction of the new elected members.
- develop the 2024/25 Annual Plan.
- execute a full programme of policy and bylaw reviews and upgrades.

GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS				
	2023/2024 Actual \$000's	2023/2024 Budget \$000's	2023/2024 Variance \$000's	Key Variance Explanations for 2024
Civic Rebuild programme	9,468	16,629	(7,161)	Construction of 90 Devonport Road continued throughout the year, with fitout starting in late 2023. The fitout will be spread across 2023/24 and 2024/25, with move in date end of April 2025. This has led to an underspend in 2023/24.
Digital Services Capital Programme	5,359	19,739	(14,380)	\$14.4m of capital spend was reclassified as operational cost due to evolving accounting standards for Software as a Service (SaaS) work and recorded accordingly. The programme is aligned and delivered based on business need and executive prioritisation.
Various land purchases	4,771	7,400	(2,629)	Strategic land purchases are dependent on suitable land and properties becoming available for purchase. A number of acquisitions were unable to be completed during the year.
Various land sales	(1,029)	0	(1,029)	Unbudgeted deposit for the sale of Vessel Works business (Marine Precinct).
Property Management Upgrades & Renewals	230	196	34	Unforeseen costs on residential renewals and the Cargo Shed project.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 -
SUPPORT SERVICES

	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's
SOURCES OF OPERATING FUNDING				
General rates, Uniform Annual General Charges, Rates Penalties	(8,112)	(5,684)	(9,777)	(4,093)
Targeted Rates	649	1,628	948	(680)
Subsidies and grants for operating purposes	413	425	1,081	656
Fees and charges	7,004	7,207	9,846	2,639
Internal charges and overheads recovered	94,968	104,927	113,261	8,334
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	1,512	2,100	9,347	7,247
Total Sources of Operating Funding (A)	96,134	110,603	124,706	14,103
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff & Suppliers	49,893	53,292	76,837	23,545
Finance Costs	(9,319)	(6,804)	(3,973)	2,831
Internal Charges and Overheads applied	39,491	43,561	61,966	18,405
Other Operating Funding applications	1,200	1,200	2,300	1,100
Total Applications of Operating Funding (B)	81,265	91,249	137,130	45,881
Surplus/(Deficit) of Operating Funding (A-B)	14,869	19,354	(12,424)	(31,778)

Key Variance
Explanations for 2024

Rates allocation greater than LTP budget due to higher costs than budgeted within Activities, particularly in relation to higher external borrowing costs compared to those assumed during the LTP.

Timing of Te Manawataki o Te Papa delivery differs to LTP, impacting on charging of related targeted rates.

Unbudgeted grants received from central government in relation to water reforms.

Higher returns on commercial properties and unbudgeted laboratory analysis fee income.

Recovery of internal costs are above budget. This reflects higher costs of Support activities - refer below.

Higher interest income received from money market investments, due to rising interest rates and additional funds on deposit.

Digital Services are now required to expense software as a service charges (previously capitalised), with \$17m of consultants costs being expensed. While these costs are reporting as operational for accounting purposes, they continue to be debt funded to spread the cost across the life of the product. Employee costs are also above budget due to recruitment of additional support staff.

Finance costs primarily relate to the net interest in Corporate Treasury. This is the difference between interest paid on external debt and interest charged on internal debt to all other activities within Council. Variance reflects lower than budgeted capital spend across Council.

Internal charges include the elimination of internal debt within Council. Overall the difference between finance costs and internal charges relating to internal debt net off, with the difference being external debt within the Treasury activity.

Bad debt write offs and provision for costs associated with landslip affected properties.

GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2023/24 - SUPPORT SERVICES					Key Variance Explanations for 2024
	2022/2023 LTP \$000's	2023/2024 LTP \$000's	2023/2024 Actual \$000's	2023/2024 Variance \$000's	
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	0	0	0	0	
Development and financial contributions	0	0	0	0	
Increase/(Decrease) in debt	19,186	27,859	55,046	27,187	Changes to the capital programme, particularly in digital services and property investment have required additional debt funding.
Gross Proceeds from the Sale of Assets	0	0	1,032	1,032	Unbudgeted asset sales.
Lump sum contributions	362	1,303	(98)	(1,401)	LTP included a government contribution for waters reform capex, which has not eventuated.
Other Dedicated Capital Funding	0	0	0	0	
Total Sources of Capital Funding (C)	19,548	29,162	55,980	26,818	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	5,150	5,305	4,762	(543)	Strategic property acquisitions were below the LTP. These acquisitions are dependent on suitable properties becoming available.
- to improve level of service	17,267	27,837	22,131	(5,706)	LTP includes budget for a new civic administration building, which has not eventuated yet.
- to replace existing assets	3,324	3,552	(6,701)	(10,253)	Reclassifying historical project costs in Digital Services as either operational expenditure or level of service capital.
Increase/(Decrease) in reserves	8,676	11,822	23,364	11,542	Higher than budgeted debt levels as commented on above.
Increase/ (Decrease) of investments	0	0	0	0	
Total Applications of Capital Funding (D)	34,417	48,516	43,556	(4,960)	
Surplus/(Deficit) of Capital Funding (C-D)	(14,869)	(19,354)	12,424	31,778	
Funding Balance ((A-B)+(C-D))	0	0	0	0	