



AGENDA

Ordinary Council meeting Monday, 16 September 2024

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

Date: Monday, 16 September 2024

Time: 9.30am

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

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

**Marty Grenfell
Chief Executive**

Terms of reference – Council

Membership

Chairperson	Mayor Mahé Drysdale
Deputy Chairperson	Deputy Mayor Jen Scoular
Members	Cr Hautapu Baker Cr Glen Crowther Cr Rick Curach Cr Steve Morris Cr Marten Rozeboom Cr Kevin Schuler Cr Mikaere Sydney Cr Rod Taylor
Quorum	<u>Half</u> of the members present, where the number of members (including vacancies) is <u>even</u> ; and a <u>majority</u> of the members present, where the number of members (including vacancies) is <u>odd</u> .
Meeting frequency	As required

Role

- To ensure the effective and efficient governance of the City.
- To enable leadership of the City including advocacy and facilitation on behalf of the community.

Scope

- Oversee the work of all committees and subcommittees.
- Exercise all non-delegable and non-delegated functions and powers of the Council.
- The powers Council is legally prohibited from delegating include:
 - Power to make a rate.
 - Power to make a bylaw.
 - Power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan.
 - Power to adopt a long-term plan, annual plan, or annual report.
 - Power to appoint a chief executive.
 - Power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement.
 - All final decisions required to be made by resolution of the territorial authority/Council pursuant to relevant legislation (for example: the approval of the City Plan or City Plan changes as per section 34A Resource Management Act 1991).
- Council has chosen not to delegate the following:
 - Power to compulsorily acquire land under the Public Works Act 1981.
- Make those decisions which are required by legislation to be made by resolution of the local authority.

- Authorise all expenditure not delegated to officers, Committees or other subordinate decision-making bodies of Council.
- Make appointments of members to the council-controlled organisation Boards of Directors/Trustees and representatives of Council to external organisations.
- Undertake all statutory duties in regard to Council-controlled organisations, including reviewing statements of intent and receiving reporting, with the exception of the Local Government Funding Agency where such roles are delegated to the Accountability, Performance and Finance Committee. This also includes Priority One reporting.
- Consider all matters related to Local Water Done Well.
- Consider any matters referred from any of the Standing or Special Committees, Joint Committees, Chief Executive or General Managers.

Procedural matters

- Delegation of Council powers to Council's committees and other subordinate decision-making bodies.
- Adoption of Standing Orders.
- Receipt of Joint Committee minutes.
- Approval of Special Orders.
- Employment of Chief Executive.
- Other Delegations of Council's powers, duties and responsibilities.

Regulatory matters

Administration, monitoring and enforcement of all regulatory matters that have not otherwise been delegated or that are referred to Council for determination (by a committee, subordinate decision-making body, Chief Executive or relevant General Manager).

Order of Business

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5	Confidential business to be transferred into the open	7
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9	Deputations, presentations, petitions	39
	Nil	
10	Recommendations from other committees	39
	Nil	
11	Business	40
11.1	Final Statement of Intent 2024/25 to 2026/27 for Bay of Plenty Local Authority Shared Services.....	40
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- 1 OPENING KARAKIA**
- 2 APOLOGIES**
- 3 PUBLIC FORUM**
- 4 ACCEPTANCE OF LATE ITEMS**
- 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**
- 6 CHANGE TO THE ORDER OF BUSINESS**

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Council meeting held on 15 August 2024

File Number: A16636896

Author: Anahera Dinsdale, Acting Team Leader: Governance Services

Authoriser: Anahera Dinsdale, Acting Team Leader: Governance Services

RECOMMENDATIONS

That the Minutes of the Council meeting held on 15 August 2024 be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of the Council meeting held on 15 August 2024



MINUTES

**Ordinary Council meeting
Thursday, 15 August 2024**

Order of Business

1	Opening karakia	3
2	Apologies	3
3	Public forum	3
4	Acceptance of late items	3
5	Confidential business to be transferred into the open	3
6	Change to the order of business	4
7	Confirmation of minutes	4
7.1	Minutes of the Inaugural Council meeting held on 2 August 2024	4
8	Declaration of conflicts of interest	4
9	Deputations, presentations, petitions	4
	Nil	
10	Recommendations from other committees	4
	Nil	
11	Business	4
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12	Discussion of late items	14
13	Public excluded session	14
	Nil	
14	Closing karakia	14

**MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE TAURANGA CITY COUNCIL, GROUND FLOOR
MEETING ROOMS 1 & 1B, 306 CAMERON ROAD, TAURANGA
ON THURSDAY, 15 AUGUST 2024 AT 9.30AM**

PRESENT: Mayor Mahé Drysdale (Chairperson), Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor

IN ATTENDANCE: Marty Grenfell (Chief Executive), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Sarah Omundsen (General Manager: Regulatory and Compliance), Gareth Wallis (General Manager: City Development & Partnerships), Caroline Lim (Council Controlled Organisation Specialist), Jane Barnett (Policy Analyst), Coral Hair (Manager: Democracy & Governance Services), Anahera Dinsdale (Acting Team Leader: Governance Services), Aimee Aranas (Governance Advisor).

1 OPENING KARAKIA

Cr Baker opened the meeting with a karakia.

2 APOLOGIES

APOLOGY

RESOLUTION CO16/24/1

Moved: Cr Glen Crowther

Seconded: Cr Kevin Schuler

That the apology for absence received from Cr Sydney be accepted.

CARRIED

3 PUBLIC FORUM

Nil

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO THE ORDER OF BUSINESS

Nil

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Inaugural Council meeting held on 2 August 2024

RESOLUTION CO16/24/2

Moved: Cr Steve Morris

Seconded: Cr Rick Curach

That the minutes of the Inaugural Council meeting held on 2 August 2024 be confirmed as a true and correct record.

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Nil

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

11.1 Leave of absence

Staff Marty Grenfell, Chief Executive
Coral Hair, Manager: Democracy & Governance Services

Key points

- The report was taken as read.

RESOLUTION CO16/24/3

Moved: Cr Hautapu Baker

Seconded: Cr Marten Rozeboom

That the Council:

- (a) Receives the report "Leave of absence".
- (b) Approves a leave of absence to Councillor Mikaere Sydney for the period 15 August 2024 to 31 December 2024.
- (c) Extends the Council's best wishes for a speedy recovery to Councillor Mikaere Sydney.

CARRIED

11.2 Delegation to Chief Executive over election interregnum period

Staff Marty Grenfell, Chief Executive

Key points

- The report was taken as read.

RESOLUTION CO16/24/4

Moved: Cr Rick Curach

Seconded: Cr Kevin Schuler

That the Council:

- (a) Receives the report "Delegation to Chief Executive over election interregnum period".

CARRIED

11.3 Governance Structure and Appointments 2024-2028

Chairperson Mayor Mahé Drysdale

Tabled Documents:

- Governance Structure and Appointments 2024-2028 (Council Meeting 15 August 2024)
- Governance Terms of Reference - Roles Changes

Key points

- The Mayor gave a brief overview of the abovenamed tabled documents and discussed the reason for the proposed changes to the naming, scope and roles to some of the committees within the Terms of Reference.

In response to questions

- There was no set timeframe for the length of term for the appointees to the Regulatory Hearings Panel.

Discussion points raised

- It was requested that the Regulatory Hearing Panel be reviewed.
- It was agreed that the word "Planning" be returned to the proposed Committee name "Vision, Growth & Environment."
- The use of the word "restore" was discussed in the scope for the Vision, Planning, Growth & Environment Committee. It was agreed that the word "restore" remain in the scope.
- The proposed changes to the terms of reference as set out in the tabled document Governance Terms of Reference – Role Changes relating to the Vision, Planning, Growth & Environment Committee, the Project Planning and Monitoring Committee and the Community Transparency and Engagement Committee were agreed to.

RESOLUTION CO16/24/5

Moved: Mayor Mahé Drysdale

Seconded: Cr Marten Rozeboom

That the Council:

- (a) Receives the report "Governance Structure and Appointments 2024-2028".

- (b) Acknowledges that the Mayor has exercised his powers under section 41A(3)(b) and (c) of the Local Government Act 2002 to establish standing committees and special committees of Council and appoint committee chairpersons.
- (c) Adopts the terms of reference for and makes the delegations to the standing committees and special committees as outlined in Attachment 1.
- (d) Confirms committee membership as follows:

Committee	Membership
Vision, Planning, Growth and Environment Committee	Chairperson: Cr Marten Rozeboom Deputy Chairperson: Cr Glen Crowther Members: Deputy Mayor Jen Scoular Cr Hautapu Baker Cr Rick Curach Cr Steve Morris Cr Kevin Schuler Cr Mikaere Sydney Cr Rod Taylor Mayor Mahé Drysdale (ex officio)
Project Planning and Monitoring Committee	Chairperson: Cr Rod Taylor Deputy Chairperson: Cr Rick Curach Members: Deputy Mayor Jen Scoular Cr Hautapu Baker Cr Glen Crowther Cr Steve Morris Cr Marten Rozeboom Cr Kevin Schuler Cr Mikaere Sydney Mayor Mahé Drysdale (ex officio)
Community, Transparency and Engagement Committee	Chairperson: Cr Kevin Schuler Deputy Chairperson: Cr Hautapu Baker Members: Cr Rick Curach Cr Steve Morris Cr Rod Taylor Mayor Mahé Drysdale (ex officio)
Accountability, Performance and Finance Committee	Chairperson: Deputy Mayor Jen Scoular Deputy Chairperson: Cr Mikaere Sydney (and during his leave of absence Mayor Mahé Drysdale) Members: Cr Glen Crowther Cr Marten Rozeboom

	Cr Rick Curach Mayor Mahé Drysdale (ex officio)
Audit and Risk Committee	Chairperson: Independent to be appointed Deputy Chairperson: Cr Steve Morris Members: Deputy Mayor Jen Scoular Mayor Mahé Drysdale (ex officio)
Tangata Whenua / Tauranga City Council Committee	Chairperson: Mr Anthony Fisher Deputy Chairperson: To be confirmed Members: Mayor Mahé Drysdale Deputy Mayor Jen Scoular Councillor Hautapu Baker Councillor Kevin Schuler Councillor Mikaere Sydney (and during his leave of absence Cr Rod Taylor) Matire Duncan Mr Puhirake Ihaka Mr Nathan James Ms Destiny Leaf Mr Whitiora McLeod Mr Buddy Mikaere
Wastewater Management Review Committee	Chairperson: to be appointed following a recommendation by the Committee Deputy Chairperson: to be appointed by the Committee Members: Cr Rick Curach Cr Kevin Schuler Cr Mikaere Sydney (and during his leave of absence Cr Marten Rozeboom) Cr Rod Taylor Mr Spencer Webster – Ngā Potiki Ms Lara Burkhardt – Ngā Pōtiki Mr Whitiora McLeod - Ngāi Te Rangi Mr Des Heke - Ngāti Ranginui Ms Destiny Leaf (alternate member – Ngāti Ranginui)
Regulatory Hearings Panel	Ms Mary Dillon Mr Puhirake Ihaka

	Mr Terry Molloy Mr Alan Tate
District Licensing Committee	DLC1 – Commissioner Murray Clearwater DLC2 – Commissioner David Stewart DLC3 – Commissioner Beverley Edlin DLC4 – Commissioner Andrew Baker Members: Graeme Cushing (List Member) Matire Duncan (List Member) Turapaki Gardiner (List Member) Alan Tate (List Member)

- (e) Adopts the following Joint Committees and confirms membership as follows:

Committee	Membership (Tauranga City Council)
SmartGrowth Leadership Group	Mayor Mahé Drysdale Deputy Mayor Jen Scoular Cr Marten Rozeboom Alternate: Cr Glen Crowther
Bay of Plenty Civil Defence Emergency Management Group	Mayor Mahé Drysdale Alternate: Cr Kevin Schuler / Deputy Mayor Jen Scoular
Regional Transport Committee	Mayor Mahé Drysdale Alternate: Deputy Mayor Jen Scoular
Public Transport Committee	Cr Glen Crowther Cr Rod Taylor Alternate: Cr Rick Curach
Tauranga Public Transport Joint Committee	Cr Glen Crowther Cr Rick Curach Alternate: Cr Rod Taylor
Te Maru o Kaituna River Authority	Cr Steve Morris Alternate: Cr Mikaere Sydney (and during his leave of absence) Cr Rick Curach

- (f) Appoints the following members to these advisory boards, external organisations and internal working groups:

Group/organisation	Membership (Tauranga City Council)
Ngā Poutiriao o Mauao	Deputy Mayor Jen Scoular

	Cr Hautapu Baker Cr Rod Taylor Cr Mikaere Sydney (and during his leave of absence) Cr Rick Curach
Waiāri Kaitiaki Advisory Group	Cr Hautapu Baker Cr Steve Morris Alternate: Cr Mikaere Sydney (and during his leave of absence) Cr Rod Taylor
Matapihi Southern Pipeline Advisory Group	Deputy Mayor Jen Scoular Cr Rick Curach Cr Marten Rozeboom Cr Kevin Schuler
Taumata Kahawai Governance Group	Cr Hautapu Baker Cr Rod Taylor Alternate: Cr Kevin Schuler
Tauranga Moana Advisory Group	Cr Hautapu Baker Cr Mikaere Sydney (and during his leave of absence) Cr Kevin Schuler Alternate: Cr Kevin Schuler
Mount Air Quality Working Group	Mayor Mahé Drysdale Cr Rod Taylor Alternate: Deputy Mayor Jen Scoular
Local Government New Zealand – Zone 2 representative	Mayor Mahé Drysdale Alternate: Deputy Mayor Jen Scoular

CARRIED**Attachments**

- 1 Tabled resolutions 15 August 2024 - Governance structure and appointments 2024-28 (Version 10.41am 15.8.24)
- 2 Tabled governance terms of reference - roles changes

11.4 Remuneration for elected members

Staff Marty Grenfell, Chief Executive
Coral Hair, Manager: Democracy & Governance Services

Tabled Document:

- . Proposed remuneration for councillors excel spreadsheet

Key points

- The Mayor gave a brief overview of the remuneration structure he was proposing as set out in the tabled document.
- While the Remuneration Authority set a minimum allowable remuneration of \$87,695 for Councillors that the Council could not go below, the Council could determine the allocation of the pool and set the remuneration for councillors with no additional responsibilities and those with additional responsibilities as it saw fit.
- The Mayor proposed that the remuneration for Councillors with no additional responsibilities should be set at \$110,000 per annum as this was a better reflection of a councillor's workload than the minimum allowable remuneration.
- The Mayor proposed an additional remuneration of \$45,381 per annum for the Deputy Mayor for a total remuneration of \$155,381 per annum and an additional \$25,900 per annum for the Chairperson and Deputy Chairperson of the standing committees for a total remuneration of \$135,900 per annum to reflect the additional responsibilities and extra workload involved in these positions.

In response to questions

- Council was required to allocate the full remuneration pool of \$1,242,581.
- The Remuneration Authority required descriptions of the additional positions of responsibilities and needed to approve the proposal submitted by the Council.

Discussion points raised

- Support was expressed for a differentiation between councillors with no additional responsibilities and those councillors with additional responsibilities i.e. the Deputy Mayor and chairs and deputy chairpersons of standing committees to reflect their additional workload.
- An amendment to the recommendation was then proposed to increase the remuneration for councillors with no additional responsibilities to \$135,900 per annum to enable a flat distribution of the pool, with the exception of the Deputy Mayor whose additional responsibilities were to be recognised.
- As all Councillors were equally responsible for the decisions of the Council the amendment would better reflect a remuneration structure that promoted greater equity among all councillors, regardless of their roles as chairs or deputy chairs,
- It was felt that the remuneration structure was a reflection of what the Council had agreed to in order to be a high performing team of 10.

A MOTION WAS PROPOSED:

Moved: Mayor Mahé Drysdale

Seconded: Cr Hautapu Baker

That the Council:

- (a) Receives the report "Remuneration for elected members".
- (b) Allocates the councillors remuneration pool of \$1,242,581 for submission to the Remuneration Authority as follows:
 - (i) Councillors with no additional responsibilities \$110,000; and
 - (ii) Positions with additional responsibilities:
 - Deputy Mayor and Chairperson Accountability, Performance & Finance Committee – additional remuneration of \$45,381 with proposed total remuneration of \$155,381 (1 member per position).
 - Chairperson Standing Committee – additional remuneration of \$25,900 with proposed total remuneration per member of \$135,900 (3 members per position).

- Deputy Chairperson Standing Committee – additional remuneration of \$25,900 with proposed total remuneration per member of \$135,900 (5 members per position).

AN AMENDMENT WAS PROPOSED:

Moved: Cr Glen Crowther

Seconded: Cr Rod Taylor

That the Council:

- (b) Allocates the councillors remuneration pool of \$1,242,581 for submission to the Remuneration Authority as follows:
 - (i) Councillors with no additional responsibilities \$135,900

THE AMENDMENT WAS PUT AND CARRIED.

Mayor Drysdale and Cr Curach recorded their vote against the amendment.

THE AMENDMENT WAS INCLUDED IN THE SUBSTANTIVE MOTION:

RESOLUTION CO16/24/6

Moved: Mayor Mahé Drysdale

Seconded: Cr Hautapu Baker

That the Council:

- (a) Receives the report "Remuneration for Elected Members".
- (b) Allocates the councillors remuneration pool of \$1,242,581 for submission to the Remuneration Authority as follows:
 - (i) Councillors with no additional responsibilities \$135,900; and
 - (ii) Positions with additional responsibilities
 - Deputy Mayor and Chairperson Accountability, Performance & Finance Committee – additional remuneration of \$19,481 with proposed total remuneration of \$155,381 (1 member per position)
 - Chairperson Standing Committee – additional remuneration of 0 with proposed total remuneration per member of \$135,900 (3 members per position)
 - Deputy Chairperson Standing Committee – additional remuneration of 0 with proposed total remuneration per member of \$135,900 (5 members per position)

CARRIED

11.5 Elected Members' Expenses and Resources Policy

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

Key points

- The report was taken as read.

In response to questions

- In response to a query, the Mayor proposed an additional recommendation be included to reflect a review of the Elected Member's Expenses and Resources Policy in 2025.

Discussion points raised

- An additional Resolution (c) was included to reflect the discussion about reviewing the Elected Member's Expenses and Resources Policy in February 2025.

RESOLUTION CO16/24/7

Moved: Cr Steve Morris

Seconded: Cr Kevin Schuler

That the Council:

- (a) Receives the report "Elected Members' Expenses and Resources Policy".
- (b) Adopts Tauranga City Council's Elected Members' Expenses and Resources Policy 2024 (**Attachment One**) to take effect immediately.
- (c) Reviews the Elected Members Expenses and Resources Policy at a Council meeting in February 2025.

CARRIED

11.6 Appointment of the Chair to the Board of Te Manawataki o Te Papa Charitable Trust

Staff Gareth Wallis, General Manager: City Development & Partnerships
Caroline Lim, CCO Specialist

Key points

- The report was taken as read.

RESOLUTION CO16/24/8

Moved: Deputy Mayor Jen Scoular

Seconded: Cr Rod Taylor

That the Council:

- (a) Receives the report "Appointment of the Chair to the Board of Te Manawataki o Te Papa Charitable Trust".
- (b) Appoints the Tauranga City Council Mayor, Mahé Drysdale, or his nominee, as the Chair to the Board of Te Manawataki o Te Papa Charitable Trust for his term of office, effective immediately.
- (c) Notes (in accordance with s80 of the Local Government Act 2002) that, while the process for appointing the Chair is inconsistent with Council's Appointment of Directors to Council Organisations Policy, the extenuating circumstances of the Te Manawataki o Te Papa Charitable Trust's Trust Deed provide sufficient rationale for this

inconsistency. There is no intention to amend the Appointment Policy to accommodate this particular decision.

CARRIED

11.7 Meetings Schedule August-December 2024

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

Key points

- An updated meetings schedule August-December 2024 was tabled.

In response to questions

- The schedule endeavoured to create a meeting cycle of five weeks however there was some juggling of dates due to school holidays.

RESOLUTION CO16/24/9

Moved: Mayor Mahé Drysdale

Seconded: Deputy Mayor Jen Scoular

That the Council:

- (a) Receives the report "Meetings schedule August-December 2024".
- (b) Adopts the meetings schedule for the period August-December 2024 as set out in tabled document. attachment.

CARRIED

Attachments

- 1 Tabled August-December 2024 draft meetings schedule 13.8.24

12 DISCUSSION OF LATE ITEMS

Nil

13 PUBLIC EXCLUDED SESSION

Nil

14 CLOSING KARAKIA

Cr Baker closed the meeting with a karakia.

The meeting closed at 10:41am.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 16 September 2024.

.....
Mayor Mahé Drysdale
CHAIRPERSON

UNCONFIRMED

7.2 Minutes of the Council meeting held on 19 August 2024

File Number: A16636900

Author: Anahera Dinsdale, Acting Team Leader: Governance Services

Authoriser: Anahera Dinsdale, Acting Team Leader: Governance Services

RECOMMENDATIONS

That the Minutes of the Council meeting held on 19 August 2024 be confirmed as a true and correct record.

ATTACHMENTS

- 1. Minutes of the Council meeting held on 19 August 2024**



MINUTES

**Ordinary Council meeting
Monday, 19 August 2024**

Order of Business

1	Opening karakia	3
2	Apologies	3
3	Public forum	3
4	Acceptance of late items	4
5	Confidential business to be transferred into the open	4
6	Change to the order of business	5
7	Confirmation of minutes	5
	Nil	
8	Declaration of conflicts of interest	5
9	Deputations, presentations, petitions	5
	Nil	
10	Recommendations from other committees	5
	Nil	
11	Business	5
11.1	Briefing to Incoming Council - Update	5
11.2	Te Manawataki o Te Papa Infrastructure Funding and Financial (IFF) Resubmission and Library / Community Hub Contract	7
12	Discussion of late items	13
13	Public excluded session	13
	Confidential Attachment 4 11.2 - Te Manawataki o Te Papa Infrastructure Funding and Financial (IFF) Resubmission and Library / Community Hub Contract.....	13
	Confidential Attachment 4 11.2 - Te Manawataki o Te Papa Infrastructure Funding and Financial (IFF) Resubmission and Library / Community Hub Contract.....	14
14	Closing karakia	14

**MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS,
REGIONAL HOUSE, 1 ELIZABETH STREET, TAURANGA
ON MONDAY, 19 AUGUST 2024 AT 9.30AM**

PRESENT: Mayor Mahé Drysdale (Chairperson), Deputy Mayor Jen Scoular, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Sarah Omundsen (General Manager: Regulatory and Compliance), Gareth Wallis (General Manager: City Development & Partnerships), Mike Naude (Director of Civic Development), Coral Hair (Manager: Democracy & Governance Services), Anahera Dinsdale (Acting Team Leader: Governance Services) and Aimee Aranas (Governance Advisor)

LEAVE OF ABSENCE: Cr Mikaere Sydney

EXTERNAL: Nigel Tutt (Priority One) and Puhirake Ihaka (Otamataha Trust)

1 OPENING KARAKIA

Puhirake Ihaka opened the meeting with a karakia.

2 APOLOGIES

APOLOGY

RESOLUTION CO17/24/1

Moved: Cr Steve Morris

Seconded: Cr Kevin Schuler

That the apology for absence received from Cr Hautapu Baker be accepted.

CARRIED

3 PUBLIC FORUM

3.1 Nigel Tutt, Priority One - Te Manawataki o Te Papa

- It was acknowledged that the decisions around this contract were difficult, in particular at such an early stage in the new Council's tenure.
- Developers had a lot of confidence in where Tauranga's Central Business District (CBD) was heading which was important in terms of their decisions to further invest in the city.

- Council could be viewed as an unreliable business partner in the future if it were to delay or cancel investments/developments with its partnered business entities. This was seen as a high risk.
- If the work being done at Te Manawataki o Te Papa (TMoTP) was reduced, it would send a signal to the many businesses that had made the decision to return to the CBD that it was not the place to be.
- Retail was the last sector to return to the CBD and there needed to be developments to support this to increase foot traffic which would allow the sector to thrive.
- Priority One shared the vision for the future of the city and was here to help.

In response to questions

- Foot traffic was generally difficult to quantify, however more office workers in the CBD and visitors to TMoTP would increase this.

3.2 Puhirake Ihaka, Otamataha Trust - Te Manawataki o Te Papa

- Otamataha Trust was a whenua Māori trust consisting of two hapū, Ngāti Tapu and Ngāi Tamarāwaho, who historically and traditionally held the mana whenua of this area for the last 600 to 700 years.
- The relationship with Tauranga City Council (TCC) started around 24 years ago when the 'Tangata Whenua Collective' was established between all tangata whenua and TCC, within TCC's rohe.
- Mana whenua believed the important CBD relationships, in terms of how issues were dealt with, had greatly improved.
- Discussions began with the Commissioners three and a half years ago and the concept of rebuilding the CBD was considered. Mana whenua were invited to put their stamp on the project as a whole, in terms of the kaupapa and the concept that it should help and benefit not only tangata whenua but the community as a whole.
- The project was given the name 'Te Manawataki o Te Papa', which meant the 'beating heart of Te Papa' as it was felt the heart was the centre and the beginning and everything should come from that place.
- Mana whenua participation included offering cultural advice in terms of features of buildings, their design and use. Entwined within this was the objective to ensure that not only tangata whenua Māori, but the entire Tauranga Moana community, was part of this concept. It was believed that this objective had been achieved to date in terms of making it a beating heart of new civic centre/precinct for the city for everyone.
- The history of the city from a Māori and non-Māori point of view had been honoured and blended together in terms of design features.
- Mana whenua were proud to be associated with this project and believed it to be a resounding success to date.

In response to questions

- Mana whenua had learned to be patient, have endurance and be flexible when dealing with central and local Government. It was felt that even if the project was to be stalled or redesigned, mana whenua would still hold its place and have a part to play regardless of the plan.
- The Trust was half share co-owners of the property and held it very dear because of their emotional attachment to it.

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

RESOLUTION CO17/24/2

Moved: Cr Steve Morris
Seconded: Cr Glen Crowther

That the Council:

- Transfers confidential attachments 1 and 2 to item 11.1 “Briefing to Incoming Council – update” into the open with immediate effect:
 1. Attachment 1 – ‘Project Funding Updates Council Report to Council 11 July 2024’; and
 2. Attachment 2 – ‘Council Resolutions 11 July 2024’.

CARRIED

6 CHANGE TO THE ORDER OF BUSINESS

Nil

7 CONFIRMATION OF MINUTES

Nil

8 DECLARATION OF CONFLICTS OF INTEREST

Nil

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

11.1 Briefing to Incoming Council - Update

Staff Christine Jones, General Manager: Strategy, Growth & Governance
Nic Johansson, General Manager: Infrastructure

Key points

- The report provided an update on matters that the previous Council thought were of strategic importance that needed to be handed over to the incoming Council, and an update on the two matters of significance that unexpectedly arose since the previous report was provided: the Te Manawataki o Te Papa (TMoTP) funding levy and Cameron Road Stage 2 (CRS2).
- There was a separate report on the agenda relating to TMoTP financing.
- CRS2 was an urban transformation project that aligned very strongly with the Government’s housing growth strategy and needed to be completed to ensure full benefits of use in conjunction with Stage 1. If this project did not proceed the Infrastructure Acceleration Fund

- (IAF) funding of \$68 million, provided by the Government as a grant, would be forfeited.
- When staff were advised that the New Zealand Transport Agency (NZTA) Board did not support the CRS2 business case, as it did not fully align with the Government Policy Statement (GPS), an action plan was developed which has been implemented.
- Council was trying to achieve two things: step one to get the business case for CRS2 approved by the NZTA Board and step two to secure funding through the funding streams that the Government has to enable the project to proceed.

In response to questions

- Some of the benefits of Stage 2 were starting to be unlocked with the bus and cycle lanes being used more and improvements at intersections enabling buses go through quickly.
- In terms of the total corridor, the cycleway needed to be completed to provide a consistently safe route for cycling, especially for schools and hospital workers. People did not feel safe and were therefore not using this method of transport. The bus route needed to be completed entirely so that it had priority all along the corridor.
- The cost/benefit ratio came from the NZTA investment framework that stipulated that for NZTA to invest in a project, it had to have a cost/benefit ratio above 1. NZTA looked at specific parts of benefits such as travel time, congestion and CO₂ emissions which were then calculated into benefits. It did not include broader benefits such as better business access and future developments.
- It was thought there would be no clear decision on CRS2 by the end of the year as staff would be working on the updated business case. Due to this, the Council could be certain that the National Land Transport Fund (NLTF) would be exclusive of CRS2. There could however be variations to the NLTF within its three years of implementation.
- There had been no indication that cost/benefit ratios would be pushed up by the Government. The Minister of Housing supported transport corridors that delivered in a manner that supported housing intensity. The CRS2 corridor strongly supported housing intensity.
- Non-specific transport related cost/benefits were things such as future development and access to businesses and these were not calculated in NZTA's cost/benefit 'as per the manual' but were nevertheless benefits to the city. Council measured these non-specific transport related cost/benefits as it was important and beneficial to look at both.
- Any impact on the Long Term Plan (LTP) depended on what the ramifications of a change in the funding plan might be. In terms of the project itself, there would be no significant change to levels of service, so no change would need to be made to the LTP. However, if the funding mix was altered significantly, it could potentially trigger the need to consult or look at changes in funding.
- It was acknowledged that Council could have done better in terms of the delivery of Cameron Road Stage 1. A review of the entire process was undertaken by Tucker and Dallow. One of their recommendations was that Council establish a dedicated 'Major Projects Unit'. This had been established and a joint delivery set up for the five major transport projects across the city to deliver at a level that historically Council had not had the capability to do. This was the biggest transport project ever managed and as such was not 'business as usual'. The focus team was overseen by a panel of three senior transport experts who had been involved in large scale transport projects across the country, adding value to the way these projects were delivered.
- A breakdown of the costs to ratepayers for Cameron Road Stage 1 could be provided to Councillors.
- The business case was deferred twice to the NZTA Board at their direction.
- Council had entered into a variation of its funding from the particular branch at Kāinga Ora that dealt with this funding, to extend contract milestones for delivery to September 2024. The day after this variation was signed with Kāinga Ora, notification was received from NZTA that the business case had not been approved. The next step was to engage further with Kāinga Ora and look at other funding sources where benefits to Kāinga Ora would be delivered.

Discussion points raised

- Council wanted to deliver value for money and align with the new Government Policy Statement on land transport.
- The Infrastructure Acceleration Fund funding of \$68m was important as it helped deliver value for money.

