



# AGENDA

## Ordinary Council meeting Tuesday, 12 November 2024

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

**Date:** Tuesday, 12 November 2024

**Time:** 9:30am

**Location:** Groundfloor Meeting Rooms  
306 Cameron Road  
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](http://www.tauranga.govt.nz).*

**Marty Grenfell**  
Chief Executive

# Terms of reference – Council

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## Membership

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<b>Chairperson</b>	Mayor Mahé Drysdale
<b>Deputy Chairperson</b>	Deputy Mayor Jen Scoular
<b>Members</b>	Cr Hautapu Baker Cr Glen Crowther Cr Rick Curach Cr Steve Morris Cr Marten Rozeboom Cr Kevin Schuler Cr Mikaere Sydney Cr Rod Taylor
<b>Quorum</b>	<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> .
<b>Meeting frequency</b>	As required

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## 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

<b>1</b>	<b>Opening karakia</b> .....	<b>7</b>
<b>2</b>	<b>Apologies</b> .....	<b>7</b>
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3.1	Suzie Edmonds - Speaking about Memorial Park Aquatic Centre .....	8
<b>4</b>	<b>Acceptance of late items</b> .....	<b>9</b>
<b>5</b>	<b>Confidential business to be transferred into the open</b> .....	<b>9</b>
<b>6</b>	<b>Change to the order of business</b> .....	<b>9</b>
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9.1	Petition from Lisa Parker on Harrington Street .....	39
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11.5	To Make Operative Plan Changes 34 and 35.....	79
11.6	Temporary alcohol-free areas update for the summer period 2024/25 .....	128
11.7	City Operations in-housing .....	130
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<b>13</b>	<b>Public excluded session</b> .....	<b>141</b>
13.1	Public Excluded Minutes of the Extraordinary Council meeting held on 14 October 2024 .....	141
13.2	Public Excluded Minutes of the Extraordinary Council meeting held on 23 October 2024 .....	141
13.3	City Operations going forward.....	141
<b>14</b>	<b>Closing karakia</b> .....	<b>141</b>



**1 OPENING KARAKIA**

**2 APOLOGIES**

**3 PUBLIC FORUM**

**3.1 Suzie Edmonds - Speaking about Memorial Park Aquatic Centre**

**ATTACHMENTS**

**Nil**



- 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 Extraordinary Council meeting held on 14 October 2024**

**File Number: A16988771**

**Author: Anahera Dinsdale, Acting Team Leader: Governance Services**

**Authoriser: Anahera Dinsdale, Acting Team Leader: Governance Services**

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### **RECOMMENDATIONS**

That the Minutes of the Extraordinary Council meeting held on 14 October 2024 be confirmed as a true and correct record.

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### **ATTACHMENTS**

#### **1. Minutes of the Extraordinary Council meeting held on 14 October 2024**



# **MINUTES**

**Extraordinary Council meeting  
Monday, 14 October 2024**

**Order of Business**

<b>1</b>	<b>Opening karaka</b> .....	<b>3</b>
<b>2</b>	<b>Apologies</b> .....	<b>3</b>
<b>3</b>	<b>Acceptance of late items</b> .....	<b>3</b>
<b>4</b>	<b>Confidential business to be transferred into the open</b> .....	<b>3</b>
<b>5</b>	<b>Change to the order of business</b> .....	<b>3</b>
<b>6</b>	<b>Declaration of conflicts of interest</b> .....	<b>3</b>
<b>7</b>	<b>Business</b> .....	<b>3</b>
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<b>8</b>	<b>Business (continued)</b> .....	<b>6</b>
<b>9</b>	<b>Discussion of late items</b> .....	<b>9</b>
<b>10</b>	<b>Closing karakia</b> .....	<b>9</b>

**MINUTES OF TAURANGA CITY COUNCIL  
EXTRAORDINARY COUNCIL MEETING  
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE,  
1 ELIZABETH STREET, TAURANGA  
ON MONDAY, 14 OCTOBER 2024 AT 8:30 AM**

**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

**LEAVE OF ABSENCE:** Cr Mikaere Sydney

**IN ATTENDANCE:** Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Peter Bahrs (Manager: Water Services), Coral Hair (Manager: Democracy & Governance Services), Anahera Dinsdale (Acting Team Leader: Governance Services), Caroline Irvin (Governance Advisor), Aimee Aranas (Governance Advisor)

## **1 OPENING KARAKA**

Cr Hautapu Baker opened the meeting with a karakia.

## **2 APOLOGIES**

The leave of absence granted to Cr Mikaere Sydney was noted.

## **3 ACCEPTANCE OF LATE ITEMS**

Nil

## **4 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**

Nil

## **5 CHANGE TO THE ORDER OF BUSINESS**

Nil

## **6 DECLARATION OF CONFLICTS OF INTEREST**

Nil

## **7 BUSINESS**

### **7.1 Fluoridation of Tauranga City's water supply**

**Staff** Nic Johansson, General Manager: Infrastructure  
Peter Bahrs, Manager: Water Services

**Key Points**

- Council sought an extension of time from the Director-General of Health until after the completion of the Judicial Review.
- The response from the Director-General of Health to the Council's request highlighted the legislative authority granted to the Director-General of Health to direct councils to fluoridate water supplies which councils were required to comply with.
- Staff had provided all of the information for Council to make an informed decision, but had not made any recommendation as this was a decision that Council must make.

**In response to questions**

- The water supply plants were set up and ready to include fluoride but would only commence once permission had been given to do so.
- One reimbursement payment had been received from the Ministry of Health (MoH) as per funding agreement of \$2.74m from an expected total of \$3.4m. The final payment would be made subject to the funding agreement arrangement to meet the deadline date.
- Fluoride would take several days to get into the water supply from commencement and would take up to a week to remove it completely from the supply for the outer areas of the network.
- Testing prior to the due date was needed as there was a requirement from the MoH to get assurance that Council had successfully implemented the project.
- TCC had spent \$2.7m in order to commence fluoridating the water and this would be at risk if the project did not proceed.
- No legal advice had been sought on whether Council could take out an interim injunction on the order to fluoridate, but this could be obtained if requested.
- No consultation was undertaken at the time of receiving the directive as the legislation did not require it. The topic was widely publicised at the time the MoH issued the notice to the councils affected.
- Council had been provided with regular updates on the progress of the installation of the equipment needed to fluoridate the supply.

**Key discussion points**

- Mayor Drysdale noted that further legal advice had been received during the meeting which Councillors needed to understand with the public excluded.

**RESOLUTION TO EXCLUDE THE PUBLIC****Resolution to Exclude the Public**

**RESOLUTION CO20/24/1**

Moved: Deputy Mayor Jen Scoular

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
7.1 – Fluoridation of Tauranga City's water supply	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege	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**

At 9:10 am the meeting adjourned to the Councillor's lounge to continue in public excluded.

**RESUME OPEN MEETING**

At 9:50 am the meeting resumed in public.

Mayor Drysdale advised the public gallery that the Council was seeking further legal advice and would reconvene in public excluded at 12.15pm. The public meeting would reconvene following that at around 1.30 pm.

At 9.54am the meeting adjourned.

At 12:15 pm the meeting resumed and went into public excluded.

**RESOLUTION TO EXCLUDE THE PUBLIC****RESOLUTION CO20/24/2**

Moved: Mayor Mahé Drysdale

Seconded: Deputy Mayor Jen Scoular

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
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7.1 – Fluoridation of Tauranga City's water supply	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege	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
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CARRIED

## RESUME OPEN MEETING

At 1.46pm the meeting reconvened in public.

## 8 BUSINESS (CONTINUED)

### 7.1 Fluoridation of Tauranga City's water supply

Tabled document – letter from Mayor Drysdale to Director-General of Health 10 October 2024

#### Key Points noted by Mayor Drysdale

- There were further ideas that needed to be explored prior to a decision being made and the Council had an opportunity to do so this morning.
- Appreciation passed on to the public for their patience.
- Understood it was a polarising issue and Council wanted to make the best decision it could.
- A summary of the legal advice received issue noted that a number of court cases discussed the directive of the Director-General of Health regarding the requirement to fluoridate which had been found to be legal by the Courts.
- There had been an issue around the consideration of the Bill of Rights and whether that was being impacted by this directive. These court cases were still ongoing and due to be heard next year.
- In relation to personal Councillor liability, it was noted that if Council acted illegally or outside the law, any loss suffered by Council could potentially be charged back to the Councillors that made that decision.
- Whether an interim order could be obtained that would delay fluoridation until the court cases had been heard, the legal advice was that if the Director-General did threaten penalties an order could be sought, but it was unknown whether that would be successful and there would still be liability on Council for the upfront capital costs, and potential fines.
- Noted the concerns raised with regards to impact on residents' health and the Bill of Rights Act with Council trying to find a solution, however there was no legal avenue to follow.
- Discussion had also included obtaining an order to extend the process out, but the advice was this was unlikely to success considering the results from the previous cases before the courts.

#### Discussion points raised

- The verbal legal advice received noted that Council would be acting unlawfully if it did not comply with the Director-General of Health's directive by 24 October 2024.
- An alternative motion was proposed to comply with the Director-General of Health's directive.
- Mayor Drysdale tabled the letter he had written to the Director-General of Health dated 10 October 2024 seeking confirmation and assurance that she had reviewed and considered all of the relevant evidence in the updated Gluckman report and further reports seeking assurance



that addition fluoride to the Tauranga water supply was still safe for the whole community, with no risk of reducing cognitive ability or IQ. The letter also sought confirmation that the Director-General of Health considered adding fluoride involved no unjustified limitations on rights set out under the Bill of Rights Act.

- It was agreed that Council was in a difficult legal position as court cases were pending relating to the possible impingement of rights set out under the Bills of Rights Act by the Director-General of Health's directive to fluoridate the water supply.
- The community was clearly divided on the issue.
- There were remedies that were available to the Council once it breached the law on 24 October 2024 if it resolved not to fluoridate the water supply.
- Councillors acknowledged that they swore an oath to uphold the law when coming into office and this was a legally binding directive. Acting unlawfully could be used against the democratically elected council.
- Council could not afford the financial consequences of not complying with the directive.
- The statement from the Director-General of Health in the court of law in June 2024 that there was no indication she would take enforcement action was considered an unusual statement. It was considered that the Director-General should be asked to respond and confirm whether she stood by those comments.
- An amendment was proposed to request an urgent reply from the Director-General of Health by 22 October 2024 as to whether enforcement action will or will not be taken if the Council does not comply with the Directive. If the response was that no penalties would be imposed, Council could then wait until the outcome on the Bill of Rights Act judicial review process prior to Council making a decision.

#### **A MOTION WAS PROPOSED**

**Moved: Deputy Mayor Jen Scoular**

**Seconded: Cr Rick Curach**

THAT the Council:

- (a) Receives the report "Fluoridation of Tauranga City's water supply".
- (b) Notes the letter from the Director-General of Health which declines Council's request for an extension to the direction requiring fluoridation of the city's water supply by 30 November 2024, and highlights that contravening a direction is an offence with potentially significant penalties.
- (c) Revokes resolution CO18/24/1(c) which reads "*Does not proceed with fluoridation of the water supply until the completion of the judicial review court process, regardless of whether the extension in (b)(i) is granted*"; and
- (d) Acknowledges a preference to wait for court cases in New Zealand to be resolved and for personal assurance from the Director-General of Health that fluoride is safe and that adding fluoride involves no unjustified limitations on rights set out under the Bill of Rights Act, legal advice received requires that, in order to remain lawful. Council will take the only option available and comply with the directive of the Director-General of Health to fluoridate the potable water system of Tauranga, starting on 24 October 2024 to meet the directive deadlines.

At 2:03 pm the meeting adjourned to craft an amendment

At 2:20 pm the meeting reconvened.

An amendment was proposed.

#### **Discussion points raised on the amendment**

- Concern was expressed that in the event enforcement action was not being taken it would still put Council in an unlawful position.
- If the Director-General responded that no penalties would be imposed, Council could then wait

until the outcome on the Bill of Rights Act judicial review process prior to Council making a decision.

- Council needed to set the right example by upholding the law as that would set a precedent to others.

### **AN AMENDMENT WAS PROPOSED**

**Moved: Cr Glen Crowther**

**Seconded: Mayor Mahé Drysdale**

That the Council:

- (a) Receives the report "Fluoridation of Tauranga City's water supply".
- (b) Notes the letter from the Director-General of Health which declines Council's request for an extension to the direction requiring fluoridation of the city's water supply by 30 November 2024, and highlights that contravening a direction is an offence with potentially significant penalties.
- (c) Revokes resolution CO18/24/1(c) which reads "*Does not proceed with fluoridation of the water supply until the completion of the judicial review court process, regardless of whether the extension in (b)(i) is granted*"; and
- (d) Acknowledges a preference to wait for court cases in New Zealand to be resolved and for personal assurance from the Director-General of Health that fluoride is safe and that adding fluoride involves no unjustified limitations on rights set out under the Bill of Rights Act, legal advice received requires that, in order to remain lawful. Council will take the only option available and comply with the directive of the Director-General of Health to fluoridate the potable water system of Tauranga, starting on 24 October 2024 to meet the directive deadlines.
- (e) Sends a further letter to the Director-General of Health to request an urgent reply by 22 October 2024 as to whether enforcement action will or will not be taken if TCC does not comply with the Directive. This letter is to note the Director-General's statement in the June 2024 Judicial Review.
- (f) If the response to the letter, as per (e) is that enforcement action will not be taken, the TCC will not proceed to fluoridate the water from 24 October 2024 until the conclusion of the Bill of Rights Act judicial review process or subsequent directive from the Director-General of Health following that process.
- (g) If subsequent to the letter being sent, as per (e), either
  - (1) A response is received that enforcement action will be taken, or
  - (2) No response is receivedthen TCC will proceed to fluoridate the water from 24 October 2024.

**DECLARED LOST 4/5**

In Favour: Mayor Mahé Drysdale, Crs Glen Crowther, Steve Morris and Marten Rozeboom

Against: Deputy Mayor Jen Scoular, Crs Hautapu Baker, Rick Curach, Kevin Schuler and Rod Taylor

THE ORIGINAL MOTION WAS THEN PUT.

**RESOLUTION CO20/24/3**

Moved: Deputy Mayor Jen Scoular

Seconded: Cr Rick Curach

That the Council:

- (a) Receives the report "Fluoridation of Tauranga City's water supply".
- (b) Notes the letter from the Director-General of Health which declines Council's request for an extension to the direction requiring fluoridation of the city's water supply by 30 November 2024, and highlights that contravening a direction is an offence with potentially significant penalties.
- (c) Revokes resolution CO18/24/1(c) which reads "*Does not proceed with fluoridation of the water supply until the completion of the judicial review court process, regardless of whether the extension in (b)(i) is granted*"; and
- (d) Acknowledges a preference to wait for court cases in New Zealand to be resolved and for personal assurance from the Director-General of Health that fluoride is safe and that adding fluoride involves no unjustified limitations on rights set out under the Bill of Rights Act, legal advice received requires that, in order to remain lawful. Council will take the only option available and comply with the directive of the Director-General of Health to fluoridate the potable water system of Tauranga, starting on 24 October 2024 to meet the directive deadlines.

