



# AGENDA

## Ordinary Council meeting Monday, 9 December 2024 & Tuesday, 10 December 2024

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

**Date:** Monday, 9 December 2024

**Time:** 9.30am

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

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

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**1 OPENING KARAKIA**

**2 APOLOGIES**

### **3 PUBLIC FORUM**

#### **3.1 Annie Hill - Creative BOP**

##### **ATTACHMENTS**

**Nil**

#### **3.2 Bob Tulloch**

##### **ATTACHMENTS**

**Nil**

#### **3.3 Mary Dillon**

##### **ATTACHMENTS**

**Nil**

#### **3.4 John Robson**

##### **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 Council meeting held on 29 October 2024**

**File Number:** A17251651

**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 Council meeting held on 29 October 2024 be confirmed as a true and correct record.

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### **ATTACHMENTS**

#### **1. Minutes of the Council meeting held on 29 October 2024**



# **MINUTES**

**Ordinary Council meeting  
Tuesday, 29 October 2024**

## Order of Business

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	Nil	
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<b>14</b>	<b>Closing karakia .....</b>	<b>29</b>

**MINUTES OF TAURANGA CITY COUNCIL  
ORDINARY COUNCIL MEETING  
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS,  
REGIONAL HOUSE, 1 ELIZABETH STREET, TAURANGA  
ON TUESDAY, 29 OCTOBER 2024 AT 9.35AM**

**MEMBERS PRESENT:** Mayor Mahé Drysdale (Chairperson), Deputy Mayor Jen Scoular (via Teams), 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), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Alastair McNeill (General Manager: Corporate Services), Gareth Wallis (General Manager: City Development & Partnerships), Sheree Covell (Treasury and Financial Compliance Manager), Kathryn Sharplin (Manager: Finance), Susan Braid (Finance Lead Projects Assurance), Mike Seabourne (Head of Transport), Karen Hay (Acting Manager: Safety and Sustainability), Caroline Lim (CCO Specialist), Mike Naude (Director of Civic Development), Alison Law (Manager Spaces and Places), Ross Hudson (Manager: Strategic Planning and Partnerships), Helen Andrews (Financial Analyst), Coral Hair (Manager: Democracy & Governance Services), Anahera Dinsdale (Acting Team Leader: Governance Services), Aimee Aranas (Governance Advisor), Janie Storey (Governance Advisor)

**EXTERNAL:** Anton Labuschagne (Manager) and Leon Pieterse (Director) - Audit NZ  
Stephen Boyle - BOPLASS  
Simon Clarke (Chair), Chad Hooker (CEO), Adam Ellmers (CFO) and Nick Lowe, (Director) - Bay Venues  
Rosemary Protheroe (Chair) and Sonja Korchina (Director) -Tauranga Art Gallery  
Russ Browne (Chair), Oscar Nathan (General Manager) and Richard Beer - Tourism BOP  
Kim Wallace (Chair) -Te Manawataki o Te Papa Ltd

## **1 OPENING KARAKIA**

Cr Hautapu Baker opened the meeting with a karakia.

## **2 APOLOGIES**

Cr Mikaere Sydney had been granted leave of absence

## **3 PUBLIC FORUM**

Nil

## 4 ACCEPTANCE OF LATE ITEMS

### RESOLUTION CO22/24/1

Moved: Cr Rod Taylor

Seconded: Cr Marten Rozeboom

That the following items be included in the agenda:

Accepts the following late items for consideration at the meeting:

- 11.9 Memorial Park Aquatic Centre Update
- 13.4 Memorial Park Aquatic Centre Updated Business Case (Public Excluded)

The above supplementary items were not included in the original agenda because they were not available at the time the agenda was issued, and discussion cannot be delayed until the next scheduled meeting of the Council because a decision is required in regard to these items.

**CARRIED**

## 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

## 6 CHANGE TO THE ORDER OF BUSINESS

It was noted that the Adoption of Annual report would take place at 1.30pm and the CCO's would present their Annual Reports at 1.45pm.

## 7 CONFIRMATION OF MINUTES

### 7.1 Minutes of the Council meeting held on 26 August 2024

#### RESOLUTION CO22/24/2

Moved: Cr Rick Curach

Seconded: Cr Rod Taylor

That subject to the following correction the Minutes of the Council meeting held on 26 August 2024 be confirmed as a true and correct record:

- Spelling of Jan Gyenge on pages 10, 12 and 14.
- Item 11.3 to read "staff were working with the government, hapū and iwi to get clarity with regards to Te Mana o te Wai."

**CARRIED**

### 7.2 Minutes of the Council meeting held on 16 September 2024

**RESOLUTION CO22/24/3**

Moved: Cr Kevin Schuler

Seconded: Cr Rod Taylor

That subject to the foregoing correction the Minutes of the Council meeting held on 16 September 2024 be confirmed as a true and correct record:

- Item 11.8 – change the increase in debt from \$155.5M to \$151.5M.

**CARRIED**

**8 DECLARATION OF CONFLICTS OF INTEREST**

Nil

**9 DEPUTATIONS, PRESENTATIONS, PETITIONS**

Nil

**10 RECOMMENDATIONS FROM OTHER COMMITTEES****10.1 Appointment of Deputy Chair of Nga Poutiriao o Mauao**

**Staff:** Anahera Dinsdale

**RESOLUTION CO22/24/4**

Moved: Cr Rod Taylor

Seconded: Cr Rick Curach

That the Council:

- (a) Receives the report "Appointment of Deputy Chair of Nga Poutiriao o Mauao".
- (b) Accepts the recommendation of Ngā Poutiriao ō Mauao and approves reviewing the appointment of Deputy Chair of Ngā Poutiriao ō Mauao in early 2025 pending the return of Councillor Sydney (Te Awanui Ward).
- (c) Accepts the recommendation of Ngā Poutiriao ō Mauao and appoints Councillor Baker as the Deputy Chair of Ngā Poutiriao ō Mauao.

**CARRIED**

**11 BUSINESS****Message from Mayor Drysdale**

Mayor Drysdale spoke to the meeting and advised:

- That Council were committed to being transparent which had been seen in a number of reports, however there had been a lot of chatter and communication and he was disappointed to see personal attacks occurring on staff.
- This was unacceptable as staff were doing the best job they could, and, as governors Councillors were there to make sure to hold staff to account but it was not acceptable to attack them. Nor was it acceptable for staff to be attacked by the public who may not know as much as the Councillors, whether they agree or disagree with the information.
- He asked that Councillors work with staff and to make sure that even, if not agreeing with decisions, there was a need to be respectful to staff.

- All of these types of comments seen would be investigated and unless there was actually evidence of dodgy dealings, it was up to each person to absolutely take accountability as if they made that decision.
- Mayor Drysdale advised that he was happy for the public to come to him and ask questions and he would share the information that he could.
- The Mayor reiterated that he did not want to see either staff or Councillors attacked when they were doing the best job they could and noted that we all needed to move forward. If information was used in the wrong way it would be harmful.

### 11.1 Chief Executive's Summary Report

#### Key Points

- Of note in the report was the capital programme for 2024/25, the decisions and considerations to reforecast the capital programme and budgets and the adoption of the annual report.

#### Discussion points raised

- Councillors noted their appreciation for the report advising that it was a great addition to the agenda.

#### RESOLUTION CO22/24/5

Moved: Cr Rick Curach

Seconded: Cr Marten Rozeboom

That the Council:

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

**CARRIED**

### 11.2 Reforecasting 2024-25 Capital Programme Budget

**Staff** Kathryn Sharplin, Manager: Finance  
Susan Braid, Finance Lead Projects Assurance  
Paul Davidson, Chief Financial Officer

#### Key Points

- Seeking to reforecast the budget changes made since adopting the Long Term Plan (LTP) in relation to funding for Te Manawataki o Te Papa and amendments to the National Land Transport programme.
- The amendments took Council to a 275% debt to revenue ratio and in terms of the existing borrowing covenance, conversations were being held for the growth councils to remain within 280% debt to revenue ratio.
- There were capital programme deferrals of \$88M (reduced from \$102M) and budget approval changes to be made, some of which were included in separate reports for discussion at this meeting.
- Included were reductions in interest charges and savings in operational costs.
- Changes to consider included deferring projects, subject to Council decisions in the annual plan, of \$250-300M, the details of which would be included in the upcoming annual plan workshops.
- The Chief Executive had delegation to approve amendments to \$500,000 and could bring projects forward when timing allowed and reported these to the Accountability, Performance and Finance Committee.

Cr Steve Morris left the meeting at 10.02am

- All amendments needed to stay within the cap and be identified in reporting to Accountability,

Performance and Finance Committee.

- Attachment 1 provided a full project list with the budget that existed in the annual plan year. Not all of these projects had been included in the LTP.
- Year 1 included the revised LTP budget, adjustments, carry forwards and rephrasing of projects.
- Deferments were included until the 2026 annual plan process with two exceptions, an absolute reduction in the green area and \$100,000 for the Kopurererua Valley development cycle path
- Corrections – the library archive off site climate control was reduced from \$1.6M to \$228,000 as the lease option had been chosen.
- Water fluoridation had reduced from \$866,000 to \$850,000.
- Kopurererua Valley provision of \$300,000 not \$400,000 which included the cycle path.