RESOLUTION CO17/24/3

Moved: Cr Glen Crowther

Seconded: Cr Marten Rozeboom

That the Council:

- (a) Receives the report "Briefing to Incoming Council - Update".
- (b) Formally receives the "Briefing to Incoming Council" prepared and adopted by the previous Council.
- (c) Notes that Attachments 1 and 2 were transferred into the open section at the start of the meeting.
- (d) Notes the Action Plan to continue to seek endorsement of a business case and ultimately secure funding for Cameron Road Stage 2, (as outlined in paragraph 16 of the 'Briefing to Incoming Council – Update' report).
- (e) Note that a further report will be presented to Council on an endorsement or otherwise of the business case for Cameron Road Stage 2.

CARRIED

11.2 Te Manawataki o Te Papa Infrastructure Funding and Financial (IFF) Resubmission and Library / Community Hub Contract

Staff Marty Grenfell, Chief Executive
Christine Jones, General Manager: Strategy, Growth & Governance
Paul Davidson, Chief Financial Officer

- Tabled Item 1: PowerPoint Presentation: What is the 'Infrastructure Funding and Financial Model' (IFF)
- Revised wording to recommendations: d, j, l and m of this report (in red).
- Tabled Item 2: Attachment 5 (to be tabled in the public excluded section of the meeting): 'Theoretical Termination Cost Advice' from Rider Levett Bucknall (RLB).

Key points

- IFF was a legislative financing tool that came under the Infrastructure Financing and Funding Act 2020, was an off-balance sheet debt that was a levy paid by the benefiting/city wide residents and appeared as a separate line item on rates bills.
- It was facilitated through Crown Infrastructure Partners and had a higher borrowing rate as it was not funded through the Local Government Funding Agency (LGFA) and used to maintain an investment programme with our constrained balance sheet that provided certainty and transparency for ratepayers over 30 years.
- Current IFF transactions included transport residential and commercial and Te Manawataki o Te Papa.
- Recent changes included an announcement from the Government on 8 August 2024 regarding the ability of the LGFA to lend directly to waters entities with immediate effect and a bespoke lending arrangement for growth councils by application which would increase the limit from 280% to up to 350% of debt to revenue ratio.

- In the current year the debt on the balance sheet was \$54M with rating impact of borrowing for Te Manawataki o Te Papa (TMOTP) at \$1.5M to find funding for.
- In 2026 the IFF levy was removed and could be replaced with a targeted rate or changes to the capital programme are used to fund it.
- To note was that the recommendations had been updated due to new information received since the agenda was published. The recommendations had been updated (in red) to reflect that Council would not proceed with the IFF levy at this point in time, which provided flexibility in the event there were potential implications on credit ratings for TCC and LGFA and what that would mean for borrowing costs. This could then be brought back to Council.
- Breaches of limits were not forecast until the end of the calendar year. If the shareholder vote at LGFA was not favourable then this would come back with options at that point in time.
- There was a need for a decision on the Chief Executive delegation to be made today as the contractor was unable to continue on site after this week without the contract being signed.

In response to questions

- The outgoing Council had to complete a Long Term Plan (LTP) earlier than other councils and this had to include the assumption that three waters was included. An LTP with a capital programme within the debt levels with water included was prepared, knowing it was likely there would be some solution that would exclude three waters with some sort of debt arrangement.
- Some different approaches were taken within the LTP, one example being growth, where a series of principles were adopted around land that was already zoned for residential or business land, but no infrastructure was in place, that infrastructure was included in the LTP.
- Some projects were removed from the LTP to remove expenditure, such as Te Tumu, as the land acquisition was not secure and a plan change had not been progressed so zoning time frames and infrastructure requirements were not known.
- It was important to note that with three waters out, the decision on including capital expenditure would come back to the Council. Noting that even with greater balance sheet capacity, the ability to pay for any expenditure was a factor to consider.
- \$151M would require a consultation process to introduce a targeted rate but would probably not trigger an amendment to the LTP.
- Costs were higher under the IFF and lower under the LGFA due to lower borrowing costs and there would be an interest saving that would be passed onto the ratepayers, likely to drop by 1%.
- The Commission used IFF for transport and TMOTP funding because at the time, the balance sheet issues meant there was no capacity to fund these projects within the debt to revenue limits.

Discussion points raised

- It was acknowledged this was a big decision for the new Council so early on in its term and that these were projects inherited from the Commissioners.
- There were significant risks to ratepayers if this project was paused or changed.
- The decision making around the IFF was forced due to a lack of headroom on the balance sheet. It was felt this was not a good way to make decisions.
- While IFF as a tool did have a place, improvements to the IFF model to make it easier and cheaper to use had been provided to the Government.
- Council needed to be prudent with its debt and affordability to enable better options. A debt was a debt whether a levy or debt on balance sheet.
- Recent Government announcements had provided some breathing space for Council which provided an opportunity to make good decisions.
- The LGFA funding was a better solution than the IFF levy which locked in potentially higher interest rates over a long period of time.
- Council needed to invest in and revitalise its Central Business District and enable confidence in Council that it did what it said it was going to do.

Further questions of clarification

The Chief Executive provided the following responses:

- The most accurate and detailed information available to elected members was that provided by RLB in Tabled Item 2: Attachment 5 (in the public excluded section of the meeting).
- There were commercial, legal and contractual sensitivities to any decision that Council made today, including negotiating information in the event that Council found itself in a dispute.
- The amount and cost delay was significant and the public should have some indication of this figure. A high level broad brush dollar figure and cost delay or deferral could be provided, however that decision would not be made today.
- Preliminary discussions on deferring, delaying or cancelling their contracts were had with contractors Willis Bond and LG McGuinness however, at that stage, this was speculation, and it was unlikely these contractors would be able to put a number on costs.
- Council had a policy that addressed the process around how contingencies and escalation costs were spent. The Chief Executive would bring this policy to Council for change and endorsement.

The Director of Civic Development provided the following responses:

- RLB was Council's quantity surveyor for the entire project and had worked with Willis Bond and LG McGuinness reviewing their tenders and understood where things were at with the Letters of Instruction. As such, they were the best company to provide assurance that the figures in confidential Tabled Item 1 were accurate and correct.
- To note and be aware of was that there were a number of exclusions in the attachments and potential financial impact of those should Council not proceed with the contracts.

The Chief Financial Officer provided the following responses:

- Council had more than enough asset sales to cover the amount of external fundings. The combination of money from water reform, TECT, parking and airport activities and asset sales exceeded the amount of \$150M external funding that was required.
- Whether to dispose of parking buildings went out for separate consultation, the result of which was a decision to hold onto the parking buildings. Money generated through parking activity was based on forecast growth in city centre numbers and parking rates which meant this money would be coming into Council.

Further discussion points raised

- From a transparency and value perspective, there were benefits to move out of IFF into the LGFA. A cheaper funding method was positive.
- Decisions made today were about adding value for the people of Tauranga and progressing a project people had been consulted on.
- This was a key milestone for the TMoTP project and it was time for the incoming Council to understand the funding, financing and project costs, which were considered uncertain at the time the decisions were made by the previous Council.
- An amendment was proposed to understand the funding in place for various projects in the Long Term Plan 2024-34 and to provide transparency around the funding of TMoTP and other major projects, including debt figures.
- The amendment asked staff for an issues and options paper on a potential 2024-34 Long Term Plan Amendment process.
- Concern was expressed with the additional cost to ratepayers for this project.
- There was an opportunity cost to prioritising the TMoTP project that would mean funding would not be available for other projects in the city.
- The Council had the option to delay the TMoTP project.
- Substantial sunk costs, that would be non-recoverable if the Council was to stop this project, was a major factor to be considered when making the decision.
- The Council needed to consider the reputational damage to the Council if the TMoTP project was delayed or cancelled.

- Confident that the project as it stood now was currently on time and on budget and approval today would see this continue.
- Private development of over \$1B in the CBD had come from the confidence that the developers had taken because the Council was reinvigorating areas of the CBD. Ultimately private money would fund the revitalisation of the CBD, with Council playing a contributing role.
- Changes were made to the wording of substantive resolution (j) to add the word “additional” to the operational budget \$1.54 million to service the additional debt borrowing and the following explanation was added “notes that the IFF levy charge previously commencing 1 July 2025 will not occur and result in a net saving to ratepayers”.
- An additional substantive resolution (m) was included that “Notes that the policy on the project contingency be reported back to Council for approval.”
- The substantive motion was taken in parts with (j) (renumbered to (q)) voted on separately. This related to the authorisation for the Chief Executive to enter the main construction contract with LT McGuinness Ltd for the Library and Community Hub.

A MOTION WAS PROPOSED

Moved: Mayor Mahé Drysdale

Seconded: Councillor Taylor

That the Council:

- (a) Receives the report "Te Manawataki o Te Papa Infrastructure Funding and Financial (IFF) Resubmission and Library / Community Hub Contract".

Te Manawataki o Te Papa Infrastructure Funding and Financing (IFF) Levy

- (b) Confirms that Council will not continue to use an IFF Levy as a financing and funding tool for Te Manawataki o Te Papa at this time.
- (c) Proceeds to secure approval through Local Government Funding Agency for increased debt covenants for Tauranga City Council.
- (d) Notes that in the absence of an approval for an increase in debt covenants by 30 November 2024, or further evaluation of the impacts on credit ratings impacts negatively on Councils borrowing costs, Council will receive a further report on potential financing and funding options within the borrowing limits that are current at that time.
- (e) Notes that the IFF levy which was planned to be introduced on 1 July 2025 will no longer occur.
- (f) Approves the transfer of previously off balance sheet borrowing of \$54 million to on balance sheet borrowing recognising that this will now be financed through the LGFA and not the IFF financing model.
- (g) Approves a 2024/25 additional operational budget of up to \$1.54 million being the amount of funding required to service additional debt borrowing based on the estimated cash flow and notes that the IFF levy charge previously commencing 1 July 2025 will not occur and result in a net saving to ratepayers.
- (h) Notes this overspend will be managed through other operational savings, however in the absence of these being fully achieved, this would be reported back to Council.
- (i) Confirms there will be sufficient funds available to fund the capital costs of Te Manawataki o Te Papa, noting that the Council has the option to achieve this by:
 - (i) Introduction of a rate (targeted or otherwise) commencing from 1 July 2025; and/or

- (ii) Reprioritisation (including changes in scale and timing) of the capital programme from 1 July 2025 onwards.

Construction contract

- (j) Authorises the Chief Executive to enter the main construction contract with LT McGuinness Ltd for the Library and Community Hub in accordance with the parameters specified in confidential resolution (n).
- (k) Notes that the final Civic Whare, Exhibition and Museum (CWEM) contract will be presented to council towards the end of 2024, for consideration and approval or otherwise.

Other

- (l) Retains Attachments 4 and 5 in the public excluded section to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
- (m) Attachments 4 and 5 can be transferred into the open on completion of the contract.

AN AMENDMENT WAS PROPOSED

Moved: Councillor Crowther

Seconded: Councillor Morris

That the Council:

- (a) Receives the report "Te Manawataki o Te Papa Infrastructure Funding and Financial (IFF) Resubmission and Library / Community Hub Contract".
- (b) Notes the context of uncertain funding, financing and project costs, including but not limited to Te Manawataki o Te Papa and National Land Transport Funding for key Tauranga transport projects.
- (c) Requests staff to provide the 16 September Council meeting with updated 2024-34 Long Term Plan project budgets and a detailed financial report (including latest debt figures).
- (d) Requests staff to provide the 16 September Council meeting with an issues and options paper on a 2024-34 Long Term Plan amendment to be consulted on by 30 April, 2025.

THE AMENDMENT WAS PUT AND CARRIED.

THE AMENDMENT WAS INCLUDED IN THE SUBSTANTIVE MOTION

THE SUBSTANTIVE MOTION WAS TAKEN IN TWO PARTS:

RESOLUTION CO17/24/4

Moved: Mayor Mahé Drysdale

Seconded: Cr Rod Taylor

That the Council:

- (a) Receives the report "Te Manawataki o Te Papa Infrastructure Funding and Financial (IFF) Resubmission and Library / Community Hub Contract".

- (b) Notes the context of uncertain funding, financing and project costs, including but not limited to Te Manawataki o Te Papa and National Land Transport Funding for key Tauranga transport projects.
- (c) Requests staff to provide the 16 September Council meeting with updated 2024-34 Long Term Plan project budgets and a detailed financial report (including latest debt figures).
- (d) Requests staff to provide the 16 September Council meeting with an issues and options paper on a 2024-34 Long Term Plan amendment to be consulted on by 30 April 2025.

Te Manawataki o Te Papa Infrastructure Funding and Financing (IFF) Levy

- (e) Confirms that Council will not continue to use an IFF Levy as a financing and funding tool for Te Manawataki o Te Papa at this time.
- (f) Proceeds to secure approval through Local Government Funding Agency for increased debt covenants for Tauranga City Council.
- (g) Notes that in the absence of an approval for an increase in debt covenants by 30 November 2024, or further evaluation of the impacts on credit ratings impacts negatively on Council's borrowing costs, Council will receive a further report on potential financing and funding options within the borrowing limits that are current at that time.
- (h) Notes that the IFF levy which was planned to be introduced on 1 July 2025 will no longer occur.
- (i) Approves the transfer of previously off balance sheet borrowing of \$54 million to on balance sheet borrowing recognising that this will now be financed through the LGFA and not the IFF financing model.
- (j) Approves a 2024/25 additional operational budget of up to \$1.54 million being the amount of funding required to service additional debt borrowing based on the estimated cash flow and notes that the IFF levy charge previously commencing 1 July 2025 will not occur and result in a net saving to ratepayers.
- (k) Notes this overspend will be managed through other operational savings, however in the absence of these being fully achieved, this would be reported back to Council.
- (l) Confirms there will be sufficient funds available to fund the capital costs of Te Manawataki o Te Papa, noting that the Council has the option to achieve this by:
 - (i) Introduction of a rate (targeted or otherwise) commencing from 1 July 2025; and/or
 - (ii) Reprioritisation (including changes in scale and timing) of the capital programme from 1 July 2025 onwards.

Construction contract

- (m) Notes that the policy on the project contingency be reported back to Council for approval.
- (n) Notes that the final Civic Whare, Exhibition and Museum (CWEM) contract will be presented to council towards the end of 2024, for consideration and approval or otherwise.

Other

- (o) Retains Attachments 4 and 5 in the public excluded section to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
- (p) Attachments 4 and 5 can be transferred into the open on completion of the contract.

A division was called and recorded as follows:

In Favour: Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Crs Glen Crowther, Rick Curach, Steve Morris, Marten Rozeboom, Kevin Schuler and Rod Taylor

Against: Nil

CARRIED

RESOLUTION CO17/24/5

Moved: Mayor Mahé Drysdale

Seconded: Cr Rod Taylor

That the Council:

- (q) Authorises the Chief Executive to enter the main construction contract with LT McGuiness Ltd for the Library and Community Hub in accordance with the parameters specified in confidential resolution (n).

A division was called and recorded as follows:

In Favour: Mayor Mahé Drysdale, Crs Steve Morris, Marten Rozeboom, Kevin Schuler and Rod Taylor

Against: Cr Rick Curach

Abstained: Deputy Mayor Jen Scoular and Cr Glen Crowther

CARRIED

12 DISCUSSION OF LATE ITEMS

Nil

13 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RESOLUTION CO17/24/6

Moved: Cr Marten Rozeboom

Seconded: Cr Kevin Schuler

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
Confidential Attachment 4 - 11.2 - Te Manawataki o Te Papa Infrastructure Funding and Financial (IFF) Resubmission and Library / Community Hub Contract Confidential C1 Twenty Two (David Lambie) advice re Contract Delayed Consequences	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
Confidential Attachment 5 - 11.2 - Te Manawataki o Te Papa Infrastructure Funding and Financial (IFF) Resubmission and Library / Community Hub Contract - Confidential Rider Levett Bucknall Theoretical Termination Cost Advice	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED**14 CLOSING KARAKIA**

Mr Puhirake Ihaka closed the meeting with a karakia.

The meeting closed at 1:08 pm.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 16 September 2024.

.....
Mayor Mahé Drysdale
CHAIRPERSON

UNCONFIRMED

8 DECLARATION OF CONFLICTS OF INTEREST

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

11.1 Final Statement of Intent 2024/25 to 2026/27 for Bay of Plenty Local Authority Shared Services

File Number: A16401435

Author: Caroline Lim, CCO Specialist

Authoriser: Gareth Wallis, General Manager: City Development & Partnerships

PURPOSE OF THE REPORT

1. The purpose of this report is to provide the Final Statement of Intent 2024/25 to 2026/27 for one of Tauranga City Council's seven council-controlled organisations, Bay of Plenty Local Authority Shared Services Limited, as required by the Local Government Act (2002).

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Final Statement of Intent 2024/25 to 2026/27 for Bay of Plenty Local Authority Shared Services".
- (b) Receives Bay of Plenty Local Authority Shared Services Limited's Final Statement of Intent 2024/25 to 2026/27 (Attachment 1).

EXECUTIVE SUMMARY

2. Bay of Plenty Local Authority Shared Services Limited (BOPLASS) is a council-controlled organisation (CCO) and as such, is required to prepare a Statement of Intent (SOI) and provide a final copy to its shareholder, Tauranga City Council (TCC), by 30 June each year.
3. As TCC is one of several shareholder members of BOPLASS, it is not expected that we provide BOPLASS with letters of expectation nor feedback to this CCO's draft SOIs, unless there are areas of significant concern.
4. BOPLASS has provided both its draft SOI to cover the next three financial years to its shareholders by the standard 1 March deadline, and its final SOI by the standard 30 June deadline.
5. Overall, BOPLASS has met the statutory requirements as outlined in Schedule 8, Section 9 of the Local Government Act (2002).
6. It should be noted that five of the seven Tauranga City Council CCOs provided their SOIs in May 2024 due to the out of cycle election timing. BOPLASS and LGFA were not asked to do the same, as TCC is one of many shareholders and this is the first suitable Council meeting for the final SOI of BOPLASS to be formally received.

BACKGROUND

General comments – Final BOPLASS SOI 2024/25 to 2026/27 (provided as Attachment 1)

7. Council is one of several shareholder members of BOPLASS and received the draft SOI for shareholder comment on 28 February 2024.
8. There were no significant areas of concern highlighted by Council.
9. Over the next three years, BOPLASS will focus on maximising shareholders' benefit through enhanced levels of service, reduced costs, and improved efficiency across a number of shared services and inter-regional collaboration.

10. BOPLASS will further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils.
11. Significant benefits and savings have been achieved in the placement of councils' insurance. BOPLASS will continue to leverage with the insurance industry, by promoting the size of the collective to provide the critical mass and maintain our favourable position.
12. BOPLASS is forecast to return in excess of \$2.6 million in savings in the FY24.
13. The BOPLASS Board approved the final SOI for circulation to the shareholders on 21 June 2024 and it is provided as Attachment 1.
14. It should be noted that five of the seven Tauranga City Council CCOs provided their SOIs in May 2024 due to the out of cycle election timing. BOPLASS and LGFA were not asked to do the same, as TCC is one of many shareholders and this is the first suitable Council meeting for the final SOI of BOPLASS to be formally received.
15. Performance against KPI's are presented in the BOPLASS Annual Report, which is scheduled for presentation to Council on 29 October 2024. Prior to that, visibility of performance against KPIs will be available in the CCO section of TCC's 2024 Annual Report, which will be presented to the Accountability, Performance and Finance Committee on 8 October 2024. The BOPLASS audited annual report is expected to be released by 30 September 2024.

STATUTORY CONTEXT

16. The Local Government Act (2002) requires CCOs to provide statements of intent to their shareholders.
17. The SOI is a key governance and planning document. Engaging with each CCO throughout the development of the annual SOI is one of the ways Council can influence the entity across its work programme.
18. The SOI development and feedback process is a key mechanism for Council to ensure alignment with its strategic community outcomes and to ensure CCO accountability.

STRATEGIC ALIGNMENT

19. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city	✓
We can move around our city easily	✓
We are a city that supports business and education	✓

20. Being part of the nine BOPLASS Shareholders Council ensures that TCC can continue to leverage the collective's collaborative projects, costs efficiencies and savings for the city.

OPTIONS ANALYSIS

21. There are no options as Council is only receiving the final SOI from BOPLASS.

FINANCIAL CONSIDERATIONS

22. Budget for BOPLASS, including TCC's contributions, are included in its final SOI.

LEGAL IMPLICATIONS / RISKS

23. The CCO has met the legislative requirements outlined in Schedule 8, Section 9 of the Local Government Act (2002).
24. Staff believe that there is no strong justification for Council to require additional changes to the SOI that has been signed off by the BOPLASS Board as its final document.

TE AO MĀORI APPROACH

25. The matters addressed in this report are of a legislative nature and there is no need to consider the Te Ao Māori Approach.

CLIMATE IMPACT

26. The matters addressed in this report are of a legislative nature and there is no need to consider the climate change impacts.

CONSULTATION / ENGAGEMENT

27. It is not required or appropriate to consult on a statement of intent under the Local Government Act.

SIGNIFICANCE

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

ENGAGEMENT

31. Taking into consideration the above assessment, that the matter is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

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

NEXT STEPS

32. BOPLASS' Final Statement of Intent 2024/25 to 2026/27 will be made public via TCC's website.

ATTACHMENTS

1. **Attachment 1 - BOPLASS Final Statement of Intent 2024-2027 - A16151796** [↓](#) 



STATEMENT OF INTENT FOR 2024-2027



June 2024

"COUNCILS PARTNERING FOR VALUE AND SERVICE"

1. Introduction

This Statement of Intent (SOI), developed under Schedule 8 of the Local Government Act 2002:

- Declares a public statement of the activities and intentions of BOPLASS Ltd and the objectives to which those activities will contribute.
- Provides an opportunity for the shareholders to influence the direction of BOPLASS Ltd, and
- Provides a basis for the accountability of the Directors to the Shareholders for the performance of BOPLASS Ltd.
- Covers BOPLASS Ltd and any subsidiary company established in pursuance of the objectives herein.

2. Background and Benefits

The councils that operate within the Bay of Plenty and Gisborne Regions have formed a Council Controlled Organisation (CCO) to investigate, develop and deliver Joint Procurement and Shared Services projects where delivery is more effective for any combination of some or all of the councils.

Since inception, estimated financial savings of over \$30 million have been achieved by the participating councils through undertaking joint initiatives. BOPLASS is forecast to return in excess of \$2.6 million in savings in the 2023-24 financial year.

Other benefits that have been achieved through collaboration are:

- improved levels and quality of service;
- a co-ordinated and consistent approach to the provision of services;
- reductions in the cost of support and administrative services;
- opportunities to develop new initiatives;
- economies of scale resulting from a single entity representing many councils in procurement.

These benefits and opportunities can apply to all councils irrespective of location or size.

Business processes, information architectures and functional tools differ in each council to varying degrees. The BOPLASS strategies facilitate a journey of progressive development using the approach identified in the BOPLASS Strategy and Action Plan to:

- enhance the capability to collaborate;
- encourage the elimination of barriers to collaborative action; and
- identify services that deliver viable business cases.

A generic sequence or stages of collaboration between multiple councils is followed to develop Shared Services, as shown in *Figure 1*.

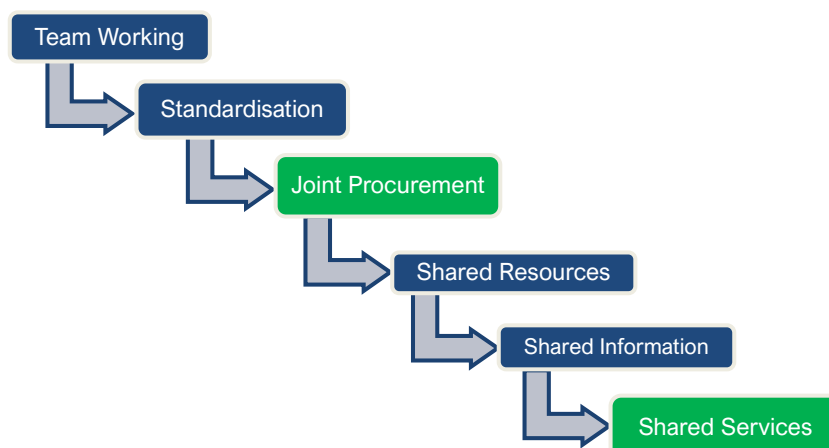


Figure 1

Many of the BOPLASS Joint Procurement projects have supported the development of standard products, services or solutions across the councils. These standards assist in creating a foundation for the delivery of collaboration within the councils.

Examples of Joint Procurement and Shared Service projects are:

- Infrastructure Insurance
- Collective Training
- Aerial Imagery and LiDAR
- Provincial Growth Fund Co-funding for LiDAR Capture
- Standardised Community Engagement App
- Lone Worker Field Solutions
- Robotic Process Automation
- Accounts Payable Automation Software
- Print Media Licencing
- Insurance Valuations
- Contractor Online Inductions
- Health and Safety Management Software
- Radio Telephony (RT) Strategy
- Solid Waste Management
- Health and Safety Inter-Council Audits
- Asbestos Protocols
- Sustainable Public Procurement
- Health and Safety Benchmarking
- Video Conferencing Services
- Council Library and Cloud Services
- Inter-Council Network (ICN) Review, Redesign and Renegotiation
- Debt Collections
- Collaboration Portal
- Capital Construction and Civil Works Projects
- Fortigate Firewall Services
- Wireless WAN
- Inter-LASS Collaboration
- Human Resources Information Systems
- CCTV and monitoring

A full list of projects is provided in Appendix B.

3. Our Vision

“COUNCILS PARTNERING FOR VALUE AND SERVICE”

4. Objectives of BOPLASS Ltd

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

Joint Procurement

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

Shared Services

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

5. Nature and Scope of Activities

The principal nature and scope of the activities of BOPLASS Ltd is to:

- Use Joint Procurement to add value to goods and services sourced for its constituent councils.
- Establish the underlying technology, framework, platform and policies to enable and support collaboration.
- Facilitate initiatives that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Actively monitor and engage with Shared Service developments across the public sector to identify opportunities for further development and establishing best practice.
- Represent the collective views of its Shareholders in matters with which it is associated.

6. Sustainable Future: Environmental, Social and Governance (ESG)

The board recognises the importance of ESG in BOPLASS' role and ensuring that integrated risk management, non-financial outcomes, and Te Tiriti are considered in all BOPLASS joint procurement and shared services initiatives.

The company is committed to operating all aspects of its business with a focus on protecting and enhancing our communities today and in the future through sustainable environmentally responsible business practices, social contribution, and good governance.

The company has always had a stakeholder-centric approach, ensuring the company's objectives, goals and the undertaking of business are aligned with our constituent councils, our wider communities and supporting ESG outcomes that have wide-ranging benefits.

While achieving financial savings for member councils through BOPLASS joint procurement is a key objective, the company recognises the importance and responsibility of social procurement and will continue to consider the broader environmental, social and cultural outcomes as part of all BOPLASS procurement processes.

As examples, BOPLASS is working towards satisfying ESG criteria within social procurement by:

- Increasing access to BOPLASS procurement contracts for NZ businesses and local businesses, with particular focus on those groups that may have limited access to opportunities (such as Māori and Pacific Peoples' businesses).
- Giving consideration to organisations that provide employment opportunities to targeted groups and promote inclusion and diversity within their workforce.
- Recognising vendors that will help future-proof the ability of New Zealand businesses to trade.

With a focus on *Social Sustainability*, BOPLASS ensures a balanced approach is taken with the company's activities to create positive social and cultural outcomes for the local communities it serves while also maximising positive outcomes for Māori and the broader community.

Environmental Sustainability is a priority in all BOPLASS business activities – internal and external. Through collaboration and partnership with its constituent councils, BOPLASS strives to protect and enhance our environment and biodiversity. The company is committed to operating in an environmentally responsible way and will embed sustainability considerations (including ethical considerations) within a culture of excellence across its wider business and all joint procurement and shared services initiatives.

Te Tiriti o Waitangi responsibilities and outcomes are a driver for governance and management decisions within BOPLASS, include acknowledging and involving mana whenua as Kaitiaki o Te Taiao in project decisions impacting on land or natural

resources. The company is committed to providing and improving opportunities for Māori to contribute to local government decision-making processes and establishing collaborative partnerships and processes that reflect mutual outcomes.

7. Governance Structure

BOPLASS Ltd will conduct itself in accordance with its Constitution, its annual Statement of Intent, and the provisions of the Companies Act 1993 and the Local Government Act 2002.

The Company is governed by its directors. To ensure total synergy between the Company's activities and its council shareholders' activities, nine Directors are also the current Chief Executives of their respective shareholding councils. The dual roles recognise the interdependence of BOPLASS and its councils in the undertaking of its activities.

The Board also includes an independent Chair, appointed with specific skills and knowledge to add incremental value. This appointment brings experience and specialist skills that are complementary to those held by the other Directors.

Shareholder	Appointed Director
Bay of Plenty Regional Council	Fiona McTavish
Gisborne District Council	Nedine Thatcher-Swann
Kawerau District Council	Morgan Godfery
Ōpōtiki District Council	Stace Lewer
Rotorua Lakes Council	Andrew Moraes
Taupō District Council	Julie Gardyne
Tauranga City Council	Marty Grenfell
Western Bay of Plenty District Council	John Holyoake
Whakatāne District Council	Stephanie O'Sullivan
Independent Director and Chair	Craig O'Connell

Sub-groups of council subject matter experts have responsibility for regular monitoring of operational aspects of BOPLASS projects, allowing the Board to primarily focus on supporting the strategic development of the organisation.

Each activity or project is managed by an Advisory Group, nominated by the shareholding councils in that particular service. The Board retains the right to approve nominations to the Advisory Groups and all of their material decisions – there is only one Board of Directors and that remains at the umbrella or holding company level.

The Board has established a principle that participation in each initiative is decided by individual councils on an 'opt in' basis.

Services delivered are subject to a formal service level agreement between BOPLASS Ltd and the participating councils, outlining the services and activities provided, where when and how; and reflecting the capital and operational costs being met by each service shareholder.

Joint Procurement initiatives consistent with their nominated role may be undertaken by any advisory group or as approved by the Operations Committee. In considering Joint Procurement initiatives, the Company will take into account the opportunities available through All of Government (AoG) purchasing arrangements and, where there is demonstrated benefit to the Company or its constituent councils, support such initiatives. In assessing the benefits of a Joint Procurement initiative, opportunities for integration shall be considered. The Board has recognised that the availability of All of Government Procurement options has the potential to impact on BOPLASS' ability to provide procurement options in some categories.