**CARRIED 6/3**

In Favour: Deputy Mayor Jen Scoular, Crs Hautapu Baker, Rick Curach, Steve Morris, Kevin Schuler and Rod Taylor

Against: Mayor Mahé Drysdale, Crs Glen Crowther and Marten Rozeboom

**Attachments**

1 Tabled Letter - Council 14 October 2024

**9 DISCUSSION OF LATE ITEMS**

Nil

**10 CLOSING KARAKIA**

Cr Hautapu Baker closed the meeting with a karakia.

**The meeting closed at 2.52 pm.**

**The minutes of this meeting were confirmed at the Ordinary meeting of the Tauranga City Council held on 12 November 2024.**

.....  
Mayor Mahé Drysdale  
**CHAIRPERSON**

UNCONFIRMED

**7.2 Minutes of the Extraordinary Council meeting held on 23 October 2024**

**File Number:** A16988778

**Author:** Aimee Aranas, Governance Advisor

**Authoriser:** Anahera Dinsdale, Acting Team Leader: Governance Services

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**RECOMMENDATIONS**

That the Minutes of the Extraordinary Council meeting held on 23 October 2024 be confirmed as a true and correct record.

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**ATTACHMENTS**

- 1. Minutes of the Extraordinary Council meeting held on 23 October 2024**



# **MINUTES**

**Extraordinary Council meeting  
Wednesday, 23 October 2024**

**Order of Business**

<b>1</b>	<b>Opening karaka</b> .....	<b>3</b>
<b>2</b>	<b>Apologies</b> .....	<b>3</b>
<b>3</b>	<b>Public forum</b> .....	<b>3</b>
3.1	Kylie Willison - Approval to change of classification to part of Kopurererua Valley from recreation to historic reserve.....	3
3.2	Erika Harvey and Mark Ngata - Sale of Marine Precinct.....	4
<b>4</b>	<b>Acceptance of late items</b> .....	<b>7</b>
<b>5</b>	<b>Confidential business to be transferred into the open</b> .....	<b>7</b>
<b>6</b>	<b>Change to the order of business</b> .....	<b>7</b>
<b>7</b>	<b>Declaration of conflicts of interest</b> .....	<b>8</b>
<b>8</b>	<b>Business</b> .....	<b>8</b>
8.4	Sale of the Marine Precinct .....	8
<b>9.1</b>	<b>Approval for Twin Watermains Construction within Takitimu North Link under Waka Kotahi's Joint Venture Contractor</b> .....	<b>11</b>
8.1	Chief Executive's Summary Report .....	11
8.2	160 Devonport Road - land purchase and development.....	11
8.3	Tauranga Art Gallery land purchase - chronology and record of decisions .....	12
8.5	Approval to change the classification for part of Kopurererua Valley (Puketomiro Pā) from recreation reserve to historic reserve .....	12
8.6	Temporary Road Closures - Events 2024/2025.....	13
<b>9</b>	<b>Discussion of late items</b> .....	<b>14</b>
<b>10</b>	<b>Public excluded session</b> .....	<b>14</b>
10.1	– Approval for Twin Watermains Construction within Takitimu North Link under Waka Kotahi's Joint Venture Contractor .....	15
10.2	– Tauriko West Funding Agreement Variation of Feasibility Condition .....	15
10.3	– Confidential Major Event Opportunity .....	15
	Confidential Attachment 1 7.3 - Tauranga Art Gallery land purchase - chronology and record of decisions 15	
	Confidential Attachment 6 7.4 - Sale of the Marine Precinct .....	15
<b>11</b>	<b>Closing karakia</b> .....	<b>16</b>

**MINUTES OF TAURANGA CITY COUNCIL  
EXTRAORDINARY COUNCIL MEETING  
HELD AT THE GROUND FLOOR MEETING ROOMS, 306 CAMERON ROAD, TAURANGA  
ON WEDNESDAY, 23 OCTOBER 2024 AT 2:30PM**

**PRESENT:** Mayor Mahé Drysdale, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Rod Taylor

**APOLOGIES AND LEAVE OF ABSENCE:** Apologies: Deputy Mayor Jen Scoular and Cr Kevin Schuler  
Leave of absence: Cr Mikaere Sydney

**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), Gareth Wallis (General Manager: City Development & Partnerships), Simon Collett (Manager: Commercial Advisory), Wally Potts (Director of City Waters), Coral Hair (Manager: Democracy & Governance Services), Anahera Dinsdale (Acting Team Leader: Governance Services), Caroline Irvin (Governance Advisor), Aimee Aranas (Governance Advisor), Janie Storey (Governance Advisor)

**EXTERNAL:** Nathan Spiers (Legal Counsel)

## 1 OPENING KARAKA

Cr Hautapu Baker opened the meeting with a karakia.

## 2 APOLOGIES

### RESOLUTION CO21/24/1

Moved: Cr Hautapu Baker  
Seconded: Cr Rick Curach

That apologies received from Deputy Mayor Jen Scoular and Cr Kevin Schuler be accepted.

**CARRIED**

## 3 PUBLIC FORUM

### 3.1 Kylie Willison - Approval to change of classification to part of Kopurererua Valley from recreation to historic reserve

#### Key Points

- Ms Willison introduced herself noting that she was from Huria Marae and Ngāi Tamarāwaho hapū.
- Buddy Mikaere had tendered his apologies and thanked Council for the support to make the



land a historical reserve.

- Acknowledged the hapū that had commenced work 20 years ago to restore Kopurererua Valley and the awa from a wasteland dump that had been drained for farming to what had been achieved today.
- There was still a lot of work to be done and with the hapū and Council working together they could complete the realisation of the vision.
- Ngāi Tamarāwaho and the Council had worked on the Puketoromiro Pā Heritage Management Plan (Management Plan) which was approved by Council in 2023. Today was the final step in the reclassification of the Pā site to historic reserve.
- Ms Willison attended the meeting to support the reclassification and to ensure that, with Council support, it went ahead.
- Noted a key action from the Management Plan including the clearing of the land around Puketoromiro Pā which was being managed and maintained in conjunction with Council.
- It was an important day for all to realise the action and to achieve of the other actions within the management plan.
- Concept for the plan was developed in partnership with Council and other groups to create an ecological and cultural space and offer open spaces for the public to enjoy.
- Acknowledgement of the cultural narratives which had been lost for a long time, noting that these would add to the beauty of the Tauranga moana and it was important to share those narratives with the Tauranga moana whanau.
- Nga Tamarāwaho hapū endorsed the proposal whole heartedly and looked forward to moving forward and ticking off more aspirations and actions for the Kopurererua Valley.

#### **In response to questions**

- In response to a query as to what the next step was for Puketoromiro Pā, it was noted that they had been working for the past year and would continue to get rid of the weeds and plants which infested the area. A planting plan had been put in place and they were working with Council to add some species and to create a place for the history of the Pā so that everyone could enjoy it together and acknowledge the cultural history that underlaid the wetland restoration.
- One of the reasons that the actions were in place was to prevent any further roading from going through the site.

#### **Discussion points raised**

- Mayor Drysdale acknowledged the hapū for creating a better wetland and an area for all to enjoy. He thanked Ms Willison for attending the meeting.

### **3.2 Erika Harvey and Mark Ngata - Sale of Marine Precinct**

#### **Key Points**

##### **Ms Harvey**

Refer to tabled documents from Ms Harvey.

- Ms Harvey stated that it was not about the marine precinct, it was about transparency, the future of the city and protest by people who call Tauranga home.
- Ms Harvey believed decisions had been made behind closed doors to downgrade the area to a non-strategic asset and sell it for a price below its true value.
- As a non-strategic asset Council had considered that no consultation was required and the acceptance of the low price was hidden behind commercial sensitivity.
- Ms Harvey had spoken to other people who would have offered more money to keep the precinct in public hands, but those people were ignored.
- Ms Harvey stated that she believed the sale at an undervalued price was unconscionable.
- Council had signed ratepayers to make the area a \$30m private venue, who as a private owner, could charge what they liked and then sell it for whatever they wanted. It was a

disaster waiting to happen.

- Ms Harvey stated that the maths did not add up to create it into a super yacht area, with contributions being made to the precinct by users of up to \$1m annually and she questioned how Council could be ready to sacrifice this for a luxury yacht industry.
- Ms Harvey considered that there had been a long series of questionable decisions made and she felt that Iwi should have had first right of refusal for the area.
- Ms Harvey noting that she had spoken to four mayors and five governance teams and while Council had faced changes, the decisions still stayed the same.
- The sale was a quick way to fund shortfalls in other projects, however, instead of paying the \$26.3m debt tied to the marine precinct the funds were going to other assets which was not in the interest of the city.
- The group attending were ambassadors for sustainable fishing. There were families like hers that brought fresh fish to the table and contributed to the Tauranga economy.
- Ms Harvey called for an independent investigation, noting that it should not be held behind closed doors.
- A letter had been written on 22 March 2018 by Gary Poole (then Chief Executive of Tauranga City Council) to Shane Jones (then Regional Economic Development Minister) which had made it clear that the aim of the marine precinct was to support the local fishing and marine maintenance industry. (Refer to tabled document for a copy of the letter).
- Ms Harvey stated that it was time to take control of the city which should not be measured in luxury yachts but about those people who lived in it.

#### **Mark Ngata, General Manager of Moana New Zealand**

- Mr Ngata advised that Moana New Zealand had operated out of the Tauranga port for 30 years and had invested heavily in the region so wished to put their support behind those questioning the decisions made by Council to sell the marine precinct.
- Mr Ngata believed it was unconscionable to see what was about to happen.
- Mr Ngata stated that the fishing industry did not accept the decision and would work with their shareholders. Moana NZ was owned by 58 iwi which included the Tauranga iwi. Mr Ngata acknowledged kaumatua Puhirake Ihaka and Rā Winata who were present.
- The Māori Fisheries Settlement was part of helping iwi to get into fishing businesses. Moana NZ made a commitment every year to contribute over \$8m into the region from a fish return revenue of \$21m.
- Tauranga was the second biggest port that fish were landed into and to be told there was a new plan for which the industry had no part in was unconscionable. Moana NZ supported local businesses, provided local employment, supplied a product to the regional community and would do what was needed to be done to support the call for the Council to take a step back and follow its own values. Mr Ngata spoke about Whāia te tika, do the right thing, and asked that the Council practiced the values described on its own website of inclusivity and working together to get the best results.
- Mr Ngata asked the Council to take a breath and talk about the precinct as a collective group. Council had taken away their location and displaced them while not knowing where they were going to put the fleets, which would hopefully not be by Bobby's at Fisherman's Wharf as many of the boats could not fit under the bridge.
- Together they needed to find a win/win solution for all to work on together for the precinct.
- Mr Ngata stated that iwi should have been involved in the decisions to date they had not been.

#### **In response to questions**

- Mayor Drysdale advised the submitters that he was committed to working with them to find solutions for all as this was something the new Council had inherited.

#### **Puhirake Ihaka - Otamataha Trust and hapū of Ngāti Tapu and Ngāi Tukairangi**

- Mr Ihaka advised that there had been a korero on how the precinct could be managed noting

- that conversations had been held with the previous Council leading to this meeting.
- Scenarios had been put to the Otamataha Trust and discussions held about where the fishing fleet would be located, but there was not a lot of dialogue or mana whenua consultation.
  - Mr Ihaka noted that he was speaking off the cuff as he had no time to prepare so was being careful how he recalled the interactions.
  - Mr Ihaka stated that if any further follow up or consultation was required it should include mana whenua. He urged the Council to do that in terms of the comments made by the speakers and Mayor Drysdale's desire to continue to consult with all parties.
  - The main issue was about where the fishing boats would go and Mr Ihaka recalled telling the Commissioners what would happen and that the boats would not fit under the bridge. This was not resolved so further conversations should carry on in that vein in terms of discussions and consultation around that point.
  - Mr Ihaka was told there would be room for the vessels along the strip by Bobby's Fish Shop as changes were planned with suitable space in terms of offering an alternative to be talked about.
  - The larger vessels caught more fish and contributed much to the economy. As iwi were shareholders, a lot of their income came from the industry so there should be a continuance of further work to be done.

### In response to questions

- It was noted that 10 boats were currently working in and out of Tauranga. Any boat 25m or longer was unable to go under the bridge. There were other commercial boats working with at least 17 regular small boats and a further 10 boats when the tuna were running.
- Sandford's were privately owned so the boats were unable to use that wharf.
- Boats came from all over New Zealand plus there were three working boats and five boats from Whakatāne at times using the slipway and generating a lot of money into the town.
- Council should have the data noting the number of boats there at any one time. There were five at present.
- In response to a query as to whether that was adequate provision, the group replied no it was not.

### Sean Kelly

Refer to tabled documents from Mr Kelly.

- Mr Kelly advised that he had been self-employed since 1995 and spent a lot of time since 2006 talking to Council as a user of the harbour. He had systematically seen wharves removed as they went into disrepair and became too expensive to repair.
- At the height of the tuna heyday, 154 boats had been recorded on one day in 1998.
- The expense to do business in the town was far greater than at other places.
- Mr Kelly noted that he had drawn up a set of plans for Fisherman's Wharf at his own cost, which had been used. People were being told that the vessels were happy to go to Fisherman's Wharf. Mr Kelly noted that was not what he had said, noting his intentions had been twisted. He wanted the marine precinct to look the same as other areas and had attended meetings all those years at his own cost to get one last crumb, but now that had been sold.
- Mr Kelly tabled documents noting the loss of facilities, the cost of the harbour bridge, the loss of coronation pier and the barge which Council was still paying for.
- Mr Kelly stated he had attended meetings, giving his own time and money and had been lobbying Council but had now ended up being displaced without consultation in his opinion because of what he described as a pipe dream by Priority One for a place for luxury yachts. He had been involved with two luxury yachts and knows it would not be super yachts that would prop up Tauranga, it was the local industry.
- The revenue from businesses was well in excess of \$100m and he wanted the Council to grow some teeth and stop the sale.
- Mr Kelly noted that he had a list of questions of Council and gave the Council seven days to

answer them. He would be funding an application to the High Court for an injunction to stop the sale, as in his opinion, it was an unconscionable sale which did not go out for consultation. He believed the Property Acquisitions and Disposals Policy had been breached. Everyone was saying that the Council did not consult properly.

### Wayne Kusavs

- Mr Kusavs stated he was 73 years old and brought his first boat 50 years ago.
- He wanted to know how someone had walked off the street and offered Council \$13.4m for the precinct, with the repayments spread over a number of years.
- He considered that Council could have got \$50 m as that was what the land was worth and he and others would have purchased it collectively.

### Discussion points raised

- Mayor Drysdale thanked the submitters for their time and noted that the Council looked forward to working collaboratively towards a solution.