### **In response to questions**

- In response to a query as to whether deferrals were prudent with some projects to be delivered over multiple years, it was noted that in most cases these were multi-year projects and were likely to call upon the contingencies within that time.
- In response to what was driving the decision to increase the reforecasts presented at the workshop by another \$16M, it was noted that staff had used stage gates to manage this process, before coming back in March 2025 for the next stage of the annual plan. Some projects were given more to spend to get them through to completion. Information would be provided on this later in the meeting.
- \$200,000 included for Baypark was a lump sum in readiness for a decision around the netball court concept plan and to allow them to be expanded.

Cr Steve Morris returned to the meeting at 10.13am

- Savings were identified when projects were set in the LTP. Some of the costs had been identified as concrete amounts and others would be worked on throughout the year. There was a net impact on the opex costs as the debt this year ensured the Council did not exceed the rate requirement for the year.
- In relation to getting better value for money, the meeting was advised that opportunities were sought within each project when it got to the design phase.

### **RESOLUTION CO22/24/6**

Moved: Cr Glen Crowther

Seconded: Cr Kevin Schuler

That the Council:

- (a) Agrees to let the report lie on the table until the end of the meeting to allow for decisions to be made on the separate reports included in this agenda.

**CARRIED**

## **11.3 Implications of National Land Transport Programme 2024–27 on Transport Programme**

**Staff** Mike Seabourne, Head of Transport  
Nic Johansson, General Manager: Infrastructure

### **Key Points**

- Information gleaned from the recent workshops had been included in the report, noting the impact of the new National Land Transport Programme (NLTP), borrowing, the debt limits and what could be accomplished with the local share.
- It was financially imperative to meet the budget target for 2024 with the focus on Year 1 as there were also implications in Years 2 and 3.

- The annual plan process and feedback would be used to give an analysis and to assist with making decisions.
- There was a shortfall of \$160M with a lot of reaction to reprioritise within the programme, to deliver projects and meet the reduced level of contribution to Council.
- As well as the major projects, there were those in the Waka Kotahi space including the small safety projects, with cycling the hardest hit with funding declines in Years 2 and 3. Unless Council was to match the Waka Kotahi funding with their own, projects like these would not be commenced in Years 2 and 3.
- Policy changes were made through a strategic lens. The previous LTP was the starting point and then adjusted, with the table noted in the report giving a sense of those changes.
- Minor improvements subsidy was \$2M less and the large improvements around the CBD bus hubs and the like would also receive \$2M less funding. Network operations received an increase in funding as this was the government's focus and with Tauranga being a trusted partner they had received more.
- There were major projects in construction, including the Tauriko West.
- The implications of the NLTP and what steps needed to be taken now to build the pipeline to get value for money would be carried out when opportunities arose in the future.
- Staff had interpreted the Government Policy Statement (GPS) as a way of prioritising the existing programme. Many of the candidate projects were under the old GPS not the new one so staff wanted to ensure there was sufficient resilience and optimisation projects flowing through.
- Within the chart noted in the report was a renewals programme and capital projects under the maintenance banner of \$90M in 3 years and the development of projects with an arrangement made for \$30M a year.
- If Council was to continue with the planned works, there would be a big drop off in Year 3.
- Appendix 1 was put together to explain the projects where there were some projects stopped in 2025/25 and some spanning several years and noting where the money ran out. Prioritisation was a key discussion as to what should and should not be included in the programme and had been ranked by staff against the GPS.

### In response to questions

- The projects were over the 3 years of the LTP with some having started in Y1, others could slide forward and some not done at all. Those projects noted in purple of over \$2M usually took more than a year, with others on the list being done within one year.
- There were principles on how projects should be run and to ensure those that were started did not run out of money. The community told Council about risks in the network and safety items were always on the lists, however the ability to do that now was constrained, so Council needed to either reprioritise or find the money. This would be a balancing act and there were some councils that were using their share money to respond to those types of issues.
- As projects included in the to-do-list progressed to the design phase, the problem would be considered along with what would work to solve the issue. These principles helped with tradeoffs, and while the aim was to meet the required standard with 51% subsidy, it was not the same with other partners.
- Staff needed to ensure all candidate projects were on the list and to run a ruler over it before bringing it back to Council. It was a methodical process that happened regularly.
- The information provided was the first cut and would be adapted prior to the annual plan process. Staff had clearly heard the value for money message and would continue to look at costs.
- In response to how the cuts would impact on the ability to provide housing growth areas over next two years, it was noted that it was a more direct element when paying for infrastructure as there were provisions for that, however there was a need to balance the cash flow and programme management. Wider management of the provision of housing was left to the planners.
- It was noted that the asterisks in the table related to notations or place holders that had not been

removed from the spreadsheet.

- In answer to a query as to what was being sought going forward it was noted that this was the start of a two stage conversation, with the second stage being in the annual plan process. This could not be completed until the capital projects conversations had been had as Council was responsible for 42 activities of which transport was one.
- The early anticipation of what could be delivered was included in the report, but there were a range of other activities that would inform the overall annual plan decision making. Decisions should not be made in isolation without understanding the whole annual plan.
- Decisions made by NZTA would determine how much money Council had and the prioritisation process would provide what could be delivered with that funding. Council could choose to allocate additional funding to get different or greater outcomes. This report was starting with how much, whether there was an appetite to put more in or take some out, providing an early indication of that base line and the options for additional projects.
- The Cameron Road Stage 2 business case was being self-funded, with no co-funding from Waka Kotahi at this stage. Council would seek retrospective funding if the business case was approved.
- In response to a query relating to the \$1.7B included in the LTP, the proposed reforecast figure of \$1.748B and the annual plan of \$1.4B it was noted that it was the most ambitious version and highlighted the substantive changes in the LTP. This would continue to change as Council worked the flow through to the annual plan. The workshop on 5 November 2024 was to set high level financial framing to the annual plan and a range of programmes and how they related to the LTP. This would include high level capital project limits by activity to get right mix of community, transport and waters. The figures did not pick up some of the projects such as those in the CBD, but these would be included in the workshop.
- In response to the differentiation between projects in green and red in the report, it was noted that it was a calculation for the next three years and what it looked like over the 10 years of the LTP to provide a better understanding. The information was a snapshot of a point in time as there were a lot of factors and business cases needed before any approvals.
- Concern was expressed that the Hairini Street bus lane was not on the list with the safety risks and the engagement that had taken place with hapū and the community. It was noted that this was an example of the transport funding nationally. There were often programmes where there had been a lot of effort in consultation and then changed leaving a negative impact. The Project, Planning and Monitoring Committee would be kept up to date with the risks, the closing off conversations and a list of what was being progressed on a project by project response.

### **Discussion points raised**

- Consideration needed to be given to the community, while they wanted to engage there were times that they became fatigued. It was requested that there be a high level of certainty of tangible outcomes before consulting rather going out with wishy washy projects.
- Acknowledgement of the staff effort which would provide for some good discussion and was clear that the transport team were competent at identifying issues, showing how vulnerable decisions were made elsewhere and noting the government constraints.
- Receiving the report was not accepting any direction, those decisions would be a separate report and resolution.
- The Bureta Road intersection was also a hot topic that was unlikely to be funded.
- It was suggested the Council listen to the community and fund a consultation engagement process on strategic transport seeking views of the public on what projects they wanted the Council to do.
- There was a need to give the issue a lot more thought as it was going to be difficult, with some genuine life and death issues that needed to be considered when government funding was available.

**RESOLUTION CO22/24/7**

Moved: Cr Rod Taylor

Seconded: Cr Hautapu Baker

That the Council:

- (a) Receives the report "Implications of National Land Transport Programme 2024–27 on Transport Programme".

**CARRIED**

**11.4 TravelSafe funding**

**Staff** Mike Seabourne, Head of Transport  
Karen Hay, Acting Manager: Safety and Sustainability  
Nic Johansson, General Manager: Infrastructure

**Key Points**

- A delivery programme was being held, with staff wanting a steer to understand the priorities.
- The programme was one of the critical points for which the community had successfully engaged with Council.
- Greater outcomes would be achieved by working with all parties to address the targeting of at risk areas.
- The programme was funded by the LTP to train young people on long term changes in behaviour, including learning road rules and the safe use of the roading and cycling networks.
- There had been a significant reduction in incidences across the areas within the programme.
- The proposed reduced programme would still deliver the community's needs but some would have a reduced level of service in the cycling and workplace reductions.
- 3,500 students had been given access to learn better skills and build their confidence so they could travel to and from school safely.