Subject to the approval of shareholders in accordance with the shareholder agreement the Directors may decide that a particular activity is best managed as a subsidiary company and proceed accordingly. Any subsidiary company whose objectives are in accordance with the objectives set out in this Statement of Intent shall not be required to have a separate Statement of Intent.

8. Future Developments

The company recognises the importance of remaining adaptive in what is a complex and changing working environment. BOPLASS continues to look at new opportunities or alternative approaches to progressing projects that benefit our shareholding councils.

The Board recognise that the drive for change and/or collaboration in some key areas of council business will often be led by other groups, e.g., waters reform, RMA changes. Although BOPLASS may not be leading these specific projects, the organisation may be considered as one of the vehicles available to assist with managing collective regional outputs from these projects.

BOPLASS Joint Procurement opportunities will continue to be actively pursued to ensure maximum savings and benefits are delivered to the participating councils through existing and new contracts.

Joint Procurement initiatives will be considered by the Board and/or its advisory groups where there is demonstrated support from two or more member councils, with councils participating on an opt-in basis.

BOPLASS will explore opportunities for councils to develop ICT solutions using middleware and cloud technologies that allow for future sharing and the development of Shared Services without the wholesale replacement of IT systems.

Shared Services projects are approved by the board based upon identifying initiatives that will provide genuine value to all participating councils. Shared Services may be delivered by BOPLASS, partnering with a LASS, or in conjunction with multiple LASS.

The Board will be looking for commitment from councils to participate in collaborative services and to provide a lead in the identification and management of opportunities and projects.

9. Inter-Regional Collaboration

The board recognise the benefits of BOPLASS proactively partnering with other local authorities and Shared Services organisations where they are either developing or considering developing cost effective services or Joint Procurement initiatives that are of value to the BOPLASS councils. The Board is constantly looking to expand on this activity and the range of opportunities for inter-regional partnering. BOPLASS will work towards providing improved visibility of projects being undertaken in other regions that may provide opportunities for multiple councils to participate in.

Where practicable, BOPLASS will work with other LASS or councils to leverage off, or participate in, services established by other collective local government groups.

The Collaboration Portal, established by BOPLASS for the sharing of information on Shared Services or Joint Procurement opportunities, has been made available to the wider local government community to provide better visibility of common projects and to encourage further cross-regional collaboration. BOPLASS will continue to market the benefits of inter-region collaboration and assist other councils through providing support and access to the Collaboration Portal.

BOPLASS has provided substantial savings to its shareholding councils through joint procurement undertaken with neighbouring regions. The Board has tasked BOPLASS with leading further inter-regional joint procurement initiatives that will provide benefit to all parties through an aggregated approach.

Significant benefits and savings have been achieved in the placement of councils' insurance through working in conjunction with other LASS. BOPLASS is considered a leader in the development of the interLASS insurance collective. Promoting the size of the aggregated LASSes to provide critical mass and maintain our favourable position within the insurance industry will continue to be leveraged.

10. Stakeholder Engagement

BOPLASS recognises the ambitious plans our constituent councils have for their communities and endeavours to support these aspirations through:

- Regular engagement at project, management, and governance level.
- Including councils' short, medium, and long-term goals within BOPLASS planning.
- Using quality information from councils to guide our decision-making.
- Identifying and developing services that directly benefit councils and/or their communities.
- Monitoring councils' future plans and remaining agile to change to include these aspirations in our own planning.
- Ensuring there are regular communications about individual council's LTP developments to assist BOPLASS with aligning with councils' strategic direction.
- Regularly communicating to ensure stakeholders are aware of what we are doing and why we are doing it.
- Involving councils in our decision-making and planning.

11. Performance Targets

To ensure the Company continues to operate effectively in both governance and management terms over the next three years the targets are to:

Target	How	Measure
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Manage and/or renegotiate existing contracts.	Contracts reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. (Current identified projects are listed in Appendix B.)	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.
Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.	Increase usage of the Collaboration Portal by providing support and training material for new and existing users. Proactively market the benefits to councils.	Number of active users to increase by 5% per year.
Communicate with each shareholding council at appropriate levels.	Actively engage in obtaining political support for identified projects.	Information provided to elected members, and feedback sought, on BOPLASS projects, benefits to local communities, and value added to each council.
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable.

12. Balance Sheet Ratios

The Local Government Act 2002 Schedule 8 (9) requires the SOI to include the projected ratio of shareholders' funds to total assets within the Forecast Statement of Financial Position. As at 30 June 2023 the consolidated Shareholder funds comprised \$28,520 and the total assets were \$2,704,410. The resulting ratio is 1.05%.

As asset owning Shared Services are approved, the Board will, if appropriate, provide a mechanism for the recognition of each council's contribution.

13. Accounting Policies

13.1 Statement of Accounting Principles

The Company will adopt accounting practices that comply with NZ IFRS, the requirements of the LGA and the Financial Reporting Act 1993.

13.2 IPSAS Accounting Standards

As a Public Sector Public Benefit Entity (PS PBE), the Company has elected to report using International Public Sector Accounting Standards for Public Benefit Entities under Tier 3 PBE standards.

13.3 Measurement Basis

The Company will follow generally accepted international accounting principles for reporting of earnings and financial position.

13.4 Specific Accounting Principles

The following are principles which will have a significant effect on the measurement of financial position:

- Accounts Receivable are stated at their expected realisable value after writing off any known bad debts and providing for doubtful debts.
- Investments are valued at the prevailing market value.
- Fixed assets are recorded at cost, less accumulated depreciation.
- Any liability for overseas funding of equipment, systems or services is based on the prevailing exchange rate as at balance date.
- Where intangible assets are purchased, such as intellectual property, these are capitalised and written off on a straight-line basis over their expected life, but no greater than four years.
- All assets are depreciated over their expected useful lives. Depreciation is provided on a diminishing value basis over the estimated useful life, at the same rate as is allowed by the Income Tax Act 1994.
- It is not envisaged that the Company will hold inventories, other than those that might relate to providing information services to a number of parties. They will be valued at net realisable value.
- Taxation will be provided as required in line with relevant legislation.

- In accordance with the Public Audit Act 2001 and the Local Government Act 2002, the office of the Auditor General will be responsible for the audit of the Company's financial statements.

14. Distributions to Shareholders

The Company is not expected to make profits that would ordinarily be distributed by way of dividends. Any surplus funds (after tax) remaining from an activity, or the annual operations of the Company shall be carried forward to the ensuing year and may be used to reduce service costs, invest in further developing other services, and/or as the Directors may decide.

15. Information to be Provided to Shareholders

The Company will deliver the following statements to shareholders:

- On a three-monthly basis the Financial Position and Cashflow.
- Within two months of the end of the first half of the financial year: Financial Performance and Financial Position.
- Within three months of the end of the financial year the following audited statements: Financial Position, Movements in Equity, Cashflows, Service Performance plus a summary of how the Company has tracked against its objectives and prospects for the next financial year, and a report on the Company's medium to long term plans.
- Six monthly summaries of project activities included in Half Yearly and Annual Reports.

16. Procedures for the Purchase and Acquisition of Shares

The Board will give approval before BOPLASS Ltd subscribes for, purchases, or otherwise acquires shares in any company or other organisation, which is external to the group.

17. Activities for Which the Board Seeks Compensation

The ongoing activities to identify, develop, procure Shared Services will be budgeted for in advance, subject to a business case and either funded by individual councils without BOPLASS Ltd involvement, or agreed by the Board to be funded by BOPLASS Ltd with consequent recovery from participating councils.

Shareholding councils will contribute to the operational costs of the Company on an annually agreed basis.

The Company will also seek contributions by way of a levy or administration charges on services provided or administered. In determining an appropriate charge, the Directors may take into account the cost of running the Company, its future operational requirements, the nature and cost of the service provided, benefits achieved and councils' ability to pay.

The Company may provide services (at a cost recovery or a cost-plus basis) to other non-shareholding councils within or beyond the region. Any surplus from such activity will be used to either reduce service costs and/or invest in further developing of that or other services, as agreed by the Advisory Group and by the Board.

18. Value of Shareholder's Investment

The Directors estimate that, at this stage, BOPLASS Ltd has limited commercial value. As each shareholder's investment in BOPLASS Ltd is less than \$20,000, the Board believe that fairly represents the value of their investment. The Directors will reassess the value of this shareholding on or about the 1st of March each year.

19. Financial Forecasts

The Forecast Financial Statements for the years 2024-2027 are included (Appendix A).

The Aerial Photography revenue/expenses reflects the flying programme determined by the participating councils which includes interim flying programmes and extensive region-wide flying programmes over the next five years.

A continued increase in Recoveries has been forecast to reflect the direct recovery of purchases made on behalf of councils through Joint Procurement projects.

It is the company's intention to always fully recover costs incurred on behalf of participating councils.

Appendix A

SOI Forecast 2024/27	Budget 2023/2024	Forecast 2024/2025	Forecast 2025/2026	Forecast 2026/2027
REVENUE				
Revenue - Core	327,637	362,115	371,130	380,871
Bank Interest Received	6,000	1,500	1,500	2,000
Council Contribution	321,637	360,615	369,630	378,871
Revenue - Projects	1,200,000	1,317,000	1,321,000	1,241,000
Aerial Photography Income	300,000	400,000	400,000	320,000
Bank Interest Received	9,000	7,000	6,000	6,000
Collaboration Portal	45,000	40,000	45,000	50,000
Lease Income - ICN	120,000	135,000	135,000	130,000
Lease Income - Video Confer.	15,000	15,000	15,000	15,000
Rebates	1,000	0	0	0
Recoveries	710,000	720,000	720,000	720,000
Total Operating Revenue	1,527,637	1,679,115	1,692,130	1,621,871
EXPENSES				
Expenditure - Core	395,953	423,436	436,451	450,992
ACC	900	950	950	950
Accommodation & Travel	2,200	5,500	6,000	5,000
Accounting & Audit	22,000	24,000	25,000	26,000
Administration	18,000	20,000	20,000	22,000
Amortisation	8,700	5,000	4,500	3,800
Bank Fees	200	200	200	200
Conferences	2,200	2,500	2,500	2,500
Depreciation	650	4,300	4,000	4,000
Directors' costs	23,000	23,000	23,000	25,000
Fringe Benefit Tax	4,000	4,500	4,500	4,500
General & Catering	2,400	1,500	1,500	1,500
Health and Safety	1,000	1,000	1,000	1,000
Insurance	12,000	14,000	16,000	17,000
Interest Paid - TCC Loan	0	0	0	0
Legal	2,000	2,500	2,500	2,500
Salaries	286,403	300,723	309,744	319,037
Salaries - C'Portal Opex	-17,000	-18,000	-18,000	-18,000
Staff Support Costs	18,500	19,500	21,000	22,000
Staff Training Costs	2,500	2,500	2,500	2,500
Subscriptions	1,000	4,263	4,057	4,005
Tax Advice	5,300	5,500	5,500	5,500
Expenditure - Projects	1,131,684	1,255,679	1,255,679	1,170,879
Aerial Photography Expense	300,000	400,000	400,000	320,000
Collaboration Portal Opex	27,884	27,979	27,979	27,979
Lease Expense - ICN	115,200	129,600	129,600	124,800
Lease Expense - Video Confer.	14,100	14,100	14,100	14,100
Projects - Recoveries	674,500	684,000	684,000	684,000
Total Operating Expenditure	1,527,637	1,679,115	1,692,130	1,621,871
Operational Surplus/ (Deficit) before Tax	0	0	0	0

Appendix B

Undertaken Joint Procurement Projects

Requiring ongoing management for performance, renewal or replacement:

- Accounts Payable automation software
- Advertising services
- Aerial imagery and LiDAR
- Air travel
- Antivirus software
- Archaeological services
- Asbestos protocols
- Banking
- Capital construction and civil works
- Cloud services
- Collective training services
- Community engagement app
- Courier services
- Cyber insurance
- Document management – EDRMS
- Document storage
- EFTPOS services
- Electricity
- Electronic purchasing
- EMA membership
- Firewall Services
- FME Server
- Fuel
- Geospatial training services
- GIS regional technical advisor
- GIS software
- GPS vehicle tracking
- Health & Safety benchmarking
- Health & Safety management software
- Health & Safety training services
- Health & Wellbeing online platform
- Historic imagery digitisation
- HR information systems
- Infrastructure as a Service
- Insurance brokerage services
- Insurance – General
- Insurance – Infrastructure
- Internet services
- IPWEA library
- Media monitoring
- N3/GSB membership
- Office supplies
- Postal services
- Print media copyright services
- Provincial Growth Fund co-funding
- Radio telephony
- Rapid antigen tests
- Reprographic – printers/copiers
- Risk management workshops
- Security services
- Telephony – voice, data, mobile
- Tender facilitation
- Transactional banking
- Travel and accommodation services
- Valuation services provider
- Video conferencing services
- Website analytics
- Wireless WAN

Appendix B**Identified Joint Procurement Projects**

- Agenda management software
- Business continuity
- Chemicals
- Civil works contracts
- Civil works materials
- Community communication systems
- Contractor online inductions
- Digital signatures
- Document scanning
- Driver training
- Drug & Alcohol testing
- Engineering Codes of Practice
- Fleet purchasing and management
- Health insurance
- High volume print
- ICT security policies
- Infrastructure valuation services
- IT applications
- Lone worker field solutions
- Media distribution services
- PPE & Uniform
- Property valuation services
- Recruitment/Candidate management
- Risk profiling workshops
- Robotic Process Automation (RPA)
- Surveys and research

Appendix B

Shared Services

Managed by BOPLASS or by one or more constituent councils:

- After hours call management
- CCTV monitoring
- Contractor H&S prequalification
- Debt recovery services
- Employee benefit schemes
- FME licensing pool
- GIS imagery data storage
- GIS support (inter-council)
- GIS web services
- Health and safety auditing
- Historic aerial imagery digitisation
- Insurance COE
- Inter-council network
- Internal audit services
- MahiTahi LG Collaboration Portal
- Media monitoring
- Occupational health
- Radio telephony strategy
- Section 17a reviews
- Shared licence server
- Solid waste services
- Standards NZ
- Video conferencing hosting
- Waste Operator Licensing

Projects for Consideration

- Archive services
- Asset Management
- Building consents
- Business continuity planning
- Capital Expenditure projects
- Centralised insurance resource
- Civil Defence Emergency Management
- Civil works projects marketing
- Consents Processing
- Contractor online inductions
- Debt Management
- Digital transformation
- Diversion of putrescible waste from landfill
- Document digitisation
- Driver training
- Electronic Document and Records Management System
- Geospatial services
- HR Information Systems
- Information Services
- Infrastructure development codes
- Insurance valuations
- Inter-council Secondments
- IT hosting
- Joint software support
- Payroll
- Project management office
- Rates Collection
- Regional Civil Defence
- Risk and total assurance
- Shared datacentre
- Solid waste regional facilities strategy
- Smart cities
- Staff engagement survey systems
- Web services
- Windscreen replacement

11.2 Private Plan Change 35 Tauriko Business Estate Stage 4 - Adoption and Notification of Decisions

File Number: A16261517

Author: Phillip Martelli, **Principal Planner:** Structure Planning

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

PURPOSE OF THE REPORT

1. The purpose of this report is to seek adoption of the recommendation by the Independent Hearing Commissioner on proposed Private Plan Change 35 – Tauriko Business Estate Stage 4 (PPC35)

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Private Plan Change 35 Tauriko Business Estate Stage 4 - Adoption and Notification of Decisions".
- (b) Pursuant to clause 10 of Schedule 1 of the Resource Management Act 1991 accepts and adopts as its decision the recommendations of the Independent Hearing Commissioner on Private Plan Change 35 Tauriko Business Estate Stage 4 included as Attachment 1 - Recommended Changes to Private Plan Change 35, and Attachment 2 - Recommendations on Decisions.
- (c) Delegates authority to the Chief Executive to notify the decisions in accordance with clause 10 of Schedule 1 of the Resource Management Act.
- (d) Delegates authority to the Chief Executive to approve any minor and technical changes to the plan content in the recommendations of the Independent Hearing Commissioner Report (Attachment 1).

EXECUTIVE SUMMARY

2. The plan change is a private plan change promoted by Element IMF who are the developers of the Tauriko Business Estate.
3. PPC35 covers approximately 133ha of which 108ha is proposed to be zoned industrial. Approximately 80% of the PPC35 land is owned by Element IMF with the remainder being in the ownership of 13 private landowners.
4. In accordance with the Resource Management Act (RMA), PPC35 has been publicly notified and a hearing held by an Independent Hearing Commissioner (IHC). The IHC has made recommendations to Council and a decision has to be made on these recommendations.

BACKGROUND

5. The existing Tauriko Industry Zone land is close to reaching capacity and the developers of the Business Estate are seeking to extend the Zone into the lower Belk Road area. The land in question (along with other land) was transferred from Western Bay of Plenty District to Tauranga City in 2021. It has been identified for industrial development for some time in both the Regional Policy Statement and the SmartGrowth Strategy.

6. As part of the preparation of PPC35, a section 32 evaluation report was prepared. Section 32 (s32) of the Resource Management Act 1991 requires a detailed assessment to establish whether the proposed plan change content is the most appropriate course of action.
7. PPC35 was notified on 24 February 2024. The summary of decisions requested was publicly notified on 20 May 2024, with the further submission period closing 11 June 2024.
8. There were 14 submissions and 5 further submissions.
9. The section 42A hearing report was prepared by an independent planning consultant and released on 26 July 2024. The section 42A report considers the matters raised by submitters and provides recommendations in response to those submissions. Its purpose is to assist the IHC in making recommendations to Council in relation to the submissions and further submissions received on PPC35.
10. The Hearing was held on 20 August 2024. The IHC issued his recommendations on 22 August 2024. See Attachment 3 for the full IHC report.
11. The RMA does not allow Council to delegate decision-making on plan changes, hence the IHC's recommendations are required to go to Council to make a decision.
12. The upper plateau of Belk Road south of this plan change area is identified in the SmartGrowth Future Development Strategy as a future urban growth area for the medium term. Through PPC35 Council sought to protect an infrastructure corridor through the Tauriko Business Estate extension to provide for that urban growth area. The notified plan change showed an 18m proposed widening to the eastern side of Belk Road. One landowner, who was particularly affected, lodged a submission opposing the road widening on their property. The recommendation of the IHC was to remove the road widening on that property, noting that the City Council could undertake a notice of requirement (designation) process as part of preparing a structure plan for the upper Belk Road growth area, and that this is anticipated to occur over the next three years. Development of the submitter's land, and other land in the vicinity that could be affected by a future road widening, is constrained until the necessary roading and three waters infrastructure is place. This is anticipated to be at least five years away, thus the risk of compromising any future widening is considered low. This gives Council time to undertake the necessary planning process to look at options and secure an appropriate corridor.

STATUTORY CONTEXT

13. PPC35 rezones a large portion of lower Belk Road to give effect to the Local Government Commission decision in approving the jurisdictional boundary adjustment between Western Bay of Plenty District and Tauranga City.

STRATEGIC ALIGNMENT

14. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	<input type="checkbox"/>
We value, protect and enhance the environment	✓
We are a well-planned city	✓
We can move around our city easily	✓
We are a city that supports business and education	✓

15. The extension to the Tauriko Business Estate has been identified by SmartGrowth and UFTI as necessary to meet Tauranga's business land requirements as determined by population growth. PPC35 provides for a staged approach to the plan change area in accordance with

the provision of infrastructure, particularly roading. The plan change also provides the opportunity to enhance the margins of the Ōmamawa River.

OPTIONS ANALYSIS

16. Council has two options:
 - (a) Accept the Independent Hearing Commissioner's recommendations.
 - (b) Not accept the Independent Hearing Commissioner's recommendations and refer PPC35 back for further consideration and specify what those considerations might be. Note that the Council cannot change the IHC's decision because it has not been a party to the hearing and deliberation process.
17. Option A is recommended as the IHC has carefully weighed up the issues and options raised by the submissions in coming to the recommendations before Council.

FINANCIAL CONSIDERATIONS

18. There are no financial considerations associated with this report. As PPC35 is a private plan change, costs are recoverable. Agreement has been reached with Element IMF whereby they are covering the costs associated with the IHC and the preparation of the s42A report by an independent consultant, and Council covers the administrative components and staff professional expert input into the s42A report. The latter are within existing LTP budgets.
19. Infrastructure costs will in a large part be met by the developer including through a development agreement being negotiated. Some costs will fall to Council associated with future proofing for Upper Belk Road growth and where development contributions may be used to fund costs associated with third parties in the growth area. These matters will be considered through separate reports in future.

LEGAL IMPLICATIONS / RISKS

20. PPC 35 has been prepared and notified to meet the legislative requirements of Schedule 1 of the RMA. In accordance with clause 10 of Schedule 1 of the RMA, Council is required to make a decision on the recommendations of the Independent Hearing Commissioner.

TE AO MĀORI APPROACH

21. Consultation with relevant hapu and iwi was undertaken by the plan change proponent as part of the s32 report preparation, and as required by the RMA. Consultation was also undertaken by the TCC.

CLIMATE IMPACT

22. Stormwater modelling has been undertaken using the latest parameters for climate change.
23. Biodiversity is to be enhanced through the creation of a Greenbelt Zone adjoining the Ōmamawa River with appropriate planting.

CONSULTATION / ENGAGEMENT

24. Schedule 1 of the RMA requires plan changes to be publicly notified for submissions and further submissions. This is in addition to the engagement process that occurred as part of the development of PPC35. Through the preparation of the plan change, landowner meetings were held as well as one on one contact with some by both the proponents of the plan change and the writer of this report.
25. Consultation with the relevant hapu and iwi has been undertaken.
26. All landowners had the opportunity to participate in the submission and hearing process in accordance with the RMA.

SIGNIFICANCE

27. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
28. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
29. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance. This is based on:
 - The significance of the plan change to increase the industrial land supply of the City.
 - The plan change affects only a limited number of landowners (13 in addition to Element IMF).
 - All landowners had the opportunity to participate in the submission and hearing process in accordance with the RMA.




ENGAGEMENT

30. Taking into consideration the above assessment, that the issue is of medium significance, because of the engagement undertaken as part of the preparation of the plan change and the submission and Hearing process, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

31. Council's decision is publicly notified.
32. There is a 30-working day period where a submitter can appeal Council's decision to the Environment Court.
33. If no appeals are received, then the plan change is beyond challenge, it is made operative and incorporated into the City Plan.

ATTACHMENTS

1. **IHC Recommendation Report - Appendix 1 - Recommended Changes to PPC 35 - 22 August FINAL - A16484360 (Separate Attachments 1)** 
2. **IHC Recommendation Report - Appendix 2 - Recommendations on Submissions - 22 August FINAL - A16475919 (Separate Attachments 1)** 
3. **IHC Recommendation Report - 22 August 2024 FINAL - A16475910 (Separate Attachments 1)** 

11.3 Plan Change 34 Belk Road Rural Residential - Approval of Independent Commissioner's Recommendations

File Number: A16218012

Author: Phillip Martelli, **Principal Planner:** Structure Planning

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

PURPOSE OF THE REPORT

1. The purpose of this report is to seek adoption of the recommendation by the Independent Hearing Commissioner on proposed Plan Change 34 Belk Road Rural Residential (PC34).

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Plan Change 34 Belk Road Rural Residential - Approval of Independent Commissioner's Recommendations".
- (b) Pursuant to clause 10 of Schedule 1 to the Resource Management Act 1991 accepts and adopts as its decision the recommendations of the Independent Hearing Commissioner on Plan Change 34 – Belk Road Rural Residential as attached (Attachment A).
- (c) Delegates authority to the General Manager Strategy, Growth & Governance to be able to notify the decisions in accordance with clause 10 of Schedule 1 of the Resource Management Act.
- (d) Delegates authority to the General Manager Strategy, Growth & Governance to approve any minor and technical changes to the Plan Change Content in the Recommendations of the Independent Hearing Commissioner Report (Attachment A).

EXECUTIVE SUMMARY

2. PC34 is the result of a jurisdictional boundary adjustment between Western Bay of Plenty District and Tauranga City in 2021. It is a small discrete area between the proposed Tauriko Business Estate extension and SH29 (see map in Attachment 2). As a result of the boundary adjustment, Council is required to progress a plan change to incorporate this land into the Tauranga City Plan (City Plan).
3. PC34 therefore focusses on rezoning the land to the most appropriate zone under the City Plan. The current land use is predominantly lifestyle, and the proposed change to the Tauranga City Plan reflects that.
4. Following public notification of PC34, submissions and further submissions were lodged. The Independent Hearing Commissioner (IHC) considered these and the section 42A hearings report, and has made recommendations. Council is now required to make a decision on these recommendations.

BACKGROUND

5. PC34 is the consequence of a jurisdictional boundary adjustment between Western Bay of Plenty District and Tauranga City. Part of the Local Government Commission decision was that the land, currently zoned Rural under the Western Bay of Plenty District Plan, was to be incorporated into the Tauranga City Plan by April 2024.

6. Plan changes are prepared in accordance with the Resource Management Act. A high-level summary of the plan change process is shown in Attachment 3.
7. The Resource Management Act (RMA) section 32 (s32) requires a detailed assessment to establish whether the proposed plan change content is the most appropriate course of action. The s32 report looked at a range of options and concluded that the Rural Residential Zone is the most appropriate as it recognises the current and likely future uses of the land.
8. PC34 was publicly notified on 24 February 2024, with the further submission period closing 31 May 2024.
9. Four submissions and one further submission were lodged that supported the plan change subject to amendments.
10. The section 42A planners report for the Hearing was released on 17 July 2024. The section 42A report considers the matters raised by submitters and provides recommendations in response to these submissions. Its purpose is to assist the IHC in making recommendations to Council in relation to submissions and further submissions received on PC34.
11. None of the submitters sought to be heard at a hearing, therefore no hearing was held. The IHC has considered the submissions and the s42A report and has provided his recommendations. See Attachment B for his full report.
12. The Resource Management Act does not allow Council to delegate decision-making on plan changes, hence the IHC's recommendations are required to go to Council to make a decision.

STATUTORY CONTEXT

13. The Plan Change gives effect to the Local Government Commission decision in approving the jurisdictional boundary adjustment between Western Bay of Plenty District and Tauranga City.

STRATEGIC ALIGNMENT

14. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	<input type="checkbox"/>
We value, protect and enhance the environment	<input checked="" type="checkbox"/>
We are a well-planned city	<input checked="" type="checkbox"/>
We can move around our city easily	<input checked="" type="checkbox"/>
We are a city that supports business and education	<input type="checkbox"/>

15. The proposed zoning recognises the constraints of the land. Access will be made considerably safer with the completion of the Tauriko Enabling Works.

OPTIONS ANALYSIS

16. Council has two options:
 - a) Accept the Independent Hearing Commissioner's recommendations.
 - b) Not accept the Independent Hearing Commissioner's recommendations and refer PC34 back for further consideration and specify what those considerations might be. Note that the Council cannot change the IHC's decision because it has not a been party to the hearing and deliberation process.
17. Option A is recommended as there are no grounds identified for Council to reject the IHC's recommendations. The recommendations support the decisions sought by the submitters.

Although Waka Kotahi expressed some concern about the possible impact on the SH29/Belk Road intersection from possible subdivision, they did not make a submission and therefore cannot be considered in the decision-making. Further, these matters will be resolved with the completion of the Tauriko West enabling works transport improvements.

FINANCIAL CONSIDERATIONS

18. There are no financial considerations associated with this report. The cost associated with the preparation and processing of PC 34 is within existing LTP budgets.

LEGAL IMPLICATIONS / RISKS

19. Proposed Plan Change 34 has been prepared and notified to meet the legislative requirements of Schedule 1 of the RMA. In accordance with clause 10 of Schedule 1 of the RMA, Council is required to make a decision on the recommendations of the Independent Hearing Commissioner.
20. The Plan Change recognises the existing uses of the land. The landowners have been consulted with and are generally supportive of the proposal. Four submitted in support of the Plan Change. There were no opposing submissions. The legal risk is considered to be low.

TE AO MĀORI APPROACH

21. Consultation with relevant hapu and iwi was undertaken as part of the s32 report preparation as required by the RMA.

CLIMATE IMPACT

22. The area subject to the zone change is on a hill and all dwellings are above identified flood levels.

CONSULTATION / ENGAGEMENT

23. Schedule 1 of the RMA requires plan changes to be publicly notified for submissions and further submissions. This is in addition to the engagement process that occurred as part of the development of PC34. Through the preparation of the plan change landowner meetings were held as well as one on one contact with some.
24. Consultation with the relevant hapu and iwi have been undertaken. This is documented in the s32 report.

SIGNIFICANCE

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

- Apart from the 13 affected landowners, the plan change will have limited public interest.
- The amendments do not change the use of the land and are consistent with the current use of the land.




ENGAGEMENT

28. Because of the engagement undertaken as part of the preparation of the plan change and the submission process, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

29. Council's decision is publicly notified.
30. There is a 30 working day period where a submitter can appeal Council's decision to the Environment Court. None are anticipated as the IHC recommendation supports the decisions sought by the submitters.
31. If no appeals are received, then the plan change is beyond challenge and made operative and incorporated into the City Plan.