### Attachments

- 1 Tabled document - Erika Harvey - public forum - letter to Shane Jones from TCC Chief Executive - 23 March 2018
- 2 Tabled document - Sean Kelly - Pacific 7 Limited - Council 23 October 2024 - letter Sharp Tudhope requesting answers and documents Sale of Marine Precinct

## 4 ACCEPTANCE OF LATE ITEMS

### RESOLUTION CO21/24/2

Moved: Cr Rod Taylor  
Seconded: Cr Rick Curach

That the Council:

- (a) Accepts the following late item/s for consideration at the meeting:

- Te Maunga Bioreactor 2 Ground Improvements - Public Excluded Item

The above item was not included in the original agenda because it was not available at the time the agenda was issued, and discussion cannot be delayed until the next scheduled meeting of the Committee because a decision is required in regard to this item.

**CARRIED**

## 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

## 6 CHANGE TO THE ORDER OF BUSINESS

That a change of order of business include:

- Item 8.4 Sale of Marine Precinct to be considered before Item 8.1
- The Council would move into public excluded to discuss the late item - Te Maunga Bioreactor 2 Ground Improvements

## 7 DECLARATION OF CONFLICTS OF INTEREST

Nil

## 8 BUSINESS

### 8.4 Sale of the Marine Precinct

**Staff** Simon Collett, Manager: Commercial Advisory  
Paul Davidson, Chief Financial Officer

#### Key Points

- Mayor Drysdale noted that this was an unconditional agreement that had been agreed to under the previous governance structure and it was up to Council to work together towards the best solution. If the vision became a reality it would be fantastic for the industry but he was not comfortable with the risk that was being put on ratepayers for the return offered for the investment.
- Council would work with all parties using the marine precinct to come up with a workable solution.

#### In response to questions

- The purpose of the marine precinct was to provide services to the marine industry.
- In terms of what was available to provide for the industry and the scope for providing for the fishing fleet as an extended development of the Bridge Wharf area, it was noted that the scope set out in the agreement was that the marine precinct was there to support the marine industry generally. In terms of the wharf infrastructure this was under management and the aim was to predominantly service super yachts. The assumption was that the fishing vessels would be displaced and the purchaser was aware they would need to accommodate those fishing vessels who cannot go under the bridge.
- In response to a query as to whether fishing fleet facilities could be provided in the area for it was noted that while they could be accommodated in the short term, they could not be accommodated in the longer term, which was why other options needed to be considered to accommodate the fishing fleet.
- When asked why accommodating the fishing fleet was not finalised before proceeding with the sale, the meeting was advised that the marine industry included fishing and other vessels and that the Council was trying to work through solutions to accommodate all users, including the fishing fleet. An additional \$8m had been included in the LTP.
- In relation to the \$26.3m debt allocated to the marine precinct not being paid from the proceeds, and the assumption that the proceeds of the sale be used for other Council capital projects, it was noted that the proceeds of the sale were subject to a decision of Council.
- Staff were working through the sale transaction including any loss on book value and this would be reported in this and next years annual reports.
- It was noted that a resolution to use the sale proceeds to reduce debt relating to the marine precinct could be passed at any time. There was an opportunity at the Council meeting on 29 October for reforecasting budgets or any future reports on Te Manawataki o Te Papa to discuss the issue with full information provided which would note the implications of doing that.

#### Discussion points raised

- It was important that the work of exploring options for developing wharf infrastructure to accommodate the needs of the fishing and other working boats was undertaken collaboratively.
- Add to recommendation (b) *working collaboratively with stakeholders*.
- There was not a lot of space available for wharf infrastructure so Council would need to be inventive with the solution and get it right for the fishing and working boat community who were already in cramped facilities.

- Considered that after hearing from the fishing and working boat community today it was clear that as the main users of the marine precinct area they had not been included in the consultation around the sale process and felt shortchanged.
- As Tauranga was a key place for commercial fishing and would grow if there was more wharf space, providing economic benefits for the region, it was considered that the only explanation for the sale seemed to be to raise funding for Te Manawataki o Te Papa.
- Struggled to understand why the marine precinct was classified as non-strategic.

**A motion was proposed**

Moved: Mayor Mahé Drysdale

Seconded: Cr Rod Taylor

That the Council:

- (a) Receives the report "Sale of the Marine Precinct".
- (b) Completes fishing and working boat community, including the development of wharf infrastructure further work exploring options for Tauranga's connected to privately owned and/or Council owned land working collaboratively with stakeholders.
- (c) At the earliest opportunity, explore equity, funding and/or financing options to help meet the cost of delivering all wharf infrastructure (but in particular to support Tauranga's fishing and working boat community).
- (d) Requests a further report with the findings of the above work, as soon as is reasonably practicable.
- (e) Attachment 6 (Public Excluded) can be transferred into the open following completion of discussions and negotiations with stakeholders, including private landowners.

**Amendment discussion**

- The needs of the fishing community were simple, a place to tie up their boat, a wharf to unload the catch, to be able to purchase ice and park their vehicle. It was not about a complex investment plan to fund something else. The Council needed to apologise and find a workable solution for the fishing fleet.
- The point of the marine precinct was to support the marine industry including the fishing fleet.
- Too much had been spent in the last couple of years on what was considered "vanity projects".
- Reference in the report to the disposal being managed transparently was questioned. It was considered that Council may not have met the expectations of its communities in a way that met the Acquisitions and Disposal Policy or the consultation requirements under section 82 of the Local Government Act.
- Discussion noted that the amendment was an opinion and not confirmed facts at this stage and there had been no opportunity to confirm if the amendment was correct or not. The amendment was not definitive using wording such as "may".
- There had been an unconditional agreement entered into under the previous governance structure and it was up to Council to work together with the fishing industry towards the best solution. If the vision of a super yacht facility became a reality it would be fantastic for the industry and the city.
- The Council would work constructively with all parties to find solutions.

**An amendment was proposed**

Moved: Cr Glen Crowther

Seconded: Cr Steve Morris

That the Council:

- (b) Notes the following:
  - i. That the sale process undertaken by the Commission may not have followed Section 4.1 of Council's Acquisitions and Disposals Policy and Section 82 of

- the Local Government Act.
- ii. The advice given to Councillors that there were no commercially viable alternatives appears to have been wrong.
  - iii. This disposal writes off approximately \$16 million in the asset value and also requires an additional spend of \$37 million or more on wharf upgrades, without yet securing an optimal solution for Tauranga's fishing community.
- (c) Resolves that the sale proceeds will be used to repay debt on the Marine Precinct activity, and not be used to fund other capital projects.

**For:** Crs Baker, Crowther, Curach and Morris

**Against:** Mayor Drysdale, Crs Rozeboom and Taylor

**The amendment was Carried 4/3**

The amendment was included in the substantive motion:

### **RESOLUTION CO21/24/3**

Moved: Cr Glen Crowther

Seconded: Cr Steve Morris

That the Council:

- (a) Receives the report "Sale of the Marine Precinct".
- (b) Notes the following:
  - i. That the sale process undertaken by the Commission may not have followed Section 4.1 of Council's Acquisitions and Disposals Policy and Section 82 of the Local Government Act.
  - ii. The advice given to Councillors that there were no commercially viable alternatives appears to have been wrong.
  - iii. This disposal writes off approximately \$16 million in the asset value and also requires an additional spend of \$37 million or more on wharf upgrades, without yet securing an optimal solution for Tauranga's fishing community.
- (c) Resolves that the sale proceeds will be used to repay debt on the Marine Precinct activity, and not be used to fund other capital projects.
- (d) Completes further work exploring options for Tauranga's fishing and working boat community, including the development of wharf infrastructure connected to privately owned and/or Council owned land working collaboratively with stakeholders.
- (e) At the earliest opportunity, explore equity, funding and/or financing options to help meet the cost of delivering all wharf infrastructure (but in particular to support Tauranga's fishing and working boat community).
- (f) Requests a further report with the findings of the above work, as soon as is reasonably practicable.
- (g) Attachment 6 (Public Excluded) can be transferred into the open following completion of discussions and negotiations with stakeholders, including private landowners.

**CARRIED**

## **10.0 Public Excluded Session**

**RESOLUTION CO21/24/4**

Moved: Cr Hautapu Baker  
 Seconded: Cr Rod Taylor

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
10.8 - Te Maunga Bioreactor 2	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**

At 4.56pm the meeting adjourned.

At 5.07pm the meeting reconvened.

**8.1 Chief Executive's Summary Report**

**Staff** Marty Grenfell, Chief Executive

**RESOLUTION CO21/24/5**

Moved: Mayor Mahé Drysdale  
 Seconded: Cr Steve Morris

That the Council:

- (a) Receives the Chief Executive's Summary report

**CARRIED****8.2 160 Devonport Road - land purchase and development**

**Staff** Gareth Wallis, General Manager: City Development & Partnerships

**In response to questions**

- Mr Collett had removed himself completely from the process to ensure that there was no conflict of interest with the transaction.
- In response to a query as to whether there was any information around the car park verses leasing out the current buildings, it was noted that the conversations had looked at a wide variety of options with the carpark being chosen in response to demand from the community for more carparks.
- Other questions raised were unable to be answered until the appropriate staff were present.



**RESOLUTION CO21/24/6**

Moved: Cr Glen Crowther

Seconded: Cr Rick Curach

That the Council:

- (a) Agrees that the report lie on the table until the Council meeting on 29 October 2024.

**CARRIED**

**8.3 Tauranga Art Gallery land purchase - chronology and record of decisions**

**Staff** Gareth Wallis, General Manager: City Development & Partnerships

**In response to questions**

- In response to a query as to whether there was an alternative option to the water sprinkler system that was more appropriate to the Art Gallery due to the risk to the artworks, it was noted that had been taken into consideration, but had to be installed to meet the building requirements.
- In relation to recent additional costs being required recently it was noted that there was an appropriate contingency in place to cover those. The agreement was that the risk sat with Council and would be managed within the broader Te Manawataki o Te Papa budget.
- The valuation process was negotiated between the two different valuations received, with the purchase price of \$3.8m for the land being settled on with Council owning the land. It was noted that the Council had settled on the amount needed for the upgrade as part of the Te Manawataki o Te Papa project to bring the facility up to a level comparable with other facilities in the precinct.
- In response to what the \$600,000 balance paid to the Art Gallery was being used for, it was noted that information would be sought from the Tauranga Art Gallery Trust.

**Discussion points raised**

- The information was made publicly available and people could make their own minds up on the matter.

**RESOLUTION CO21/24/7**

Moved: Cr Hautapu Baker

Seconded: Cr Rod Taylor

That the Council:

- (a) Receives the report "Tauranga Art Gallery land purchase - chronology and record of decisions".
- (b) Transfers into the open section the report titled 'Tauranga Art Gallery land purchase and capital project update' and its three attachments, originally considered by Council on 11 December 2023 in the public-excluded section of the meeting (the report and its three attachments are currently included as Confidential Attachment 1 to this report).

**CARRIED**

**8.5 Approval to change the classification for part of Kopurererua Valley (Puketoromiro Pā) from recreation reserve to historic reserve**

**Staff** Barbara Dempsey, General Manager: Community Services

**Discussion points raised:**

- Ms Willison had eloquently set out the support for the project and the appropriateness of the Pā becoming a historic reserve.
- It was important that further destruction of the Puketoromiro Pā be prevented through the change of status.

### RESOLUTION CO21/24/8

Moved: Cr Steve Morris

Seconded: Cr Rick Curach

That the Council:

- (a) Receives the report "Approval to change the classification for part of Kopurererua Valley (Puketoromiro Pā) from recreation reserve to historic reserve".
- (b) Notes that there were no objections to the proposal to the proposed change of classification for that part of Kopurererua Valley recreation reserve known as Puketoromiro Pā.
- (c) Approves, subject to section 24 of Reserves Act 1977, a change of classification for that part of the Kopurererua Valley recreation reserve known as Puketoromiro Pā to historic reserve and shown on the survey plan as Section 1 SO607864.

**CARRIED**

### 8.6 Temporary Road Closures - Events 2024/2025

**Staff** Nic Johansson, General Manager Infrastructure  
Jenna Quay, Event Facilitation Manager

#### Key Points

- No feedback had been received from the consultation which had closed on 22 October 2024.

#### In response to questions

- In response to a query as to the level of consultation regarding each of the road closures, it was noted that it depended on the level of impact it would cause, with a letter drop for a lower impact event, and wider consultation with the use of all forms of media if it was an event that would impact a larger area of the community.

### RESOLUTION CO21/24/9

Moved: Cr Hautapu Baker

Seconded: Cr Glen Crowther

That the Council:

- (a) Receives the report "Temporary Road Closures - Events 2024/2025".
- (b) Pursuant to Clause 11(e) of the Tenth Schedule of the Local Government Act 1974, grants approval to close the roads listed on Attachment A to ordinary vehicular traffic on the dates and during the hours stated for the purposes of facilitating safe and successful operations during the following events in Tauranga.

**CARRIED**

## 9 DISCUSSION OF LATE ITEMS

Nil

## **10 PUBLIC EXCLUDED SESSION**

### **Resolution to exclude the public**

Unconfirmed

**RESOLUTION CO21/24/10**

Moved: Cr Rod Taylor

Seconded: Cr Marten Rozeboom

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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>10.1 - Approval for Twin Watermains Construction within Takitimu North Link under Waka Kotahi's Joint Venture Contractor</b>	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
<b>10.2 - Tauriko West Funding Agreement - Variation of Feasibility Condition</b>	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
<b>10.3 - Confidential Major Event Opportunity</b>	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
<b>Confidential Attachment 1 - 7.3 - Tauranga Art Gallery land purchase - chronology and record of decisions</b>	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
<b>Confidential Attachment 6 - 7.4 - Sale of the Marine Precinct</b>	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial	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

	and industrial negotiations)	section 7
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**CARRIED**

## **11 CLOSING KARAKIA**

Cr Hautapu Baker closed the meeting with a karakia.

**The meeting closed at 6.37 pm.**

**The minutes of this meeting were confirmed at the Ordinary meeting of the Tauranga City Council held on 12 November 2024.**

.....  
**Mayor Mahé Drysdale**  
**CHAIRPERSON**

**8      DECLARATION OF CONFLICTS OF INTEREST**

## 9 DEPUTATIONS, PRESENTATIONS, PETITIONS

### 9.1 Petition from Lisa Parker on Harrington Street

**File Number:** A17036608

**Author:** Anahera Dinsdale, Acting Team Leader: Governance Services

**Authoriser:** Anahera Dinsdale, Acting Team Leader: Governance Services

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### RECOMMENDATIONS

That the Council:

- (a) Receives the Petition from Lisa Parker on Harrington Street".