**In response to questions**

- In response to a query as to why Council would reduce the funding when the programme was so important, it was noted that it was the way safety was managed with Waka Kotahi as a series of activities with items being removed that did not align with the NLTP. The agency had disbanded the road safety unit and it was now a policy role.
- The majority of other councils were using their own share to deliver the programme, or accessing external funding opportunities.
- It was noted that Council already received some external funding support from roading contractors such as Downers and Fulton Hogan. Other funding organisations such as TECT were challenged with the number of requests they received. Council was still able to provide a good level of service at present with the use of the local share.
- It was considered that it was time to review what Council was delivering to ensure it was right and gave value for money. A report would be provided once this had been carried out.
- The level of service was around how Council delivered a safety programme to the right targeted group, through the use of other people.
- School children provided the opportunity for changes in behaviour with regular reports being provided to take stock on how it was tracking.
- There were 37 schools currently participating in the Tauranga and Western Bay of Plenty schools, but with the cut it would reduce to between 30-33 schools. Those participating was based on the highest demand from the school or the surrounding community.
- In response to a question as to how much Council would need to contribute to continue with all 37 schools, it was noted that figure would need to be provided.

- Western Bay of Plenty District Council had confirmed their contribution to the programme.
- In response to a suggestion of a small user pays fee towards the cost of running the programme it was noted that could be a possibility, but many school budgets were constrained. Staff were open to potential options such as a local sponsor for a local school.
- It was noted that all schools were not participating and suggested to target a larger programme rather than just maintaining it.
- The \$65,000 reduction noted was partially salaries and partially other reductions. The program would remain the same size and staff would review what could be carried out in-house and understand the impact of that.
- Very few schools do not participate if given the opportunity. The programme commenced in 2007.
- Six monthly updates would be provided to the Community, Transparency and Engagement Committee.

### Discussion points raised

- Councillors noted that it was an important programme that had visible effects of saving lives through the training of children. The government retreating funding was against Section 10 of the Local Government Act 2002 which required Council to provide stability. Dissatisfaction was expressed at the extent of the government seeking to reduce costs noting this was a backward step for the community and it was considered that Council needed to step in on behalf of the community.
- Council needed to look at the social return on the investment and when Council had the capacity it needed to do more so that the level of service remained the same.
- Councillors agreed it was an essential programme and needed to work alongside the government to retain the funding as road safety was crucial.
- The programme had clear outcomes with safety initiatives that were working. The decision put staff under pressure and if there was a reduction in the programme Council would become the messenger and may end up getting blamed.

At 11.38am the meeting adjourned.

At 12.03pm the meeting reconvened.

### Additional information

- To provide the "Kids can Ride" programme to the full compliment of 43 schools in Tauranga was \$120,000 of the \$330,000. It would cost \$70,000 to bring it back to the current number of 37 schools, but would mean that funding would need to be taken off another activity.
- It was suggested that the recommendations be accepted and to provide staff with guidance of Council's objectives, so that a proposal could be provided based on those clearly defined objectives.
- The programme was resource intensive with the use of contractors to deliver and added to the overall road safety programme. Staff were always aware of how to make the best use of every dollar.

### RESOLUTION CO22/24/8

Moved: Cr Steve Morris

Seconded: Cr Hautapu Baker

That the Council:

- (a) Receives the report "TravelSafe funding".
- (b) Approves the programme noting a reduced level of service.
- (c) Approves a decrease in annual investment from \$667k to \$602K.

**CARRIED**

## **11.5 Remuneration fees for external representatives on Council Committees**

**Staff** Coral Hair, Manager: Democracy & Governance Services

### **Key Points**

- Strategic Pay had been used to provide information on the range of fees for external representatives on Council's committees and forums.

### **In response to questions**

- In relation to a query as to whether any benchmarking had been undertaken with other councils it was noted that Strategic Pay was had not been specifically requested to include benchmarking as part of their methodology and relied on the Cabinet Fees Framework and other data to provide their recommended range of remuneration.
- The recommendation near the top of the range was to cover the four-year term so that Council did not have to revisit the matter within that time. It was also based on the amounts that had been paid for these positions in the past.

### **Discussion points raised**

- Recommendation (b) was amended for the Audit and Risk Committee Chair to change from \$53,000 to \$1,430 per day or \$800 per half day, to a maximum of 30 days per annum.
- The statement made by Strategic Pay indicating a Chair may take up to 40% of the time spent by Councillors, was questioned, and it was suggested that any Chair involvement would be at the lower end of the range.
- It was considered it made more sense to consider the fees on an annual basis rather than set them now for the term.
- It was important to see the benchmarking of similar Councils such as Hamilton and Dunedin before making a decision.

## **A MOTION WAS PROPOSED BY DEPUTY MAYOR JEN SCOULAR SECONDED BY CR HAUTAPU BAKER**

That the Council:

- (a) Receives the report "Remuneration fees for external representatives on Council Committees".
- (b) Approves the remuneration of \$1,430 per day, \$800 per half day, to maximum of 30 days per financial year for the Independent Chair of the Audit and Risk Committee.
- (c) Approves the remuneration of \$8,500 per annum for the Independent Chairperson of the Tangata Whenua/Tauranga City Council Committee.
- (d) Approves the remuneration of \$605 per meeting for the Tangata Whenua representative appointed to the Chairperson or Deputy Chairperson role on the Wastewater Management Review Committee.
- (e) Approves the remuneration of \$435 per meeting for Tangata Whenua members appointed to the Wastewater Management Review Committee.
- (f) Approves the remuneration of \$297 per meeting for the Tangata Whenua members appointed to the Tangata Whenua/Tauranga City Council Committee.
- (g) Approves changes to the Tangata Whenua Remuneration Policy 2021 as follows:
  - (i) Levels of remuneration - section 5.1.2 – a meeting fee set at \$297 will be paid to tangata whenua representatives appointed to all other governance committees, advisory groups with joint tangata whenua and elected member membership.
  - (ii) Te Rangapū Mana Whenua o Tauranga Moana section 5.2.5 – Council will pay a meeting fee of \$297 per individual mandated member (except the chairperson) (one per iwi or hapū) per meeting.
  - (iii) Te Rangapū Mana Whenua o Tauranga Moana section 5.2.6 – The Chairperson will be paid a meeting fee of \$402 in recognition of the extra duties undertaken by the Chairperson.

## **PROCEDURAL MOTION**

### **RESOLUTION CO22/24/9**

Moved: Cr Steve Morris

Seconded: Cr Glen Crowther

That the Council:

- (a) Agrees to let the report lie on table until additional information on benchmarking from other Metro Councils such as Hamilton and Dunedin was obtained.

**CARRIED**

## **11.6 Delegations Manual Review**

**Staff** Paul Davidson, Chief Financial Officer

### **Key Points**

- The manual had been updated to reflect changes from Commissioners to Council and some changes to staff titles, with no quantum changes proposed.

### **In response to questions**

- In response to a query as to whether the level of delegations had been benchmarked and how

long they had been in place it was noted that some had been reviewed over time and some set in 2014.

- Procurement had been reviewed by the Commisisoners and financial delegations were benchmarked with similar sized councils at the time but were now dated. There was a wide variations of delegation even with those of similar sized councils and it depended on the council what delegations were given.
- Councillors could be provided with the 2014 report to Council which included the information on benchmarking of the delegations. At that time this Council were significantly lower than others and some moved into the average bracket.
- The Chief Executive noted that being given a delegation did not mean that he would exercise it. In the event that he did it was reported to the Audit and Risk Committee. The Chief Executive would not enter into a settlement agreement without seeking authority, unless there was an absolute extraordinary reason to do so. He had not done this in the past and did not envisage doing it in the future and suggested that delegation could be revisited.
- The report sought a delegation resolution which was explicit in the limits for any unbudgeted items, bringing forward of budget items included in the LTP, but not for settlement. All of which were reported to Council through the Audit and Risk Committee.

### Discussion points raised

- It was noted that the majority of changes to the manual was from the Commissioners to the Council and the tidying up of different staff positions.
- It was agreed that more time was needed to consider other issues and it was requested that a report be presented to the an Audit and Risk Committee to clarify the financial delegations.

### RESOLUTION CO22/24/10

Moved: Deputy Mayor Jen Scoular

Seconded: Cr Rod Taylor

That the Council:

- (a) Receives the report "Delegations Manual Review".
- (b) Amends the staff financial delegations made by Council resolution M14/15.13 on 17 March 2014 (and amended by further resolution) as specified in **Attachment A** to this report.
- (c) Amends the Local Government (Rating) Act 2002 delegations made by Council resolution M14/15.13 on 17 March 2014 (and amended by further resolution) as specified in **Attachment B** to this report.
- (d) Amends the Resource Management Act 1991 delegations made by Council resolution M13/72.7 on 26 November 2013 (and amended by further resolution) as specified in **Attachment C** to this report.
- (e) Requests a further report to Council on changes to the Financial Delegations.

**CARRIED**

At 12.49pm the meeting adjourned.

At 1.34pm the meeting reconvened.

### 11.7 Adoption of 2023/24 Annual Report

**Staff** Paul Davidson, Chief Financial Officer  
Sheree Covell, Treasury and Financial Compliance Manager

**External** Anton Labuschagne, Manager Audit NZ

Leon Pieterse, Director, Audit NZ

### Key Points

- The only changes to the report were technical audit points, some tidying up of the document and further clarification of some points.

### RESOLUTION CO22/24/11

Moved: Cr Rick Curach

Seconded: Cr Hautapu Baker

That the Council:

- (a) Receives the report "Adoption of 2023/24 Annual Report".