ATTACHMENTS

1. **Commissioner Recommendations Table - A16232600** [↓](#) 
2. **PC34 Belk Road - Commissioner's Recommendation Decision - PDF - A16217583** [↓](#) 
3. **Plan Change Process under the RMA - A16481608** [↓](#) 

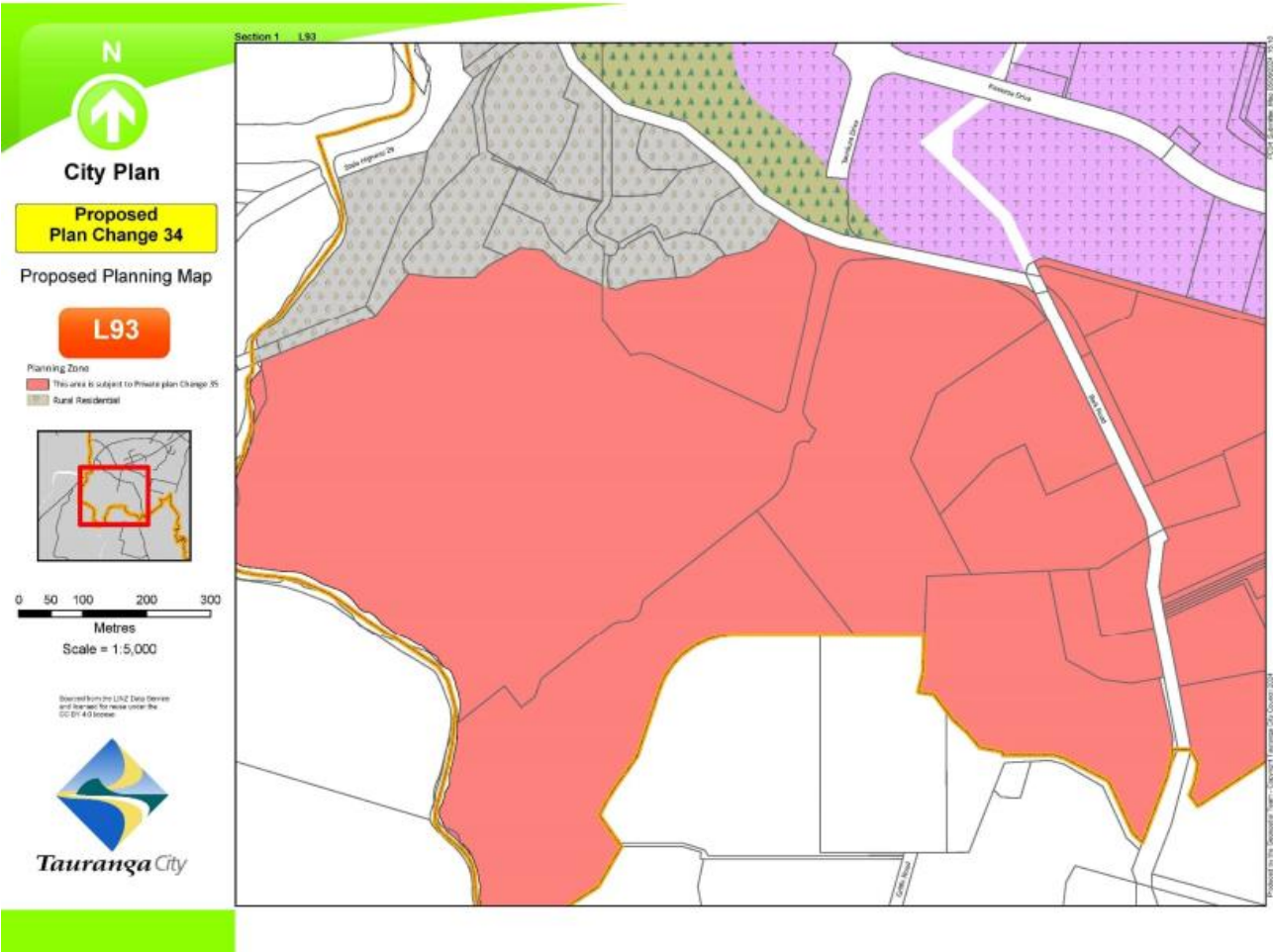
Appendix 1: Summary of Decisions Requested and Commissioner Recommendations to the Operative Tauranga City Plan – Proposed Plan Change 34 Belk Road Rural Residential

Submitter	Point No.	Position	Summary of Decision Requested by Submitter	Commissioner Recommendation	Commissioner Reasons for Recommendation
General					
Element IMF Ltd	2.1	Support in full	RETAIN proposed Rural Residential zoning as notified, subject to amendment sought at submission point 2.2. AND AMEND to make any consequential amendments.	Accept	The Rural Residential Zone is the most appropriate zone for the Plan Change area.
Edward Brill	3.2	Support in part	RETAIN the proposed Rural Residential Zoning subject to the requested amendment in point 3.1.	Accept	
Maurice Brill	4.2	Support in part	RETAIN the proposed Rural Residential Zoning subject to the requested amendment in point 4.1.	Accept	
Joshua Brill	5.2	Support in part	RETAIN the proposed Rural Residential Zoning subject to the requested amendment in point 5.1.	Accept	
Rule 12C.3.1.12 – Lower Belk Road					
Edward Brill	3.1	Oppose	DELETE Rule 12C.3.1.12 - Belk Road Rural Residential.	Accept	Any effects from the increase in traffic at the SH29/Belk Road intersection from an additional dwelling will be less than minor due to: <ul style="list-style-type: none">The existing high traffic volumes on Belk Road and the small number of movements generated by any development in the proposed Rural Residential Zone.The time taken to get a new title and a dwelling built, and thus the short timeframe that the intersection (scheduled to close by December 2025) will be exposed to any additional traffic.The speed reduction and traffic management measures recently put in place for the SH29 Enabling Works include the vicinity of the SH29/Belk Road intersection and make that intersection safer than previously.
Element IMF Ltd	FS2.3 (3.1)	Support in full	ALLOW the relief sought.	Accept	
Maurice Brill	4.1	Oppose	DELETE Rule 12C.3.1.12 - Belk Road Rural Residential.	Accept	
Element IMF Ltd	FS2.4 (4.1)	Support in full	ALLOW the relief sought.	Accept	
Joshua Brill	5.1	Oppose	DELETE Rule 12C.3.1.12 - Belk Road Rural Residential.	Accept	
Element IMF Ltd	FS2.5 (5.1)	Support in full	ALLOW the relief sought.	Accept	
Proposed Map L93					
Element IMF Ltd	2.2	Support in part	AMEND proposed planning map L93 to include the access leg of 76 Belk Road (Lot 1 DP 564534) and apply the Rural Residential Zone (see submission for map).	Accept	Rural Residential is the more appropriate zone for the land.

The Commissioner's summary reasons for the decision are that Plan Change 34 – Belk Road Rural Residential:

- (a) Gives effect to the National Planning Standards;
- (b) Will assist the Council in fulfilling its statutory functions under s.31 of the RMA;
- (c) Achieves the s.5 Purpose of the RMA by promoting the sustainable management of the land resource; and
- (d) Includes only relevant matters (per s.18A(b) RMA); and will assist with the effective implementation of the Tauranga City Plan.

Recommended Change to the City Plan – Replace Planning Map L93 with the following:

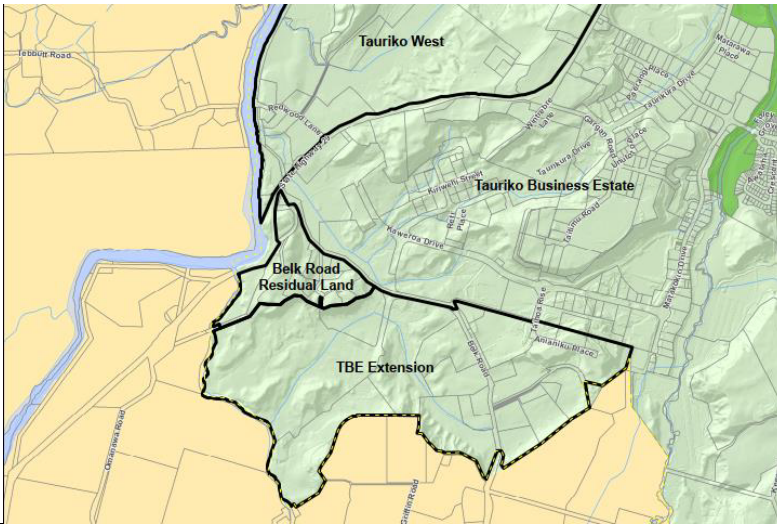


Recommendation Decision on a Proposed Plan Change (PC34 – Belk Road Rural Residential) to the Tauranga City Plan under the Resource Management Act 1991

Proposal

To rezone approximately 19 hectares of land generally located at Belk Road, Tauranga, from Rural Zone under the Western Bay of Plenty District Plan to Rural Residential Zone under the Tauranga City Plan.

Plan Change 34 is Recommended for APPROVAL with amendments. The reasons are set out below.

Plan Change No:	PC34
Commissioner:	David Hill
Site address:	Belk Road, Tauranga – shown as <i>Belk Road Residual Land</i> in the map below
	
PC Notified:	24 February 2024
Submissions closed:	9 April 2024
Summary of submissions:	20 May 2024
Further submissions closed:	31 May 2024

Introduction

1. This recommendation decision is made on behalf of the Tauranga City Council (“**the Council**”) by Independent Hearings Commissioner **David Hill** appointed and acting under delegated authority under sections 34 and 34A of the Resource Management Act 1991 (“**the RMA**”).
2. The Commissioner has been given delegated authority by the Council to make a recommendation decision on submissions (original and further) on proposed Plan Change 34 – Belk Road Rural Residential (“**PC34**”) to the operative Tauranga City Plan (“**the TCP**”) after considering all the submissions, the section 32 evaluation, and the s.42A report prepared by Mr Phillip Martelli, Principal Planner: Structure Planning at the Council.
3. As all submitters supported PC34, with minor variations, and following consultation with them by Mr Martelli, it was determined that, *per* cl.8c of Schedule 1 RMA, a hearing was not necessary and that a determination on the papers was both practicable and appropriate.
4. PC34 is a plan change prepared following the standard RMA Schedule 1 process (that is, the plan change is not the result of an alternative, 'streamlined' or 'collaborative' process as enabled under the RMA).
5. PC34 was publicly notified on 24 February 2024 with the initial submission period closing on 9 April 2024 and further submissions closing on 31 May 2024.
6. A total of 4 submissions were received through the notification process. All supported PC34.
7. The s.42A RMA hearing report was prepared by Mr Martelli and included the following appendices:
 - Appendix 1: Summary of Decisions Requested and Staff Recommendations to the Operative Tauranga City Plan – Proposed Plan Change 34 Belk Road Rural Residential.
 - Appendix 2: Location of Submitters.
 - Appendix 3: Transportation Advice on Closure of Belk Road.
 - Appendix 4: Recommended Planning Map.
8. Mr Martelli recommended the acceptance of all submissions and the further submission (as discussed further below) and the adoption of PC34 with the amendments he proposed.

Summary of Plan Change

9. The purpose of the proposed plan change was described in the s.32 Report¹ as follows:

The Plan Change is as a result of a jurisdictional boundary adjustment between Western Bay of Plenty District Council and Council. Now that the land is within Council's jurisdictional boundary, there is a requirement to re-zone the land to the most appropriate zone under the City Plan. Therefore, the objective of Plan Change 34 is to determine the most appropriate zoning of the land under the City Plan.

10. The s.32 Report evaluates four existing TCP zoning options – Rural, Rural Residential, Medium Density Residential, and Tauriko Industrial zones - and concludes that Rural Residential is the preferred and most appropriate zoning. For convenience that evaluation² is not repeated here, but has been taken into consideration, and the reader is referred to it.

11. PC34 therefore proposes to:

- (a) Rezone the land to Rural Residential; and
- (b) Introduce two new rules in Section 12C – Subdivision in the Rural Residential Zone to limit subdivision until such time as an alternative to the existing SH29/Belk Road intersection has been provided.

12. The proposed new rules were:

12C.3.1.12. Belk Road Rural Residential

For subdivision in the Belk Road Rural Residential Zone, Belk Road must be closed where it connects with SH29.

12C.5 Discretionary Activity Rules

g. Subdivision within Belk Road Rural Residential that does not comply with Rule 12C.3.1.12.

13. PC34 does nothing more.

Procedural Matters

14. No procedural matters were raised as no party sought to lodge evidence or requested to be heard.

Relevant Statutory Provisions Considered

15. The RMA sets out an extensive set of requirements for the formulation of plans and changes to them – and caselaw on the matter is well settled – based around the functions of territorial authorities under s.31, district plan matters under sections 72-76 (and s.74 in particular), and the requirements of s.32 RMA.

¹ S.32 evaluation report, at [1.2].

² Ibid at [5].

16. Clause 10 of Schedule 1 requires that a decision must include the reasons for accepting or rejecting submissions. The decision must include a further evaluation of any proposed changes to the plan change arising from submissions; with that evaluation to be undertaken in accordance with section 32AA.
17. With regard to Section 32AA, I note that Mr Martelli considered³ that requirement satisfied by the s.42A report and appendices. I agree with that conclusion.

Relevant Statutory Plan Provisions Considered

18. Given the very discrete and limited nature of PC34 a further comprehensive assessment against all potentially relevant statutory plans and policies was considered unnecessary. I accept that reasoning. In essence, the relevant context is internal to the TCP because it is currently without a formal TCP zone.

Matters identified in the s.42A Report for further resolution / refinement

19. Apart from the question of the appropriate zone, two other matters were raised in the s.42A Report:
 - (a) whether the proposed subdivision limiting rules were actually still necessary; and
 - (b) whether to accept the submission from Element IMF to rezone an access leg to 76 Belk Road which is a property that is proposed to be zoned Industrial under PPC35. The access leg protrudes into the proposed Rural Residential Zone.

Rural Residential Zone

20. The reasons for preferring the Rural Residential Zoning were summarised in the s.32 Report as:
 - Reflecting existing use of the land;
 - Achievable from a land use perspective as it maintains current lifestyle amenity, and would not require additional water or flood mitigation public infrastructure; and
 - Provides some subdivision flexibility.
21. No submissions were received in opposition to the proposed zoning.

Finding and Recommendation

22. The proposed zoning is supported as being the most appropriate for the land in question.
23. I recommend that the proposed Rural Residential zoning of the area identified in the attached planning map (**Attachment 1**) is adopted.

Subdivision rules

24. PC34 as notified proposed to limit subdivision pending completion of the programmed SH29 enabling works and closure of the Belk Road / SH 29 intersection, due to concerns

³ S.42A report at [5.4 & 6.4].

about the potential for additional traffic volumes and resultant road safety risk at that intersection.

25. Submissions opposed those rules based on the unlikelihood of material additional traffic arising from subdivision in the short period prior to planned completion of the SH29 enabling works.
26. The s.42A Report recommends deleting (or not proceeding with) those rules since more current advice from NZTA is to the effect that the SH29 enabling works (and closure of the Belk Road intersection) is contracted for completion by the end of 2025. The Report concludes that the prospect of material numbers of land use and subdivision consents for development being sought, issued, constructed and occupied prior to that contracted deadline is low. Advancing and putting in place rules that are highly likely to be obsolete almost as soon as they are made operative is therefore not justified.
27. The s.42A Report notes⁴ that the Council's Principal Strategic Transport Planner also advised against the rules on the grounds that:
 - (a) *The existing vehicle count on Belk Road is high and the small amount of additional traffic generated by an additional dwelling is considered negligible.*
 - (b) *Speed restrictions have already been imposed on SH29 as part of the enabling works which will make the SH29/Belk Road intersection safer.*
 - (c) *The short time that the intersection will be exposed to any additional traffic from the rezoned area.*
28. While the s.42A Report records NZTA's suggestion for a rule limiting occupation of dwellings until closure of Belk Road is imminent, NZTA is not a formal submitter on PC34 and no submitter indicated that this was an option or acceptable form of relief.

Finding and Recommendation

29. For the reasons noted above, the recommendation to not pursue the notified s.12C Rural Residential Subdivision rules is supported. Furthermore, to include the rules would not accord with the s.32 RMA requirement for provisions to be efficient and effective.
30. I recommend that the above proposed subdivision rules be deleted and not carried forward into the TCP.

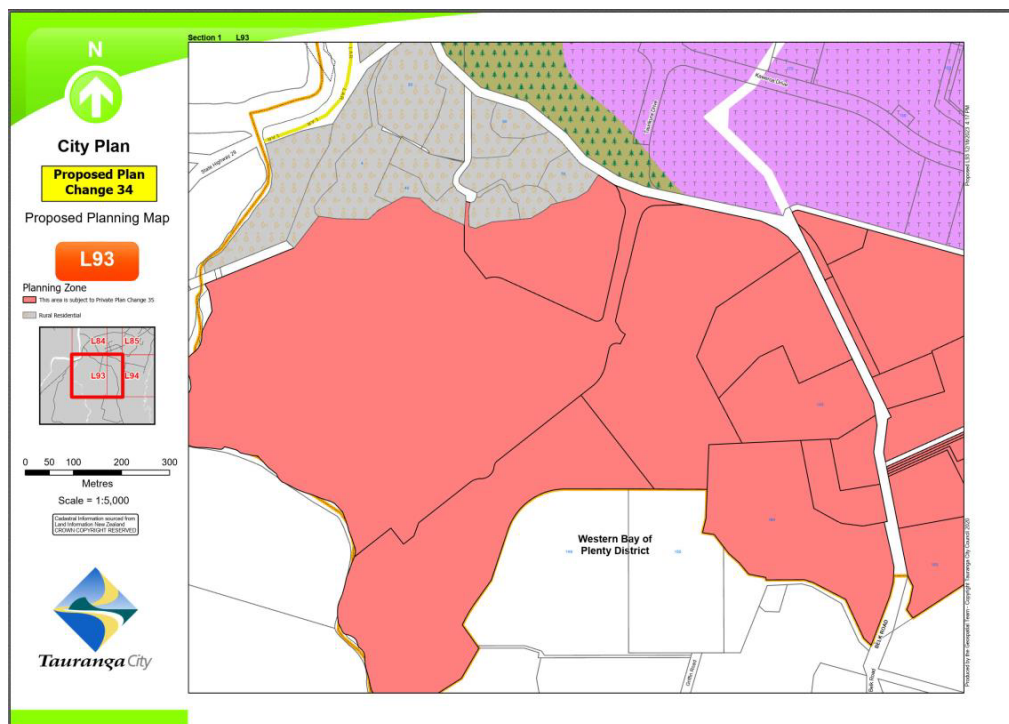
Access leg

31. In its submission, Element IMF sought a rationalised zoning of the boundary between PC34's proposed Rural Residential zone and PPC35's⁵ proposed Industrial zone involving a short access leg servicing 76 Belk Road (on property owned by an Element IMF-related company).

⁴ S.42A report at [5.3].

⁵ Private Plan Change 35 – Tauriko Business Estate (Stage 4).

32. The short access leg for 76 Belk Road (Lot 1, DP 564534) is shown in the notified version of the proposed City Planning Map L93 below as a “spike” to the access leg within the Rural Residential zone on its southern boundary. It is currently zoned Rural in the Western Bay of Plenty District Plan and Industrial under PPC35.



33. Element IMF indicated that it intends to adjust the boundary with one of the adjoining Rural Residential neighbours since it is intended to provide full roading access to 76 Belk Road and 4D Belk Road from a new industrial road constructed off Belk Road proposed as part of PPC35. That access leg will therefore become redundant.
34. The s.42A Report supports and recommends that amendment to Rural Residential zoning.

Finding and Recommendation

35. On the question as to whether there is scope for the change sought, Element IMF sought that change in its original submission. All persons were therefore technically on notice and no further submissions in opposition or support were received. Furthermore, the land in question is owned by the submitter, and superior roading access to properties served by the access leg is to be provided by future development subject to PPC35 (which is currently being processed).
36. I am therefore satisfied that there is scope for the proposed amendment under the standard *Clearwater* and related authorities.

37. While the status of PPC35 remains to be determined, and therefore the intended alternative road provision cannot yet be guaranteed, changing the zoning of the access leg does not remove its function as an access leg. In other words, whether the access leg is zoned Industrial or Rural Residential is irrelevant to its current actual function.
38. I am therefore satisfied that the provisional status of PC35 is no impediment to the amendment sought and supported by the s.42A report.
39. I recommend the rezoning of the access leg from proposed Industrial to Rural Residential as shown in the attached planning map (**Attachment 1**).

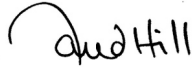
Statutory Requirements

40. I am satisfied that PC34 meets the required statutory tests and requirements.
41. PC 34 meets the s.5 purpose of the RMA by promoting the sustainable management of the land resource.
42. No s.6 matters of national importance or s.8 Treaty of Waitangi principles are engaged.
43. With respect to s.7 other matters, to which particular regard is to be had, PC34 has done so, inasmuch as a plan change can, in terms of 7(b) – the efficient use and development of land; s.7(c) - the maintenance and enhancement of amenity values; and s.7(f) - maintenance and enhancement of the quality of the environment.
44. A final checkpoint, established through the courts, is the question as to whether a proposed plan change is a better fit with the overall architecture of the Plan than the provisions it seeks to supplant or amend. As the land has no relevant TCP zoning, a zone is required. The proposed (and recommended) Rural Residential zoning is the best fit.

Decision

45. Pursuant to Schedule 1, and clause 10, of the Resource Management Act 1991, Proposed Plan Change 34 – Belk Road Rural Residential to the operative Tauranga City Plan 2013 is recommended for **approval as amended** (refer Attachment 1) and for the reasons set out in this recommendation decision.
46. Submissions on the plan change are accepted in accordance with this decision and generally as recommended by Mr Martelli in his s.42A Hearing Report Appendix 1: Summary of Decisions Requested and Staff Recommendations to the Operative Tauranga City Plan – Proposed Plan Change 34 Belk Road Rural Residential.
47. The summary reasons for the decision are that Plan Change 34 – Belk Road Rural Residential:
 - (a) gives effect to the National Planning Standards;
 - (b) will assist the Council in fulfilling its statutory functions under s.31 of the RMA;

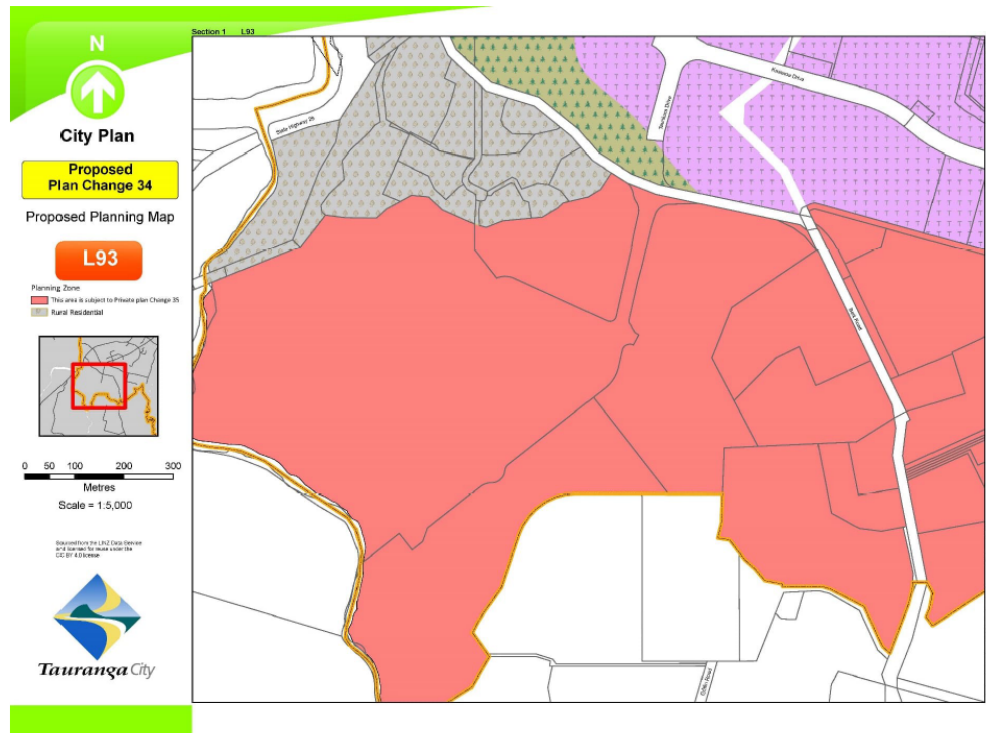
- (c) achieves the s.5 Purpose of the RMA by promoting the sustainable management of the land resource, and Part 2 more broadly; and
- (d) includes only relevant matters (per s.18A(b) RMA); and will assist with the effective implementation of the Tauranga City Plan.



David Hill
Independent Hearings Commissioner

Date: 24 July 2024

Attachment 1: Replacement Planning Map L93



PC34 – Belk Road Rural Residential

9

Plan Change Process – High Level Summary

Process is directed by the Resource Management Act

- 1. S32 report**
 - Background report that examines all the issues and options
 - Consultation with tangata whenua, landowners, affected parties, community.
 - Technical reports as necessary
 - Provides a recommended plan change.
 - Approved by Council.
- 2. Plan Change notified**
 - Call for submissions.
 - Submission period 20 working days.
- 3. Summary of submissions**
 - Submissions summarised and summary notified.
 - Call for further submissions (10 working days).
 - Opportunity to support or oppose original submissions only.
 - No new issues can be raised.
- 4. S42A report**
 - “Planner’s” report that assesses all the submissions in terms of the plan change.
 - May involve additional technical work.
 - May involve mediating/caucusing with parties.
 - Provides recommendations to the hearing panel.
 - Circulated to all parties.
- 5. Pre-hearing**
 - Dependent on the number and complexity of submissions the Hearing Panel may require the pre-circulation of technical evidence that parties wish to submit to the hearing.
 - Hearing Panel may require caucusing of technical experts to resolve issues as much as possible.
- 6. Hearing**
 - Hearing Panel members must be qualified.
 - Parties have the opportunity to present their cases.
 - Questions of clarification from the Hearing Panel.
 - No cross-examination.
 - Panel recommends decision to Council.
- 7. Council decision**
 - Council considers Panel recommendations and accepts or rejects.
 - Council cannot amend the recommendation.
 - If rejected, the plan change goes back to the Hearing Panel for further consideration. Council indicates what those considerations might be.
- 8. Appeal period**
 - Council decision (if Panel recommendation accepted) is publicly notified.
 - 30 working days for submitters to lodge an appeal with the Environment Court.
- 9. No Appeals**
 - Plan change is made operative and incorporated into the City Plan
- 10. Appeals lodged**
 - Mediation frequently ordered by the Environment Court.
 - Environment Court Hearing if mediation not held or is unsuccessful.
 - Can take anything from 3 months (successful mediation) to more than a year.

11.4 Temporary alcohol-free areas for the summer period 2024/25**File Number: A16475912**

Author: Jane Barnett, Policy Analyst
 Jenna Quay, Events Facilitation Manager
 Stuart Goodman, Team Leader: Regulation Monitoring

Authoriser: Sarah Omundsen, General Manager: Regulatory and Compliance**PURPOSE OF THE REPORT**

1. To seek approval of the temporary alcohol-free areas along the coastal strip and for events for the 2024/25 summer period.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Temporary alcohol-free areas for the summer period 2024/25".
- (b) Agrees that the proposed temporary alcohol-free areas are appropriate and proportionate in the light of the evidence; and justified as a reasonable limitation on people's rights and freedoms.
- (c) Resolves under clause 8 of the Alcohol Control Bylaw 2018 to implement a temporary alcohol-free area between the hours of 9pm and 7am for all beaches, reserves and public places on the seaward side of Marine Parade (eastwards from its intersection with Grove Avenue), Oceanbeach Road and Maranui Street including, Surf Road, Yale Street and Sunbrae Grove from 21 October 2024 to 6 April 2025.
- (d) Resolves under clause 8 of the Alcohol Control Bylaw 2018 to implement temporary alcohol-free areas to support events across Tauranga as follows:

Fergusson Park	Fergusson Park including Tilby Drive from the intersection of Tainui Street and Waratah Street (all inclusive) from 10am, 31 December 2024 to 6am, 1 January 2025.
Gordon Spratt Reserve	Gordon Spratt Reserve and Alice Lane (all inclusive) and Parton Road (between Tara Road and Papamoa Beach Road) from 10am, 31 December 2024 to 6am, 1 January 2025.
Tauranga Racecourse Reserve	Tauranga Racecourse Reserve from 10am, 31 December 2024 to 6am, 1 January 2025.
Soper Reserve	Soper Reserve and Newton Street (all inclusive) as follows from 6am to midnight on the following dates. <ul style="list-style-type: none"> • 1 November 2024 • 23 November 2024 • 1 March 2025

- (e) Resolves under clause 8 of the Alcohol Control Bylaw 2018 to implement a temporary alcohol-free area 10am, 31 December 2024 to midnight, 4 January 2025 as follows:

Girven Road	From Gloucester Road to State Highway 2
State Highway 2	From Girven Road to Sandhurst Drive

Te Maunga Lane	All inclusive
Truman Lane	All inclusive
Mangatawa Link Road	All inclusive
State Highway 29A	From Truman Lane to the intersection with State highway 2 (including the roundabouts)
Gloucester Road	From Eversham Road to Girven Road
Eversham Road	All inclusive
Tudor Place	All inclusive
Palliser Place	All inclusive
Harrow Place	All inclusive
Exeter Street	All inclusive
Lambeth Terrace	All inclusive
Dover Place	All inclusive
Weymouth Place	All inclusive
Eversham Road Reserve	All inclusive
Kingsley Place	All inclusive
Penrhyn Place	All inclusive
Ernie Way	All inclusive
Hadleigh Reserve	All inclusive

- (f) Clarifies that during the period from 26 December 2024 to 6am on 6 January 2025, a temporary alcohol-free area is in place, 24 hours a day, seven days a week, for:
- (i) All beaches, reserves and public places on the seaward side of Marine Parade (eastwards from its intersection of Grove Avenue to its intersection of Tweed Street)
 - (ii) Omanu Surf Club and car park area
 - (iii) Waiariki Street.

EXECUTIVE SUMMARY

2. The Alcohol Control Bylaw 2018 (the Bylaw¹) provides for Council to resolve temporary alcohol-free areas where no person is allowed to bring in, possess, or consume alcohol in a public place for a specified time and/or event (temporary alcohol-free area).
3. This report seeks Council approval for temporary alcohol-free areas to support a consistent approach to alcohol use at the beach over the summer period and the safe hosting of events across Tauranga.

BACKGROUND

4. The purpose of the Bylaw is to control the consumption of alcohol in public places to reduce potential alcohol-related harm. As well as setting out permanent alcohol-free areas, clause 8 of the Bylaw states Council may, by resolution, prohibit the consumption, bringing and possession of alcohol on or in a public place for a time period and/or event specified in that resolution (temporary alcohol-free area).

¹ The Alcohol Control Bylaw 2018 can be find on Tauranga City Council's website at [Alcohol Control Bylaw 2018](#)

5. Each year temporary alcohol-free areas are put in place around a number of events across the city. This supports the Police to manage any potential alcohol-related disorder and helps minimise the risk of alcohol related harm at and around these events.
6. Temporary alcohol-free areas are proposed for the coastal strip (as illustrated in **Attachment One**) over the summer period (the week before Labour Weekend to the first weekend of April), and to support Council's community events.