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### ATTACHMENTS

1. Petition - EMail - Lisa Parker - Liquorland CBD Tauranga\_11 Harrington Street - A16882079  
2. Petition - A16882083  
3. Petition Sent 31.5.24 - A16882086  
4. Petition - CCF\_000601 - A16882075  
5. Petition - CCF\_000602 - A16882078  
6. Petition Sent 19.7.24 - A16882080  



















**10 RECOMMENDATIONS FROM OTHER COMMITTEES**

Nil



## 11 BUSINESS

### 11.1 Chief Executive Summary Report

**File Number:** A16988885  
**Author:** Cashy Ball, Strategic Advisor  
**Authoriser:** Marty Grenfell, Chief Executive

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Chief Executive Summary Report".
- 

### CHIEF EXECUTIVE'S SUMMARY OF COUNCIL AGENDA

1. The purpose of this report is to introduce the agenda for 12 November 2024 Council meeting and highlight the key agenda items, priorities or risks associated with the content of this agenda, for Elected Members.
2. Two Annual Plan 2025/26 reports cover the process to develop the Council's next Annual Plan and **seek guidance from elected members regarding;**
  - (i) **key principles to inform budgets, including defining value for money; and**
  - (ii) **capital budget priorities for 2025/26.**

These are the first reports in a series of Annual Plan reports that Council will work through up to adoption of an Annual Plan by 30 June 2025.

3. Two growth-related reports on this agenda outline the next steps required to advance planning to cater for growth. The first report considers next steps for the Upper Belk Road area, and broader 3-waters planning requirements to support greenfields growth in both the Western and Eastern Corridors. This report **seeks approval for funding of \$980,000 for growth planning to be included in the Annual Plan 2025/26.**

The second report formalises **making operative Plan Change 34 Belk Road Rural Residential and Private Plan Change 35 Tauriko Business Estate Stage 4**. Council adopted the recommendations from the Independent Hearing commissioners on 16 September and the subsequent appeal period has closed with no appeals being lodged.

4. A thorough report on the in-housing of city operations provides an overview of the process and outcomes achieved to date of bringing city operations back in house progressively since 2022. This report is for your information only and **no decision is sought**. A separate public excluded report considers the future of additional city operation services and **seeks Council direction**.
5. The Council left the Memorial Park Aquatic Centre Update report to lie on the table at the Council meeting on 29 October 2024. That report will be discussed at this meeting, and further supplementary information will be circulated for the discussion, including results of the community survey. The report on the table **seeks agreement to recommence the project through to completion of the Design Feasibility Report, at a cost of \$2.2M.**

**ATTACHMENTS**

**Nil**

## 11.2 Annual plan process and principles

**File Number:** A16889500

**Author:** Josh Logan, Team Leader: Corporate Planning

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

### PURPOSE OF THE REPORT

1. In accordance with the Local Government Act 2002, Council is required to produce and adopt an annual plan by 30 June 2025.
2. This report provides an update of the Annual Plan 2025/26 process and timeline and a proposed set of key principles to guide the development of the draft Annual Plan 2025/26.
3. The report also asks Council to review a set of principles and a proposed definition that will guide Council in its assessment of "Value for Money" (VfM) in the prioritisation of capital projects in the development of the draft annual plan.

### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Annual plan process and principles".
- (b) Agrees to the proposed timetable for the Annual Plan 2025/26 outlined in this report.
- (c) Endorses the key principles for the development of the Annual Plan 2025/26, detailed in paragraph 23 of this report under the headings:
  - Looking after what we have got
  - Paying a fair share
  - Ongoing financial sustainability
  - Affordability
  - Growth pays for growth
  - Value for money.
- (d) Endorses the following proposed definition of Value for Money to be used for the prioritisation of capital projects in the development of the Annual Plan 2025/26:
  - *Value for Money - refers to the efficient, effective, and economical use of public resources to achieve the best possible outcomes for Tauranga.*

### EXECUTIVE SUMMARY

4. The starting point for the Annual Plan 2025/26 is the draft budget for year two of the 2024-34 Long-term Plan (LTP). First draft budget information and further information regarding key issues for the annual plan will be provided to the 9 December 2024 meeting.
5. The LTP proposes a significant increase in capital investment over the ten years to meet improved outcomes across community spaces and facilities, growth in existing urban areas, revitalising the city centre, transport network upgrades, growth in the west (Tauriko), sustainability and resilience, and three waters.

6. The Annual Plan 2025/26 will set out the Council's budget and activities for the coming financial year.
7. This report firstly sets out the process for the annual plan in relation to the Local Government Act 2002 (LGA). It then proposes a timeline for council to get to adoption in order to meet its obligations of the LGA.
8. The report then proposes a set of principles to underpin the annual plan to be built on:
  - o Looking after what we have got
  - o Paying a fair share
  - o Ongoing financial sustainability
  - o Affordability
  - o Growth pays for growth
  - o Value for money
9. A key emphasis of this annual plan will be on delivering VfM. The report looks at what is meant by this and seeks to provide a definition that can be used by Council in the prioritisation of its capital programme in the annual plan.
10. VfM is achieved by balancing costs and outcomes and optimising resource use. Achieving value for money is essential, involving a careful balance of expenditure and outcomes, clear cost structures, effective performance measures, and robust community engagement to ensure that public spending delivers meaningful results.

## BACKGROUND

### Annual Plan process

11. The Annual Plan, as outlined in Section 95 of the LGA and included as **Attachment 1** to this report, is an essential document that sets out the Council's budget and activities for each financial year.
12. By 30 June 2025, Council must adopt the 2025/26 Annual Plan to set rates for the 2025/26 year.
13. The Annual Plan must align with the LTP, ensuring that the Council's annual objectives support its long-term goals.
14. Section 95 (5) states that the purpose of an annual plan is to:
  - (a) *contain the proposed annual budget and funding impact statement for the year to which the annual plan relates; and*
  - (b) *identify any variation from the financial statements and funding impact statement included in the local authority's long-term plan in respect of the year; and*
  - (c) *provide integrated decision making and co-ordination of the resources of the local authority; and*
  - (d) *contribute to the accountability of the local authority to the community.*
15. Council is guided by the LGA in relation to different approaches to consultation on an annual plan. In some circumstances, Council has discretion as to whether it needs to consult on an annual plan. Staff have taken the approach in planning for the annual plan that Council is likely to be of the view that it will want to hear from its community on the draft annual plan and so have factored this into the planning and timelines.
16. To allow Council to meet its obligations under the LGA to adopt an annual plan to set rates for the next financial year staff propose the following timeline for the Annual Plan 2025/26 from now until adoption.

Type	Date
Council Meeting – indicative draft annual plan contents	09 December 2024
Council Meeting – approve draft annual plan contents	10 February 2025
CTE Committee Meeting – approve draft annual plan consultation document	03 March 2025
Council Meeting – adopt annual plan consultation document	24 March 2025
Draft annual plan – consultation period	28 March – 28 April 2025
Council Meeting – draft annual plan – Hearings	12 – 16 May 2025
Council Meeting – draft annual plan – Deliberations	26 – 30 May 2025
Council Meeting – adopt annual plan	30 June 2025

### Issues and Options for the Annual Plan

17. Initial work has identified a number of decisions that are required to come before Council via issues and options papers in order to be included in the draft annual plan for consultation next year.
18. These papers are included as separate reports on this agenda. Decisions from these papers will be incorporated into the indicative draft presented to Council on 9 December 2024.

### Annual plan principles

19. The 2024 Long-term Plan is Council’s ten-year activity plan and budget to respond to the challenge of Tauranga’s rapid growth while maintaining community expectations, delivering crucial infrastructure and services and meeting the direction of central government. Projects, priorities and initiatives were centred around:
  - Creating the spaces and places for our communities to connect, play and learn
  - Enabling more homes in our existing neighbourhoods and designing communities of the future in new growth areas
  - Revitalising our city centre so it once again becomes the beating heart of our city
  - Improving our transport network to make it easier and safer to get around
  - Reducing our impact on our natural environment and strengthening our ability to cope with our changing climate.
20. The Annual Plan 2025/26 will set out the Council’s budget and activities for the coming financial year. The principles proposed in this report aim to ensure that the draft plan will continue to respond to the identified challenges above.
21. Staff seek feedback from Council on the key principles are for the annual plan. This will help staff to present options and implications when preparing the draft annual plan.
22. It is proposed that the draft annual plan presented to council will be underpinned by the following principles of:

#### Looking after what we have got

- Objective: Prioritising the maintenance and improvement of existing assets to ensure they continue to serve the community effectively.
- Rationale: Maintaining current infrastructure is often more cost-effective than building new assets. This principle ensures that the community benefits from reliable and well-maintained services.

**Paying a fair share**

- Objective: Ensure that the costs of services and infrastructure are distributed equitably among all beneficiaries.
- Rationale: Fair cost distribution prevents any single group from bearing an undue financial burden, promoting social equity and community cohesion.

**Ongoing financial sustainability**

- Objective: Working towards getting back to a balanced budget to support the long-term financial sustainability of Council.
- Rationale: Financial sustainability is crucial for the Council to continue providing essential services without compromising future financial health.

**Affordability**

- Objective: Keep rates and charges manageable for residents and businesses, ensuring access to essential services without undue financial pressure.
- Rationale: Keeping services affordable helps enable the community to access essential services, supporting overall well-being and economic stability.

**Growth pays for growth**

- Objective: Ensure that new developments are funded by those who benefit, minimising the financial impact on current ratepayers.
- Rationale: This principle ensures that growth-related infrastructure costs are borne by developers and new residents, promoting sustainable urban development.

**Value for money**

- Objective: Deliver the best possible outcomes for the community through efficient, effective, and economical resource use.
- Rationale: Achieving value for money involves selecting the most efficient, effective, and economic resource allocation to maximise benefits for the community.

**What is value for money?**

23. At a time where there are ever growing expectations of public sector organisations to do more with less, the reality of constrained budgets and competing priorities for funding means that understanding the value generated by policies and investments is critical to enabling robust decision making and maximising value.
24. Council has consistently stated that that one of its biggest priorities is achieving VfM for the community. When discussing VfM, elected members have shared phrases such as “getting more for less”, “getting the cheapest price” and “looking after the ratepayers”. These are helpfully indicative of sentiment, but a more rounded consideration of VfM may be helpful prior to the preparation of the draft annual plan.
25. To this end there have been a number of reports/publications released in 2024 on the subject of VfM. Below gives a summary of some of the literature released so far to help steer towards what a definition might mean for Tauranga City Council.
26. VfM can mean different things to different stakeholder groups<sup>1</sup>. As described by [KPMG UK](#) in their publication “Value for Money (VfM) analysis” in simple terms, it is about whether something is worth what has been spent on it.
27. In a New Zealand context, on 21 June 2024 the [Office of the Auditor General](#) released a publication titled “Value for Money – A simply complex problem”<sup>2</sup>. The report highlights the

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<sup>1</sup> <https://assets.kpmg.com/content/dam/kpmg/uk/pdf/2024/02/value-for-money-analysis.pdf>

challenge of achieving VfM in the public sector, emphasising the need for a balance between expenditure and outcomes. To demonstrate VfM, public organisations must understand their costs and cost drivers and integrate this information into planning, reporting, and accountability processes.

28. Despite its apparent simplicity, the report notes, achieving VfM is complex due to issues such as unclear cost structures, lack of effectiveness evaluation, and inconsistent performance measures.
29. Establishing robust systems for recording and analysing cost and value, developing clear performance measures, and enhancing community engagement are crucial steps to improve VfM and ensure that public spending aligns with community priorities and delivers meaningful outcomes.
30. The New Zealand Infrastructure Commission – Te Waihanga (NZIC) has recently introduced the Infrastructure Priorities Programme (IPP)<sup>3</sup>. IPP helps identify the most critical infrastructure issues and solutions, ensuring informed decision-making.
31. The IPP is an independent, standardised process administered by NZIC. It identifies proposals and projects that align with New Zealand’s strategic objectives, offer good value for money, and are feasible. This process fosters a broad public agreement on infrastructure priorities and builds consensus around the top projects. The IPP is integral to the Commission’s National Infrastructure Plan, with qualifying proposals included in the plan to signal their importance to decision-makers and the public.
32. The IPP assessment framework includes strategic alignment, value for money, and deliverability, with VfM being a critical criterion at all stages of project evaluation. This holistic approach ensures that infrastructure projects not only meet strategic goals but also deliver maximum societal value efficiently and sustainably.
33. NZIC has a document within the IPP suite titled “Guide to Value for Money Assessments”<sup>4</sup> which outlines how VfM assessments fit within the framework and methodologies for evaluating infrastructure projects under the IPP.
34. VfM is assessed by considering both absolute and relative value. Absolute value for money ensures that the benefits of a project outweigh its costs. Relative value for money compares the net societal benefits of different options to ensure the chosen solution provides the highest benefits relative to its costs.
35. From the literature referenced above staff have summarised the concept of VfM as the three Es<sup>5</sup>:

**Economy:** obtaining the appropriate quantity and quality of resources at the lowest cost possible; optimising the resources (inputs) which an organisation has.

**Efficiency:** maximising the output generated from units of resource used; optimising the process by which inputs are turned into outputs.

**Effectiveness:** the relationship between the organisation’s intended and actual results (outputs); the extent to which it achieves its objectives.

36. The key to achieving good VfM is finding the balance between the three Es, although this is often difficult to achieve as each aims to achieve different and potentially conflicting outcomes. As an example, there have been many stories in the New Zealand news media about cost savings or budget cuts in public sector services. These suggest an emphasis on

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<sup>2</sup> <https://oag.parliament.nz/2024/value-for-money>

<sup>3</sup> <https://tewaihanga.govt.nz/our-work/infrastructure-priorities-programme>

<sup>4</sup> New Zealand Infrastructure Commission. (June 2024). Guide to Value for Money Assessments. Wellington: New Zealand Infrastructure Commission/Te Waihanga.

<sup>5</sup> <https://www.accaglobal.com/gb/en/student/exam-support-resources/professional-exams-study-resources/p5/technical-articles/vfm.html>

'economy' and potentially 'efficiency' rather than potentially the 'effectiveness' of the services.

37. Although it is generally accepted that getting more for less usually means achievement of a good outcome, care should also be taken not to drive to lower costs without conscious management of risks. A drive to only lower costs can have negative impact and also increase risks. For example, the removal of governance oversight or the use of lower-cost and less experienced project managers may appear cheaper but could increase risk of unsuccessful outcomes.
38. It is important to remember that the VfM framework highlights the importance of measuring (and managing) all three Es, rather than focusing on just one aspect of performance.
39. This also has implications in relation to choosing performance measures. Data will be needed to assess how well VfM is being achieved and therefore, in order to assess VfM appropriately, it will require a range of performance measures to address all three Es, rather than, for example, focusing primarily on cost (economy) or efficiency.
40. Staff seek feedback from Elected Members on the below proposed definition:

*Value for Money - refers to the efficient, effective, and economical use of public resources to achieve the best possible outcomes for Tauranga.*

### **Achieving value for money through decision making**

41. Achieving value for money through its decisions is a key part of Council's responsibilities. This involves selecting and investing in the right outcomes through a comprehensive assessment process, which includes:

#### **Outcome clarity**

- Objective: Clearly define the problem or opportunity and the desired outcomes.
- Method: Ensure all stakeholders understand the goals and objectives of each project, aligning them with community needs and strategic priorities.