**CARRIED**

### Key Points

- Mr Pieterse noted that the annual report clearly reflected the financial position of Council, it made reference to a lot of items and complied with generally accepted accounting practices.
- The audit opinion was an unqualified opinion and there were no paragraphs referring to anything in the report.

### RESOLUTION CO22/24/12

Moved: Cr Rod Taylor

Seconded: Cr Marten Rozeboom

That the Council:

- (b) Receives the Audit NZ report on Tauranga City Council's 2023/24 Annual Report.

**CARRIED**

### RESOLUTION CO22/24/13

Moved: Cr Rod Taylor

Seconded: Cr Marten Rozeboom

That the Council:

- (c) Adopts the audited Tauranga City Council 2023/24 Annual Report pursuant to the provisions of the Local Government Act 2002.
- (d) Authorises the Chief Executive to make any necessary minor numerical, drafting or presentation amendments to the 2023/24 Annual Report prior to final publication.
- (e) Notes the audited 2023/24 Annual Report Summary will be published using summarised material from the approved Annual Report.

**CARRIED**

## 11.8 Council-Controlled Organisations' Annual Reports 2023/24

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

**External** Stephen Boyle (CEO) - BOPLASS  
Simon Clarke (Chair) and Chad Hooker (CEO), Adam Ellmers (CFO) and Nick Lowe, (Director) - Bay Venues Limited  
Rosemary Protheroe (Chair) and Sonja Korchina (Director) - Tauranga Art Gallery

### Trust

Russ Browne (Chair), Oscar Nathan (General Manager) and Richard Beer - Tourism Bay of Plenty

Te Manawataki o Te Papa Ltd Kim Wallace (Chair), Mike Naude (Director of Civic Development Programme), Helen Andrews (Financial Analyst)

### Key Points

- Council considered CCO's to be value for money, costing less and receiving more. They were efficient and transparent in their operations.
- Each CCO would provide an overview of who they were, what they had achieved, the challenges they had faced for the past financial year and the key focus and opportunities for the future.

### Stephen Boyle – BOPLASS

- BOPLASS was as a result of collaboration between nine Councils throughout the Bay of Plenty and had a successful year with a number of new initiatives being introduced.
- Advisory groups were set up to identify opportunities and have input into programmes.
- Improved services with a total of 45 joint procurement and other initiatives resulting in \$34M savings and leverage across market for the councils.
- There was an estimated savings to Tauranga City Council of \$895,000 last year and \$8.7M over the past 10 years. Each initiative had ongoing savings attached to them.
- All of the objectives had been achieved in the four programmes. Key was the reduction in youth crime with co-funding to support crime prevention initiatives, including the purchase of CCTV's.
- Solid waste management was a Bay of Plenty/Waikato/Gisborne initiative to provide consistency across the greater region and accurate reporting of waste streams.
- Aerial imagery programming had been increased to six-monthly for Tauranga and was also used extensively during emergency management and flood related events.
- Insurance was a collective approach which had saved the councils over \$18M in premiums since it began, ensuring that the right cover was provided for each asset, especially in relation to the underground services. BOPLASS engaged directly with the underwriters, with all parties having a proactive approach to get the cover that was needed.
- A total of \$3.7M had been saved across the BOPLASS group this year, and additional to that was the reduced resources needed for each of the entities if they were to do it themselves.
- Turnover last year was \$2.46M ending up with a deficit of \$1,000 at the end of the year. The turnover was higher than normal due to the crime prevention programme.
- There would be a focus on regional and cross regional alliance over the next year and alignment with a sustainable future and an adaptable environment. Partnerships had already been developed with the Waikato and Manawatu/Whanganui LASS's for some services.
- Mahi Tahi was the local government portal where projects that were being worked on could be viewed by the 42 councils that had signed up to encourage the sharing resources and information.
- They would continue the centralising of services, simplifying engagement, long term regional and interregional planning and the gaining of financial savings.

### In response to questions

- There were a lot of opportunities around shared services where all councils were providing the same service. A list of these would be provided to Councillors.
- In relation to a query regarding the Collab structure, it was noted that it was different to BOPLASS with 50 staff. Western Bay of Plenty District Council had looked at opportunities in Collab and Taupo had withdrawn as they got better value for money with BOPLASS. Some activities required significant investment with only one being available for building services in the Bay of Plenty and was not operational.
- The Board had looked at projects where another LASS was using the same service and

worked with them rather than take something over or duplicating it. A number of services were shared with Collab, especially in procurement, as they could take on different projects as they had more staff.

- In answer to a question as to what happened with sustainability initiatives following Covid, it was noted that a lot of work went into those services, but they had not been progressed again as BOPLASS was a small organisation with limited resources.

### **Bay Venues Limited – Simon Clarke, Chad Hooker, Adam Ellmers, Nick Lowe**

#### **Key Points**

- There were a lot of experience and ranges of skills within the members sitting at the Board and they along with the Executive were a committed and passionate team that would deliver outcomes for the city.
- A total of 400 staff, two-thirds of which were either part time or casual and for some it was the first point in their careers. The staff were a diverse group with 50% female, 50% non NZ ethnicity, with all being paid a living wage.
- The premises they were responsible for housed a variety of events, sports, fitness and aquatic activities as well as the community centres and halls which had received over 2.2M visitors last year. All facilities were busy and running at capacity at peak times.
- They aimed to provide the best facilities in the Bay and be the Kaitiaki of the network of community facilities connecting people through exceptional experiences.
- They had the community at heart and were financially prudent by seeking opportunities for making revenue to offset the running of venues.
- Highlights for the year included the growing demand, the diversity and inclusion initiatives that they ran including swimming lesson in a number of languages, and supporting significant events.
- They would continue formalising relationships with mana whenua and were seeking ways to deal with the anti social behaviour experienced at some locations.
- Challenges included the capacity of the facilities and the economic conditions - Survive till '25 applied to Bay Venues. Offsetting the cost of running facilities, noting what was and was not funded. A small profit had been gained on non-funded activities, but as they did not want to be seen to be competing with local businesses so were limited to what they could do. \$1.8M of the costs were to non-funded business resulting in savings to ratepayers.
- Fresh information was to develop and assess the benefits to cost ratio, increase digital technology as a tool to ensure that they were getting good value for money. They were still assessing how useful that was as a tool.
- Challenges going forward included the age of some of the facilities, venue capacity, economic conditions, having a strong focus on cost management, targeting the right sizing, to deliver all services safely and effectively and to continue to look for revenue opportunities. A partnership had recently been signed with the University of Waikato with some naming of events and centres.
- Projects included the addition of the 483 Cameron Road sport and recreation centre which would provide a lot of opportunities.
- The city was desperately short of aquatic space with each of the facilities filled to over capacity for structured sport and leisure time use.
- Working with Council to achieve the extension of the netball court space at Baypark, the high performance expansion for Adams Centre at Blake Park and possibly the development of the neighbouring land.
- Keen to work with Council, other CCO's and user groups to deliver the best facilities in the most cost effective way they could.

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

- In response to a query as to what activities they could collaborate with Council leveraging in elements, such as shared services in IT and the like, it was noted that at the end of 2021 the relationship with the Board, Executive and Council was at a low point and needed to be rebuilt at the people level. This had been successful and included Gareth Wallis being appointed to

the Board as a critical linkage with Council, and allowed opportunities to collaborate and some had been worked through. IT provided some services, but it had got a bit hard with the financial services and Bay Venues decided to go their own way. There were areas that overlapped, such as events where there was some greyness as to who was operating what and where. Bay Venues would like to provide more services to Council such as catering.

- Bay Venues was happy to collaborate with items like the electronic notice boards at Baypark which could also be used by the other CCO's. Gareth Wallis always looked for opportunities to come together with shared services and as a default always looked to get efficiencies.
- Last year an extensive exercise was undertaken to look at user fees and charges in a low inflation environment with more activities to offset costs. It was important to get the right balance of how much could be gained from user pays so a benchmarking exercise was undertaken for all activities noting what was being charged in other metro cities. While there was some push back from users, they were able to work with them to phase the increases in over a 12 month period.
- A separate report would be provided to Council on the Mount Hot Pools, including the range of hours.
- In relation to the finances, a query was raised regarding payment of \$1M in consultancies showing it was noted that a lot of the costs included the Board and administration. Bay Venues did not hire consultants, that was done in conjunction with the Council.
- In relation to the economic climate and people not spending as much, where they may go to Baywave instead of the hotpools, not using the hydroslide and the like, it was noted that they managed those costs to reach the budget and reported back to Council. Revenue was up 9%, but there were also additional costs to run the older facilities so any new venues should have lower operational costs.
- The financial perspective had evolved over the years and the organisation was currently in the best position it had ever been in. They had a strong financial team and were able to deliver their services in an effective and efficient way.
- In response to what was break even it was advised that it was \$5M as they were trying to get on top of the depreciation and operating costs. The Council grant went to that part of the operation and they were tasked to get the operating budget as close to break even as they could. This excluded funding debt depreciation but did include non funding debt depreciation.
- Council provided \$20M with the debt servicing, \$5M of which was an operation grant, \$1.3M was debt servicing and a renewal grant.
- Directors fees were set by Council. Bay Venues had adopted a living wage for most positions to keep in step with Council. Some casual staff, especially those that were just out of school were not paid to this level. The amount was relative compared to what others were earning and to how this sat in other similar entities around the country.
- Benchmarking was a fair exercise with user charges, but it was a challenge to get to where they did with user fees as the feedback from other local recreation facilities needed to be managed, so that no matter which sport was being played there was equity in place.
- In relation to consultancy fees and holiday pay remediation, it was noted that managing compliance with the Holidays Act had been identified as a possible issue. An ongoing process was being undertaken to understand whether there was an issue and to update systems to ensure they were paying the right amount. The next step was to remediate this to ensure it was done correctly. The issue had been raised with Council, but they were unsure where it was currently at.