Summer period and the coastal strip

7. In December 2018, in response to community and Police concern, Council resolved, under clause 8 of the bylaw, to implement a temporary alcohol-free area along the coastal area between the two existing coastal bans already in the Bylaw.
8. Every year since then, Council, supported by the Police, have put in place this temporary alcohol-free area.
9. A temporary alcohol-free area (attachment A) is proposed between 9pm and 7am, seven days a week, effective from Monday 21 October 2024 until Sunday, 6 April 2025, for:
 - All beaches, reserves and public places on the seaward side of Marine Parade (eastwards from its intersection of Grove Avenue), Oceanbeach Road and Maranui Street.
 - Surf Road, Yale Street and Sunbrae Grove.
10. Police support the continuation of the proposed temporary alcohol ban as it provides them with an early intervention tool to help reduce potential alcohol-related crime and disorder in this area.
11. There is some overlap of the areas above with alcohol-free areas already defined within the Bylaw (which states that the consumption, bringing and possession of Alcohol in the Public Places specified in Schedule Two is prohibited for the period beginning on 26 December and ending at 6am on 6 January each year).
12. To avoid any confusion and clarify the conditions of the alcohol-free areas for the community, it is recommended that Council resolve that:

During the New Year period, from 26 December 2024 to 6am on 6 January 2025, a temporary alcohol-free area is in place 24 hours a day, seven days a week for;

 - *All beaches, reserves and public places on the seaward side of Marine Parade (eastwards from its intersection of Grove Avenue to its intersection of Tweed Street)*
 - *Omanu Surf Club and car park area*
 - *Waiariki Street.*
13. This clarifies that the Bylaw's New Year's 24-hour ban supersedes the summertime and permanent night-time bans over the New Year period.
14. A report is being prepared for the Community, Transparency and Engagement Committee to seek approval to formalise this alcohol-free area by incorporating it in the Alcohol Control Bylaw as a recurring temporary ban.

Events

15. To support operational planning and safety Police have asked Council to support temporary alcohol-free areas around events over the summer period (**Attachment Two**). This enables NZ Police to better support the community celebrations and concerts and minimise any potential alcohol related crime and disorder.
16. The request covers three of the five Tauranga City Council New Year's Eve (NYE) community events where permanent alcohol-free areas are not already in place, events over the holiday period at Mercury Baypark, and events at Soper Reserve.

17. The tables below set out the proposed temporary alcohol-free areas.

Fergusson Park	Fergusson Park including Tilby Drive from the intersection of Tainui Street and Waratah Street (all inclusive) from 10am, 31 December 2024 to 6am, 1 January 2025.
Gordon Spratt Reserve	Gordon Spratt Reserve and Alice Lane (all inclusive) and Parton Road (between Tara Road and Papamoa Beach Road) from 10am, 31 December 2024 to 6am, 1 January 2025.
Tauranga Racecourse Reserve	Tauranga Racecourse Reserve from 10am, 31 December 2024 to 6am, 1 January 2025.
Soper Reserve	Soper Reserve and Newton Street (all inclusive) as follows from 6am to midnight on the following dates. <ul style="list-style-type: none"> • 1 November 2024 (concert) • 23 November 2024 (BBQ food festival) • 1 March 2025 (Food and alcohol festival)

18. Temporary alcohol-free areas are not required for the NYE community celebrations planned for the Tauranga city centre and Blake Park, Mt Maunganui. These event sites are within an existing alcohol-free area.
19. A temporary alcohol-free area, covering the streets identified below is proposed from 10am, 31 December 2024 to midnight, 4 January 2025 to support NZ Police during the concerts (Famous Last Words Concert, 31 December 2024 and Subline with Rome, 3 Jan 2025) that are taking place at Mercury Baypark between these dates.

Girven Road	From Gloucester Road to State Highway 2
State Highway 2	From Girven Road to Sandhurst Drive
Te Maunga Lane	All inclusive
Truman Lane	All inclusive
Mangatawa Link Road	All inclusive
State Highway 29A	From Truman Lane to the intersection with State highway 2 (including the roundabouts)
Gloucester Road	From Eversham Road to Girven Road
Eversham Road	All inclusive
Tudor Place	All inclusive
Palliser Place	All inclusive
Harrow Place	All inclusive
Exeter Street	All inclusive
Lambeth Terrace	All inclusive
Dover Place	All inclusive
Weymouth Place	All inclusive
Eversham Road Reserve	All inclusive
Kingsley Place	All inclusive
Penrhyn Place	All inclusive

Ernie Way	All inclusive
Hadleigh Reserve	All inclusive

STATUTORY CONTEXT

20. The proposed temporary-alcohol free areas are consistent with the purpose of the Bylaw to reduce alcohol-related harm in our community.
21. In accordance with section 147B of the Local Government Act 2002, the proposed temporary alcohol-free areas are proportionate responses and place reasonable limitations of people's rights and freedoms. The time periods for the proposed alcohol-free areas reflect the time period of concern for potential alcohol related crime and disorder.

STRATEGIC ALIGNMENT

22. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	<input type="checkbox"/>
We are a well-planned city	<input type="checkbox"/>
We can move around our city easily	<input type="checkbox"/>
We are a city that supports business and education	<input type="checkbox"/>

23. The proposed temporary alcohol-free areas are consistent with the purpose of the bylaw to reduce alcohol-related harm in our community.
24. The proposed temporary alcohol-free areas will help people feel safer in their communities, a key goal of Council's Tauranga Matarauui – Inclusive City Strategy and community outcome. This in turn contributes to the community and inclusivity pillar of the vision for Tauranga, *Together we can ... lift each other up*, as outlined in Council's [Our Direction](#) framework.

OPTIONS ANALYSIS

25. The table below outlines the advantages and disadvantages of approving the temporary alcohol-free areas.

Option		Advantages	Disadvantages
1	Approve the temporary alcohol-free areas (recommended)	<ul style="list-style-type: none"> Police are better enabled to successfully limit alcohol harm and manage public disorder in public places at events and along the coast over the summer period. Police are provided with an additional tool to assist in the provision of a safer environment for the community. The community can enjoy a safer environment in these areas and when attending events. 	<ul style="list-style-type: none"> Some residents and visitors may view the proposed temporary alcohol-free areas as being too restrictive.
2	Do not approve the temporary-alcohol free areas	<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> The ability of the NZ Police to successfully limit alcohol harm and manage public disorder along the coast and at events would be reduced.

LEGAL IMPLICATIONS / RISKS

26. A minimum of 14 days public notice of the temporary alcohol-free areas must be made for the Police to have the power to enforce the temporary alcohol-free areas (Local Government Act 2002, s170).

TE AO MĀORI APPROACH

27. The proposed temporary alcohol-free areas align with the principles of Manaakitanga – a strong duty of care and safety for our people and Kaitiākanga – stewardship of the natural environment.

CLIMATE IMPACT

28. There are no direct or specific climate change impacts resulting from the proposed temporary alcohol-free areas.

CONSULTATION / ENGAGEMENT

29. As clause 8 of the Bylaw provides Council with the power to put in place temporary alcohol-free areas by resolution, public consultation is not required. Public consultation was carried out when the Bylaw was developed.
30. Staff have worked with the Police to determine the proposed temporary alcohol-free area. Although Council has the power to make the bylaw and put in place the alcohol-free areas it is the Police that enforce these.

SIGNIFICANCE

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



ENGAGEMENT

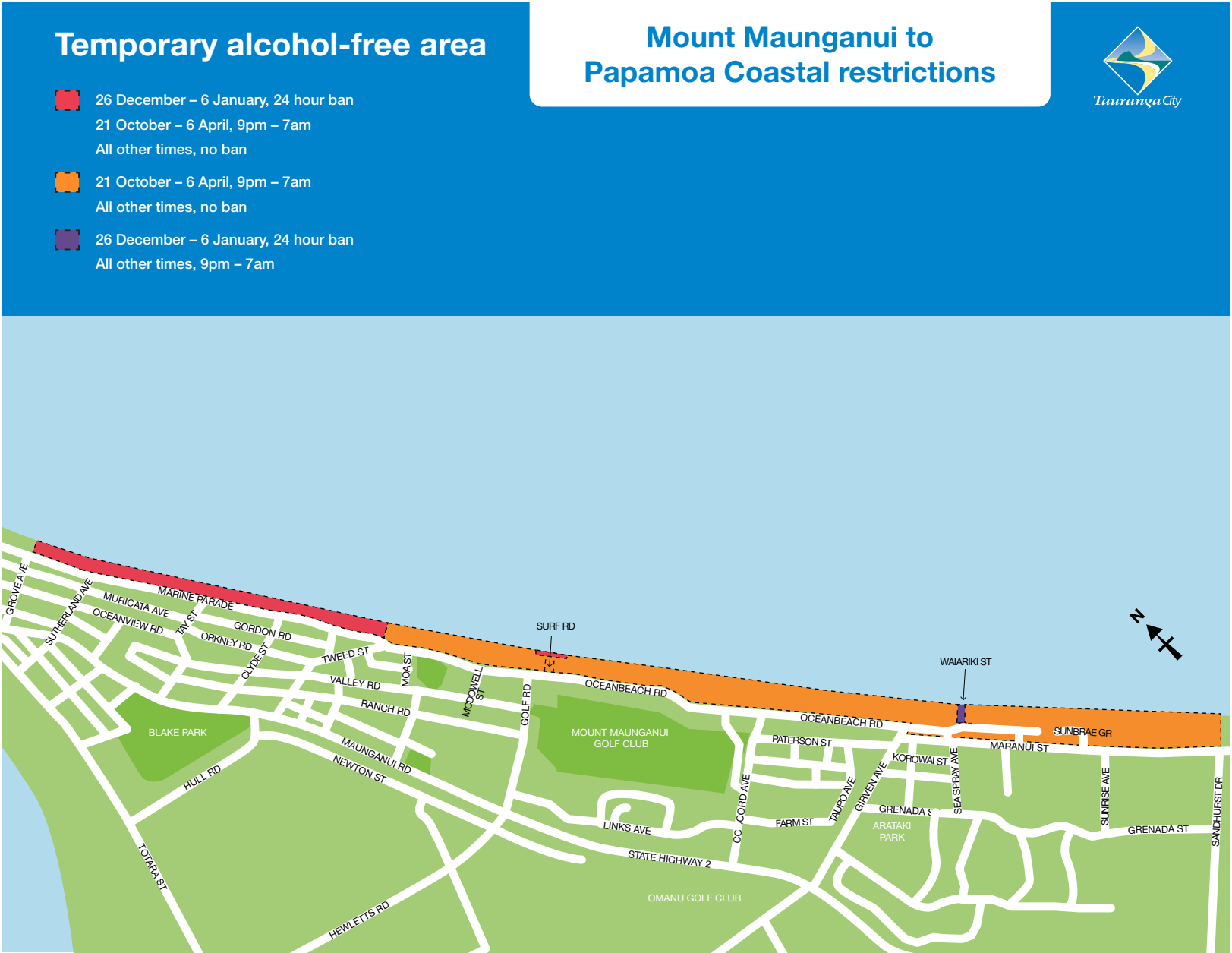
34. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

35. In accordance with the Bylaw, public notice will be given prior to the temporary alcohol-free area taking effect and Council will erect signs to inform people of the temporary alcohol-free area. This will ensure Police can exercise the power of search under the Local Government Act 2002.
36. It is expected that the Community, Transparency and Engagement Committee will, in time, consider an amended Alcohol Control Bylaw to incorporate the alcohol-free area along the coastal area on Marine Parade between the two existing coastal bans already in the bylaw. This will formalise a consistent approach across the coastal strip and be more efficient than continuing to initiate it each year.

ATTACHMENTS

1. **Temporary alcohol-free areas along the coast Papamoa and the Mount - A16533412**  [↓](#)
2. **Police request for temporary alcohol-free areas summer 2024/25 - A16533738**  [↓](#)



Monday, 2 September 2024



Tauranga City Council
TAURANGA

Temporary Alcohol-Free Areas for Summer 2024/2025

This letter is to request temporary alcohol-free areas over the summer period in addition to the permanent and New Year alcohol-free areas as defined in the Tauranga City Council Alcohol Control Bylaw 2018. These additions to the permanent alcohol-free areas request have been implemented for several years now and work well to support events happening in Tauranga and safety along the coastal strip.

The temporary alcohol-free areas implemented in previous years have contributed to enhanced Police operations and a safer environment for the community during the summer period and the identified events. Therefore, NZ Police request the below temporary alcohol-free areas to support Police operations:

Coastal Area

- Between 9pm and 7am, seven days a week, effective from Monday 21 October 2024 until Sunday, 6 April 2025, for:
 - All beaches, reserves and public places on the seaward side of Marine Parade (eastwards from its intersection of Grove Avenue), Oceanbeach Road and Maranui Street.
 - Surf Road.

Events

- Fergusson Park including Tilby Drive from the intersection of Tainui Street and Waratah Street (all inclusive) in Matua from 10am, 31 December 2024 to 6am, 1 January 2025 for the New Year's Event community event.
- Gordon Spratt Reserve and Alice Way (all inclusive), and Parton Road (between Tara Road and Papamoa Beach Road) in Papamoa from 10am, 31 December 2024 to 6am, 1 January 2025 for the New Year's Event community event.
- Tauranga Racecourse Reserve in Tauranga South from 10am, 31 December 2024 to 6am, 1 January 2025 for the New Year's Event community event.
- Soper Reserve and Newton Street (all inclusive) as follows from 6am to midnight on the following dates:
 - 1 November 2024 (No Days Off Concert)
 - 23 November 2024 (Tauranga Smoke - BBQ Festival)
 - 1 March 2025 (Beast of a Feast)
- The streets identified in the table below surrounding Baypark to support the concerts at the venue during the period from 10am, 31 December 2024 to midnight, 4 January 2025.

Baypark area requirements	
Girven Road	From Gloucester Road to Maunganui Road
Maunganui Road	From Girven Road to State Highway 2
State Highway 2/Te Maunga Lane	From Maunganui Road to Sandhurst Drive
Truman Lane	All inclusive
Mangatawa Link Road	All inclusive
State Highway 29A	From Truman Lane to Maunganui Road/Te Maunga Lane (including the roundabouts)
Gloucester Road	From Eversham Road to Girven Road
Eversham Road	All inclusive
Tudor Place	All inclusive
Palliser Place	All inclusive
Harrow Place	All inclusive
Exeter Street	All inclusive
Lambeth Terrace	All inclusive
Dover Place	All inclusive
Weymouth Place	All inclusive
Eversham Road Reserve	All inclusive
Kingsley Place	All inclusive
Penrhyn Place	All inclusive
Ernie Way	All inclusive
Hadleigh Reserve	All inclusive

Please do not hesitate to contact myself or Inspector Clifford PAXTON if you have any further queries regarding the Police stance on this matter.

Yours faithfully,



Zane Smith
Inspector
Area Prevention Manager
WESTERN BAY OF PLENTY POLICE

11.5 Rating Policy and Rating Valuations

File Number: A16459725

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

Authoriser: Paul Davidson, Chief Financial Officer

Please note that this report contains confidential attachments.

Public Excluded Attachment	Reason why Public Excluded
Item 11.5 - Rating Policy and Rating Valuations - Attachment 1 - Attachment A - confidential information from ratepayers regarding private use of industrial rating units	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.

PURPOSE OF THE REPORT

1. The purpose of this report is to provide an overview of the current Rating Policy and legislation along with the process that Council takes to determine rating categories and rating valuations.

The report also seeks to confirm the interpretation of “storage” in the industrial rating category definition.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Rating Policy and Rating Valuations".
- (b) Confirms that Industrial rating units in Industrial zoned land used primarily for private storage or leisure purposes aligns with the land use code in the District Valuation Roll and is correctly defined in the Industrial Rating Category.

OR

- (c) Confirms that Industrial rating units used primarily for private storage or leisure purposes is not correctly defined in the Industrial Rating Category, and defaults to the Commercial Rating Category.
- (d) Retains Attachment 1 in confidential as it contains personal information from ratepayers regarding the private use of industrial rating units.

EXECUTIVE SUMMARY

2. Rating policy and rating valuations are legislated through the four separate Acts as identified in this report. Elected members set rating policy after following due process as outlined in the legislation exercising choices within the legislative framework.
3. Tauranga City Council (TCC) rating policy has evolved since the introduction of the Local Government Rating Act 2002. In recent Long-term Plans there have been several changes in the general rate differentials.

4. Revaluations are also subject to legislation and regulated processes. Tauranga City Council rating categories align with the information in the District Valuation role which is used to value properties for rating purposes.
5. This paper also discussed the process to set property rating categories and addresses questions regarding categorisation of properties with private storage in industrial rating units.

DISCUSSION

6. This paper outlines the development of rating policy, differentials, categories, and valuations.

RATING LEGISLATION AND PROCESS OF RATE SETTING

7. Rates are underpinned by the Local Government Act 2002, The Local Government (Rating) Act 2002, The Rating Valuation Act 1998 (*and associated regulations and rules*) and the Rates Rebate Act 1973.
8. Council sets rating policy, and rates, in consultation with the community.
9. Setting new rating policy requires council to follow a two-step process and then consult any proposals with the community to engage participatory democracy. Council first considers the funding needs of the local authority in relation to each activity including.
 - The community outcomes to which the activity primarily contributes; and
 - The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - The period in or over which those benefits are expected to occur; and
 - The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
10. In the second separate step council reviews affordability through the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.
11. Council consults on the Long-Term Plan (or Annual Plan) with the whole community, listening to written and verbal submissions, before deliberating on the outcomes they want to achieve for the city, operational and capital investment budgets, and any rating policy changes.
12. The Local Government (Rating) Act 2002 outlines the type of rates that can be set, including limitations on certain rates, remission or postpone of rates, properties that are non-rateable and setting penalties and the powers of collection.
13. The Supreme Court case *Auckland City Council v C P Group* settled the law on judicial review of council rating decisions, effectively directing courts to keep out of council governance business. Rating is essentially a matter for elected representatives following statutory processes and exercising choices.
14. It confirmed that the rating system is primarily a taxation system and not a system based on user pays, it does not require a close correlation between benefits provided to a sector and rates levied on that sector.
15. Rates are one of the funding options in the Revenue and Financing Policy. Where rates are the best source of funding for an activity council considers whether an individual user can be identified or if there is a wide public benefit, and the funding is through the general rate.
16. The general rate may be set at a different rate in the dollar of rateable value for different categories of rateable land.

17. Rates must be set by a resolution of council, relate to a financial year and be set in accordance with the relevant provisions of the local authority's long term plan and funding impact statement for that financial year.

EVOLUTION OF TCC'S RATING POLICY

18. Following the introduction of the Local Government (Rating) Act 2002 TCC changed the rating base from land value to capital value and removed the commercial differential. (*the differential was 3:1 on a land value base, primarily to fund the transportation activity*)
19. In the 2018-2028 Long Term Plan (LTP) Council were concerned about affordability for residential ratepayers, particularly in lower value property and with regards to residential rates comparisons with other New Zealand metros which used differentials.
20. In 2018-19 rating year Council reintroduced a commercial differential of 1.2, with the differential phased in over three years. The level of Uniform Annual General Charge (UAGC) was reduced from the maximum 30% of all rates to 15%.
21. In the 2021-31 LTP Council increased the commercial differential on the general rate to 1.6, considering the ability of the commercial sector to claim rates and GST as an expense. All things being equal a \$500k dwelling and \$500K business would pay the same rates. They also decreased the UAGC from 15% to 10% to assist low value properties.
22. Council undertook further work on rating differentials with respect to the funding of the transportation activity and after consideration increased the commercial differential on the commercial general rate from 1.6 to 2.1, phased in over two years in the 2021-2031 LTPA.
23. In the 2024-34 LTP, Council consulted on options to introduce a new Industrial rating category. The basis of this option was the evidence around roading costs and other wellbeing impacts including congestion and safety that were considered to provide justification for a higher differential charge for the industrial category.
24. Comparison with other metro council differentials was also considered. In the 2024/2025 rating year a differential of 2.6 was introduced. The commercial differential remained at 2.1 in consideration of the impact of cost of living impacts.
- 25.

Table 2 : Comparison of Commercial Differential Rates with other Metro Councils

Council	Commercial differential	Industrial (% total \$ capital value)	Commercial (% total \$ capital value)	Utility (% total \$ capital value)	Residential (% total \$ capital value)	Lifestyle (% total \$ capital value)	Other (% total \$ capital value)
Tauranga	2.1	9%	9%	1%	70%	4%	8%
Hamilton	2.98	8%	9%	2%	74%	1%	7%
Dunedin	2.47	4%	7%	3%	72%	7%	7%
Auckland	2.63	6%	8%	1%	76%	6%	3%
Wellington	3.7	2%	13%	2%	75%	1%	7%
Christchurch	2.22	7%	10%	5%	70%	2%	7%

26. In 2024-34 LTP to provide certainty for the sectors going forward a decision was made to set the proportion of general rates to be collected from each sector at 65% residential, 15% commercial and 20% industrial.

ASSIGNING A RATING CATEGORY TO A RATING UNIT

27. Council rating staff have the delegated authority to assign rating categories to rating units.
28. Council has three rating categories.

Rating Category	Definition	General rates differential
Residential	land for which the primary use is residential, rural, public education, community recreation or leisure or conservation	1
Commercial	land for which the primary use is commercial. Commercial is professional services or an intermediary for selling a product.	2.1
Industrial	land for which the primary use is industrial, port, transportation, or utilities networks. Industrial is production, storage, processing, or manufacturing	2.6

29. The rating categories are defined in the Funding Impact Statement (Rates) for each Annual Plan or Long Term Plan as reproduced below.

RATING METHODOLOGY (FIS)

CATEGORIES

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

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

Commercial - land for which the primary use is commercial, and includes any land not in the Residential or Industrial Category. The general commercial rate, the targeted economic development rate and the targeted mainstreet rates are set and assessed on this category. (*Commercial is professional services or an intermediary for selling a product*).

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

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

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

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

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

30. The rating category is based on each property's primary use. Council's Independent rating valuation specialist maintains the District Valuation Roll (DVR) which includes a "land use" designation. The valuers use a series of professional judgements to determine the best fit in land use.
31. Council use the information in the DVR as a starting point to determine the rating category. Council's new rating system automatically matches the land use in the District Valuation Roll with the Rating Category to ensure that all rating units are rated correctly when land use has changed.

(*Rating Valuation Rules C.3.4*)

Code	Land Use	Rating Category
0	Multi-use at the primary level	Primary or separate parts (mixed use)
1	Rural Industry	Residential
2	Lifestyle	Residential
3	Transport	Industrial
4	Community Services	Residential and Commercial (Public/Private)
5	Recreational	Residential and Commercial (Public/Private)
6	Utility services	Industrial
7	Industrial	Industrial
8	Commercial	Commercial
9	Residential	Residential and Commercial (Private/Accommodation)

Code	Secondary Land Use- Industrial
0	Multi-use within Industrial
1	Food, drink, and tobacco
2	Textiles, leather, and fur
3	Timber products and furniture
4	Building materials other than timber
5	Engineering, metalworking, appliances, and machinery
6	Chemicals, plastics, rubber, and paper
7	Other industries, including storage
8	Depots and Yards
9	Vacant
Code	Secondary Land Use- Commercial
0	Multi-use within Commercial
1	Retail
2	Services
3	Wholesale
4	Offices
5	Car Parking
9	Vacant

32. Where a property has independent mixed-use council creates divisions or apportionments of the rating unit for each separate rating category.
33. A ratepayer can dispute their rating category by contacting council and providing information about the actual use of the property.
34. Staff apply a decision matrix which may involve requesting the information that our valuers have about the property and other information that we hold. If necessary, staff will organise a site visit with the objector before making a final decision on the objection.

ASSIGNING A RATING CATEGORY TO INDUSTRIAL RATING UNITS PRIMARILY FOR STORAGE OF PRIVATE PROPERTY.

35. Staff have received objections from eight ratepayers regarding potentially 19 industrial Rating units that are used for storage of the ratepayers or tenant's private property, or for leisure activities.
36. The ratepayers are unhappy with the large increases in rates because of the new rating categorisation and believe that they should not have to pay the industrial general differential of 2.6. In general, they asked to be returned to the commercial rating category.
37. Emails, phone calls and photographic evidence from ratepayers show industrial rating units that are used to store or park campervans, jet skis and other vehicles, or recreational facilities such as rest rooms and/or private recreational games and facilities. (*see Attachment A- in confidential*)
38. Council's Valuers consider that the best fit for land use for industrial units used for private storage or leisure is Industrial at the primary level, and storage or multi use within Industrial at the secondary level.
39. The definition of storage in councils Funding Impact Statement does not differentiate between the type of storage in an industrial unit in an industrial zone.
40. Staff classify an industrial rating unit in an industrial zone, use to store private property or for private leisure, as being in the industrial rating category.
41. If a rating unit is advertised for sale or lease, case law confirms that as a separate use and staff classify the rating unit as being in the Industrial rating category, regardless of any private storage or leisure.

OPTIONS

42. **Option 1** - Council confirms that private storage or leisure use in industrial rating units in industrial zones is included in the Industrial rating category.
43. **Option 2** - Council decides that a rating unit in an industrial zone where the primary use is storage or leisure, should not be in the Industrial rating category and by default falls into the Commercial rating category as "any land not in the Residential or Industrial rating category".

OPTIONS ANALYSIS

Option 1 - Confirms that Industrial rating units in Industrial zoned land used primarily for private storage or leisure purposes aligns with the land use code in the District Valuation Roll and is correctly defined in the Industrial Rating Category.

Advantages	Disadvantages
<ul style="list-style-type: none"> Consistent with rating treatment for other land such as vacant land in Industrial zones or vacant Industrial rating units. Consistent with the valuation treatment in the district valuation roll land use Provides clarity as to the rating treatment consistent with valuations Avoids uncertainty where private storage or leisure use is undertaken in otherwise industrial properties 	<ul style="list-style-type: none"> Rates charged to residents who own or lease industrial rating units for private storage or leisure is higher than if the same activity was in a residential home or commercial zoned property.

Option 2 - Confirms that Industrial rating units used primarily for private storage or leisure purposes is not correctly defined in the Industrial Rating Category, and defaults to the Commercial Rating Category.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Reduces the liability of rates for owners or lessees of Industrial rating units who intend using the unit primarily for private storage or leisure purposes. 	<ul style="list-style-type: none"> • Owners or lessees of vacant industrial land or units may feel that they should also not be liable for the Industrial rating category and will be able to take steps to change their category by storing private property on their land. • Results in a rating deficit to council for this rating year for the known examples and further implications for as yet unknown similar situations. • Costs are spread across the remaining industrial rating units in future rating years.

FINANCIAL IMPLICATIONS

44. If option 1 is chosen there is no impact on the rating for the 2024/25 financial year.
45. If option 2 is chosen based on what is currently known of properties that may be reclassified as commercial properties that rating impact is estimated at \$20,000. This rates revenue reduction will be reflected as a rating budget deficit for the year. This amount may increase if other properties request the similar treatment.

RATING VALUATIONS

46. Council sets rates using the rating valuations in the District Valuation Roll (DVR).
47. Tauranga City Council is responsible for rating valuations under the Rating Valuation Act 1998. Rating valuations must be certified for rating purposes by the Valuer General.
48. Council must engage the services of an independent Valuation Service Provider (VSP) who is approved by the Office of the Valuer General (OVG), part of Land Information New Zealand (LINZ) in the Department of Internal Affairs.
49. The VSP is required to revalue every rating unit in the local authority within every three years and maintain the integrity of the District Valuation Roll between revaluations.
50. Following covid Auckland City Council moved into the 2024 cycle and Tauranga moved back into the 2023 cycle to avoid congestion and risk. The last two revaluations went from the post covid high of the market, in July 2021, to the low of the market in May 2023.
51. The revaluations must comply with the Rating Valuation Act (1998) and associated rules and regulations and meet minimum standards. The revaluation audit is extensive and robust. The 1 May 2023 revaluation failed in the first audit in September 2023 and second audit in December 2023. Certification was approved in April 2024.
52. The VSP valuers provides the auditors with a comprehensive basis document outlining the methodology for each class of property and evidence to support their conclusions and model. The valuers look back at what happened in the market particularly at the period leading up to the base date. They do not predict the market or interpret evidence after the base date.
53. The Valuers use a wide range of information sources including actual sales, interviews with other property experts/valuers/managers in the private sector, rental information from questionnaires and information from council staff around city plan changes and other council investments that may help explain the influence on sales or rents in the period of interest.
54. Private investments can also influence the values of surrounding properties, as can property owners who have a new building consent or resource consent.

55. While rates are based on actual use, valuations are based on the highest and best use. The city plan and zoning influences the highest and best use.
56. The auditors review and stress test the proposed values against the basis before interviewing the VSP and councils' staff and requesting further information and evidence. The auditors provide an audit finding based on a series of traffic lights to indicate the level of work required to get to the level of values that they can certify. The current rating valuations were certified on 27 March 2024.
57. On 3 April 2024 council sent out the new rating valuations and newsletter. Ratepayers had until 17 May 2024 to object at no personal cost.
58. The newsletter insert was general in nature and explained the high level picture. It is not possible to explain all scenarios around the edges of the revaluation in the newsletter, however council maintains a rates estimator on our web site following each council decision or new valuation.
59. Council received 997 objections or 1.6% of the valuations. While there is no end date for actioning objections, Opteon have committed to reviewing all objections by the end of December 2024. If the valuation changes council must reassess the ratepayer's current year's rates and send out a higher or lower amended rates invoice.
60. Ratepayers can object anytime outside of the revaluation period under section 16 of the Rating Valuation Act however this is at the objector's own cost, currently \$350 plus GST for a standard residential and by quote for other property. If the valuation changes council must update the District Valuation Roll "as at" the last day of the rating year in which the review is requested. If a section 16 is requested today this does not change the current years rates, instead the new values will be used for the next rating year.
61. If a ratepayer does not agree with the outcome of a rating valuation objection review, they can lodge an objection with the Land Valuation Tribunal (\$65 for the initial hearing).

IMPACT OF RATING POLICY AND RATING VALUATION CHANGES ON RATEPAYERS

62. The impact of the Rating Policy change introducing the industrial differential was a one off increase of between 41.8% and 54.2%. (*see attachment B – Funding Impact Statement (Rates) 2024-2025 rating year*). The full funding impact is on [Long-term Plan 2024-34 - Tauranga City Council](#).
63. This impact was amplified for some properties after the revaluation. The residential sector decreased by 8% on average while the commercial sector increased by 7.31% and the Industrial sector by 12.6%. Because these are averages, and there were pockets of industrial and commercial land that decreased in value also, some properties may have had a larger individual increase, due to valuation increases from market movement or increased capital investment, resulting in a double hit for rates increases. 1,688 rating units had increases of more than 50%.
64. When the proportions of the general rate are fully phased in, future movements due to the revaluations will be minimised, and the rates will become a function of annual budget.