#### **Business case assessment**

- Objective: Provide thorough documentation to support decision-making.
- Method: Develop detailed business cases that outline the expected benefits, costs, and alignment with Council priorities, ensuring transparency and accountability. Ensuring the following considerations:

##### ***Strategic alignment***

- Objective: Align projects with the Council's long-term strategic objectives.
- Method: Through councils planning and reporting cycle.

##### ***Cost/benefit analysis***

- Objective: Evaluate both tangible and intangible benefits.
- Method: Conduct comprehensive cost/benefit analyses, considering hard-to-monetise benefits such as social and environmental impacts.

##### ***Whole of life costs***

- Objective: Consider the total cost of ownership.
- Method: Use whole-of-life costing models to evaluate the long-term financial implications of projects, including post-delivery costs.

##### ***Asset management planning***

- Objective: Developing and implementing plans that optimise the performance and cost-effectiveness of Council assets over their lifecycle.



- Method: Implement robust asset management plans that include regular maintenance schedules, condition assessments, and renewal strategies.

**Feasibility and option analysis**

- Objective: Determine the viability of potential projects.
- Method: Conduct thorough feasibility studies and explore alternative solutions to identify the most cost-effective and beneficial options.

**Funding responsibility**

- Objective: Clear and transparent funding.
- Method: Ensure it is clear what the funding sources are and where they are coming from.

**Risk appetite**

- Objective: Assess the level of risk the Council is willing to accept.
- Method: Knowledge of what are the key risks. Also, an assessments of risk adversity.

**Community impact (impacts on delivery and approach)**

- Objective: Evaluate the potential effects on the community.
- Method: Define expectations for engagement and what is desired level of Elected Member involvement in engagement activities, to ensure consistency across all projects.

**Fairness and equity**

- Objective: Ensure equitable distribution of benefits.
- Method: Assess whether investments provide value across the city and benefit as many people as possible. Ensure that the benefits reach the intended parts of the community, promoting fairness and equity.

**Organisational responsibility in value for money**

42. The organisation will then aim to drive value for money through project delivery through:

**Procurement approach**

- Objective: Secure the best value through competitive and transparent procurement processes.
- Method: Use open tendering and engage suppliers early.

**Contractual terms**

- Objective: Establish clear and fair terms to ensure accountability.
- Method: Use standardised contracts with defined performance metrics.

**Value engineering**

- Objective: Optimise designs to reduce costs without compromising quality.
- Method: Conduct regular design reviews and involve stakeholders.

**Better outcomes**

- Objective: Achieve superior project outcomes that meet community expectations.
- Method: Develop outcome-focused plans and implement continuous improvement processes.

**Risk appetite applied to approach**

- Objective: Balance risk appetite in decision making approach above to project delivery.
- Method: Conduct thorough consistent risk assessments and develop mitigation strategies.

**Post Project Delivery**

**Measuring benefits**

- Objective: Verify that the project achieved its intended outcomes. (did we achieve what we said we would?)
- Method: Implement benefit realisation plans and conduct post-implementation reviews.
  - *Should we continue any ongoing investment?*
  - *Should we invest more?*

**Contract and performance management**

- Objective: Ensure effective management of contracts and supplier performance.
- Method: Regularly review contracts and monitor supplier performance against metrics to ensure outcomes are being achieved.

**STATUTORY CONTEXT**

43. The preparation of an annual plan is required under the Local Government Act 2002.

**STRATEGIC ALIGNMENT**

44. 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	✓

45. There are no significant direct community outcome implications from adoption of this report. However, an annual plan seeks to enable council to make progress against all its community outcomes.

**OPTIONS ANALYSIS**

46. There are no specific options to consider in this report. Council may choose to provide feedback on the proposed annual plan process, timeline, principles, or proposed definition of value for money.

**FINANCIAL CONSIDERATIONS**

47. This report covers the process, timeline and principles to developing the Draft Annual Plan 2025/26. The initial financials for the development of the draft annual plan will be presented to the 9 December 2024 Council meeting.

## LEGAL IMPLICATIONS / RISKS

48. The process of preparing and adopting an Annual Plan is set out under the Local Government Act 2002.

## CONSULTATION / ENGAGEMENT

49. Consultation on the annual plan will be in accordance with the requirements of the Local Government Act and the details of engagement will be further developed and presented at meetings in February and March 2025.

## SIGNIFICANCE

50. 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.
51. 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.
52. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter of an annual plan 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.
53. However, the decisions to be made in response to this report are considered of medium significance as they are just agreeing to timelines and endorsing or amending the proposed principles and a definition for value for money, to enable an initial budget to be drafted and reported back to Council. The draft annual plan itself will be consulted on next year in March.

## ENGAGEMENT

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

## NEXT STEPS

55. The indicative draft annual plan will be reported to Council on 9 December 2024.

## ATTACHMENTS

1. **Local Government Act 2002 No 84 (as at 01 October 2024), Public Act 95 Annual plan - New Zealand Legislation - A16957571** [↓](#) 





### 11.3 Annual Plan 2025-26 Capital Budget Prioritisation

**File Number:** A16901026

**Author:** Kathryn Sharplin, Manager: Finance  
Susan Braid, Finance Lead Projects Assurance

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

#### PURPOSE OF THE REPORT

1. This report identifies indicative capital expenditure limits for the 2025-26 Annual Plan by activity to assist prioritisation of the capital programme. Direction is requested from Council on capital project prioritisation for the draft annual plan.

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#### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Annual Plan 2025-26 Capital Budget Prioritisation".
- (b) Endorses the general approach to prioritising capital projects within a \$500m limit for the draft annual plan.
- (c) Agrees that Council will further consider the first cut prioritisation of projects through a workshop undertaken prior to the 9 December Council meeting,
- (d) Agrees that the initial prioritisation of capital projects for the draft annual plan will be confirmed by Council at its 9 December meeting.
- (e) Notes that the proposed \$500m capital programme limit risks exceeding existing LGFA covenant levels if external revenue is not received at the levels budgeted to be received in 2025/26.
- (f) Agrees that further consideration of borrowing limits and bespoke borrowing covenant options will be considered at the 9 December Council meeting.

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#### EXECUTIVE SUMMARY

2. As part of the Annual plan process Council is required to review and prioritise the capital programme for 2025/26.
3. There have been changes to the financial assumptions since the LTP, as reported to Council on 16 September in the Financial Update report. These changes require a review of the capital programme to remain within borrowing limits.
4. Council agreed on 29 October to reforecast capital budgets for 2024/25.
5. As a result of the reforecast, the 2025/26 capital project list now contains \$765m of capital projects which need to be prioritised down to \$500m for the year.
6. Priority lists of capital projects by activity will be provided at the meeting as an addendum to this report. Consideration of this list is proposed to be undertaken by Council through a workshop prior to decisions on the prioritised list at the Council meeting on 9 December. The agreed priority list will be included in the draft annual plan budget to be presented to Council in February 2025.

**BACKGROUND**

**Key Financials**

7. The 2024-34 Long Term Plan (LTP) set the key financials for 2025/26 as set out in the table below:

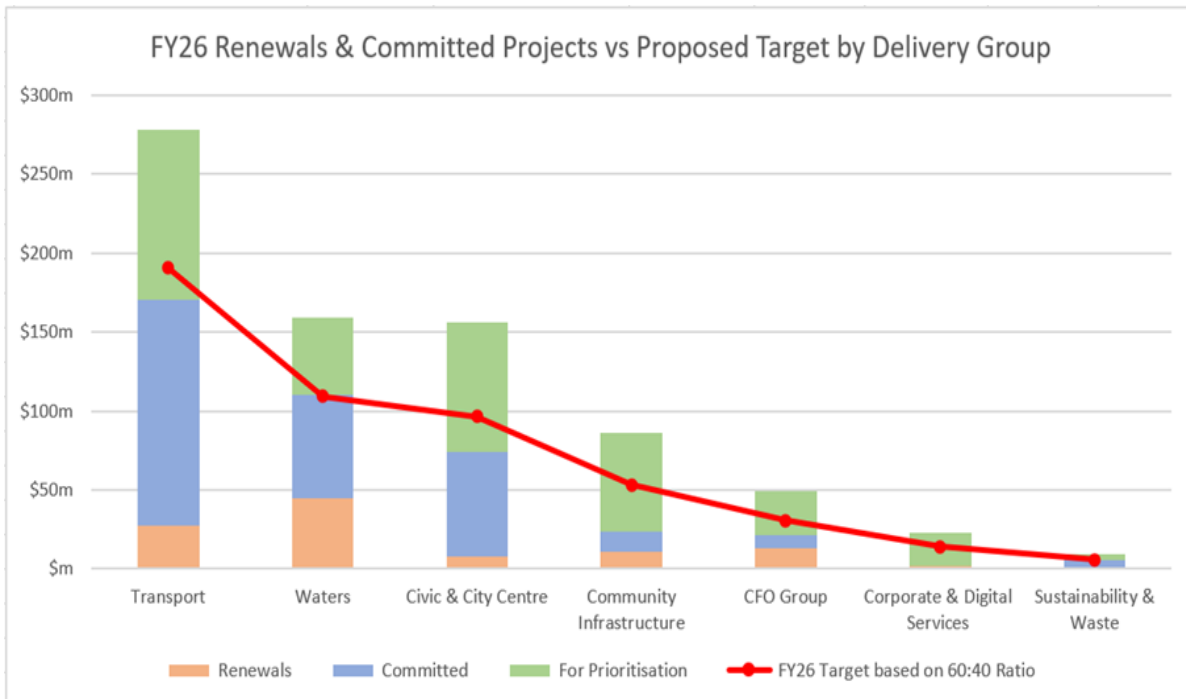
Key Financial Metric	2025/26 (Year 2) LTP \$m
Total Rates	373 Increases to 375m including IFF levy
Rates Increase % after adjusting for IFF debt retained in-council	12.50%
Other operating Revenue +BVL	160
Operational Expenditure	606
Capital and operational projects of a capital nature	544
Capital Subsidies	85
Debt	1,639
Debt:Revenue Ratio per Financial Strategy	272%

**Capital Programme**

8. The current value of capital projects sitting in 2025/26 is \$765m. This increased level of projects compared with the LTP has primarily resulted from Council’s decisions on 29 October 2024 to reforecast budget for 2024/25 by deferring projects for consideration as part of the annual plan process. To remain at acceptable borrowing limits Council needs to reduce this programme to a maximum of \$500m, noting that there is expected to be pressure throughout the ten years of the LTP.
9. To achieve the required reprioritisation the following process has been undertaken:
- (i) an indicative total budget limit for the year has been set for each activity area based on a 60:40 split between transportation and waters infrastructure: and community and other investment.
  - (ii) For each activity priority has been given to all renewals and committed projects for the year.
  - (iii) The balance of available funds will be initially prioritised for the activity with indication of which projects will fall above and below the prioritised line and the

implications of that. Funding will also be considered and presented as part of the prioritised list.

10. The graph below shows the budget limits allocated to each activity (red line) against the value of projects that make up the \$765m. The already prioritised renewals and committed project budgets are shown in orange and blue. The value of remaining projects to be prioritised is shown in green.



11. Capital projects that do not make the priority listing will need to be either stopped, deferred, or reduced in scope or cost to enable them to fit within the limit for 2025/26.
12. A list of prioritised projects related to this graph will be tabled at the Council meeting.
13. Further consideration of the prioritised projects is proposed to be undertaken through a Council workshop before the 9 December Council meeting. Approval on 9 December of a list of capital projects to be included in the draft annual plan will enable the draft annual plan to be prepared in time for a council meeting in early February.

**Forecast Debt and Borrowing Limits**

14. The net debt estimate for the 2025/26 Annual Plan is assumed to be higher than the LTP by \$10-\$15m. This increase is the result of a number of partially offsetting factors, including:
  - (i) changes to timing of asset realisation (reduce debt by \$14m).
  - (ii) decision to use LGFA borrowing instead of IFF for TMOTP has brought more debt on Council's balance sheet (debt higher by \$42m).
  - (iii) finalisation of New Zealand Transport Authority (NZTA) three-year funding decisions that are unfavourable to budget and not achieving grants and subsidies as budgeted for Te Manawataki o Te Papa and Memorial Park (increase debt by \$47m).
  - (iv) Closing net debt for 2024/25 forecast to be approx. \$50m better than LTP budget (reduce debt by \$50m).



15. There are further negative risks to the closing debt assumption that have not been incorporated in the forecast closing debt for 2025/26. These risks are around the amount of capital and subsidy revenue Council receives compared to what is currently budgeted for 2026. Currently budgeted asset and subsidy revenues are as follows:
  - (i) Contributions from developers to Tauriko West (\$34m),
  - (ii) IAF subsidy for Tauriko West timing (\$10m)
  - (iii) Infrastructure Funding and Financing grants for Transport (\$28m)
  - (iv) NZTA and other subsidies for capital and operational projects (\$51m)
  - (v) NZTA Tauriko West funding (\$29m)
  - (vi) Development contributions (\$34.5m)
  
16. Based on the above risks to revenue and the proposed \$500m capital programme, Council has a high risk of breaching the existing LGFA borrowing limit of 280% debt to revenue ratio. Council has expressed an interest in a bespoke covenant from LGFA based on the high level of growth debt carried by Council, which would help to manage the risk of breaching borrowing limits given the above external revenue risks.
  
17. Following the 19 November Annual Meeting of LGFA it will be known whether bespoke covenants will be approved to be offered by LGFA. Staff will provide updated information regarding the requirements and likely level of bespoke covenants to the 9 December Council meeting.
  
18. Further information on the expected debt to revenue ratio and borrowing limits will also be provided to the 9 December Council meeting as part of key financials for the development of a draft annual plan.

**STRATEGIC ALIGNMENT**

19. This report provides early framing as part of the 2025/26 Annual Plan which is prepared in accordance with the Local Government Act 2002.

**THIS CONTRIBUTES TO THE PROMOTION OR ACHIEVEMENT OF STATUTORY CONTEXT**

20. These fiscal envelopes provide guidance to staff to prepare the draft LTP. Decisions on the projects to be reduced removed or deferred will be made by Council through December to February 2025 prior to presentation of the draft annual plan in February 2025. The projects of the capital programme contribute to 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	✓

**OPTIONS ANALYSIS**

21. There are no options presented in this report, which provides information. Consideration of options related to this information will be considered at the Council meeting on 9 December.

## FINANCIAL CONSIDERATIONS

22. A capital programme of \$500m is the maximum level achievable taking into account current borrowing limits and risks to the revenue assumptions supporting the current estimated debt to revenue ratio.

## SIGNIFICANCE

23. 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.
24. 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.
25. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of high significance. However, as the key decisions are not made at this meeting this report contains decisions of low significance.