## **Tauranga Art Gallery – Rosemary Protheroe, Sonja Korchina**

### **Key Points**

- It was the wish of the Art Gallery Trust to work in a collaborative partnership with Council.
- A bequest of \$1.5M in 1998 established the group as a charitable trust for a variety of art activities for the city.
- Since 2007 there had been 1M visitors and 100,000 children undertaking the Gallery's educational programmes.
- Diverse group of Trustees with diverse experience led by Gallery Director Sonja Korchina and

the Executive Team.

- Last year was unusual moving out of the gallery and relocating to a small pop up gallery. They were now focusing on the reopening programme.
- Staff numbers were presently 6.5 FTE's but this would increase when the upgraded premises opened.
- The Trust had revised the vision to give all the opportunity for lifelong experiences with art and had created six priorities to guide the operations.
- Turnover for the year was \$2M with a 75% operational grant from Council and the balance from other donors. They expect to increase revenue through a number of avenues with the upgraded facilities.
- The Gallery provided value for money which also allowed them to apply for other funding partnerships.
- Construction on the redevelopment was funded with Council covering 50% of the cost and the Gallery and others the balance. It would be completed to a standard to ensure the Gallery continued to meet international standards and were able to loan major art items.
- Ex-Deputy Mayor Brownless and Mayor Genge were acknowledged for their support for the partnership between Council and the Gallery.
- There were recently 112 LTP submissions supporting the Art Gallery noting that these expressed the diverse needs of the community, to be able to hold a number of events and to meet the financial and KPI's. There had been a recent mobile artwork "Terminus" that had finished a four year, five venue tour at Otago Museum. There had been 100,000 views on one artist's talk in one year.
- Bay Venues had assisted the Gallery to develop a strategy for visitors.
- They had retained key staff and had grown the number of corporate donors.
- Children started a lifelong relationship with art at pre-school, so the Gallery worked to align with the education curriculum receiving contributions from the Ministry of Education.
- In 2016 research was undertaken to develop Tauranga as a magnet to a creative city.
- The Gallery was always in an active development mode, as it took 2-3 years to develop an exhibiton. All shows would be supported by an audio guide in English and Te Reo with the digital resources provided with a grant from Lotteries funding.
- Storing the art colleciton was possible with funding to fit out premises within the city centre. This would be launched in mid-2025.
- With the recent cost of living crisis, fundraising was hard and the Council contribution was valued.

### In response to questions

- There would be 15 Fte's when the gallery reopened. The first exhibition would be a teaser of artists with a signature show in the atrium Whaharoa, as the realities of the carving would create a wow factor.
- A recent self funded trip to Sydney of 15 Friends of Gallery was a group from a variety of ages and backgrounds. It was also about building relationships and an opportunity for fundraising as the first group who went sponsored an exhibition.
- A strategy was being developed so that there was no duplication within each space in the precinct. While there was no official Memorandum of Understanding, the Gallery was working closely with the Musuem, Library and Baycourt on what each others programming looked like and think about what audiences and visitors were being offered.
- In response to whether the increase in FTE's had implications for the Council's grant and the role of the Museum Director, it was noted that when they opened, costs had been forecasted for scaling the operational to fit within the grant and they were working more closely with colleagues looking for opportunities and to have conversations. Each entity already met and worked informally together with education programmes with school groups visiting the library and Art Gallery when coming to the city centre.
- It was noted that it was early days for the precinct, there were opportunities for shared staff and

to avoid duplication with positions such as one marketing manager for the museum and the library and include working with the Art Gallery and Tourism BOP.

### **Tourism Bay of Plenty – Russ Brown, Oscar Nathan, Richard Beer**

#### **Key Points**

- They were one of 30 regional tourism agencies nationally which included contributions from Tauranga City Council at 87%, Western Bay of Plenty District Council at 10% and Whakatāne District Council paying 3% to make it a bigger coastal regional space.
- The Board Members and staff were experienced with a team 15-16 FTEs and two additional staff in the summer months. The living wage was supported and they had little turnover of staff.
- The purpose was the delivery of services and to grow the visitor economy and to attract people to the area.
- The Destination Management Plan included four pillars of oceans and beaches, natural environment, Māori culture, and horticulture provenance, which “are in our DNA”.
- They attended a lot of trade shows, hosting visitors and travel agents, working with other regional partners, running information and visitor sites and operated in the port where 93 ships were expected to visit this season.
- Much of the promotion was digital, they supported the Council’s events team and leveraged opportunities when people were visiting the area. They contributed to magazine articles, worked with public relations and media to promote good news stories to the world, operated social channels and created maps for Downtown Tauranga and the Mount groups which were updated as required.
- 65% of the visitors were from cruise ships who wanted to get out and about doing things.
- A cycle trails brochure with maps had been created and while some were printed and provided to the retail cycle shops to distribute, most were digital.
- Preparatory work was carried out with local ambassadors, Main Street and other groups as well as working with the Port prior to the summer season starting.
- Looking at a place brand for the region to see it moving from a spot on the map to become a magnet that people had to come to. As this was a four-year council, it provided an opportunity to look at “why is it” and “what is it” that was so special and to craft an identity to define what it was all about.
- They had achieved 9 out of 10 of their KPI’s and were proud of their achievements, especially the Green Room regenerative environmental programme with 100 businesses participating from Waihi Beach to Whakatāne. This year they would be targeting 30 businesses within Te Manawataki o Te Papa.
- In order to win bids for business events it was important to get more commercial accommodation in the city.
- They did not achieve in the Flavours of Plenty in that they had set a target of 20% out of region ticket sales, although there was some locals who brought tickets for their visitors. They were considering changing that target.
- They were winners of the Best Lifestyle Event and Best Local Government Event for 2023 and were finalists with two more awards this year.
- Visitor expenditure was \$726M which was a 1% increase on the year before. The domestic market was showing signs of weakness with the current cost of living making an impact. The international visitors were up from 15% to 19%. The spend was made up of a broad spectrum of spends with the biggest being in retail.
- Tourism BOP was doing things more efficiently and looking for external partnerships. Other Tourism groups including Taupo, Queenstown and Rotorua received more funding from their councils. The amount for Tauranga was equal to \$10 per ratepayer, with a return of \$291 for every \$1 spent.
- Iwi lea partnerships, they were working with Ngāti Hangarau with the Te Rere o Omanawa experience alongside Council and Western Bay of Plenty District Council to wrap this as an awesome experience of a natural icon in the region.

- Tauranga had the highest number of cruise ships than the other areas. A recent survey result noted that 85% of residents in the Mount, Tauranga and wider Bay area either supported or strongly supported the cruise ship visits.
- The Waka, which was a covered area at the Viaduct during the Americas Cup, was stored in nine containers with Ngā Potiki at Pāpāmoa. It was made of the same material as the cloud at the Viaduct and could be erected at the Port for \$2.5m. It could be used to create an area at Coronation Park for cruise passengers and a shared facility for all sorts of activities to take place including arts and crafts.
- Working hard on an innovative item to future proof with digital kiosks telling cultural stories and destination information, they were also able to be used for safety by pushing out emergency messaging when needed and were working with BOP Emergency Services.

### **In response to questions**

- Tourism BOP worked collaboratively with officers in other areas as there were two options the Pacific Coast Highway or the Explorer Highway. Tourism NZ advertised the country off-shore as they could not afford to do that.
- While people saw the "Flavours of Plenty" as a ten day festival, it also included connecting growers to providers and restaurants. Time was spent with niche growers of foods like truffles and working with operators to conduct foodie tours. They were now looking at Matariki Kai and making it a family occasion, but noted that they needed to work smarter in that space.
- In relation to a query was to what was occurring in the sustainable inte- regional tourism economy it was noted that the key challenge mantra was what was good for the community was good for tourism. Most of the tourism was international from the cruise ships from October to April, and they wanted to work with operators in the low season and create resilience in case another border closure may occur. They would also align with what the community was doing and regional travel opportunities with key markets being the Waikato, Auckland and the wider Bay of Plenty, followed by the international market.
- Hotel and large accommodation was lacking in the city, and because of that there were no big city events. If there were more rooms, Tauranga could become a central convention centre and businesses could plan events around it with attractions and activities, both indoor and outdoors. Air BnB's provided the most accommodation, then holiday parks followed by motels and hotels.
- The Hamilton Regional Tourism Organisation was funded from six councils. Mr Nathan was unsure of the amount of support they received but would notify Councillors of the amount.