RATES PENALTIES

65. Council may authorise penalties, up to a maximum 10%, to be added to rates that are not paid by the due date.
66. Once a penalty is added it is considered to be a rate.
67. A penalty may be added to each unpaid instalment, a further penalty can be added at the end of the rating year, and again six months after that penalty (these are penalties on penalties).
68. Council's current policy is to set the 10% penalty on the instalments only. Any debt referred to Baycorp that is paid either to Council or Baycorp results in a 11% fee to Baycorp)

69. The end of year penalties were dropped during Covid and were not reinstated after there was no notable change to the final collection rate and council decided not to further penalise ratepayers least able to pay.

RATES REMISSIONS AND POSTPONEMENT

70. Council may remit all or part of a rating unit if they have adopted a rates remission policy and the conditions and criteria are met.
71. Any proposal to change Council's remission policies by the Mayor and elected members must be consulted with the whole community, who will be liable for the allocation of the remitted rates.
72. After a Remission Policy is adopted, any ratepayer can apply for any remission if they meet the conditions and criteria.
73. Late payment penalties are remitted where an agreement has been reached to make payment within two weeks of the penalty or make regular automatic payments to settle all arrears and the ratepayer has three clear years history without penalty.
74. Other remissions include community and not for profit organisations where the funding is primarily through donations and resource by volunteers rather than paid staff, unliveable dwellings undergoing remedial work, buildings undergoing earthquake strengthening, wastewater charges on Marae, places of worship, public early childhood centres and businesses that install more toilets than required.
75. Council also has a remission for natural disasters and emergencies, determined by a council resolution, and an exceptions remission which is for a circumstance that was unforeseen but needs urgent attention. Any remission granted under that policy should ideally be converted into a remission policy after consultation with the community.
76. Council also has a postponed policy, essentially a deferral of payment. Ratepayers must meet certain criteria and postponed rates are payable when certain conditions are met. A fee, not exceeding the administrative and financial costs to council, is added to the postponed rates. Council register a charge on the record of title of the property which cannot change ownership until council discharge.
77. Council has two postponement options, the first is for properties whose values are influenced by residential, commercial, or other non-rural use where the city plan has changes can postpone rates to the extent of the difference between what they would pay if valued as a rural property rather than the non-rural use. Rates are postponed for the current and 5 previous years. Any postponed rates prior to that period are written off. There are less than 10 properties who have postponed rates under this policy.
78. The second postponement option is for hardship. Ratepayers must provide evidence that the private financial sector has declines financial assistance, have 25% equity in their property and have successfully applied for a rates rebate. The fee is equal to council's annual costs of borrowing and no postponed rates are written off. There are no applicants for this policy.

RATES REBATES

79. Council administers rates rebates on behalf of the Department of Internal Affairs. The current maximum rebate is \$790, and the criteria is based on income, not assets. Council prints the amount of income that a household can earn and be entitled to a rebate on the rates invoice. WINZ also provide financial assistance to some households.

STATUTORY CONTEXT

80. This material is provided as background information to inform future decisions on rating policy in the annual plan or long term plan process.

STRATEGIC ALIGNMENT

81. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓

82. A fair and equitable interpretation of the rating policy provide clarity and certainty for ratepayers.

LEGAL IMPLICATIONS / RISKS

83. No legal implications as the decision relates to operational interpretation of the policy, not a change to policy.

CONSULTATION / ENGAGEMENT

84. No consultation is required as the decision relates to operational interpretation of the policy, not a change to policy.

SIGNIFICANCE

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


ENGAGEMENT

88. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

89. Future rating policy changes are decisions for elected members, after following due process.

ATTACHMENTS

1. **Attachment A - confidential information from ratepayers regarding private use of industrial rating units - A16620053 - Public Excluded**
2. **Attachment B - Funding Impact Statement (Rates) 2024-2025 rating year - A16623826** [↓](#)


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

INDICTATIVE PROPERTY RATES (SINGLE OCCUPANCY, ONE TOILET FOR RESIDENTIAL AND TWO TOILETS FOR COMMERCIAL)															
Your proposed rates breakdown for 2024/2025															
	Capital Value 2023	Capital Value 2021	Urban Growth	Waste water	Waste (kerbside)	Resilience	Storm-water	UAGC	General rates	2024/2025 proposed	2023/2024 rates	Increase %	Increase \$/pw	Transportation IFF Levy Increase %	Transportation IFF Levy Increase \$/pw
Residential															
Low Residential (1%)	\$360,000	\$385,000	\$36	\$719	\$245	\$5	\$2	\$298	\$853	\$2,159	\$1,997	8.1%	\$3.12	1.5%	\$0.56
Lower Quartile (25%)	\$715,000	\$785,000	\$36	\$719	\$245	\$11	\$5	\$298	\$1,695	\$3,008	\$2,844	5.7%	\$3.14	2.0%	\$1.11
Median (50%)	\$885,000	\$980,000	\$36	\$719	\$245	\$13	\$6	\$298	\$2,098	\$3,414	\$3,258	4.8%	\$3.01	2.2%	\$1.38
Upper Quartile (75%)	\$1,120,000	\$1,220,000	\$36	\$719	\$245	\$16	\$7	\$298	\$2,655	\$3,977	\$3,766	5.6%	\$4.04	2.4%	\$1.74
High residential (99%)	\$3,910,000	\$3,930,000	\$36	\$719	\$245	\$58	\$26	\$298	\$9,268	\$10,649	\$9,510	12.0%	\$21.90	3.3%	\$6.09
	Capital Value 2023	Capital Value	Urban growth	Waste water	Economic Development	Resilience	Storm-water	UAGC	General rates	2024/2025 proposed	2023/2024 rates	Increase %	Increase \$/pw	Transportation IFF Levy Increase %	Transportation IFF Levy Increase \$/pw
Commercial															
Lower Quartile (25%)	\$1,070,000	\$1,052,500	\$36	\$1,438	\$383	\$25	\$11	\$298	\$5,326	\$7,517	\$6,801	10.5%	\$13.78	5.4%	\$7.02
Median (50%)	\$2,065,000	\$2,030,000	\$36	\$1,438	\$739	\$49	\$22	\$298	\$10,278	\$12,860	\$11,615	10.7%	\$23.94	6.1%	\$13.54
Upper Quartile (75%)	\$3,607,500	\$3,580,000	\$36	\$1,438	\$1,291	\$85	\$38	\$298	\$17,956	\$21,143	\$19,249	9.8%	\$36.41	6.4%	\$23.66
High commercial (99%)	\$85,555,000	\$78,230,830	\$36	\$1,438	\$30,621	\$2,016	\$911	\$298	\$425,846	\$461,165	\$386,920	19.2%	\$1,427.79	7.5%	\$561.01
	Capital Value 2023	Capital Value	Urban growth	Waste water	Economic Development	Resilience	Flood control	UAGC	General rates	2024/2025 proposed	2023/2024 rates	Increase %	Increase \$/pw	Transportation IFF Levy Increase %	Transportation IFF Levy Increase \$/pw
Industrial															
Lower Quartile (25%)	\$800,000	\$715,000	\$36	\$1,438	\$286	\$19	\$9	\$298	\$4,930	\$7,016	\$5,139	36.5%	\$36.10	5.3%	\$5.25
Median (50%)	\$1,580,000	\$1,460,000	\$36	\$1,438	\$565	\$37	\$17	\$298	\$9,737	\$12,128	\$8,808	37.7%	\$63.85	6.1%	\$10.36
Upper Quartile (75%)	\$3,230,000	\$3,140,000	\$36	\$1,438	\$1,156	\$76	\$34	\$298	\$19,905	\$22,944	\$17,082	34.3%	\$112.72	6.4%	\$21.18
High commercial (99%)	\$34,070,000	\$30,853,000	\$36	\$1,438	\$12,194	\$803	\$363	\$298	\$209,959	\$225,090	\$153,574	46.6%	\$1,375.29	7.6%	\$223.41

The 2024/2025 rates are calculated using the new revaluation values from 1 May 2023.

The comparison rates from 2023/2204 are calculated using the old values from 1 July 2021.

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

11.6 User fees and charges - Long-term Plan background

File Number: A16580897

Author: Jeremy Boase, **Manager: Strategy & Corporate Planning**

Authoriser: Paul Davidson, **Chief Financial Officer**

PURPOSE OF THE REPORT

1. To provide a summary of the process for, and decision-making on, user fees and charges through the 2024-2034 Long-term Plan process.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "User fees and charges - Long-term Plan background".

EXECUTIVE SUMMARY

2. The process to consider user fees and charges through the 2024-2034 Long-term Plan ("LTP") commenced with staff in April 2023 and concluded with Council decisions in April 2024.
3. Reports on user fees and charges were considered by Council on multiple occasions before a draft schedule was consulted on in late 2023.
4. Following the receipt of formal submissions, Council made final decisions on the suite of user fees and charges in March 2024 ahead of the formal adoption of those fees and charges alongside the LTP in April 2024. New and amended fees and charges became effective on 1 July 2024.

BACKGROUND

Origin of this report

5. The Mayor has requested a report providing background to the user fees and charges adopted through the 2024-2034 LTP process, including formal reporting to Council that ultimately led to decision-making on user fees and charges.

Framework within which user fees and charges are set

6. The framework for user fees and charges has, in most cases², three key elements: a funding needs analysis; the revenue and financing policy; and, specific user fees and charges.
7. The **funding needs analysis** identifies, for each activity of Council,:
 - the community outcomes to which the activity primarily contributes
 - who benefits from the activity, and the period over which those benefits occur
 - whose actions (or inactions) create the need to undertake the activity

² Some user fees are set under direct legislation.

- the costs and benefits (including consequences for transparency and accountability) of funding the activity separately from other activities.
8. Once the activity-by-activity assessment has been conducted, Council needs to consider “the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community”.
 9. The funding needs analysis is required to be undertaken by section 101(3) of the Local Government Act 2002 (“LGA”).
 10. The **revenue and financing policy** builds on the funding needs analysis and sets out how Council intends to fund operating expenses and, separately, capital expenses from the following sources:
 - general rates
 - targeted rates
 - lump sum contributions
 - fees and charges
 - interest and dividends from investments
 - borrowing
 - proceeds from asset sales
 - development contributions
 - financial contributions under the Resource Management Act 1991
 - grants and subsidies
 11. Council is required to have a revenue and financing policy by section 102(1) of the LGA, and required to include that policy in its LTP by clause 10 of Schedule 10 to the LGA.
 12. Specific **user fees and charges** are then identified to give effect to the revenue and financing policy. User fees and charges need to be consistent with the revenue and financing policy, which itself is based on the funding needs analysis.
 13. As such, relatively minor changes to the proportion of funding received via user fees and charges can generally be made, as long as they are consistent with the adopted revenue and financing policy. Significant changes to the way an activity is funded may require a full review of the funding needs analysis and then the revenue and financing policy.

Preparation of the 2024-2034 LTP

14. At its 21 August 2023 meeting, Council considered two papers relevant to user fees and charges, being:
 - 11.6 Draft Revenue and Financing Policy Framework
 - 11.7 Paying a Fair Share – Approaches to Funding the draft 2024/34 LTP
15. Both reports can be found on Council’s website here:
https://infocouncil.tauranga.govt.nz/Open/2023/08/CO_20230821_AGN_2606_AT_WEB.htm
.
16. The first report (11.6) includes, as attachments, both the draft funding needs analysis for all activities and the draft revenue and financing policy. Work at a staff level started on the funding needs analysis in April 2023 with a workshop paper shared with commissioners in July 2023 ahead of this formal report.

17. The second report (11.7) includes discussion and recommendations on user fees and charges across the following activities:

- Animal Services
- Building Services
- Parking and Street Use
 - Parking in the CBD
 - Parking at Mount Maunganui
 - Street Use
- Community Services, particularly Spaces and Places
 - Use of Council Land
 - Licences to Occupy
 - Temporary Exclusive Use of Council Land
 - Active Reserves
 - Sportsfields
 - Cricket Wickets
 - Floodlighting
- Marine Activity
 - Boat Ramps

Draft schedule of user fees and charges

18. Following decision-making at the 21 August 2023 Council meeting, staff prepared a full schedule of draft user fees and charges, together with a draft 'statement of proposal' for consultation purposes. This was considered by Council at its meeting of 11 September 2023. A copy of that report can be found on Council's website here: https://infocouncil.tauranga.govt.nz/Open/2023/09/CO_20230911_AGN_2563_AT_WEB.htm (see item 11.4).
19. The full schedule of user fees was published separately to the main agenda and can be found on Council's website here: https://infocouncil.tauranga.govt.nz/Open/2023/09/CO_20230911_ATT_2563_EXCLUDED.PDF (see pages 61 to 126).

Adoption of draft user fees and charges and draft revenue and financing policy

20. At its meeting of 6 November 2023, as part of the process to adopt the LTP consultation document, Council formally adopted the suite of documents that form the 'supporting information' for that consultation document. In effect, these include many of the elements of a full draft LTP.
21. Within that suite, Council formally adopted the draft revenue and financing policy (and the statement of proposal³) and the draft user fees and charges schedule (and statement of proposal). A copy of the report to the 6 November meeting can be found on Council's website here (item 11.4): https://infocouncil.tauranga.govt.nz/Open/2023/11/CO_20231106_AGN_2515_AT_WEB.htm

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³ A 'statement of proposal' is a legislatively required summary of a proposal that is being consulted on which must include the reasons for the proposal and, in the case of a policy or a document to be adopted, a draft of the policy or document (section 87, LGA)

22. A separate attachment to that report including the draft revenue and financing policy (pages 11-38), the draft user fees and charges schedule (pages 442-507) and the two statements of proposal (pages 4-5 and 6-10 respectively) can be found on Council's website here: https://infocouncil.tauranga.govt.nz/Open/2023/11/CO_20231106_ATT_2515_EXCLUDED.PDF.

Consultation

23. The draft revenue and financing policy and the full schedule of proposed user fees and charges were consulted on separately alongside the LTP consultation document. The statement of proposal for the user fees and charges schedule highlighted activities where new charges were proposed, and where charges were proposed to increase at rates greater than the prevailing rate of inflation.
24. Those separate consultation processes were outlined in the LTP consultation document which can be found on Council's website here: https://www.tauranga.govt.nz/Portals/0/data/council/long_term_plans/2024-34/files/ltp-2024-34-consultation.pdf⁴.
25. The proposal to introduce new user fees and changes for boat ramps, active reserves (sportsfields) and for the lease of, or licence to occupy, council land are explained on pages 62 and 63 of the formal LTP consultation document. The draft revenue and financing policy is explained on page 64 of the LTP consultation document.
26. The key items relating to boat ramps and sportsfields were also highlighted in the Long-term Plan summary document (a 24-page summary of the consultation document that can be found on Council's website here: https://www.tauranga.govt.nz/Portals/0/data/council/long_term_plans/2024-34/files/ltp-2024-34-summary.pdf). The boat ramps and sportsfields material can be found on page 14.
27. Consultation took place between 15 November and 15 December 2023.
28. During (and before) that period, engagement on the wider LTP, including the user fees and charges issues, was led by the Commissioners and included a wide range of public events supported by radio, print and digital channels. In addition to this, Council's Spaces and Places team undertook significant direct engagement with user groups and affected parties relating to sportsfields and leases of council land. Further details on this can be provided if required.
29. In total, 2,202 formal submissions were received on the LTP. Of these, 1,214 submitters responded to the user fees and charges prompt in the online submission form while a further 405 submitters provided email feedback on leasing charges at the Historic Village.
30. The vast majority of those expressing a view on specific user fees and charges referenced one or more of the key new fees being proposed (boat ramp fees, sportsfield charges, leasing charges at the Historic Village, and other use-of-land charges).
31. In addition, 12 submissions referenced street-dining charges and six submissions referenced other user fees and charges. One submission directly referenced the revenue and financing policy.

Reports for decision-making

32. Once consultation closed and submitters who wished to be heard had presented to Council, staff prepared final reports for decision-making at the 4 March 2024 Council meeting. The agenda for that meeting can be found on Council's website here: https://infocouncil.tauranga.govt.nz/Open/2024/03/CO_20240304_AGN_2578_AT_WEB.htm.

⁴ Consultation documents can also be found by following the following trail on Council's website: Council / Council documents / Long-term Plans / Long-term Plan 2024-34 / Related information

33. Within that agenda, the following items are relevant to this report:

- 11.19 User Fees 2024/25, Revenue and Financing Policy
- 11.20 User Fees for Sportsfields
- 11.21 User Fees – Community Leases on Reserves
- 11.22 Historic Village User Fees and Charges
- 11.23 User Fees – Boat Ramps

Final decisions

34. Final resolutions of Council on the five reports to the 4 March 2024 meeting have been collated as **Attachment 1** to this report.

35. A full copy of the minutes of the 4 March 2024 Council meeting can be found on Council's website here:

https://infocouncil.tauranga.govt.nz/Open/2024/03/CO_20240304_MIN_2578.PDF.

Adoption

36. The 2024-2034 LTP was adopted by Council on 22 April 2024. This included the adoption of the 2024/25 schedule of user fees and charges. The adoption cover report included the following statements:

11. *User fees and charges are updated by Council on an annual basis. Updates reflect changing circumstances, Consumer Price Index (CPI) adjustments, new or removed fee requirements, or benchmarking with other councils. Some user fees and charges are set by government legislation. The user fees and charges must fairly reflect the cost of services available and offered by Council.*
12. *Fees and charges ensure that the costs of an activity are suitably contributed to by those who benefit from the service.*
13. *Setting user fees and charges at the correct level enables Council's activities to be funded in accordance with the Revenue and Financing Policy. The activities of Council contribute to the delivery of our community outcomes.*
17. *Council has made decisions on the Schedule of User Fees and Charges though the deliberation meetings in regard to the use of council land, sports fields, boat ramps, Historic Village, and street dining.*
18. *Minor changes have been made to the Historic Village indoor venue hire fees for Durham Barracks due to an error in the original fee. This has resulted in a decrease to the half day rate (\$396 reduced to \$320) and a slight increase to the full day rate (\$575 to \$625). The balcony room full day rate has been rounded up for consistency (\$1,220).*
19. *The changes made by Council at the deliberations have now been made and are now reflected in Attachment 2, with expected revenue from fees and charges included in the LTP.*

37. The full adoption report (item 11.1) can be found on Council's website here:

https://infocouncil.tauranga.govt.nz/Open/2024/04/CO_20240422_AGN_2581_AT_WEB.htm

38. The schedule of user fees and charges as adopted at that meeting can be found on Council's website here (pages 488 to 556):

https://infocouncil.tauranga.govt.nz/Open/2024/04/CO_20240422_ATT_2581_EXCLUDED.PDF.

39. The full fees and charges schedule, broken down by activity type, is included on Council's website here: <https://www.tauranga.govt.nz/council/forms-fees-and-payments/fees-and-charges>.

STATUTORY CONTEXT

40. The statutory basis for the funding needs analysis and the revenue and funding policy are set out in the Background section above.
41. Individual user fees and charges are set under various pieces of legislation including the LGA, the Resource Management Act 1991, the Dog Control Act 1996, the Building Act 2004, the Reserves Act 1977, the Waste Minimisation Act 2008, the Local Government Official Information and Meetings Act 1987, the Food Act 2014, the Food Hygiene Regulations 2015, the Impounding Act 1955, the Health Act 1956, and the Sale and Supply of Alcohol Act 2012.

OPTIONS ANALYSIS

42. This report is for information only and no decisions are sought. As such, no options are included.

FINANCIAL CONSIDERATIONS

43. User fees and charges, excluding water-by-meter charges which are levied as a rate under the Local Government (Rating) Act 2002, contribute approximately 14% of Council's operating revenue.

CONSULTATION / ENGAGEMENT

44. Consultation on the 2024/25 user fees and charges is detailed in the Background section above.

SIGNIFICANCE

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

ENGAGEMENT

48. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

49. Work will commence shortly to consider updates to user fees and charges for the 2025/26 financial year. Any direction received from Council will be built into that work.

ATTACHMENTS

1. **Final 2024 LTP resolutions on user fees and charges - A16607670** [↓](#) 

Final 2024-2034 LTP decisions on user fees and charges matters

All decisions made at the 3 March 2024 Council meeting

Report 11.19 2024-34 LTP- User Fees 2024/25, Revenue and Finance Policy

RESOLUTION CO4/24/1

That the Council:

- (a) Amends the draft Funding Needs Analysis and Revenue and Finance Policy as follows (as per Attachment 2):
 - (i) Approximately 10% of the Support Services expenditure is funded by borrowing, due to digital projects being accounted for as operational expenditure.
 - (ii) Remove the Flood Protection activity due to the Three Waters legislation repeal.
 - (iii) Add context on the relationship between Te Manawataki o Te Papa, projected increasing visitors to the city centre, and expected increased use of parking.
- (d) Approves the comment responses to User Fees and Charges related submission points (attachment 1).
- (e) Approves 2024/25 User Fees and Charges as consulted in the draft Long Term Plan (excluding those specifically addressed in other reports on this agenda being sportsfields, boat ramps, Historic Village and use of Council land).
- (f) Notes that the final 2024/25 User Fees and Charges schedule, the Revenue and Financing Policy, Significant Forecasting Assumptions, and performance measures (as amended by resolutions a-c) will be presented for adoption to Council at its meeting on 22 April 2024.
- (g) Approves the street dining fees for inclusion in the schedule of 2024/25 User Fees and Charges, to come into effect from 1 July 2024:
 - (i) Zone A - Inner City Centre, South of Marsh Street to First Ave (inclusive) - \$16 per square metre annually.
 - (ii) Zone B - South City Centre, Second Ave to Eleventh Ave (inclusive) - \$8 per square metre annually.
 - (iii) Zone C - Mount Mainstreet, Maunganui Road from Grace Road to Salisbury Avenue (inclusive) - \$30 per square metre annually.
 - (v) Zone D: Mount Central, North of SH2, Hewletts Road and Golf Road (inclusive) - \$15 per square metre annually.
- (h) Waived the administration fee (new or reassignment) for businesses required to transition to the new user fees and charges system in the 2024/25 financial year.

CARRIED

Report 11.20 User Fees for Sportsfields

RESOLUTION CO4/24/2

That the Council:

- (a) Receives the report "User Fees for Sportsfields"; and
- (b) Approves the following changes to the fees proposed in the draft Long-Term Plan 2024/34 for the use of sportsfields by organised sport, with charges commencing for the 2025 Winter sports season:
 - (i) No match fee;
 - (ii) Basis of the charge is one full adult football/rugby/cricket field or relevant equivalent field size for the sport in question;
 - (iii) A 'season' relates generally to a season of greater than 3 months;
 - (iv) Proportionate fees apply for use of half a field, or a season of less than 3 months;
 - (v) 50% discount is available to 'emerging sports' with less than 100 participants, that is less than 5 years established and where over 10% of participants are from low socio-economic backgrounds; and
- (c) Approves fees for the use of sportsfields by organised sport, with charges commencing for the 2025 Winter sports season based on the following principles:
 - **Balancing revenue needs and affordability** - Recognising the value of the community groups and strive a balance between generating non-rates revenue, ensuring affordability for community sports groups and promoting equity across the various sports codes.
 - **Promotion of continued growth** - Connecting with and working alongside Sport BOP and sporting codes to monitor ongoing participation rates post implementation of fees to ensure ongoing participation rates are maintained at a minimum.
 - **Stakeholder engagement** – Direct engagement with clubs to ensure a clear understanding of the fees and to ensure that emerging clubs and small community service providers (such as community gardens) can benefit from appropriate fee reductions that reflect the scale and nature of their operation.
 - **Provide equity** to all users ensuring there is a logical, affordable and transparent process.
 - **The importance of community sports** – recognising the importance of community sports and valuing the input from the volunteers who support our community; and
- (d) Continues to work with sports field users to refine the approach with any further changes to be proposed through the Annual Plan 2025/26; and
- (e) Agrees to review the fees annually; and
- (f) Notes that the fees are inconsistent with Council's Active Reserves Level of Service Policy and requests staff make revisions to the policy for consideration by the incoming Council.

CARRIED

Report 11.21 LTP 2024/34- User Fees- Community Leases on Reserves

RESOLUTION CO4/24/3

That the Council:

- (a) Receives the report "LTP 2024/34 - User Fees - Community Leases on Reserves".
- (b) Approves lease and licence fees for use of land within Council owned or managed reserves by community organisations of (GST exclusive):
 - (i) \$3 per m² for the first 1,000m² (25% of the assessed average Reserve land value); and
 - (ii) no additional charge for 1,001m² to 9,999m²; and
 - (iii) for leases over 10,000m², at \$0.30 per m² for the next 50,000m².
- (c) Approves lease and licence fees for buildings on Council owned or managed reserves by community organisations of \$25 per m² flat fee.
- (d) Retains the current fee/rent level on leases where the lessee is paying a greater sum than would be charged under the fees recommended above.
- (e) Approves lease and licence fees for use of land within Council owned or managed Reserves and/or Council owned buildings on those Reserves by community organisations on the following principles:
 - **Balancing revenue needs and affordability** - Recognising the value of the community groups and strive a balance between generating non-rates revenue, ensuring affordability for community sports groups and promoting equity across the various sports codes.
 - **Promotion of continued growth** - Connecting with and working alongside Sport BOP and sporting codes to monitor ongoing participation rates post implementation of fees to ensure ongoing participation rates are maintained at a minimum.
 - **Stakeholder engagement** – Direct engagement with clubs to ensure a clear understanding of the fees and to ensure that emerging clubs and small community service providers (such as community gardens) can benefit from appropriate fee reductions that reflect the scale and nature of their operation.
 - **Provide equity** to all users ensuring there is a logical, affordable and transparent process.
 - **The importance of community sports** – recognising the importance of community sports and valuing the input from the volunteers who support our community; and
- (f) Delegates to the General Manager, Community Services, authority to amend individual rent levels where a community organisation can demonstrate inability to pay leading to a significant negative effect on Council's Community Outcomes, with criteria to be agreed by Council at an upcoming meeting.

CARRIED

Report 11.22 Issues and Options- Historic Village User Fees and Charges

RESOLUTION CO4/24/4

That the Council:

- (a) Receives the report "Issues and Options - Historic Village User Fees and Charges".
- (b) Approves the Historic Village Commercial and Community user fees and charge for leases at the greater of:
 - (i) Current charges; or
 - (ii) At the bands identified below.

Activity Type	Proposed Charge 2024/25		
	Rate Band 1	Rate Band 2	Rate Band 3
Retail	230.00	207.00	201.25
Retail Community*	149.50	134.55	130.81
Office	195.50	172.50	161.00
Office Community*	127.08	112.13	104.65
Warehouse	166.67	149.50	135.13
Warehouse Community*	108.34	97.18	87.83
Venue Leased	166.67	149.50	
Venue Leased Community*	108.34	97.18	

*Tenant spaces are capped at 100sqm per building space for community tenants.

Rate 1 = High quality space located in high traffic area

Rate 2 = Mid quality space located in moderate traffic area

Rate 3 = Low quality space located in low traffic area

- (c) Approves the Commercial and Community user fees and charge for leases based on the following principles:
 - recognises the social value of the non-profit/community groups to the city through delivering on the strategic action of "continuing to support community organisations to recognise the role they play in providing valuable services in our city"
 - Fees and Charges are fair and deliver on the strategic action of "applying a level of consistency to the user fees and charges"
 - provide equity to all tenants ensuring there is a logical, affordable and transparent process; and
- (d) Approves the Historic Village Community operating charge of:
 - \$50pa water charge for basins in each tenanted space and
 - \$100pa water charge for toilets in each tenanted space and
 - Electricity charged on consumption.

CARRIED

Report 11.23 LTP 2024/34- User Fees- Boat Ramps

RESOLUTION CO4/24/5

That the Council:

- (a) Receives the report "LTP 2024/34 - User Fees - Boat Ramps".
- (b) Adopts the fees proposed in the draft Long Term Plan 2024/34 for boat and trailer parking at Pilot Bay, Sulphur Point (located in Marine Park) and Whareroa ramps (option 1).

CARRIED

11.7 National Land Transport Programme 2024–27 Release Update

File Number: A16484662

Author: Craig Dunlop, Principal Investment Advisor
Raj Naidu, Senior Investment Advisor - Transport
Rebekah Warwick, Senior Investment Advisor: Transport

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

1. The purpose of this report is to update Council on the outcome of the National Land Transport Programme 2024-2027.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "National Land Transport Programme 2024–27 Release Update".

EXECUTIVE SUMMARY

2. The National Land Transport Programme 2024-2027 (NLTP 2024-27) gives effect to the strategic direction and funding allocations in the Government Policy Statement on land transport 2024–34 (GPS 2024). The GPS sets direction for New Zealand's land transport system over the next 10 years. The NLTP achieves this by identifying the activities NZ Transport Agency Waka Kotahi (NZTA) consider will best deliver on the government's strategic priorities for land transport within the funding parameters set by the GPS 2024.
3. The NLTP 2024-27 is a 3-year programme of prioritised activities with a 10-year forecast of revenue and expenditure. It reflects a partnership between NZTA (which invests National Land Transport Fund (NLTF) on behalf of the Crown), and local government (which invests on behalf of ratepayers).
4. GPS 2024 includes an overarching strategic priority of 'Economic Growth and Productivity', supported by three priorities of 'Increased Maintenance and Resilience', 'Safety', and 'Value for Money' (see table below):

Economic Growth and Productivity Connecting people and freight quickly and safely, supporting economic growth and creating social and economic opportunities.		
Increased Maintenance and Resilience Increasing access to markets and resilience on our state highway, local and rural roads.	Safety A focus on safer roads, safer drivers and safer vehicles.	Value for Money Investment in transport must deliver better outcomes for present and future generations of New Zealand.

5. The NLTP 2024-27 was released by NZTA on 2 September 2024. It specifically acknowledges Tauranga as one of the fastest growing cities in the country, and that the roading infrastructure has not kept pace with growth. The funding tables specific to Tauranga City Council's (TCC) programme were released on 3 September 2024.