## ENGAGEMENT

26. 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

27. The list of capital projects and priority status will be tabled at the meeting for consideration alongside this report.
28. If approved a Council workshop is proposed to be undertaken prior to the Council meeting of 9 December at which capital projects prioritised for the draft annual plan will be considered. Options for the initial capital programme to be included in the draft annual plan budget will be considered at the Council meeting on 9 December.

## ATTACHMENTS

**Nil**

**11.4 Greenfields Growth Planning - Funding Requirements for 3-Waters Planning and Upper Belk Road Planning**

**File Number: A16911785**

**Author: Andy Mead, Manager: City Planning & Growth  
 Claudia Hellberg, Team Leader: City Waters Planning  
 Carl Lucca, Team Leader: Structure Planning**

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

**PURPOSE OF THE REPORT**

1. The purpose of this report is to:
  - (a) Outline next steps required to advance planning for the Upper Belk Road area, and broader 3-waters planning requirements to support greenfields growth in both the Western and Eastern Corridors
  - (b) Seek approval for inclusion of funding in the 2025/26 Annual Plan to support growth planning for these areas.

**RECOMMENDATIONS**

That the Council:

- (a) Receives the report "Greenfields Growth Planning - Funding Requirements for 3-Waters Planning and Upper Belk Road Planning".
- (b) Approves funding within the 2025/26 Annual Plan for the following operational activities:

Activity	\$
City Planning: Upper Belk Road Structure Planning and associated activities	280,000
City Waters: Keenan Road Urban Growth Area wastewater feasibility design	200,000
City Waters: Upper Belk / Western Corridor wastewater feasibility and options study, including concept plan and consenting options	300,000
City Waters: Eastern Corridor new wastewater strategy to reassess and accommodate growth provided for through SmartGrowth and potential Fast Track projects	200,000
<b>Total</b>	<b>980,000</b>

- (c) Notes that funding for subsequent years outlined in this report will be considered as part 2026/27 Annual Plan and 2027-30 Long Term Plan processes.

**EXECUTIVE SUMMARY**

2. As outlined in the SmartGrowth Strategy 2024-2027, the demand for housing and business land in the western Bay of Plenty sub-region is outstripping the available supply. In addition to local demand, the Government is undertaking a wide-reaching policy and legislative reform process that will have significant implications for growth management in the City. In particular, through its Going for Growth Housing Policy, the Government has announced decisions requiring councils to free up more land for housing.
3. To respond to key issue facing the sub-region, including housing and business land needs, the SmartGrowth Strategy sets out a comprehensive Future Development Strategy (FDS) for the western Bay of Plenty sub-region. On 14 October 2024 Council endorsed the SmartGrowth Strategy Implementation and Funding Plan (IFP). The IFP includes agreed priority actions to respond to the key issues facing the sub-region, including the following short-term (2024-27) actions:
  - (a) Structure Planning for Upper Belk Road
  - (b) Western Corridor feasibility studies and developing funding / financing plans for infrastructure needs, including planning for wastewater treatment for long term.
4. It is also anticipated that the Upper Belk Road will need to be zoned to give effect to the government's 30-year development capacity requirements under its Going for Housing Growth Policy.
5. Within the Eastern Corridor, wastewater infrastructure currently being upgraded through the 2024-34 LTP period will only be able to service the already approved growth in Papamoa and Wairakei. Significant further wastewater upgrades have been identified to service Te Tumu. With additional unplanned growth potentially being enabled through the Fast Track Bill process for Tara Road and Bell Road areas, further assessment and planning will need to be undertaken to futureproof wastewater capacity for these areas.
6. These actions to support growth planning for Upper Belk Road and 3-waters are currently unfunded, having not been included within Council's Long-Term Plan (LTP) to date. However, given the critical need for housing and the lead times for planning and development, SmartGrowth partners have agreed on the need to bring planning forward for these projects.
7. Planning is expected to take four to five years, following which further detailed development design, consenting and construction of infrastructure will be required. Accordingly, starting the process now is required to have housing development commencing from 2034 onwards.
8. The preferred option in this report recommends including funding in the 2025/26 Annual Plan budget to proceed with planning for Belk Road and three waters planning to support growth areas. Funding for subsequent years will be considered as part 2026/27 Annual Plan and 2027-30 Long Term Plan processes.
9. Implications of insufficient budget and/or the projects not proceeding include:
  - (a) Delays to the project and subsequent impacts on potential to zone and enable housing for the city.
  - (b) Risks associated with lack of information to robustly progress structure planning and rezoning processes (and likely further delay to delivery).
  - (c) Delays leading to worsening of the projected housing shortfall of 6,600 to 7,600 dwellings over the next 30 years (and associated housing affordability).
  - (d) Potential non-compliance with Government housing growth targets, SmartGrowth FDS targets, and other legislative requirements.

## BACKGROUND

### Strategic growth needs and direction

10. As outlined in the SmartGrowth Strategy 2024-2027, the demand for housing in the western Bay of Plenty sub-region is outstripping the available supply. Tauranga City is one of New Zealand's least affordable housing markets and there is a lack of housing choice (typology and tenure) in the sub-region. Land available for future housing and business supply is constrained, typically due to topography, natural hazards, areas to be protected, suitable access, complicated or delayed planning processes, infrastructure timing and funding, land tenure and developer decisions to withhold land for development or develop at a slower rate.
11. In addition to local demand, the Government is undertaking a wide-reaching policy and legislative reform process that will have significant implications for growth management in the City. In particular, through its Going for Growth Housing Policy, the Government has announced decisions requiring councils to free up more land for housing. These changes will be implemented through amendments to the Resource Management Act and the National Policy Statement on Urban Development, with the requirements expected to be in place by mid-2025. Key relevant decisions have included<sup>6</sup>:
  - (a) *New Housing Growth Targets introduced for Tier 1 and 2 councils, requiring them to enable 30 years of feasible housing capacity in their district plans, using 'high' population growth projections.*
  - (b) *Government investigating options to require councils to plan for 50 years of growth in their Future Development Strategies (up from 30) and be more responsive to private plan changes.*
12. To respond to key issue facing the sub-region, including housing and business land needs, the SmartGrowth Strategy sets out a comprehensive Future Development Strategy (FDS) for the western Bay of Plenty sub-region, in accordance with the National Policy Statement on Urban Development.
13. The aim of the FDS is to outline where development capacity will be provided over the next 30 years to meet expected demand and to integrate this with development infrastructure. This is set within a context of achieving a well-functioning urban environment, based on the agreed 'Connected Centres programme' approach.
14. While significant planning has been completed and is underway to support growth in line with the FDS, there is still a significant housing shortfall forecast over the next 30 years of between 6,600 and 7,600 dwellings.
15. In line with the SmartGrowth Strategy and FDS, greenfield planning is underway for the Tauriko West, Te Tumu and Keenan Road Urban Growth Areas (UGAs). Plan Change 35 for the Tauriko Business Estate Stage 4 extension over the Lower Belk Road area has recently been completed (approval to make the Plan Change operative is on the agenda for 12 November 2024), and the Tauriko West Variation 1 Plan Change hearing is scheduled for December 2024.
16. Lead time on planning and development is a significant consideration, with 10 years from the start of planning to the first houses on the ground not being unusual under the current planning regime. To unlock greenfield urban growth areas significant planning and investment in infrastructure is also required. To close the gap on housing and business land needs and meet Government requirements for housing supply, it is necessary to progress planning for future growth areas with urgency.

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<sup>6</sup> Source: <https://www.hud.govt.nz/news/freeing-up-land-for-urban-development-and-housing>

Proposed Upper Belk Road Structure Plan

17. On 14 October 2024 Council endorsed the SmartGrowth IFP. The IFP includes agreed priority actions to respond to the key issues facing the sub-region.
18. A 'priority short term action' for 2024-27 included within the SmartGrowth IFP is:

*Structure Planning for Upper Belk Road: Undertake structure planning for Upper Belk Road including undertaking feasibility work. Structure planning will include further investigations required for industrial land.*
19. The Upper Belk area (refer Attachment 1 – Location Plans) includes approximately 260-300+ hectares (gross) of land suitable for development, as either residential and/or business (industrial). The proposed structure planning process will consider both, acknowledging the long term sub-regional housing and business land needs set out in the SmartGrowth Strategy FDS. This includes up to 8,000 dwellings allocated to the Upper Belk Road and Merrick /Joyce Roads between 20234-54.
20. The Upper Belk Road Structure Plan project is identified as unfunded in the IFP, having not been included within Council's LTP to date. However, given the critical need for housing and business land, the lead times for planning and development, SmartGrowth partners have agreed on the need to bring planning for this project forward.
21. It is also anticipated that the Upper Belk Road will need to be zoned to give effect to the government's 30-year development capacity requirements under it Going for Housing Growth Policy.
22. The Upper Belk Road Structure Plan will be a complex planning process requiring significant analysis, feasibility, design, engagement and infrastructure planning. Key deliverables will include feasibility studies, supporting 3-waters, hazards, open space, transport and other studies (SWOT analysis). Water supply and wastewater investigations will be particularly critical to move planning ahead and are discussed further below.
23. As part of progressing the structure plan for Upper Belk Road, the process would also include a Plan Change to the Tauranga City Plan to provide for appropriate zoning.
24. Acknowledging that the land area currently sits within Western Bay of Plenty District, TCC would work closely with Western Bay of Plenty District Council (WBoPDC) throughout the process. Initial engagement has commenced with WBoPDC in this regard and further detail is provided below.
25. The project will be delivered through a mix of internal resources (including planning, transportation, city waters, open space and recreation, GIS, comms and engagement), as well as external expertise (including geotech, transportation, 3-waters, economic and feasibility, ecology and other specialist areas).
26. Planning is expected to take four to five years, following which further detailed development design, consenting and construction of infrastructure will be required. Accordingly, starting the process now is required to have housing development commencing from 2034 onwards.
27. It is proposed to take a stepped process considering project feasibility and potential fatal flaws as key gateways, with regular reporting back to Council. Initial work would focus around inhouse resources and information, moving progressively to more detailed external requirements and structure plan development as the project progresses through gateways. This expenditure pattern is expected to be on a similar scale to Tauriko West, Keenan Road and Te Tumu UGAs.
28. An outline of the key Belk Road Structure Planning activities, delivery timeframes and estimate of indicative costs is outlined in the table below. Costs indicate operational budgets required for external resourcing in addition to internal staff time<sup>7</sup>. As work progresses, cost

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<sup>7</sup> Staff time generally includes 1-2 City Planning and Growth team members full time over the course of the project, plus additional staff across the organisation (e.g. transportation, engagement, spaces and places, engineering) providing expert inputs on an ongoing basis.

estimates for subsequent years will become more detailed. These costs excludes Western Corridor-wide 3-waters funding required to inform the project, which are outlined further below.

Year	Activity	\$ (000s) <sup>8</sup>
24/25	Internal project planning, high level yield analysis and identification of key matters for feasibility.	Nil
25/26	Detailed desktop analysis and feasibility testing, focus on potential fatal flaws, mana whenua and key stakeholder engagement.	280
26/27	Detailed structure plan development; engagement; and plan change preparation.	665
27/28 onwards <sup>9</sup>	Finalise structure plan and plan change; notification and hearings.	1,050
<b>Totals</b>		<b>1,915</b>

29. Implications of insufficient budget and/or the project not proceeding include:

- (a) Delays to the project and subsequent impacts on potential to zone and enable housing for the city.
- (b) Risks associated with lack of information to robustly progress structure planning and rezoning processes (and likely further delay to delivery).
- (c) Delays leading to worsening of the projected housing shortfall of 6,600 to 7,600 dwellings over the next 30 years (and associated housing affordability).
- (d) Potential non-compliance with Government housing growth targets, SmartGrowth FDS targets, and other legislative requirements.

3-Waters planning to support growth in the Western and Eastern Corridors

30. The SmartGrowth IFP includes specific Western Corridor priority actions in the short term (2024-27) relating to feasibility studies and developing funding / financing plans for infrastructure needs, including planning for wastewater treatment for long term.

31. Additional 3-waters modelling and planning projects are required to support greenfields planning and delivery, to overcome significant constraints in the existing network:

- (a) Within the Western Corridor, Tauranga’s current wastewater system will only have capacity to support the Tauriko West and Lower Belk Urban Growth Area. There may be some capacity to support part of the Keenan Urban Growth Area. There is no further capacity for Upper Belk Road or other future growth areas. Subject to further assessment of the existing infrastructure, future decisions will need to be made on how to service these additional growth areas. Solutions are likely involving either significant upgrades to the existing network or potentially a new treatment plant might be required.
- (b) Within the Western Corridor, Tauranga’s current water supply system will require further analysis to evaluate capacity in relation to growth proposed within the Keenan Road and Upper Belk growth areas. It is likely that resizing of planned infrastructure will be required to meet future needs.
- (c) With regard to stormwater, future urban development has significant impacts on catchments, both in terms of quantity and quality. This requires updated modelling, flood risk analysis (including downstream), stormwater management planning, and

<sup>8</sup> Excludes contingencies.

<sup>9</sup> Budget may be split over multiple years depending on delivery timeframes.

consenting in advance of development occurring. Consideration needs to be given to on-site and off-site storage and treatment and disposal options.

- (d) Within the Eastern Corridor, wastewater infrastructure currently being upgraded through the 2024-34 LTP period will only be able to service the already approved growth in Papamoa and Wairakei. Significant further wastewater upgrades have been identified to service Te Tumu. These budgets are currently outside the 10-year LTP. With additional unplanned growth potentially being enabled through the Fast Track Bill process for Tara Road and Bell Road areas, further assessment and planning will need to be undertaken to futureproof wastewater capacity for these areas. This could include collaboration with WBoPDC where there is cross boundary servicing issues.

- 32. Having regard to the above, a significant amount of analysis and option development is required, with adequate lead times to plan and develop infrastructure services to support future development.
- 33. The need for further funding comes in response to agreed priority actions within the SmartGrowth IFP, Government’s Going for Housing Growth Policy reform, and the new growth areas that may be consented through the Fast Track Bill.
- 34. An outline of the key 3-waters activities and a high-level estimate of indicative costs for the Western and Eastern Corridors is outlined in the table below. Costs indicate operational budgets required for external resourcing in addition to internal staff time. As work progresses, cost estimates for subsequent years will become more detailed.

Year	Activity	\$ (000s)
25/26	Keenan Road UGA wastewater feasibility design	200
	Upper Belk / Western Corridor wastewater feasibility and options study, including concept plan and consenting options (over three years)	300
	Eastern Corridor new wastewater strategy to reassess and accommodate growth through both SmartGrowth and potential Fast Track projects (over four years)	200
26/27	Western Corridor waters study – potential resizing requirements based on growth planning updates	200
	Western Corridor stormwater assessment requirement for flood storage (Kopu and Wairoa model)	200
	Upper Belk / Western Corridor wastewater feasibility and options study (cont.)	300
	Eastern Corridor new wastewater strategy (cont.)	300
27/28	Upper Belk / Western Corridor ecological assessment and water quality modelling	225
	Upper Belk / Western Corridor wastewater feasibility and options study (cont.)	300
	Eastern Corridor new wastewater strategy (cont.)	300
28/29	Eastern Corridor new wastewater strategy (cont.)	200
<b>Totals</b>		<b>2,725</b>

- 35. Similarly to the growth area planning budgets, implications of insufficient budget include:
  - (a) Potential delays to the greenfields project delivery and subsequent impacts on potential to enable housing for the city.
  - (b) Delays leading to worsening of the projected housing shortfall of 6,600 to 7,600 dwellings over the next 30 years (and associated housing affordability).