### **Te Manawataki o Te Papa Ltd – Kim Wallace, Mike Naude, Helen Andrews**

#### **Key Points**

- Ms Wallace noted the experience that each Board Member had in managing large construction projects, noting it was more difficult with public funded projects.
- Ms Wallace gave confidence and assurance of the delivery of the projects within the approved Council scope, time and budget.
- The Board had a big focus on safety engagement reporting at every board meeting and this was followed by a visit to a different site each month.
- The Board worked within accepted procurement principles and practices, looking at tangible items, following methodology and carrying out early procurement for high risk and long lead items to ensure projects did not incur delays. Quantity surveyors were tasked to get the best price and they looked closely at all risk exposure as stewards on behalf of Council.
- The Team had worked hard to strengthen building consent applications to ensure they were of a much higher standard before being submitted, also reducing the consenting risk.
- Delivering projects to pass on to other CCO's as totally fit for purpose.
- A strong relationship had been developed with Willis Bond to ensure that they got value from the other development partners.
- The Council grant of \$779,000 for the year included Board fees of \$272,000 and Consultant

costs of \$366,000.

- Of the fifteen performance measures, thirteen had been achieved.
- Not measured were the safety totals as the Board does not measure these, they were measured by the Consultants. The Board went directly to the project managers to get assurances that each site was monitoring, recording and reporting all safety issues.
- Did not achieve two budget costs which were the Dive Crescent carpark and the Spring Street carpark seismic upgrade due to major scope changes to both of these projects. Spring Street carpark was not actually overseen by the Board and Dive Crescent was already in the implementation phase when the Board was established. In contrast to these both the Tunks Reserve and Beacon Wharf projects were delivered under budget.
- Looking forward included the opening of Masonic Park, the underpass and boardwalk which although they had happened would all be included in the next annual report. The Strand Reserve, seawall and playground would be opened before Christmas.
- The CWEM (Civic Whare, Exhibition and Museum Centre) contract was about to be awarded, the Art Gallery design was nearing completion and the Library and Community Hub building was now above ground level. The waterfront design was also on track. The Board would continue to deliver value for money as the number one focus going forward.
- The vesting of Lot 45 into Te Manawataki o Te Papa Ltd was an historically significant event and a highlight for the Board.
- Sufficient funding had been included in the LTP to complete the projects.
- While the projects were not without risk, the Board was focusing on these on behalf of Council to ensure they were delivered on time and on budget with a focus on a positive safety culture throughout, despite the complex building consent processes and higher construction costs.
- The Board looked forward to working with Council as they progressed through the projects.

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

- In response to a query as to the scope changes, it was noted that the Spring Street carpark required a full seismic upgrade with the existing building designers and consultants to complete designs. Often when in the implementation phase unknown problems arose and in this case extensive additional strengthening needed to be undertaken within the walls to ensure its integrity, costing an additional \$2.4M on the \$12M project.
- The Dive Crescent carpark started as a Stage 1 project of a basic carpark, however as it progressed a number of design complexities came to light including it being a contaminated site. Instead of digging into the face it was built up at additional cost and a boundary fence installed. The demand on city carparking brought Stage 2 forward, which was the demolition of the Fixation Coffee premises, resulting in a large scope change.
- In relation to a comment regarding the amount of contingencies set aside for each of the projects, it was noted that the Site A group of projects were at all different design phases. Advice from quantity surveyers RBL as to how much should be held was 15% at the preliminary stage of the design and as the construction commenced it could be reduced to between 5-10% depending on the nature of the build and the inherent risk of each site. Once the CWEM tenders were received they would get more certainty and hope to be able to reduce the amount of contingency.
- All of the greenfield projects had been built on the land. 483 Cameron Road cost overrun was due to the purchase of the building, which they knew was on the light side. There were a number of decisions and judgements that had to be applied at the time of the costings and how much contingency may be needed due to the change in the use, the seismic strengthening and consenting process. The team actively try to reduce delays so that they did not get into any extension of time clause.
- The procurement of aquatic services had moved to the design detail for preferred contractor as a proposed procurement model and would be discussed in the public excluded section of the meeting. Novated contracts from one provider to another with the construction and implementation revised.
- In response to a query as to what the benefit of selecting a contractor was rather than going to open market with a specific requirement, it was noted that the CWEM design had been

completed and had gone to tender, with the best tender received being selected based on non price and price attributes. The pre-procurement work had been carried out in 2018 when Council had signed a partnership agreement.

- In relation to the Aquatic Centre, the facility was to be a design and build NZS3016 and then tendered in the open market. Submissions had been received and evaluated resulting in a change of contractor that was still within the original tender process. Council held a pen on the design as clients sat around the table with all key stakeholders and the design completed. The early involvement of Apollo as the contractor was to ensure that when they go to the detailed design they were part of the co-ordinated specification design scope. As soon as they get to the final design and build all contractors would be novated to Apollo and managed by them. The Team were managing the project with Apollo. The project had been put on hold, but when they get to the design feasibility report with full plans and specifications, this would be presented to Council again and be advised what was included in the tender price submitted.
- In December 2023 the concept design was provided for the Memorial Park recreation centre which included both indoor and outdoor facilities at an estimate of \$185M, then the Warehouse building came up for sale and Council looked at it to develop four additional indoor courts. The cost for the courts at the Warehouse meant the cost of the Memorial Park Aquatic Centre was brought back to \$123.4M.
- The Warehouse property worked through a shortened due diligence process as there was only enough time for initial seismic assessment (ISA), by looking through the plans and design and a site visit. It was always understood that a detailed seismic assessment would be required and Council made the decision based on the ISA and included an allowance for a detailed assessment. The building was suitable, but the carpark basement needed to be strengthened and the budget was insufficient to cover the additional amount.
- Based on the quality of advice and guidance from RBL, the Board was continually assessing and working out whether the advice was correct and they could place reliance on it. The Board noted that to renovate an existing building they needed to ensure there were sufficient contingencies in place as there were always unknowns.
- To date the draw down on the Library and Community Hub was \$300,000 on an \$8M contingency which reflected the high standard of the designs. Provisional sums were needed and the team worked hard to reduce those and manage the contingency.
- Ms Wallace noted that it was made clear to be transparent with the CWEM at a \$12M contingency and escalation allowance.
- The original budget for the Dive Crescent carpark was \$1.45M, but with stage 2 the total spend was \$5M.
- In relation to a query regarding the budget for Masonic Park, it was noted that the amount was \$9.2M and while the final costings had not yet been completed, it would be close to or under budget, not over.
- There were two rail crossings to be installed at a cost of \$8M with \$4M being sourced from the Te Manawataki o Te Papa suite of projects as they lined up with the Wharf Street and Masonic Park. The Central Plaza budget of \$9M included the other \$4M for rail crossings and \$1.8M for The Strand upgrade. \$9M budget for the new Central Wharf to line up with Wharf Street and the old Coronation Wharf. All of the projects were within budget.
- Willis Bond and LT McGuinness contracts covered all of Site A and all others outside that would go through a procurement process with the Team managing the projects.
- Tendering was a two sealed envelope process, one for non-price attributes which was opened first and was subject to an external evaluation with a recommendation before the price envelope was opened. A strict formula was followed with the Team checking the companies register and references from previous clients to ensure the firm could deliver. Also taken into account was the list of trades that were local and those from out of town. A debrief of the process could be provided to Councillors at some stage in the future.

#### **Te Manawataki o Te Papa Charitable Trust**

- Mayor Drysdale noted that he was a Member and reiterated that the Council gifting land back

to the Otamataha Trust was a significant moment in the history of Tauranga for a \$1 peppercorn lease. The significance was so much bigger than the \$1 paid.

#### **RESOLUTION CO22/24/14**

Moved: Cr Rod Taylor

Seconded: Cr Glen Crowther

That the Council:

- (a) Receives the report "Council-Controlled Organisations' Annual Reports 2023/24".
- (b) Receives Bay of Plenty Local Authority Shared Services Limited's final audited annual report on its performance for the year to 30 June 2024 (Attachment 1).
- (c) Receives Bay Venues Limited's final audited annual report on its performance for the year to 30 June 2024 (Attachment 2).
- (d) Receives Tauranga Art Gallery Trust's draft unaudited annual report on its performance for the year to 30 June 2024 (Attachment 3).
- (e) Receives Tourism Bay of Plenty's draft unaudited annual report on its performance for the year to 30 June 2024, noting that it will also be provided to Western Bay of Plenty District Council as joint shareholder at their meeting on 12 December 2024 (Attachment 4).
- (f) Receives Te Manawataki o Te Papa Limited's draft unaudited annual report on its performance for the year to 30 June 2024 (Attachment 5).
- (g) Receives Te Manawataki o Te Papa Charitable Trust's draft unaudited annual report on its performance for the year to 30 June 2024 (Attachment 6).

**CARRIED**

#### **Attachments**

- 1 Presentation - Item 11.8 - CCO's collated annual report pdf

At 4.47pm the meeting adjourned and Deputy Mayor Jen Scoular left the meeting.

At 5.05pm the meeting reconvened.