6. The TCC Long-Term Plan (LTP) and subsequently the TCC NLTP submission were completed prior to the GPS 2024 being finalised.
7. To provide clarity on whether an activity is likely to receive funding, the NLTP 2024-27 distinguishes between the funding priorities for activities at NLTP adoption as being:
 - **Committed** – meaning funding is approved for the activity in a previous NLTP and carried forward to NLTP 2024-27.
 - **Approved** – meaning funding is approved for the activity in NLTP 2024-27.
 - **Probable** – meaning these are new activities that are expected to proceed during this NLTP period, subject to a successful business case and funding being available when the application is received.
 - **Possible** – meaning high priority activities that have been included but are not expected to be funded during the NLTP 2024-27 period.
 - **Not included.**
8. The NLTP is a snapshot in time with NZTA stating that *“The programme of activities and projects will continue to evolve throughout the next three years”*. It means that activities (primarily those categorised as Probable or Possible activities) and their categorisation / prioritisation and ability to be funded by the National Land Transport Fund can change over the 3-year period of the NLTP. An increase or reduction in costs, revenue or faster or slower progress of an activity than assumed at the time the NLTP released can lead to these changes.

BACKGROUND

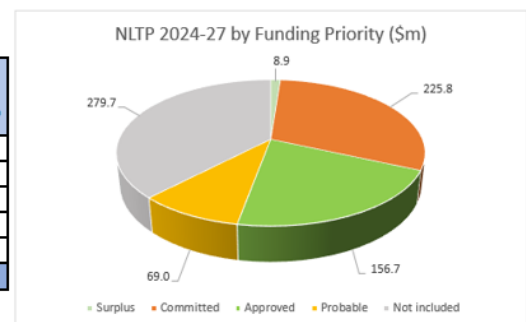
9. The NZTA endorsed Urban Form & Transport Initiative (UFTI) and Western Bay of Plenty Transport System Plan (TSP) informed TCC's transport programme as included in the Long-Term Plan (LTP), and supports the NLTP submission to NZTA.
10. A total of \$1.9 billion is forecast to be invested in the Bay of Plenty in NLTP 2024-27.
11. The \$1.9 billion forecast investment includes:
 - \$235m forecast maintenance operations investment
 - \$412m forecast to fix potholes investment
 - \$1.1b forecast improvements investment
 - \$119m forecast public transport investment
 - \$2.5m forecast safety investment
 - \$14.6m forecast walking and cycling investment
 - Work will progress on 3 Roads of National Significance - SH1 Tauriko West Connections, Takitimu North Link Stage 1, and Takitimu North Link Stage 2
 - Investigate transport upgrades to Tauranga's western corridor on SH29, SH29A and SH35, and protect the route
 - Continue construction on Takitimu North Link Stage 1, the 6km, 4-lane expressway to connect Tauranga and Te Puna
 - Start work on the 7km, 4-lane Takitimu North Link Stage 2 from Te Puna to Ōmokoroa
 - Improve the safety and resilience of 349 lane kilometres of the state highway through targeted maintenance operations and fixing potholes
 - Construct a Commercial Vehicle Safety Centre near Tauranga Port

12. TCC's submission to NLTP 2024-27 contained a total of 42 improvement projects (excluding Low cost, low risk' (LCLR)), of which seven are '**Committed**'/underway, three have been '**Approved**', four are '**Probable**', seven are required to be surplused⁵, and 21 are '**Not Included**'. There were zero '**Possibles**'. A full breakdown is contained in Attachment 4.
13. The LCLR programme includes any activity within an identified activity class that has a total implementation cost within the LCLR threshold (\$2m). The programme is assessed at an activity class level and funded in bulk.
14. TCC applied for \$90.8m (total cost) for LCLR funding and received \$13.3m. NZTA has endorsed the following allocations:

Activity Class	2024-27 Requested Allocation	2024-27 Approved Allocation	Approved NLTP Share (\$m)
Local Road Improvements	38.51	8.11	4.13
Safety	27.61	0	0
Public Transport Infrastructure	14.28	3.43	1.75
Walking and Cycling Improvements	10.48	1.79	0.91
Total	90.88	13.32	6.79

15. The table and graph below show TCC's NLTP 2024-27 Submission's total value against what has been approved (NLTF⁶) to be funded, including funding that has already been committed. A full breakdown of the financials is contained in Attachment 4; and, comparison by Activity Class in the 2021-24 NLTP and 2024-27 NLTP is contained in Attachment 5:

Funding Priority	Total Cost - 3 years (\$m)	Approved NLTF - 3 Years (\$m)	NLTF Contribution %
Committed	225.8	115.17	51%
Approved	156.7	79.93	51%
Probable	69	35.17	51%
To be surplused	8.9	4.6	52%
Not included	279.7	0	0%
Total	740.1	234.87	32%



16. A high-level snapshot of the funding breakdown by Activity Class is provided below (a detailed breakdown is provided in Attachment 3):

NLTP 2024-27 Totals by Activity Class

	Total Cost (\$m)	NLTF Share (\$m)
Local Road Improvements	372.11	111.26
Approved	8.95	4.58
Committed	143.80	73.34
Probable	64.32	32.80
To be surplused	1.08	0.55
Not included	153.96	-
Local Road Operations	60.06	30.63
Approved	59.54	30.37
To be surplused	0.51	0.26
Local Road pothole prevention	79.27	40.43
Approved	79.27	40.43
Public Transport Infrastructure	67.99	1.88
Approved	3.43	1.75
To be surplused	0.25	0.13
Not included	64.31	-
Safety	28.70	0.56
Approved	1.09	0.56
Not included	27.61	-
Walking and Cycling	47.02	6.72
Approved	4.43	2.28
Committed	1.88	0.96
To be surplused	6.87	3.51
Not included	33.84	-
Debt funding	80.08	40.84
Committed	80.08	40.84
External Funding	0.17	0.15
To be surplused	0.17	0.15
Investment Management	4.72	2.41
Committed	0.08	0.04
Probable	4.64	2.37
Total	740.12	234.87

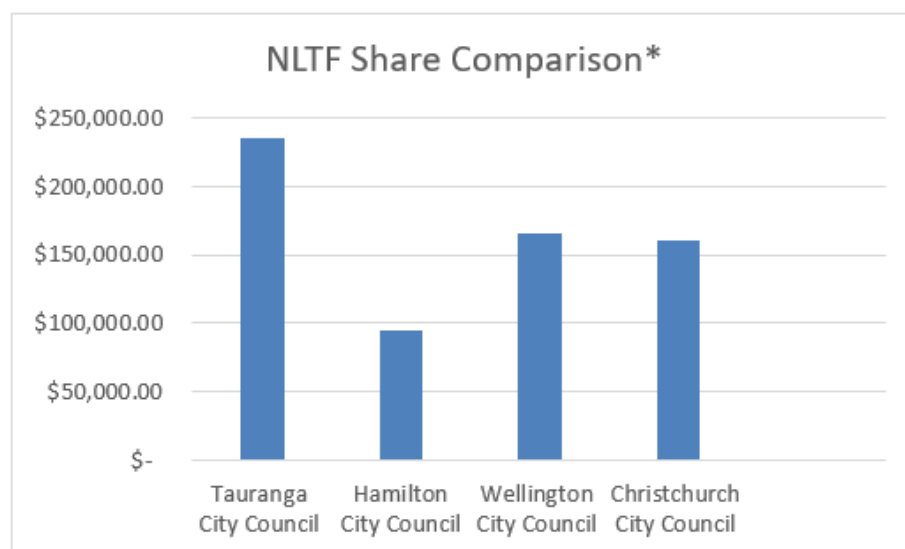
⁵ Budget that has been approved in a previous NLTP and not spent because project came under budget or project was not completed.

⁶ National Land Transport Fund.

*52% in Funding Priority Table includes Emergency Works 2023 Funding @ 90% FAR.

17. Major Transport Projects (Top 5) Update

Project Name	Status	Update
Cameron Road Multi -Modal Stage 2	Not Included	The Single Stage Business Case (SSBC) has not been approved with NZTA. Pre-implementation and implementation phases are not included in the NLTP 2024-27. TCC will look to re-submit during next the NLTP period.
Connecting Mount Maunganui (Hewlett's Road)	Not Included	The current Indicative Business Case (IBC) phase is funded and due to be complete late 2024. All subsequent phases including Detailed Business Case (DBC), pre-implementation, property and implementation are not included in NLTP 2024-27.
Connecting the People (15th Avenue to Welcome Bay)	Probable	The SSBC is complete and has been submitted to NZTA. Subsequent phases are listed in NLTP 2024-27 as significant investment.
Western Corridor Growth Management - Tauriko West Connections	Committed	Committed under Roads of National Significance. Transport upgrades to Tauranga's western corridor.
Papamoa East Interchange (PEI) Eastern Corridor Growth	Committed	Construction is underway and will continue as planned.

18. How TCC's NLTF⁷ compares to some of the other territorial authorities:**STATUTORY CONTEXT**

19. GPS 2024 includes a Statement of Ministerial Expectations for NZTA and the sector in general. This statement recognises the need for active cooperation of all players in the sector to deliver the results for the land transport system that New Zealanders want and deserve.
20. NZTA is expected to ensure that road controlling authorities and public transport authorities follow the Ministerial expectations where applicable for projects in NLTP 2024-27.

⁷ *2024-27 NLTP, Includes Committed/Approved/Probable, NLTF share in \$k, interim funding filtered out, NZTA State Highways not shown.

STRATEGIC ALIGNMENT

21. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect, and enhance the environment	✓
We are a well-planned city	✓
We can move around our city easily	✓

FINANCIAL CONSIDERATIONS

Long-Term Plan Implications

22. The 2024-27 NLTP submission was based on TCC's LTP. What has been approved by NZTA for 'Maintenance and renewals' is closely aligned to what was budgeted by TCC (excluding 'walking and cycling'). However, the funding approved for other capital projects (particularly 'walking and cycling' projects) as well as LCLR is much lower than expected and will have significant implications on the transport capital program. The priority of projects is currently being reviewed along with the debt implications for TCC as a result.
23. The effects of the NLTP/NLTF decision in relation to TCC's LTP will be presented to council for consideration at the 16th September 2024 Council meeting.

LEGAL IMPLICATIONS / RISKS

24. A separate report to the 16 September 2024 Council meeting will outline in detail the legislative requirements, process, a proposed timeline for completing an LTPA with a defined limited scope to potentially be consulted on by April 2025, the necessary steps and scope of work involved, and potential cost considerations for amending the current LTP.

SIGNIFICANCE






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

NEXT STEPS

28. The next steps are focussed on the delivery of NLTP 2024-27 and include:
- Start or continue work on projects that have committed, approved, and/or probable funding.
 - Progress discussions with NZTA regarding the decision(s) on Cameron Road Stage 2 and Connecting Mount Maunganui (Hewlett's Road).

- Transport Investment Team in conjunction with relevant TCC and NZTA teams to review those projects that have not been approved, and progress discussions on viability of in-house funding and explore alternative funding mechanisms. It will also consider flow-on effects of changes to other groups, like City Centre Development, Three Waters and Spaces and Places.
- With respect to the NLTP 2024-27 funding allocation for LCLR, TCC's Transport Investment Team and LCLR Team will work with NZTA's Maintenance Investment Advisor to access the newly created \$100m fund for low cost (<\$2m) improvements.

ATTACHMENTS

1. **Government Policy Statement on land transport 2024-34 - A16626328 (Separate Attachments 2)** 
2. **National Land Transport Programme 2024-27 - A16626329 (Separate Attachments 2)** 
3. **NZTA Detailed Activity Tables - A16626330 (Separate Attachments 2)** 
4. **NLTP 2024 Projects by Funding Priority - A16626541 (Separate Attachments 2)** 
5. **NLTP Comparison 2021-24 and 2024-27 (by Activity Class) - A16637016 (Separate Attachments 2)** 

11.8 Update on Long-term Plan High Level Financials

File Number: A16531875

Author: Kathryn Sharplin, Manager: Finance
Tracey Hughes, Financial Insights & Reporting Manager

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The purpose of this report is to provide an update on Council's high-level financials for 2025 and later years of the LTP as a result of a number of significant changes to funding, financing, project delivery forecasts, and project budgets that have occurred since LTP adoption.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Update on Long-term Plan High Level Financials".
- (b) Notes that the revised financials show an increase in the debt to revenue ratio above 280% from 2025/26 based on delivery of the full capital programme in the Long-term Plan.
- (c) Notes that there are options through the annual plan to address the capital programme for 2025/26.
- (d) Notes that capital forecasts for the current year, 2024/25, will be monitored and managed to ensure project expenditure this year remains within borrowing limits.

EXECUTIVE SUMMARY

2. At its meeting on 19 August 2024, after deciding not to use Infrastructure Funding and financing (IFF) arrangements to fund Te Manawataki o Te Papa (TMoTP), Council requested staff to
"provide the 16 September Council meeting with updated 2024-34 Long-term Plan project budgets and a detailed financial report (including latest debt figures)".
3. The LTP includes a capital programme of \$4.9b over the ten years and an increase in council borrowing to \$2.6b by 2034. Based on revenue assumptions in the LTP, the debt to revenue ratio moves close to council's borrowing limits which overall are at 280% from year 2 of the LTP, using Local Government Funding Agency (LGFA) foundation policies as the basis for calculation.
4. Since adoption, there have been changes in the financial assumptions that were included in the LTP, bringing more debt onto council's balance sheet. Funding and financing changes include the decision not to use IFF for TMoTP and the decision of New Zealand Transport Agency (NZTA) to not fund the proposed Cameron Road Stage II transport project. This decision affects up to \$160m of grant funding to TCC as it includes both NZTA subsidy and Kainga Ora Infrastructure Acceleration Fund (IAF) funding for intensification that was contingent on the NZTA funding. While there may be opportunities to secure alternative arrangements, for the purposes of this report these subsidies have been fully removed in the analysis.

5. There has also been a reduction in NZTA funding for low-cost low-risk (LCLR) and other smaller transport projects in the first three years of the LTP, which reduce NZTA subsidy by \$35m in the first three years of the LTP. The indicated funding for Turret road bridge is \$33m less than the amount assumed in the LTP. Other walking and cycling projects assuming NZTA funding had been rebudgeted to later years of the LTP based on the risk to NZTA funding.
6. The August capital expenditure forecast for the current 2024/25 financial year is \$50m above LTP budget which if achieved would lead to a breach of borrowing limits in 2024/25. It is usual for forecasts early in the year to significantly overstate the amount delivered for the year. In any case, the level of capital delivery will be monitored and managed to ensure council remains within its debt limits.
7. The LTP included capital programme credit adjustments of \$60m in each of 2025/26 and 2026/27 to reflect uncertainty over delivery of the projects. Removing these adjustments would result in a worsening debt to revenue in 2025/26 and 2026/27 above the 280% debt to revenue.

BACKGROUND

The LTP and Identified Risks

The LTP identified a large capital programme of \$4.9b to be delivered over the ten years to meet planned infrastructure investment for the city and to continue to provide for growth pressures. An additional \$284m operational projects of a capital nature were also included.

8. The financial strategy of the LTP outlined the financial impacts of the planned capital programme including:
 - (a) growth in debt that would occur (from \$1.1b to \$2.6b by 2034),
 - (b) the required growth in revenue to cover that debt and the ongoing operating costs of new capital assets, which lead to a growth in rates and user charges of 164% from 2024 to 2034.
9. The Financial Strategy of the LTP identified risks associated with funding and financing of capital expenditure for the LTP. The strategy summarised areas of risk and uncertainty along with tools and approaches to help manage this risk (Pages 280 to 281 of the LTP document).
10. Audit New Zealand in its opinion on TCC's LTP included a section **Emphasis of Matters**, which included:
 - (a) Risks associated with minimal debt headroom
 - (b) Uncertainty over delivery of the capital programme
 - (c) Uncertainty over external funding sources for the proposed community stadium and civic precinct
11. At the Council meeting of 19th August, after deciding not to continue with IFF funding for TMOTP it was noted that:

“in the absence of an approval for an increase in debt covenants by 30 November 2024 Council will receive a further report on potential financing and funding options within the borrowing limits that are current at that time”.
12. There has been announcement by LGFA of the potential for bespoke covenants for growth councils requiring higher borrowing limits to support infrastructure for growth, along with lending to water CCOs with higher debt to revenue ratios.
13. Increasing debt will be a factor influencing council's and LGFA's future credit ratings, noting that Standard and Poors (S&P) has already downgraded and placed on negative watch most rated councils. A further downgrade for TCC is a risk.

Changes since the LTP

14. Key events since the LTP result in changes in the assumptions that were included in the LTP as follows:
- (a) a decision to use LGFA financing rather than IFF to fund TMoTP means that \$151.5m of funding comes back onto the balance sheet as ratepayer funded borrowing.
 - (b) a decision of NZTA to decline funding of Cameron Road Stage 2 removes \$104m of NZTA revenue and puts at risk a further \$56m of Infrastructure Acceleration Fund (IAF) revenue.
 - (c) The latest National Land Transport Programme (NLTP) decisions result in other subsidy revenue being removed from capital projects as outlined in a separate report to this meeting titled National Land Transport Programme Release Update. In total approximately \$35m of assumed capital subsidy for LCLR and other transport projects has been removed from the first three years of the LTP and the subsidy for the Turret Road bridge is \$33m less than assumed in the LTP.
 - (d) With the loss of subsidy revenue from NZTA, continuing to undertake the projects as planned in the LTP would lead to significant breaches in borrowing limits across the LTP, as it affects both the revenue and debt components of the ratio. These are shown in a graph in the next section of this report.
 - (e) There have been other revisions to the current year (2024/25) budget bringing in \$115m of budget carry forwards on projects not completed last year and moving out a similar value of projects mainly to the following year. Some new projects were also approved by Council after the LTP was adopted. The summary capital programme is attached as **Attachment 1** reflecting changes since the LTP.

Implications of Changes

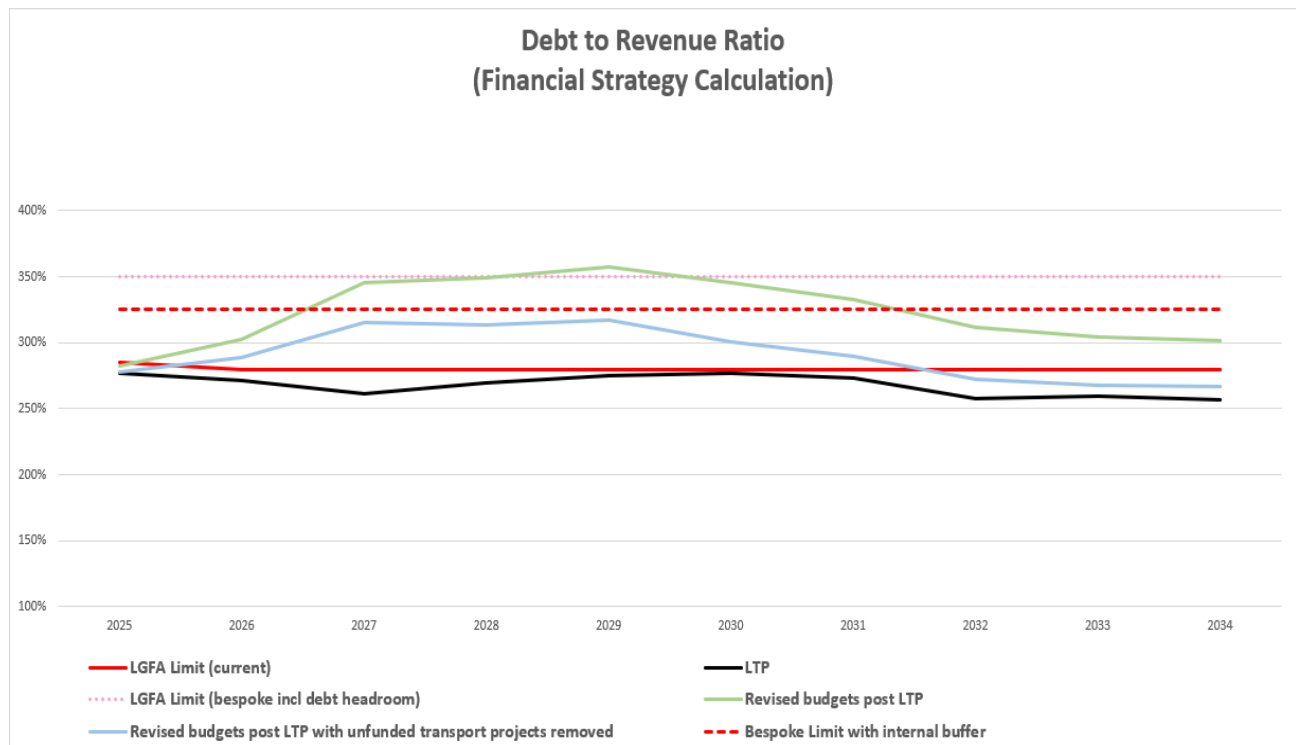
15. The increase in budgets for capital carryforwards along with revenue changes means that capital expenditure this year is close to, and potentially could exceed borrowing limits. At present capital delivery forecasts from project managers are for project delivery to be at levels that would breach limits. However, it is usual for capital project forecasts to be optimistic at this time of year. Expenditure on capital will be closely monitored and managed to ensure a breach does not occur. This may mean halting or delaying commencement of budgeted projects using the gateway process. In the graph below, the capital delivery and therefore debt forecast for the year is reduced by \$40m from that currently forecast by project managers to remain within borrowing limits.
16. In the LTP, to account for delivery uncertainty in the early years, a capital delivery adjustment was made, adding a credit offset to capital projects of \$60m per year out of 2024/25 and 2025/26 into later years of the LTP. Such capital adjustments are usually made to avoid over rating the community based on overestimated debt levels. Based on the current project forecasts for 2024/25, the capital adjustment of \$60m would be too large. In the revised capital programme future capital programme adjustments have been removed.
17. There is a favourable impact on the increase in cost to the ratepayer, from changes to rates and removal of new IFF levy, in 2025/2026 compared to the LTP. Rates have increased 0.6% because of an increase in interest, and the new IFF has been removed (-2.2%). This is a net reduction of 1.6%. Over the ten years the impact of the changes is not significant. **Attachment 2** provides a summary of updated key financials and variance to the LTP for the three years from 2024/25 through to 2026/27.

Impact on Debt to Revenue Ratio

18. The debt to revenue ratio is significantly affected by the increased debt and loss of capital revenues identified in paragraph 13.

19. The following graph shows incrementally the impact of the funding, financing and capital budget changes outlined above. The graph draws on latest project budgets and forecasts since the LTP was set, and includes the loss of NLTP funding. Because of projected levels of capital delivery in 2024/25, the capital delivery adjustment has been removed. At this stage the model is based on high level changes and as the annual plan process is worked through this information will be fully modelled in the corporate planning system.
20. The graph below shows that the decisions to use LGFA funding rather than IFF for TMoTP and the loss of funding for Cameron Road Stage 2 and other transport projects significantly affects Council's debt to revenue position over the ten years. The borrowing limit could be breached unless action is undertaken to reduce capital expenditure and borrowing. Expenditure this year will be closely monitored and managed to remain within limits.
21. The explanation of the graph is as follows:
- (a) The **red lines** represent borrowing limits. The current borrowing limit is the solid red line. A potentially higher borrowing limit at 325% is shown as a dashed red line. This would be a possible limit, if approved on a bespoke basis from LGFA after adjusting for debt headroom.
 - (b) **The black line** is the LTP debt to revenue ratio.
 - (c) **The blue line** reflects:
 - (i) the decision to fund Te Manawataki o Te Papa through LGFA rather than IFF, increasing council debt by \$151.5m.
 - (ii) the loss of \$160m of subsidy (capital revenue) from NLTP for Cameron Road Stage 2 along with associated IAF funding, and the removal of the Cameron Road Stage 2 project expenditure in full including water main upgrades (assuming deferred outside the ten-year period).
 - (iii) The loss of \$35m of LCLR and other subsidy from NZTA from the first 3 years of the LTP along with removal of the full \$70m of associated transportation project expenditure.
 - (iv) Reduction of \$33m of subsidy from that to be received for Turret Road Bridge but with the full project continuing.
 - (v) Revision of timing of capital projects to allow for the carry forward of unfinished projects from 2023/24 to 2024/25, but reducing the August project forecast figure by \$40m to remain within borrowing limits.
 - (vi) Removal of the capital delivery adjustment.
22. **The green line** shows all of the items in blue above but with the full Cameron Road and unsubsidised transport projects still budgeted to be undertaken with TCC debt funding.

23. Debt to revenue ratios separated out for a water entity and the remaining council are included as **Attachment 3**. These are based on high level calculations for information only.



Implications of the Higher Debt Ratios for Credit Rating and LGFA Borrowing

24. The graph above shows that with the inclusion of TMoTP debt instead of using IFF, and the loss of NZTA subsidies, a reduction in capital expenditure is needed through to 2032 to remain within current borrowing limits (280% Debt to revenue ratio). These calculations are based on the operating revenue assumptions (rates and user fees) of the LTP.
25. There is likely to be an opportunity to increase borrowing limits in future years for specific capital expenditure. The Local Government Funding Agency (LGFA) is seeking shareholder agreement at its November 2024 AGM to support:
- higher borrowing limits for future council-guaranteed water CCOs subject to conditions.
 - higher debt to revenue ratios on a bespoke basis subject to conditions to support high growth councils needing to borrow to support growth.
26. At this stage the conditions under which bespoke covenants will be agreed have not been developed by LGFA. They are expected to include requirements around revenue assumptions to maintain council's ability to service debt and for the capital expenditure to support growth. Councils will also need to maintain adequate debt headroom within its covenants. These matters will be important to maintain the credit rating of LGFA as well as borrowing councils.
27. S&P recently released a bulletin relating to the announcements of LGFA lending to highly indebted waters CCOs, in which it noted that:
- "we expect councils' credit quality to weaken further as the Government and LGFA explore increasing debt limits for high growth councils"*
28. TCC is currently rated A+ with its updated credit rating to be announced in the next few weeks. A downgrade one notch to A would place TCC on the lowest rating allowable for lending by LGFA.

29. On 6 September S&P downgraded Hamilton City Council one notch from AA- (on negative watch) to A+ (on negative watch). Hamilton, as a growth council, has similar financial metrics and pressures to TCC.
30. It is noted that for TCC's debt to revenue ratio, capital revenues are currently included in the revenue metric. This is based on current LGFA methodology. It is possible that the requirements for a bespoke higher debt to revenue limit will restrict use of capital revenues in the revenue metric for calculation of the debt to revenue ratio, further increasing the ratio percentage.
31. In considering options to increase borrowing limits, Council will want to consider the impacts on operational revenue requirements along with the need to maintain debt headroom for unexpected events. This requirement for debt headroom means the prudent borrowing limits for council would be below the potential ratio of 350% which is a maximum level of borrowing.
32. If lower year on year rates increases were agreed by Council, the total capital programme would need to drop significantly to remain within debt limits.

STATUTORY CONTEXT

33. This material is provided as background information to inform decisions regarding the upcoming annual plan (or Long-term Plan Amendment).

OPTIONS ANALYSIS

34. This report is for information as an update on financials. Options will be presented as part of the annual plan or LTPA process.

FINANCIAL CONSIDERATIONS

35. The financial implications of this report are significant to the financial sustainability of council and the cost of borrowing. These matters can be worked through as part of the annual plan process.

LEGAL IMPLICATIONS / RISKS

36. The legal implications of this are determined by the requirements of the Local Government Act. The risks to borrowing capacity and credit rating are discussed in the report.

CONSULTATION / ENGAGEMENT

37. Consultation on the annual plan and LTPA, if council decides to do one, will be in accordance with the requirements of the Local Government Act 2002.

SIGNIFICANCE

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

40. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of high significance however, the decision proposed in this report is of low significance as it is an information report with decisions proposed through the annual plan and/or LTPA processes.




ENGAGEMENT

41. Taking into consideration the above assessment, that the matter is of high significance, but this particular report is for information, officers are of the opinion that no engagement is required prior to the annual plan or LTPA consultation processes.

NEXT STEPS

42. The update information contained in this report is a first step toward the commencement of the annual plan.
43. The next credit rating from S&P along with further information from LGFA on bespoke borrowing covenants will also inform development of the annual plan.