- (c) Potential non-compliance with Government housing growth targets and SmartGrowth Strategy and FDS targets.

Potential Specified Development Project

- 36. The Minister for Housing is currently considering a Specified Development Project (SDP) application by Kāinga Ora for the whole of the Western Corridor, including the Upper Belk Road area.
- 37. Under the Urban Development Act, Kāinga Ora has the ability to initiate, facilitate and undertake transformational, complex urban development that contributes to sustainable, inclusive, and thriving communities. SDPs established under the Act provide an alternative way for Kāinga Ora to work with councils, iwi/Māori, and private developers to deliver such projects, including delivery of infrastructure and zoning.
- 38. Kāinga Ora, with input from key stakeholders, has prepared an assessment report to evaluate the feasibility and necessity of creating a designated area for urban development in response to significant housing demand. It aims to provide a comprehensive analysis that supports the recommendation to the Minister for Housing regarding the establishment of the SDP.
- 39. As part of the process, TCC has provided specific feedback in relation to governance and operational arrangements; financing, funding and feasibility; and the impacts of the changing operational environment.
- 40. The Minister is still to make a decision on the SDP proposal. The presumption in this paper is that the SDP will not progress and therefore planning processes will fall to TCC to lead and fund rather than Kāinga Ora. If the SDP does proceed then Kainga Ora would be completing much of the planning, and any approved budget could be reduced.

**STRATEGIC ALIGNMENT**

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	✓

- 41. Planning for growth, including 3-waters planning, inherently relates to and responds to all Council’s strategic community outcomes. These values are also echoed in the SmartGrowth Strategy 2024-27 key outcomes and directives that provides direction to how our city grows.
- 42. Without the provision for growth, there will be significant impacts on housing choice, supply and affordability, availability of business land, and the way we move around. Planning also places significant emphasis on protecting and enhancing the environment but providing for growth and infrastructure in the right places and in a sustainable manner.

**OPTIONS ANALYSIS**

Option 1 – Include funding in the 2025/26 Annual Plan

- 43. **Description:** This option includes providing funding in the 2025/26 Annual Plan budget to proceed with planning for Belk Road and three waters planning to support growth areas.
- 44. **Advantages and disadvantages:**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Potential delays to the project and subsequent impacts on potential to enable housing for the city are avoided.</li> <li>• Potential non-compliance with Government housing growth targets and other legislative requirements is likely to be avoided or otherwise minimised.</li> <li>• Proposed funding allows for appropriate planning processes in line with legislative requirements and best practice.</li> <li>• Avoids potential for ad hoc planning within the subject areas.</li> <li>• Demonstrates to the Government that TCC is actively progressing matters aligned with Government direction (which is likely a relevant consideration in any future city/regional deal if TCC is selected)</li> </ul>	<ul style="list-style-type: none"> <li>• Additional operational costs – refer below (both in 2025/26 and future financial years).</li> </ul>

- 45. **Budget – Capex:** Nil, noting that capex funding requirements will evolve from the initial planning and option analysis of infrastructure planning for the Upper Belk Road growth area and 3-waters infrastructure planning.
- 46. **Budget – Opex:** The decision making has operational funding requirements, in particular an additional \$980,000 for the 2025/26 Annual Plan.
- 47. **Key risks:** Funding budgets provided are indicative only and may be higher or lower than indicated, particular in subsequent years.
- 48. **Other matters:** Should the SDP process be confirmed, funding may not be required or may otherwise be the subject of a shared funding approach.
- 49. Option 1 is the **recommended option**.

Option 2 – Defer funding for future decision making

50. **Description:** This option does not confirm funding for to proceed with planning for Belk Road and three waters planning to support growth areas. Rather, it defers any such decision as part of future LTP discussions.

51. **Advantages and disadvantages:**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• No additional operational costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Delays to the project and subsequent impacts on potential to enable housing for the city, along with associated economic and social impacts.</li> <li>• Potential non-compliance with Government housing growth targets and other legislative requirements.</li> <li>• Not aligned with the broader direction from Government and therefore not positive in terms of engaging with Ministers.</li> <li>• Potential for ad hoc planning within the subject areas.</li> <li>• Potential for re-prioritisation of other operational budgets to be required to meet SmartGrowth and legislative requirements, resulting in implications on delivering other priority projects.</li> </ul>

- 52. **Budget – Capex:** Nil
- 53. **Budget – Opex:** Potential for re-prioritisation of other operational budgets to be required to meet SmartGrowth and legislative requirements.
- 54. **Key risks:** This option will not assist the Tauranga to meet housing needs, exacerbating the housing crisis over the long term and associated economic and social impacts. There is potential for costs to increase in the meantime.
- 55. **Option 2 is not the recommended option.**

**FINANCIAL CONSIDERATIONS**

- 56. As outlined above, the following funding is required over subsequent years to provide for 3-waters and growth planning:

Year	Activity	\$ (000s) <sup>10</sup>
25/26 Annual Plan	Total additional 3-waters and planning budgets	980
26/27 Annual Plan	Total additional 3-waters and planning budgets	1,665
2027-30 Long Term Plan	Total additional 3-waters and planning budgets	2,075 <sup>11</sup>
<b>Totals</b>		<b>4,720</b>

- 57. Potential for re-prioritisation of other operational budgets has been considered. However, to meet wider priorities including SmartGrowth and legislative requirements, there is not the possibility to achieve this within the City Planning or City Waters teams. Any re-prioritisation of budgets would result in implications on delivering other priority projects.

**LEGAL IMPLICATIONS / RISKS**

- 58. As noted above, Council has legal requirements to meet growth targets, and this is likely to be furthered by Government’s Going for Housing Growth Policy requirements. The proposed projects are also required to fulfil Council’s obligations to deliver on the SmartGrowth Strategy and IFP.

**TE AO MĀORI APPROACH**

- 59. Engagement with tangata whenua has occurred through the SmartGrowth Strategy 2024-74 and IFP preparation. The SmartGrowth Strategy includes consideration of te o Māori values and outcomes.
- 60. As part any future work on Upper Belk Road Structure Plan and 3-waters planning for growth, Council will engage early with tangata whenua to understand and incorporate relevant te ao Maōri and other cultural values into the projects.

**CLIMATE IMPACT**

- 61. The impact of climate change, particularly in respect of natural hazard management (e.g., flooding) is a key component of planning for future growth areas such as Upper Belk Road and 3-waters planning. The funding sought provided for the appropriate assessments to be undertaken to appropriately manage responses to climate change and natural hazards as growth occurs.

<sup>10</sup> Excludes contingencies.

<sup>11</sup> Budget may be split over multiple years depending on delivery timeframes.

## CONSULTATION / ENGAGEMENT

62. Public consultation has occurred through a special consultive process on the SmartGrowth Strategy 2024-74, and with SmartGrowth partners and key stakeholder on the IFP, leading to the identification of priority actions relating to Upper Belk Road Structure Plan and Western Corridor 3-waters planning.
63. As part of progressing planning for Upper Belk Road and 3-waters, consultation and engagement with mana whenua, WBoPDC, key stakeholders and the community will occur as appropriate.
64. WBoPDC staff have been engaged in development of this report. Moving forward, it will be important for the two Councils to work together, acknowledging that the Upper Belk Road areas sit within the Western Bay of Plenty District. It is envisaged that TCC would work closely with WBoPDC, particularly where engagement with community, tangata whenua, and elected members is required, and through preparation of the structure plan itself. TCC staff will work with WBoPDC staff through project planning to agree how this partnership will be moved forward.
65. Consultation will also occur on future planning budgets through the 2027-30 Long Term Plan process.

## SIGNIFICANCE

66. 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.
67. 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.
68. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.

## ENGAGEMENT

69. Taking into consideration the above assessment, that the decision is of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision. This takes into consideration that the proposed funding is in line with strategic direction and engagement will occur as part of any future planning for future growth projects and under Annual Plan and LTP processes.

## NEXT STEPS

70. Subject to funding being approved through the 2025/26 Annual Plan, further in-house project planning for Upper Belk Road Structure Plan and Western Corridor 3-waters planning will occur over the coming six months. For Upper Belk Road this will include desktop assessment of any potential fatal flaws or other key issues that could impact on delivery of the project.
71. It is anticipated that Council would report next steps and outcomes of desktop assessment to Council in March / April 2025.

## ATTACHMENTS

1. **Upper Belk Area Location Plan - A16924338**  





## 11.5 To Make Operative Plan Changes 34 and 35

**File Number:** A16928549

**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 make Plan Change 34 Belk Road Rural Residential and Private Plan Change 35 Tauriko Business Estate Stage 4 operative.

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "To Make Operative Plan Changes 34 and 35".
- (b) Pursuant to Clause 17(1) of Schedule 1 of the Resource Management Act 1991, approves Plan Change 34 Belk Road Rural Residential (as per Attachment 1) and Private Plan Change 35 Tauriko Business Estate Stage 4 (as per Attachment 2), and authorises the Mayor and Chief Executive to affix the seal of Council on the Plan Change 34 and Plan Change 35 documents.
- (c) Pursuant to Clause 20 of Schedule 1 of the Resource Management Act 1991, notifies that the approved Plan Changes 34 and 35 shall become operative on 23 November 2024.

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### EXECUTIVE SUMMARY

2. Plan Change 34 Belk Road Rural Residential and Private Plan Change 35 Tauriko Business Estate Stage 4 were heard by Independent Hearing Commissioners. The Commissioners' recommendations on both plan changes were adopted by Council on 16 September 2024. The decisions were notified on 21 September with the appeal period to the Environment Court closing on 4 November 2024.
3. No appeals have been lodged. The Plan Changes are now to be made operative in accordance with the Resource Management Act 1991 (RMA).

### BACKGROUND

4. The Operative Tauranga City Plan is a statutory document that exists to fulfil the Council's functions as set out in section 31 of the RMA, namely, to manage the effects of subdivision, use and development on the environment. The City Plan is a constantly evolving document, and this is recognised and provided for in the RMA through the plan change process, which enables changes the City Plan to address resource management issues outside of the 'whole of plan review' process.
5. Plan Change 34 rezones 19ha of land at the start of Belk Road from Rural in the Western Bay of Plenty District Plan to Rural Residential in the Tauranga City Plan in recognition of the existing and future use of that land.
6. Private Plan Change 35 has been promoted by Element IMF to extend the Tauriko Business Estate into the lower Belk Road area by rezoning the land from Rural under the Western Bay of Plenty District Plan to Industrial under the Tauranga City Plan.

7. The plan changes were heard separately by different Independent Hearing Commissioners whose recommendations were adopted by Council on 16 September 2024. Those decisions have since been notified, and with no appeals lodged with the Environment Court are now to be made operative in accordance with clause 17(1) of Schedule 1 of the RMA.
8. This requires a resolution from Council which is to be publicly notified, and the City Plan text and maps changed to give effect to the decision.
9. The process now is an administrative process.

**STATUTORY CONTEXT**

10. As no appeals were received on either plan change, pursuant to clause 17(1) of Schedule 1 of the RMA, Council is now required to approve the plan changes and authorise the Mayor and Chief Executive to affix the sign and seal of Council. Plan Change 34 and Plan Change 35 can become operative in under Clause 20(2) of Schedule 1 of the RMA.

**STRATEGIC ALIGNMENT**

11. 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	✓

12. The plan changes provide for enhancement of the Omanawa River environment and are part of the settlement pattern of the SmartGrowth Strategy. The extension of the Tauriko Business Estate enables significant business land capacity aligned with appropriate infrastructure investment, including transport investment.

**OPTIONS ANALYSIS**

13. There are no options. The RMA requires this process to occur.

**FINANCIAL CONSIDERATIONS**

14. The cost of the public notice is covered within the existing budget.

**LEGAL IMPLICATIONS / RISKS**

15. There are no legal implications / risks involved in making Plan Change 34 and Plan Change 35 operative when they have been through all necessary statutory processes, including the opportunity for appeals.

**TE AO MĀORI APPROACH**

16. This was considered through the earlier phases of the plan change process, including hui with relevant hapu representatives.

**CLIMATE IMPACT**

17. Climate change was taken into account in the modelling for stormwater and provision of other infrastructure.



## CONSULTATION / ENGAGEMENT

18. Not applicable. The public notice is for information only. Consultation and engagement with the community and tangata whenua has occurred through the plan change processes.

## SIGNIFICANCE

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

## ENGAGEMENT

22. 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

23. In accordance with Clause 20 of Schedule 1 of the RMA, Council is required to publicly notify the date in which Plan Change 34 and Plan Change 35 become operative. The public notice has to be at least five working days before the actual date on which they become operative. The operative date for both plan changes is proposed to be 23 November 2024.
24. The City Plan is updated to insert the decisions on the plan changes.

## ATTACHMENTS

1. **PC34 Belk Road - Commissioner's Recommendation Decision - PDF - A16217583** [↓](#) 
2. **IHC Recommendation Report - Appendix 1 - Recommended Changes to PPC 35 - 22 August FINAL - A16484360** [↓](#) 







































































































**11.6 Temporary alcohol-free areas update for the summer period 2024/25**

**File Number: A16984003**

**Author: Nigel McGlone, Manager: Environmental Regulation  
Jenna Quay, Events Facilitation Manager**

**Authoriser: Sarah Omundsen, General Manager: Regulatory and Compliance**

**PURPOSE OF THE REPORT**

1. To approve an amendment to the temporary alcohol-free area for Mercury Park due to an event date change.

**RECOMMENDATIONS**

That the Council:

- (a) Receives the report "Temporary alcohol-free areas update for the summer period 2024/25".
- (b) Revoke the Council resolution CO19/24/1 (e) made on 16 September 2024 that resolved the temporary alcohol-free area around Mercury Baypark from 10am, 31 December 2024 to midnight, 4 January 2025.
- (c) Resolves under clause 8 of the Alcohol Control Bylaw 2018 to implement a temporary alcohol-free area 10am, 28 December 2024 to 6am, 1 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



## DISCUSSION

2. The Alcohol Control Bylaw 2018 (the Bylaw<sup>12</sup>) provides for the 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. On 16 September 2024, Council approved a temporary alcohol-free area around Mercury Baypark from 10am, 31 December 2024 to midnight, 4 January 2025 to support event and police operations.
4. The approved temporary alcohol-free area covered the New Year's Eve concert, 31 December and the Sublime with Rome concert, 3 January 2025. The Sublime with Rome concert has now moved from 3 January 2025 to the new date of 28 December 2024, hence the request from the Police to amend this timeframe to cover the new concert dates.
5. The report seeks approval to amend the dates around Mercury Baypark area from 10am, 31 December 2024 to midnight, 4 January 2025 to the revised date of 10am, 28 December 2024 to 6am, 1 January 2025.