### **11.9 Memorial Park Aquatic Centre Update**

**Staff** Mike Naude, Director of Civic Development  
Alison Law, Manager Spaces and Places  
Ross Hudson, Manager: Strategic Planning and Partnerships  
Barbara Dempsey, General Manager: Community Services

#### **Key Points**

- The project had been included in last 3 LTP's from 2018 to 2024, with work originally commencing in 2016. The concept design was completed and approved in December 2023, and included a hydroslide and outdoor facility at a total estimated budget of \$123.4M at time of the concept design and extended to \$124M, with the defeement and the project being pushed out to completion 2029.
- The proposal had been halted on 8 September 2024 to allow Council to review the scope and wider capital works programme. The Geotech design to include 25m piles had been redesigned to a raft system, resulting in the revised cost of \$99-\$105M.
- \$2.65M had been expended to date to get to the concept design stage, and with the preliminary design it would increase to \$4M. A further \$2.2M was required to complete to a design feasibility report stage and to allow it to proceed to a design and build contract. For the delivery of an indoor facility now and an outdoor facility to be delivered as Stage 2.

- The facility had been spoken about for some time with targeted engagement being undertaken over a number of years with user group forums meeting three times since July 2023. The engagement had covered a lot of people, including mana whenua, to agree on a wider Memorial Park concept. They had also met with the disabled community and continue to work with them throughout the design stages.
- The project goes beyond Council's current level of service, understanding the aquatic needs of community and the diversity of space provision for the separate groups. There was currently a disconnect with the demand for aquatics leisure time use to what the network was currently providing.
- A major multi-use aquatic centre beside the harbour on council owned land was much simpler from a consenting perspective.
- A community survey was currently being carried out to receive feedback and if the process was to proceed it was requested to authorise expenditure of \$2.2M to get to it to the design feasibility report stage and then proceed to the delivery of the proposed facility or something similar in another format.

### **In response to questions**

- Currently there was \$1.2M in the budget of which \$988,000 had been spent. Any change to that would need to be found from other projects. The additional requirement of \$2M this year was due to the rephrasing of the project.
- It was noted that there was no specific question on the aquatic centre in the residents questionnaire so there were only general responses. It was noted that it would be helpful to have that information. The user group meetings which included Sport BOP and Bay Venues Limited had minutes recorded. All were keen to see the results of the survey currently being carried out and to talk with user groups.
- In relation to a discussion on establishing a 50m pool in the centre of the city, it was noted that Council had not spent time analysing where it would go. The site at Memorial Park was not suitable for a larger pool, but options could include Wairākei or Tauriko West. There was also potential for Baywave to be extended as it was built with that extension in mind. Any 50m pool delivered in Tauranga would need to account for the wider catchment as a sub-regional facility so it was important that it be sited for easy access.
- In answer to a query regarding the \$2.2M required, the meeting was advised that as the design stages moved through, the project continued to develop from what was wanted to being designed into a concept to get sign off. Consultation continued to a detailed concept design and then a preliminary design which included much more detail of mechanical plant and equipment, tanks, filtration, air conditioning, the foundations and the like. The developed design was then recosted to determine if it could be delivered within budget, and this was followed by a more detailed design which included every item from tiles on wall, plumbing to floor finishes. This process was still two steps away, with the need to ensure all aspects were compatible. If the detailed design work was not carried out, there was a risk for the contractor not knowing the detail of what they were delivering, it also provided that certainty to proceed.
- It was noted that the survey questions would be provided to Councillors.
- It would take Baywave up to three years to be able to extend the 25m pool to a 50m pool. Mr Hooker advised that no detailed work had been carried out on extending Baywave and he considered that the city needed at least 1 or 2 more 25m pools before that was considered as they needed aquatic facilities to fill a wide range of activities and there were already missed opportunities for using space. 70% of the users were not those swimming lengths and while a 50m pool would be good there were more pressing needs to satisfy leisure swimming, hydrotherapy and learn to swim programmes which would satisfy the community much better. Swim NZ had indicated that they did not need anymore 50m pools, therefore two 25m pools would give the most benefits and outcomes for the budget.
- There were challenges with the Greerton and Otūmoetai pools and any option to create a 50m pool at one of those facilities would cost a lot more.
- The Council had commenced network planning for aquatics in 2018 with a community facilities needs assessment which looked at a number of things and had now turned into an aquatics

network plan.

- In answer to a query as to what was needed by 2034, it was noted that there was currently a gap in the network and Council was playing catchup with the growth of the city. Community pools were needed in the growing city to meet the needs of residents with good neighbourhood pools on both sides of the bridge and maybe at Tauriko later on.

#### **Discussion points raised**

- Summaries of community feedback which were closing on 8 November 2024 were requested along with how much had been collected in development contributions.

#### **RESOLUTION CO22/24/15**

Moved: Mayor Mahé Drysdale

Seconded: Cr Glen Crowther

That the Council:

- (a) Receives the report "Memorial Park Aquatic Centre Update" to lie on table and relook at it again on 12 November 2024 when updated information was to hand.

**CARRIED**

#### **12 DISCUSSION OF LATE ITEMS**

Nil

#### **13 PUBLIC EXCLUDED SESSION**

**Resolution to exclude the public**

**RESOLUTION CO22/24/16**

Moved: Cr Marten Rozeboom

Seconded: Cr Kevin Schuler

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
<b>13.1 - Public Excluded minutes of the Council meeting held on 26 August 2024</b>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>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)</p>	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 Council meeting held on 16 September 2024</b>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>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)</p>	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 - 483 Cameron Road - Sports Courts Refurbishment</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	s48(1)(a) - the public conduct of the relevant part of the proceedings of the

<b>Project Update</b>	<b>Funding</b>	unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	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>13.4 - Memorial Park Aquatic Centre Updated Business Case</b>		<p>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</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>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)</p>	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**

## 11 BUSINESS *(continued)*

### 11.2 Reforecasting 2024-25 Capital Programme Budget *(continued)*

Refer to tabled document noting changes in the budget attached to the minutes.

#### In response to questions

- The items in red noted that they had increased in the budget and the items to be deferred from 2025 to 2026.
- The impact of the changes would be provided each year with Council being given the opportunity to decide which items were to be included in that budget and which were to be deferred to future years.
- In response to a query as to whether the \$16M of projects would still be included in the budget and the increase accepted, it was noted that this would take Council close to the limit of 275% and would place more pressure on the balance sheet.
- The project completion rate was normally at 80%, but there had been a capacity built in to the council over the last few years to increase delivery. It was now expected to be higher than 80% with the multi-year projects which put pressure on the debt to revenue covenants.
- Information on the Local Government Funding Agency (LGFA) would be provided in a few weeks as the indications were that the LGFA Board was focused on growth councils potentially increasing bespoke covenants to 300-350% of debt to revenue ratio, but this had not been confirmed in writing.
- In relation to the opex being brought down by \$3M in paragraph 20 of the report and whether there was another process to make savings, it was noted that \$4.1M was interest with \$4.6M overall but this had not been identified as a line item and had not been extracted out. The annual plan was a three tier approach based on the capital programme and moving forward with the budget, the operating expenditure was around efficiencies so it was difficult to get large savings as it had consequences for the levels of service.

#### Discussion points raised:

- Councillors requested an excel copy of some of the spreadsheets provided.

- Staff were thanked for their work noting that a lot of decisions were made outside the control of the current Council but was impacting on them.
- It was agreed it was a challenging financial position and they needed to be cognisant of the money spent and have faith in the experience of the staff to guide Council through. While this was asking a lot, it was considered that the Council could make decisions and continue to deliver for the people.
- Some concern was noted on the items that were out of the control of Council such as natural hazard and negotiations for legal issues that put pressure on the budgets.

**RESOLUTION CO22/24/17**

Moved: Cr Glen Crowther

Seconded: Cr Rick Curach

- (a) Receives the report “Reforecasting 2024-25 Capital Programme Budget”.
- (b) Agrees to the revised reforecast capital budget of \$503m and the deferral of \$88m of projects to be considered for prioritisation as part of the 2025/26 Annual Plan process.

**Specific Budget Approval**

- (c) Agree to the following requests for additional budget totalling \$6.5m on projects undertaken in 2024/25:
  - (i) increase of the budget for Johnson Reserve wastewater renewal by \$1.1m in 2024/25 and an additional \$0.4m in 2025/26, noting this additional expenditure would be offset by a reduction in the general wastewater reticulation renewals budget.
  - (ii) Increase of the budget for widening a section of the Otumoetai/Matua Cycle path of \$267k to complete the project.
  - (iii) Bring forward budget from 2030 of the LTP of \$200k to plan for future expansion at Baypark Arena.
  - (iv) Note the \$400k budget overspend on development of the carpark at Devonport Road should be offset by reduction in city centre greenspace budget.
  - (v) Bring forward of \$2.75m for City Centre Transport Hub from 2027.
  - (vi) Additional budget of \$475k for water fluoride implementation above that budgeted, offset by an increase in budgeted subsidy revenue.
  - (vii) Approve additional budget of \$1.25m in 2024/25 for reworking Cameron Road Stage 2 Business Case noting that this will be offset by a reduction in future years Cameron Road Budget.