ATTACHMENTS

1. **Attachment 1 - Summary Capital Programme - A16635086** [↓](#) 
2. **Attachment 2 - LTP Financials - A16634985** [↓](#) 
3. **Attachment 3 - Waters Entity Debt to Revenue Ratios_Update on LTP High Level Financials - A16634940** [↓](#) 

Attachment 1: Summary Capital Programme

144	LTP Programme (\$m)			Revised Programme (\$m)			
	2025	2026	Total 10 Years	2025	2026	Total 10 Years	
Total	431	457	4,876	498	587	5,003	Comments
Revitalising the City Centre	84	85	517	107	88	553	
Capital Delivery Adjustment	- 10	- 10	-	-	-	-	Adjustment budgeted in the LTP removed to reflect forecast delivery of the capital programme.
City Centre Waterfront Development	9	4	28	13	5	42	Additional budget of \$13.5m included in FY28 as a placeholder for the Strand Upgrade, per Waterfront Steering Group recommendation. Formal approval of this budget will need to be agreed through future LTP/APs. Whare Waka budget reduced by \$2m to reflect loss of Mana Whenua contribution.
Te Manawataki o Te Papa	80	80	240	89	71	260	Additional \$6.3m for renewal work proposed to be carried out in conjunction with the upgrades at Baycourt. This was not included in the 24-34 LTP, but was signalled that it would be included in subsequent Annual Plans in the LTP adoption paper presented on 22 April 2024.
Other Revitalising the City Centre Programmes	5	10	249	4	11	251	
Community Facilities and Amenity	65	59	572	70	93	597	
Active Reserve Development	16	16	129	17	41	144	Additional budget required for Baypark Master Planning per Council paper on 20 May 2024. Bay Venues budgets have been reduced to compensate for earlier spend than signalled through the LTP. \$2m grant monies from TECT have also been recognised. Formal approval of this larger multi-year project budget will be sought through subsequent AP/LTPs.
Bay Venues New Capital	7	11	59	5	-	58	Reduction to offset bring forward of Baypark Master Planning budgets in FY25.
Capital Delivery Adjustment	- 10	- 10	-	-	-	-	Adjustment budgeted in the LTP removed to reflect forecast delivery of the capital programme.
Library Capital Works	1	3	16	3	3	16	Bring forward and additional budget required to purchase and fitout a building in FY25 for a library archive. A separate report will be presented to Council to seek approval of the additional \$215k required.
Other Community Facilities and Amenity Programmes	50	40	369	45	49	379	
Transport Network Upgrades	56	97	1,113	77	129	1,120	
Bus Infrastructure	15	13	64	10	19	61	NZTA funded portion of Arataki Bus Facility removed - prject scope reduced to only proceed with TCC funded portion.
Cameron Road Stage 2	4	32	220	10	29	220	NZTA and IAF funding removed and replaced with debt funding until a decision is made regarding project scope.
Capital Delivery Adjustment	- 27	- 29	-	-	-	-	Adjustment budgeted in the LTP removed to reflect forecast delivery of the capital programme.
Welcome Bay, Turret Rd & 15th Ave Corridor	3	16	143	5	18	129	NZTA funding reduced by \$33m and replaced with debt funding, to reflect funding announcement.
Other Transport Network Upgrades Programmes	61	65	686	52	64	711	
Growth in the West (Tauriko)	12	10	138	21	30	166	
Growth in the West (Tauriko) Programmes	12	10	138	21	30	166	
Growth in Existing Zoned Areas (including Te Papa/City Centre)	91	88	654	90	89	666	
Eastern Corridor - Papamoa East Wairakei	48	32	93	44	31	89	The remaining contingency budget for Papamoa Eastern Interchange Phase 2 that was included in the 2024-34 LTP no longer required to complete project. PEI land swap budget of \$1m added, per Council approval on 13 May 2024. This budget had not been included in the adopted 2024-34 LTP.
Cameron Road Stage 2	3	12	67	5	11	67	Water upgrades.
Other Growth in Existing Zoned Areas (including Te Papa/City Centre) Programmes	40	45	493	42	47	509	
3 Waters	74	84	1,428	73	101	1,427	
Capital Delivery Adjustment	- 10	- 10	-	-	-	-	Adjustment budgeted in the LTP removed to reflect forecast delivery of the capital programme.
Cameron Road Stage 2	1	1	6	0	2	6	Stormwater upgrade.
Other 3 Water Programmes	83	93	1,422	73	99	1,421	

Sustainability and Resilience	6	10	248	4	12	248	
Sustainability and Resilience Programmes	6	10	248	4	12	248	
Other	42	25	206	55	45	226	
Airport Upgrades & Renewals	3	0	3	8	3	12	Additional \$5.7m budget included to complete the Airport Precinct expansion, per Council approval on 13 May 2024.
Corporate Services Minor Capital Works	0	0	0	0	1	1	Additional budget of \$0.5m included in FY26 as a placeholder for a new Project & Programme Management System. Formal approval of this budget will need to be agreed through future LTP/APs.
Digital Services Capital Programme	3	3	29	3	3	29	
Marine Facilities Upgrades & Renewals	5	5	32	3	9	34	Additional \$0.6m budget included to meet the shortfall of Fishermans Wharf, per Council approval on 20 May
Marine Precinct Upgrades & Renewals	7	6	17	6	17	27	Additional \$6.9m budget included to meet the shortfall of Marine Precinct Offloading Wharf and Bridge Wharf, per Council approval on 20 May 2024.
Other Programmes	24	12	125	35	13	124	

TCC Programme of Operational Spend of a Capital Nature	LTP Programme (\$m)			Revised Programme (\$m)			Comments
	2025	2026	Total 10 Years	2025	2026	Total 10 Years	
Total	78	87	284	86	91	303	
Community Facilities and Amenity	-	-	-	1	-	1	
Community Facilities and Amenity Programmes	-	-	-	1	-	1	
Transport Network Upgrades	60	67	176	65	69	183	
Transport Network Upgrades Programmes	60	67	176	65	69	183	
3 Waters	-	-	-	0	0	1	
3 Water Programmes	-	-	-	0	0	1	
Other	18	20	108	20	22	119	
City Planning	2	2	8	4	3	19	No net increase to budget across the 10 years. Some planning projects not correctly categorised at operational projects of a capital nature in the 2024-34 LTP.
Other Programmes	16	19	100	16	19	100	

Please note:

- Total 10 years increase is primarily driven by carry forwards of unspent budget from FY24 across the programme.
- Only one outcome area can be assigned to each project, therefore some have been prioritised above others for consistency. Growth and City Centre outcomes have been prioritised above Transport and 3 Waters groupings – e.g. if Transport infrastructure is to be constructed in Tauriko, it will have been assigned to the category 'Growth in the West' rather than 'Transport Network Upgrades'.
- 'Sustainability and Resilience' captures projects under the Sustainability & Waste activity (e.g. Waste Facilities Redevelopment), 3 Waters resilience projects and major bridge resilience projects, such as Turret Road and Waihi Road bridges. Initiatives related to cycleways, public transport and modal shift have been classified under 'Transport Network Upgrades'.

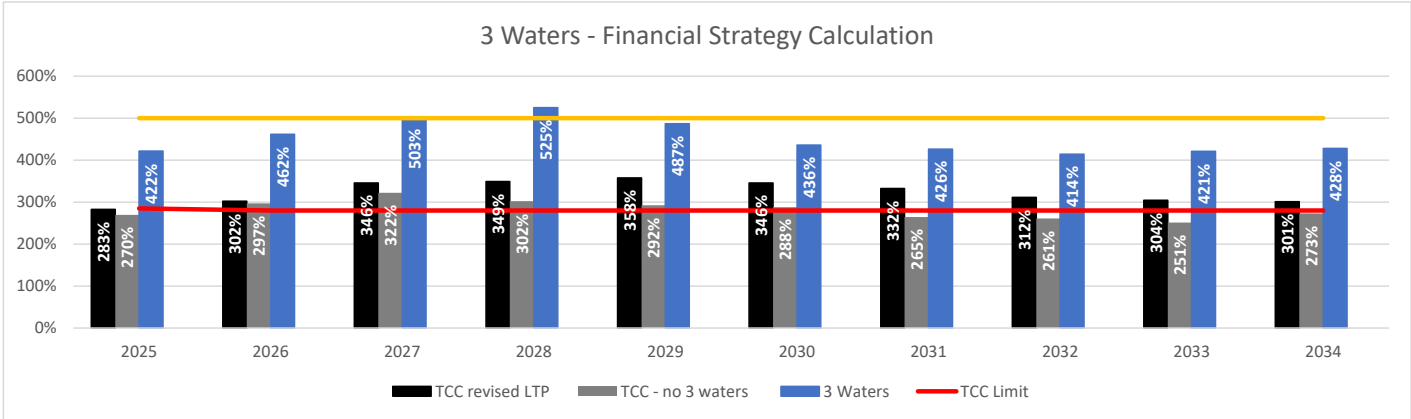
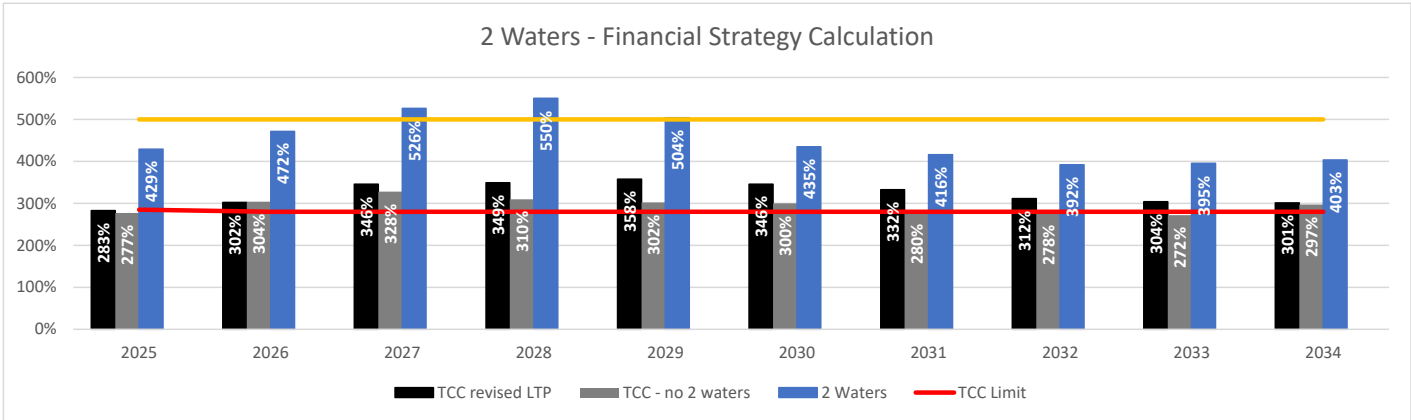
Attachment 2

Key Financials for LTP revision, inflated

	2025		2026 updated	2027 updated	2028 updated	2029 updated	2030 updated	2031 updated	2032 updated	2033 updated	2034 updated	Variance to LTP		
	2025 LTP	Forecast										2025	2026	2027
Capital Programme (\$m)	431	498	587	561	639	500	359	340	360	555	605	67	130	64
Operational Expenditure of a Capital Nature (\$m)	78	86	91	69	6	9	7	7	9	10	10	7	4	1
Net Debt (\$m)	1,450	1,463	1,855	2,162	2,513	2,722	2,734	2,762	2,770	2,937	3,113	0	216	349
Debt to revenue ratio (funding adjusted) ¹	277%	283%	302%	346%	349%	358%	346%	332%	312%	304%	301%	0%	30%	85%
Financial Limit on Borrowing (debt to revenue ratio)	285%	285%	280%	280%	280%	280%	280%	280%	280%	280%	280%	0%	0%	0%
Total Rates (\$m)	333	333	375	428	472	524	586	622	671	722	778	0	3	11
Total Rates Increase (net growth and penalties)	13.1%	13.1%	10.9%	12.5%	8.9%	9.3%	10.2%	4.4%	6.2%	5.8%	6.1%	0.0%	0.6%	2%
IFF levies (approx increase on rates)	2.8%	2.8%	0.0%	0.2%	0.0%	0.2%	0.1%	0.0%	0.2%	0.1%	0.0%	0.0%	-2.2%	-0.1%
Total Ratepayer increase net growth	15.9%	15.9%	10.9%	13%	9%	9%	10%	4%	6%	6%	6%	0.0%	-1.6%	2%

¹ Excluding revenue from IFF and relating to Tauriko West, including BVL revenue.

Total rates increase over 10 years, undifferentiated, before growth adjustment:		
	TCC	TCC + IFF
LTP increases	164%	176%
This revision	167%	171%



11.9 Long-term Plan Amendment Process

File Number: A16454362

Author: Josh Logan, Team Leader: Corporate Planning

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

PURPOSE OF THE REPORT

1. This report provides an overview of the legislative requirements and process for amending the Long-term Plan (LTP) 2024-2034. The report also outlines the timeline and scope of work involved in doing a defined scope LTP amendment (LTPA). It also emphasises the importance of aligning Annual Plan and any LTPA process with upcoming decisions and consultation on the Local Water Done Well (LWDW) programme.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Long-term Plan Amendment Process".
- (b) Notes that a Long-Term Plan Amendment may be required due to changes to the Water Delivery Models, depending on the preferred model selected by Council after having considered the business case.
- (c) Notes other changes to the 2025/26 financial year may be undertaken through the Annual Plan process.

EXECUTIVE SUMMARY

2. At its meeting on 19 Augst 2024 when considering a paper titled "Te Manawataki o Te Papa Infrastructure Funding and Financial (IFF) Resubmission and Library / Community Hub Contract" Council resolutions were passed as follows:

- (b) *Notes the context of uncertain funding, financing and project costs, including but not limited to Te Manawataki o Te Papa and National Land Transport Funding for key Tauranga transport projects.*
 - (c) *Requests staff to provide the 16 September Council meeting with updated 2024-34 Long Term Plan project budgets and a detailed financial report (including latest debt figures).*
 - (d) *Requests staff to provide the 16 September Council meeting with an issues and options paper on a 2024-2034 Long Term Plan amendment to be consulted on by 30 April 2025.*

3. This report seeks to meet resolution (d), but notes that there is currently no decision made by Council that would trigger a Long-Term Plan Amendment (LTPA). A separate report is on this 16 September Council agenda covering the financial implications as per resolution (c) above. This separate report will provide further clarity as to the impacts of significant changes and outline the implications for any proposed LTPA and Annual Plan process. There is currently insufficient clarity as to the scope of an LTPA, and the associated

implications in terms of workload, so consequently staff are unable at this time to provide issues, options and recommendation in this report.

4. Noting this based on the information known at the time of this report its expected that the changes to the New Zealand Transport Agency (NZTA) funding program together with the introduction of a rate to fund Te Manawataki o Te Papa can likely be addressed in the first instance through the 2025/26 Annual Plan. If levels of service change in future due to the impact of NZTA funding and IFF, these can be addressed in future years through either Annual Plan or LTPA processes. There is a potential that change to the water delivery model may result in the need to undertake a Long-Term Plan Amendment.
5. A LTPA process is required to identify changes to the original Long-Term plan. Both the amended plan and movements from the original plan are required to be audited. Given the timing of the process an option is for Council to undertake an amendment based on these known changes and to look to deal with any other projects or funding decisions through the Annual Plan process focusing on the 2025/26 financial year.
6. It should be noted that an amendment that would go beyond a defined scope and would require doing the LTP again, would likely not meet the deadline in the resolution from August 19, 2024, of consultation by April 2025. Generally, a comprehensive LTP or LTPA is at a minimum an 18-month long process.
7. This report outlines the legislative requirements, process, a proposed timeline for completing an LTPA with a defined limited scope to be consulted on by April 2025, the necessary steps and scope of work involved, and potential cost considerations for amending the current LTP.
8. Importantly, the report notes the need to align any LTPA process with the Annual Plan process and key upcoming decisions regarding LWDW.

BACKGROUND

9. As described in section 96(1) of the LGA, the LTP is a statement of the Council's intentions in relation to the matters covered in the plan. The LTP is the key strategic document guiding the Council's activities and financial planning over a 10-year horizon. However, at times amendments may be necessary to address emerging issues, legislative changes, or shifts in community priorities.
10. Section 93(4) of the LGA states that an LTP may be amended at any time. However, Section 96(3) also states that there is no general requirement to amend an LTP so as to accommodate proposed decisions which would be inconsistent with the LTP.
11. The only circumstances in which the LTP must be amended are when a decision covered by section 97 of the Local Government Act 2002 (LGA) is proposed. Such decisions cannot be made unless the decision is explicitly provided for in the LTP, and the proposal to provide for the decision was included in the LTP consultation document. If the proposed decision is not part of the LTP, then the LTP must be amended to provide for it.
12. The two circumstances covered by section 97 are:
 - a) a decision to alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, including a decision to commence or cease any such activity (section 97(1)(a)); or
 - b) a decision to transfer the ownership or control of a strategic asset to or from the Council (section 97(1)(b)).
13. "Significant" means that the decision or matter has a high degree of significance⁸, as assessed by reference to the Council's Significance and Engagement Policy (SEP)⁹. The SEP also lists what the Council regards as its strategic assets, which includes the wastewater network, the reservoirs and water network, and the stormwater network.

⁸ Definition in section 5(1) of the Local Government Act 2002.

⁹ Section 76AA of the Local Government Act 2002.

Process for Amending the LTP

14. The LTPA process for a defined scope involves the following key steps:

- Identification of need: Triggered by statutory requirements, Annual Plan considerations, or at the discretion of Elected Members.
- Drafting the amendment: Develop a draft amendment scope, incorporating all necessary changes to activities, financial projections, and policies.
- Adoption of consultation document: As required by Section 93D of the LGA, a consultation document must be prepared, audited by Audit New Zealand, and adopted by the Council, outlining the proposed changes and their implications.
- Public consultation: Conduct a formal public consultation process in accordance with special consultative procedure as outlined in Section 83 of the LGA, ensuring community input is considered.
- Consideration of submissions (via hearings and deliberations): Review all public submissions and make adjustments to the amendment as necessary.
- Final audit of the amendment: the final changes made at deliberations are incorporated into the final document and it is audited by Audit New Zealand.
- Adoption of the amended LTP: The final amendment is adopted by the Council through a formal resolution and then becomes the operative LTP.

Annual Plan Process

15. The Annual Plan, as outlined in Section 95 of the LGA 2002, is an essential document that sets out the Council's budget and activities for each financial year.
16. The Annual Plan must align with the LTP, ensuring that the Council's annual objectives support its long-term goals. If, during the preparation of the Annual Plan significant changes are identified that deviate from the LTP as described in paragraphs 11 and 12 above, an LTP amendment process must be initiated.
17. In such cases, the Council must conduct public consultation to ensure that the LTP accurately reflects any substantial shifts in priorities or activities. Aligning the LTPA with the Annual Plan is critical for maintaining consistency and coherence across the Council's strategic and operational planning.
18. It should be noted that if Council undertakes an LTPA it would also still need to complete an Annual Plan.
19. Section 95(b) would also apply, requiring the two consultation processes and consultation documents to be combined and use of the special consultative procedure. This would require the consultation document to be audited by Audit New Zealand for the LTPA part of the document.
20. It should be noted that it is usual for an Annual Plan to have a range of variations from the comparable year of the LTP and for this not to trigger an LTPA. It is only the items in paragraphs 12 that require an LTPA.

Potential timelines

21. The following section is provided for illustrative purposes only. Staff would need to get clarity of the scope of the proposed amendment and key issues that are anticipated to be addressed as this information would have a direct impact on timelines.
22. The following is a proposed draft timeline based on the LTP amendment undertaken in 2022. The proposed dates below take into account the request of the resolution for consultation occurring by 30 April 2025.

Action	Deadline
Approve final details of amendment (and AP) to allow Consultation Document (CD) to be written	Late Jan – Early Feb 2025
Council approves CD for Audit	24 Feb 2025
Audit of LTPA	25 Feb – 14 Mar 2025
Council adopts CD and supporting information for consultation	24 Mar 2025
Consultation (alongside Annual Plan)	28 Mar – 28 Apr 2025
Hearings	12 – 14 May 2025
Deliberations	26 – 30 May 2025
Council adopts LTPA (alongside Annual Plan)	30 June 2025

23. It should be noted that staff would need to consult with Audit New Zealand on their availability to conduct an audit on an LTP amendment in or around the times specified above.
24. Note that Audit New Zealand are unlikely to engage definitively with staff until a decision on the scope of the amendment is made by Council. This is because they would need to accurately know how much work is likely to be involved in order to allocate their staff for the assignment.
25. Currently the draft plan for the meeting schedule has Council's first meeting of 2025 due to start on February 10, 2025. If an LTP amendment is to occur this will likely require council starting its 2025 meeting cycle earlier than currently planned (at least two weeks earlier).

Costs and resources

26. In 2022, the Annual Plan budget was overspent by \$109,000 due to the extra unbudgeted costs and resources associated with doing an LTP amendment combined with the Annual Plan.
27. The majority of the unbudgeted expenditure was due to fees from Audit New Zealand required to undertake an audit of the amendment's consultation document and final amended LTP, which totalled \$75,000.
28. The remaining overspend mentioned above was due to costs associated with engagement activities, advertising, printing and additional consultancy expenses for extra resources required due to the increased workload and staff vacancies at the time.
29. If Council chooses to do an LTPA, depending on the scale and detail, it would be likely that there would be unbudgeted expenditure to the current 2024/25 Annual Plan budget. At this time without that scope staff are unable to make an accurate estimate as to how much this would be.
30. Also, additional staffing resources may also be required depending on the scope of the amendment.

Potential impacts of Local Water Done Well (LWDW) on this process

31. As reported to Council on 26 August 2024 in a paper titled 'Update on Local Water Done Well', Council is currently developing an indicative business case (IBC) guided by Treasury's Better Business Case model, to explore future service delivery for both two and three water options under the new framework introduced by the government. This is expected to be reported back to Council for direction October 2024.
32. From this work, Council will develop a Water Service Delivery Plan on the preferred option identified in the IBC and as required by the Local Government (Water Services Preliminary Arrangements) Bill. Which passed its third reading on 27 August 2024, and is in the process of receiving Royal Assent.
33. As noted in the report mentioned above, the Local Government (Water Services Preliminary Arrangements) Bill provides for streamlined consultation and decision-making processes for

setting up CCOs that deliver water services, and joint local government arrangements, both of which are currently provided for in the Local Government Act 2002.

34. The timing of consultation with the community on proposed waters arrangements needs to be considered. It may be appropriate to align with the regular planning cycle of the Annual Plan and it may make sense to combine the consultation on the preferred option for LWDW at the same time as the Annual Plan and any potential LTPA. (Note that at the time of writing this report staff are seeking further clarification of the legislative requirements of LWDW and LTPA for water matters).

STATUTORY CONTEXT

35. The preparation of an Annual Plan and or an LTPA are required under the Local Government Act 2002. Specific legislative requirements have been addressed in this report.

STRATEGIC ALIGNMENT

36. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city	✓
We can move around our city easily	✓
We are a city that supports business and education	✓

37. This report focusses on the legislation and process involved in a LTP amendment and an Annual Plan. There are no significant direct community outcome implications from adoption of this report. However, both documents mentioned seek to enable Council to achieve its community outcomes.

OPTIONS ANALYSIS

38. There are no specific options to consider in this report as Council has not yet provided direction on what issues would be sought to be addressed through an LTPA and therefore staff are unable to provide advice on options and provide recommendations. However, for clarity the mandatory and optional processes are outlined in the table below:

	2025/26	2026/27	2027 - 2037
Annual Plan	Mandatory	Mandatory	_____
Local Waters Done Well	<p>Mandatory consultation on arrangements to deliver water services.</p> <p>Water Services Plan to be complete by September 2025 (mandatory).</p> <p>LTPA:</p> <ul style="list-style-type: none"> • mandatory if water assets proposed to be transferred out of Council ownership (to CCO or other entity). • mandatory to be audited. • consultation not required if separate consultation has already occurred, and community understands 	_____	_____

	implications and Council understands community views.		
LTPA (audited)	Optional (unless statutory requirements of section 97 LGA triggered) <i>Note: transfer of waters assets likely would trigger S97 as per above.</i>	Optional (unless statutory requirements of section 97 LGA triggered)	_____
LTP (audited)	_____	_____	Mandatory

39. It should be noted that developing a full LTP is a comprehensive project which would for the next LTP have the following broad timelines:

- Project stood up internally late 2025.
- Early direction sought from Council on issues and broad financial direction early to mid-2026 calendar year.
- Strategy stocktake 2nd quarter 2026.
- Workshops and decision-making progressing June to December 2026 (post decision making on 2026/27 Annual Plan).
- Key decisions and financial strategy determined by December 2026, finalisation and audit early 2027.
- Consultation first quarter 2027.
- Adoption June 2027.

FINANCIAL CONSIDERATIONS

40. This report covers the legislative and process requirements in regard to developing a LTP amendment. It also describes the Annual Plan process and how they are linked. The initial financials for the development of the draft Annual Plan for 2025/26 at the time of writing will likely be presented to the 9 December 2024 Council meeting.
41. Also as mentioned above it is estimated that depending on the scope, an LTP amendment could add unbudgeted expenditure to the current Annual Plan project.

LEGAL IMPLICATIONS / RISKS

42. Legal implications of an LTP amendment and an Annual Plan have been discussed in the background section of this report.

CONSULTATION / ENGAGEMENT

43. Consultation on the Annual Plan and LTP amendment if Council decides to do one, will be in accordance with the requirements of the LGA and the details of engagement will be further developed and presented at meetings in December, February, and March 2025.

SIGNIFICANCE

44. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
45. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region

- (b) any persons who are likely to be particularly affected by, or interested in, the matter.
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

46. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter of a potential LTP amendment is of high significance. This is because it affects all residents, ratepayers and businesses in, and visitors to, the city, and because it involves council's resource allocation decisions and rating decisions for the next year and potentially beyond.

However, the decisions to be made in response to this report are considered of low significance as they are just noting the report.

ENGAGEMENT

47. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

48. At present there is not a decision made by council that would trigger an amendment to the LTP. Until such time as Council proposes one or otherwise decides to amend the plan no further work will occur on an LTP amendment.
49. The indicative draft Annual Plan is estimated to be reported to Council on 9 December 2024 in line with current planning processes.

ATTACHMENTS

Nil

11.10 Leave of absence

File Number: A16487840

Author: Coral Hair, **Manager:** Democracy and Governance Services

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

PURPOSE OF THE REPORT

1. The purpose of the report is to consider whether to grant the leave of absence to Councillor Mikaere Sydney as paid or unpaid leave.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Leave of absence ".
 - (b) Approves that Councillor Mikaere Sydney **will be** remunerated during his leave of absence granted by the Council at the meeting of 15 August 2024.
- OR
- (c) Approves that Councillor Mikaere Sydney **will not be** remunerated during his leave of absence granted by the Council at the meeting of 15 August 2024.
 - (d) Notes that a policy on leave of absence for elected members will be considered in February 2025 as part of the review of the Elected Members' Expenses and Resources Policy and Standing Orders.
-

EXECUTIVE SUMMARY

2. The Council resolved on 15 August to grant a leave of absence to Cr Mikaere Sydney. A decision is now required as to whether the leave is to be paid or unpaid leave. This payment decision must be made by way of a council resolution.

BACKGROUND

3. Councillor Sydney is unable at this time to take up his duties as councillor for the Te Awanui Māori ward due to ill health.
4. The Council resolved on 15 August 2024 to approve a leave of absence for Councillor Sydney for the period 15 August to 31 December 2024. The leave was granted in recognition that clause 5(1)(d) of Schedule 7 of the Local Government Act 2002 (LGA) provides that if a member is absent without leave for four consecutive council meetings the office would become vacated, and a by-election triggered.
5. The resolution did not specify whether the leave would be paid or unpaid.
6. Legal advice was sought on who decides whether a leave of absence is paid or unpaid. This advice states that in the absence of any delegated authority to the Mayor, or Council policy on whether a member who has a leave of absence for a length of time will continue to receive remuneration, the power to grant a leave of absence with or without remuneration lies with the Council.
7. While Standing Order 13.3 delegates the power to grant a leave of absence to the Mayor, there is no specific delegation set out in the Standing Orders or comprehensive policy in the

Elected Members' Expenses and Resources Policy on granting remuneration during the leave of absence period.

8. The Council has resolved to review the Elected Members' Expenses and Resources Policy and agreed to review the Standing Orders in February 2025. It is recommended that at that time both these documents include definitions and rules for granting an extended leave of absence to an elected member and whether this would be paid or unpaid leave. For example, a policy may provide for remuneration to continue to be paid for the first three months of a leave of absence or it may include criteria by which remuneration would be paid (health related, family or personal reasons) or delegate those decisions to the Mayor.

STATUTORY CONTEXT

9. [Standing Order 13.3](#) delegates the power to grant a leave of absence for a member to the Mayor and the Council may approve an application from the Mayor. There is no specific delegation in the standing order relating to granting a leave of absence with or without remuneration.
10. [Local Government New Zealand Guide to Standing Orders](#) and the Remuneration Authority on [their website](#) state it is the responsibility of individual local authorities to resolve and adopt rules for granting an extended leave of absence with or without remuneration.
11. Rules on eligibility for different forms of remuneration, which could include extended leave of absence without pay, can be prescribed by the Remuneration Authority under Section 6(3) (a) and (b) of Schedule 7 of the LGA. However to date the Remuneration Authority has not prescribed specific rules under that legislation in relation to leave of absence for elected members.

OPTIONS ANALYSIS

12. While the Council did resolve to grant a leave of absence to Cr Sydney, it did not specify whether the leave would be paid or unpaid and the Council must decide that through a council resolution.
13. In the absence of delegated authority or policy on this matter the decision is one for the council to make. The specific set of circumstances where a member is unable to assume office after being elected, would mean that any decision made on remuneration would not necessarily set a precedent for the future.
14. If a decision is made to grant a leave of absence with remuneration, there are two options. One option is to pay the amount of remuneration at the level resolved by the Council on 15 August 2024 for a Councillor with no additional responsibilities i.e. \$135,900 pa (subject to the approval of the Remuneration Authority and the Determination being gazetted in mid-September 2024). A further option is to pay the minimum allowable remuneration rate of \$87,695, which is provided for in the Determination. There is no ability to pay an amount that is different to or in between these two figures.

FINANCIAL CONSIDERATIONS

15. Remuneration for elected members is provided for in the budget.
16. Cr Sydney's entitlement to remuneration commenced on 24 July 2024 when he came into office, regardless of the fact that he has not yet made his declaration. For the period 24 July to 14 August 2024 he will be paid at the rate set for a councillor with no additional responsibilities of \$135,900 per annum (subject to the Determination being gazetted in mid-September 2024).
17. As he is on formal leave from 15 August to 31 December, Cr Sydney's remuneration for that period will depend on today's Council decision.
18. If remuneration is not granted for Cr Sydney that amount remains unspent. The Remuneration Authority states on their website relating to the [remuneration pool](#).

“Local government members, unlike paid employees, do not have entitlements to prescribed holiday or sick leave.

...if a councillor’s position becomes vacant or a local government member takes temporary unpaid leave of absence, the council must not reallocate among the remaining councillors the amount not being paid during the period of the temporary vacancy or leave of absence. In these cases the amount is simply not spent by the council and is available for when the position is filled (through a by-election) (section 117(1) of the Local Electoral Act 2001) or by appointment (section 117(3)(a) and 117A of the Act) or when the councillor returns after their leave of absence. If the council decides not to fill a vacancy (section 117(3)(b) of the Act) the amount not being paid as a result of the vacancy must be reallocated among the remaining councillors.”ⁱ

19. The legal advice understands this to mean that the Council could:

- apply to the Remuneration Authority to have the unspent sum reallocated when Cr Sydney takes up his position; or
- if Cr Sydney is unable to take up his position and a by-election results, apply to the Remuneration Authority to reallocate the sum; or
- decide that the sum remains unspent where it arises because of a leave of absence.

LEGAL IMPLICATIONS / RISKS

20. There are no legal risks associated with this decision. If the Council agrees then a comprehensive policy on elected members’ leave of absence will be developed in February 2025 to assist the council in future decisions on leave of absence.

SIGNIFICANCE

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

ENGAGEMENT

24. Taking into consideration the above assessment, that the decision is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

25. Review the Elected Members’ Expenses and Resources Policy and Standing Orders in relation to leave of absence for elected members in February 2025.

ATTACHMENTS

Nil

12 DISCUSSION OF LATE ITEMS

13 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RECOMMENDATIONS

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
13.1 - Public Excluded Minutes of the Council meeting held on 19 August 2024	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.2 - Appointment of Hearings Panel for Proposed Plan Change 39 (120 Upper Ohauti Road)	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.3 - Procurement of Cleansing & Drainage Works Outside the TCC Maintenance Contract	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
Confidential Attachment 1 - 11.5 - Rating Policy and Rating Valuations	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

14 CLOSING KARAKIA

ⁱ The Council can only decide to appoint or not fill an extraordinary vacancy in specific circumstances set out in section 117 of the [Local Electoral Act 2001](#) i.e. if this occurs 12 months or less before the next triennial election. All other extraordinary vacancies must be filled by an election.