## NEXT STEPS

6. 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.

## ATTACHMENTS

Nil

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<sup>12</sup> The Alcohol Control Bylaw 2018 can be find on Tauranga City Council's website at [Alcohol Control Bylaw 2018](#)

## 11.7 City Operations in-housing

**File Number:** A16668512

**Author:** Greg Steele, Manager: City Operations.  
Anne Payne, Principal Strategic Advisor

**Authoriser:** Barbara Dempsey, General Manager: Community Services

### PURPOSE OF THE REPORT

1. To present an overview of the timing and decision-making relating to the in-housing of parks, reserves and other city operations contracts since 2022.

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "City Operations in-housing".

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### EXECUTIVE SUMMARY

2. On 2 May 2022, Council directed staff to assess city beautification contracts for in-housing or continued outsourcing to contractors prior to each contract's expiry, with CE approval being required before implementing any proposed changes.
3. Six large contracts have been in-housed to date, along with several smaller contracts. Results to date, both financial and quality/volume of service delivery, are very positive. The new City Operations unit is now bedded in and continues to seek efficiencies as it increases in experience and scale.
4. The final group of contracts assessed under the 'first tranche' of contracts included in the 2 May 2022 Council paper come up for expiry at the end of this financial year, 30 June 2025.

### BACKGROUND

#### Origin of this report

5. This report responds to Elected Members' request for information on the in-housing of maintenance contracts for reserves and walkways (referenced in the Draft Annual Report 2023/24, page 73), including: a breakdown of the maintenance staff brought in-house, cost of the work done as contracted, cost of it being done in-house, and the number of new employees.

#### 2022: Section 17a reviews and Council decisions

6. Section 17a of the Local Government Act 2022 requires councils to undertake periodic reviews of their service delivery models to determine if the right service is being delivered at the most affordable costs, and to consider if there are more suitable delivery arrangements.
7. Council staff undertook section 17a reviews of Tauranga City Council's 'city beautification' maintenance contracts in early 2022. City beautification activities are those that create and maintain visual improvements to a town or city, and are highly visible and important to our communities. For Tauranga City Council (TCC), these include maintenance of roadsides, walkways, reserves, sportsfields, related TCC facilities, the natural environment, and graffiti removal.

8. At that time, these services were fully outsourced via eight major contracts held by six different suppliers with multiple depots and a range of contractor-owned or leased heavy machinery. The contracts covered a wide range of services, and were of significant scale and complexity (such as 24/7 x 365 days a year requirements; and specialist skills, equipment and/or machinery requirements).
9. On 2 May 2022, Council received the public excluded 'City Beautification Services – Review of Service Delivery Model' report. This report outlined the findings of the s17a reviews and provided service delivery options for Council's consideration. The report was recently released to open and is available on the TCC website<sup>13</sup>.
10. The main findings of the reviews were that:
  - There was a level of community dissatisfaction with the current quality and/or timeliness for many of the outsourced services
  - It was difficult to achieve and maintain the contracted levels of service across the range of contracts and services, and
  - It was more difficult to flex the service provision to meet rapidly increasing community expectations under the outsourced model.
11. A range of contracts coming up for review in the following two to three years were referenced in the report, forming the first tranche of contracts for consideration. This included a contract expiring on 30 June 2022 which had been assessed and could be in-housed from 1 July 2022, pending Council direction.
12. Council approved Option 3, described below, and resolved to transfer the decision into the public once the appropriate parties had been advised (Resolution C07/22/5).

***'OPTION 3: Use a combination of Options 1 and 2 by assessing all current contracts for repatriation to TCC, a change in service levels, or the continuation of an existing arrangement***

*Summary – contracts are assessed at expiry and/or over next 12+ months against a predetermined 'make or buy' criteria.*

*After assessment, a decision will be made to determine whether to insource, change levels of service or continue to outsource all or part of each contract.*

*Design principles include:*

*(a) A thorough exercise to identify and prioritise the extent of what will be repatriated through robust decision making*

*(b) Timing of any re-patriation aligned with overall business unit capacity*

*(c) Distinguish high profile areas that require a higher level of service*

*(d) CEO approval required at each stage/contract*

*(e) Increased management of suppliers continues in meantime*

*(f) Additional principles for re-patriation could include, for example:*

*(i) Are suburban areas as important as CBD's?*

*(ii) Are SLA's the same for all town centres?*

*Service flexibility will be needed from suppliers as uncertainty may creep in.'*

13. On 7 November 2022, Council received the public excluded 'Re-patriations of Vegetation Contracts' report. The report advised that assessments had been completed on two further contracts due to expire on 30 June 2023, resulting in both contracts being scheduled for

<sup>13</sup> Council, 2 May 2022, 'City Beautification Services – Review of Service Delivery Model: <https://www.tauranga.govt.nz/council/about-your-council/information-released-from-public-excluded-sessions>

repatriation (being brought back in-house) from 1 July 2023. Council approved bringing forward capital budget to the current year, to enable plant and equipment purchase in readiness for these contracts being brought in-house. This report was recently released to open and is available on the TCC website<sup>14</sup>.

### **2023 – 2025: Staged in-housing of contracts to the new City Operations unit**

#### 2022/23

14. The first contracts, Reserves Walkways Maintenance and the Accessways element from the Transport Revegetation contract, were brought in-house from 1 July 2022. 15 new full time equivalent (FTE) council staff were employed to deliver these services, initially managed from the Spaces and Places team.
15. Significant work was done during the 2022/23 year to bed in these new services with tighter direct control and improved quality of service delivery. Assessments were completed and approved for contracts expiring within 12 months, and a separate City Operations transition team was set up to continue the in-housing process. This team set up health and safety plans and procedures, procured all plant and equipment for the incoming contracts, leased the Owens Place depot, developed the field mobile solution for work management, and implemented a recruitment programme for the incoming contracts.
16. Construction also started on the Tauriko depot, and budget was brought forward to enable purchase of plant and equipment required for the contracts being brought in-house the following financial year.

#### 2023/24

17. The Mount Maunganui / Pāpāmoa Reserve Maintenance contract and the Natural Environment contract were brought in house from 1 July 2023. These were large contracts and 37 field staff including supervisors were brought on board to directly deliver these services, alongside two further field staff for smaller contracts. Seven support/management staff were also brought on board during 2023/24, bringing the total new-starts for the year to 46.
18. The decision to in-house these contracts was informed by assessments using the following expanded criteria:
  - a) *Timing* – contract expiry or renewal date within next 12 months
  - b) *Current state* – existing service performance
  - c) *Operational alignment* – of services with existing skill sets and range of services
  - d) *Capability and capacity* – is it operationally manageable to take on these services within the required timeframe? This recognises that recruitment, training and set-up require additional time and some level of one-off expenditure.
  - e) *Improvement potential* – the added value for our communities if brought in-house
  - f) *Risk profile* – how important these services are to our communities
  - g) *Financial impacts* – for TCC overall (capex and opex), specifically that if in-housed the service will be no more expensive on an ongoing basis.
19. Highlights for this first year of significant City Operations' service delivery include:
  - Community feedback – more positive community feedback received, 49% in 2023/24 vs 25% in 2022/23. (Compliments received as a percentage of total community feedback).
  - Quality management – increased compliance with service specifications as the year went on, noting that not all aspects of the contracts were compliant at the time of in-housing.

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<sup>14</sup> Council, 7 November 2022, 'Re-patriations of Vegetation Contracts': <https://www.tauranga.govt.nz/council/about-your-council/information-released-from-public-excluded-sessions>

- Volume of work – we delivered a 19% greater quantity (volume) of maintenance services compared to the previous year’s contracted quantity. This reflects a combination of city growth impacts e.g. new subdivisions, new assets or new areas of maintenance, and/or consolidation of work previously done through other contracts.
- Proactive maintenance – the City Operations team ‘self-raised’ 5,214 jobs during the year, compared to a total of 1,628 service requests or issues raised by the community.
- Staff training, development, and remuneration – staff development and retention is an ongoing focus. 33 new staff completed the Certificate in Primary Industry Operational Skills (with training costs funded by Central Government), targeted health and safety training was undertaken for all staff, and 15 internal promotions were made for the contracts being brought in-house in 2024/25. All staff are paid at least the living wage, in line with wider organisational policy.

2024/25 (current year)

20. Two further large contracts were brought in-house on 1 July 2024, the Tauranga Reserves Maintenance contract and the Facilities Maintenance contract, alongside two smaller contracts. 49 new staff were brought on to deliver the new services (including four additional support/management staff) within the existing 2024-34 LTP year one budget.
21. Progress year to date continues to be positive, both financially and from a quality of service perspective. We are continuing to upskill our new people, with 35 new staff currently undertaking the Certificate in Primary Industry Operational Skills. We are also continuing to closely monitor performance and working to ensure our service provision remains responsive to our community’s needs.
22. Table 1 below summarises the contracts in-housed (and new work added) since 2022.

**Table 1**

TC#	Contract	Expiry date	2022/23 delivery	2023/24 delivery	2024/25 delivery (current year)
1/14 (+ part 140/17)	Reserves Walkways Maintenance and Transport (Accessways) Revegetation	30 June 2022	In-housed 1 Jul 2022	In-house	In-house
132/17	Mount Maunganui / Pāpāmoa Reserve Maintenance	30 June 2023	Contract	In-housed 1 Jul 2023	In-house
126/17	Natural Environment Management	30 June 2023	Contract	In-housed 1 Jul 2023	In-house
62/18	Graffiti Removal (contractor- requested cessation)	30 June 2024	Contract	In-housed 1 Nov 2023	In-house
NEW	Cameron Road Street Gardens Maintenance	N/A	N/A	New service from 1 Feb 2024	In-house
40/17	Tauranga Reserves Maintenance	30 June 2024	Contract	Contract	In-housed 1 Jul 2024
2/17	Facilities Maintenance	30 June 2024	Contract	Contract	In-housed 1 Jul 2024
416/23 (part)	Townsmen x2 (part of Cleansing contract)	N/A	Contract	Contract	In-housed 1 Aug 2024
NEW	Additional Revegetation	N/A	N/A	N/A	New 2024/25

**2025: Remaining ‘first tranche’ contracts for assessment**

- 23. Further contracted services with later expiry dates were referenced in the 2 May 2022 public excluded report to Council.
- 24. These contracts are due for review or expiry within the next 12 months and, based on our current process, assessments have been undertaken for these services. Decisions on whether to in-house or continue contracting each service were anticipated by late-November 2024, to provide sufficient notice to existing contractors if required.
- 25. A separate public excluded report to this Council meeting seeks direction on this matter.

**STATUTORY CONTEXT**

- 26. Section 17a of the Local Government Act 2022<sup>15</sup> requires councils to undertake periodic reviews of its main services to determine whether the service delivery model, or level of service, needs to change. Reviews are only required where the benefit from the review is likely to outweigh the cost of doing the review.
- 27. When undergoing the first assessment on all its activities, shortly after the legislation came into effect in 2014, Council agreed an approach (in February 2016) and agreed a forward programme for the section 17a reviews. The approach included setting a limit on contract(s) value of \$500,000 (ex GST) whereby any potential savings were deemed to be outweighed by the cost of doing a review, and therefore no review would be justified.

**STRATEGIC ALIGNMENT**

- 28. Our city beautification services contribute to Our Direction<sup>16</sup>, Council’s strategic framework, through 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 type="checkbox"/>
We are a city that supports business and education	<input type="checkbox"/>

- 29. City beautification services contribute primarily to delivering our Nature and Biodiversity Action & Investment Plan and Our Public Places Strategic Plan to achieve the goals of our Tauranga Taurikura – Environment Strategy goals of: *‘thriving nature and biodiversity at the heart of our communities’*, *‘we are a water sensitive city’*, and *‘our city’s built environment supports the wellbeing of our natural environment’*. These strategies and plans are available on TCC’s website.<sup>17</sup>

**FINANCIAL CONSIDERATIONS**

- 30. The overall (operational and capital) cost of the fully-outsourced city beautification contracts was estimated at \$12.6 million in the 2021/22 financial year.

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<sup>15</sup> Section 17a of the Local Government Act 2022:  
<https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM6236168.html>

<sup>16</sup> Our Direction, Council’s strategic framework, which shows how Tauranga City Council contributes to the community’s vision for Tauranga: <https://www.tauranga.govt.nz/our-future/our-direction>

<sup>17</sup> Tauranga City Council’s strategies and plans: <https://www.tauranga.govt.nz/council/council-documents/strategies-and-plans>

31. Further financial breakdown, including comparisons and resourcing information, is provided as Attachment 1 to this report.

### LEGAL IMPLICATIONS / RISKS

32. Council must ensure commercially sensitive information is not disclosed publicly, or to other parties that may benefit from this information (such as potential or actual competitors). This is balanced against Council's responsibility to be as open and transparent as possible for our wider community.
33. Council must also ensure that the highly visible city beautification services it provides for the city meet our community's needs and expectations, and that it delivers on the levels of service and performance committed to in the Annual Plan and Long-term Plan.

### TE AO MĀORI APPROACH

34. Managing our city beautification services well demonstrates our commitment to the Te Ao Māori approach principle of *Kaitiakitanga – stewardship of the natural environment*.

### CLIMATE IMPACT

35. We know that looking after our natural environment is important to our communities. Our city beautification contracts enable us to support TCC's aim to become a biophilic city that works to conserve and celebrate native species that provide ecosystems to help us navigate climate change impacts.

### CONSULTATION / ENGAGEMENT

36. City beautification services can be delivered in-house or out-sourced to contractors with in-house contract managers. This should not affect the level or quality of service delivered, and is often more of a philosophical decision for a council.
37. As such, the service delivery model or method has not been a matter for specific community consultation outside of annual plan or long-term plan consultation processes.
38. Council staff have engaged directly with potentially affected contractors, including providing formal notification within required timeframes where a decision has been made not to extend or renew the contract.

### SIGNIFICANCE

39. 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.
40. 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.

In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue of service delivery model for city beautification services is of medium significance, however the decision proposed in this report (to receive the report) is of low significance.

### ENGAGEMENT

41. 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

42. Work will continue on continual improvement to City Operations' service delivery, with any direction received from Council being built into that work.

### ATTACHMENTS

1. **City Operations - Summary financial and staffing information - A16965860** [↓](#) 









**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
<b>13.1 - Public Excluded Minutes of the Extraordinary Council meeting held on 14 October 2024</b>	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	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
<b>13.2 - Public Excluded Minutes of the Extraordinary Council meeting held on 23 October 2024</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons  s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege	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
<b>13.3 - City Operations going forward</b>	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

### 14 CLOSING KARAKIA