**Decisions included in separate reports.**

- (d) Notes an additional \$1.5m provision is included in the reforecast budget for additional seismic works at Cameron Road Indoor Courts development which is the subject of a separate report to this meeting.
- (e) Notes the reforecast budget does not include additional digital project budget that is the subject of a separate report to the November Council meeting for consideration of options.
- (f) Notes that because of budget deferrals the value of capital expenditure in 2025/26 currently sits at \$765m. This level of capital expenditure would breach current borrowing limits taking debt to revenue ratio to 320% in 2026. The capital programme and target debt to revenue ratio will be considered as part of the annual planning process.

**Operational Reforecasts**

- (g) Interest costs in 2024/25 are reforecast down \$4.1m for the year because of lower interest rates, and revised debt levels driven by timing of the capital programme.
- (h) Agrees that further reforecasting of operational budgets for 2024/25 has identified options to meet the budgeted savings requirement of \$4.6m.

**CARRIED**

**Attachments**

- 1 Tabled Document - Project budget changes between Council Workshop (9 Oct) and Council Meeting (29 Oct)

## **14 CLOSING KARAKIA**

Cr Hautapu Baker closed the meeting with a karakia.

**The meeting closed at 6.52pm.**

**The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 9 December 2024.**

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

**7.2 Minutes of the Council meeting held on 12 November 2024**

**File Number:** A17251673

**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 Council meeting held on 12 November 2024 be confirmed as a true and correct record.

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**ATTACHMENTS**

- 1. Minutes of the Council meeting held on 12 November 2024**



# MINUTES

**Ordinary Council meeting  
Tuesday, 12 November 2024 &  
Thursday, 14 November 2024**

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**MINUTES OF TAURANGA CITY COUNCIL  
ORDINARY COUNCIL MEETING  
HELD AT THE GROUND FLOOR MEETING ROOMS, 306 CAMERON ROAD, TAURANGA  
ON TUESDAY, 12 NOVEMBER 2024 AT 9:30AM**

**MEMBERS 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), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Alastair McNeill (General Manager: Corporate Services), Sarah Omundsen (General Manager: Regulatory and Compliance), Gareth Wallis (General Manager: City Development & Partnerships), Jeremy Boase (Manager: Strategy & Corporate Planning), Kathryn Sharplin (Manager: Finance), Susan Braid (Finance Lead Projects Assurance), Andy Mead (Manager: City Planning & Growth), Claudia Hellberg (Team Leader: City Waters Planning), Carl Lucca (Team Leader: Structure Planning), Greg Steele (Manager: City Operations), Mike Naude (Director of Civic Developments), Coral Hair (Manager: Democracy & Governance Services), Caroline Irvin (Governance Advisor), Aimee Aranas (Governance Advisor), Janie Storey (Governance Advisor)

## **1 OPENING KARAKIA**

Cr Hautapu Baker opened the meeting with a karakia, acknowledging the recent passing of Sir Bom Gilles, noting he was the last Member of the 28<sup>th</sup> Māori Battalion that had served in World War II.

## **2 APOLOGIES**

The leave of absence for Cr Mikaere Sydney was noted.

## **3 PUBLIC FORUM**

### **3.0 Public Forum**

Mayor Drysdale noted that there were a number of speakers in the Public Forum and indicated that the Memorial Park reports would be considered on 14 November 2024. 5,200 responses had been received on the recent survey which gave Councillors a good gauge of the engagement and information to take into account as they make their decisions on the issue.

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

#### **Key Points**

- Agreed with Elected Members that Council needed to positively move forward, but to ensure the facility was given robust scrutiny as the tail had been wagging dog for too long.

- Alarmed at the misinformation the community had endured regarding the Memorial Park Recreation Hub and considered that the planned closure of Ōtūmoetai pool was outrageous.
- There was a need to grow aquatics in the city in a sustainable and honest manner and was totally wrong for Council to manipulate or mislead the community.
- Council requested that they be able to attend a community meeting regarding the Ōtūmoetai pool on 20 February 2024 and had the discussed a strategy on how to deal with the submitter.
- In January 2024 the submitter, Amanda Lowry and Glen Crowther had attended a meeting with the Spaces and Places team who advised that the decision had been made by the Commissioners and nothing could be done about it. The submitters response was that we were here to save the Ōtūmoetai pool and am at this meeting to do that.
- Council and Bay Venues gave a presentation at the community meeting and also reported that the QEII building was being demolished as it was full of asbestos, when it was not. The submitter asked that Councillors read the 2019 Asbestos report that she had sent to them and questioned how a Bay Venues representative could have made that statement. The lab test showed that no asbestos was detected on site and it was considered a low risk and asked how the Council could mislead people so much. The reason to close was then changed to earthquake risk.
- Bay Venues wrote to Council in August 2022 which was over a year before the LTP submissions stating that it was important to get the new Memorial Park facility under construction as soon as possible to replace the two end of life swimming facilities, indicating that they had already made up their mind.
- Bay Venues provided an 8 year old Opus report on the condition of the Ōtūmoetai pool. There were no geotech issues noted in the report, but at the community meeting it was advised that the pool had significant geotech issues when no report was every done and questioned who had spun that narrative to the Commissioners.
- The Opus/WPS report commissioned by Council in March 2024 was a copy and paste version of the previous report but did show the maintenance, repairs and upgrades. The submitter noted that she could not believe the contrast and had spoken to pool specialists who were aghast at Council's lack of due diligence.
- The pool demolition was still alive in the LTP.
- After seeing all of the information put to Council the submitter considered that the Memorial Pak recreation hub had not been done properly and said that real leadership was needed not a CCO or staff wagging the tail.
- An apology was offered to staff if they felt attacked, but the misinformation and lack of detailed assessments were a public record, and the bullying that she had received from staff was disgraceful.
- The truth must prevail and those binding it must not be bullied by Council and it was now up to Councillors to get the truth and lead in honour noting that she was happy to assist.
- The submitter requested that the demolition of the QEII Centre be looked at and asked if there had been any costing carried out to repair it and while she was not a specialist, she believed that it could have been repaired rather than rebuilt.
- In relation to the use by date, the submitter noted that pools could be 100 years old if kept and maintained in good condition which was nothing like what the community had been told.

### **In response to questions**

- Mayor Drysdale noted that while the previous governance had made a decision, it was still on the table. A geotech report was provided as part of the reporting and Council needed to consider what was required to upgrade the Ōtūmoetai pool before making that decision.
- In relation to whether the Ōtūmoetai community linked their pool and the Memorial Pool, the submitter noted that at the public meeting most people were not against a new aquatic centre as Tauranga was a growing city, but they wanted to keep the Ōtūmoetai pool open. She considered that Bay Venues wanted a wonderful complex at Memorial Park with a café, gym and the like and many consider that the pricing and whole process had been out the gate. Council needed to consider both as two separate entities and they should be addressed as such instead of being pulled together.

**Discussion points raised**

- Mayor Drysdale noted that Council were relooking at the issue and making a decision and agreed on comments around the initial budgets and were looking to reduce them significantly.

**3.2 Duncan Pearce, Larissa Cuff and Nick Chambers – Sport Bay of Plenty****Key Points**

- Sport Bay of Plenty had provided a written submission and commended Council that the Memorial Park Aquatic Centre was still on the table and that the current plans in the LTP terms of the play, active recreation and sports sectors.
- Reinforce the invaluable role that physical activity plays in supporting community wellbeing of which aquatic centres were part of.
- Encourage Council to continue with the investment into the aquatic centre as it was identified as a high priority project within the 2024 Bay of Plenty Spaces and Places Strategy. It identified facilities across the region to meet critical current and future community needs and support long term engagement in sport, active recreation and play.
- Recommend that Council do not proceed with a 50m pool, and that multiple pools of varying sizes to allow more dedicated spaces for different activities. This was supported by a case for multiple pools from the 2020 Memorial Park Recreation Hub feasibility study which noted that the Tauranga aquatic network had insufficient leisure provision for the majority of the aquatic users supporting a recommendation of multiple pools.
- There was also the National Aquatics Facility Strategy, conducted by Sport New Zealand which also supported multiple pools of various uses. The priority and focus of the 15 years of the strategy was to increase the level of facilities with more participative centres inclusive . environmentally sustainable, affordable and critically more accessible for play and recreation.
- Reinforced that Sport New Zealand had also submitted suggesting that Council not to proceed with a 50m pool but to provide multiple pools of various sizes and uses.

**In response to questions**

- In relation to the reasoning of not recommending a 50m pool, it was noted that although there could be a need for 50m pools nationally to meet national and international competition level standards and high performance training it was not the case for the community need particularly for Tauranga. Sport New Zealand had a detailed outline in their submission which included a cost analysis.
- In response to a query as to whether two 25m pools would be an advantage, it was noted that it would be provided there was not a not bulk head in middle of them.
- In answer to seeking clarity on why there was a disparity between the local communities and other Councils, some of whom had installed 50m pools against the recommendation of national and regional aquatic specialists, it was noted that while there had been an increase in 50m pools, from a national entity perspective there were sufficient 50m pools. The Sport New Zealand submission had detailed information noting they would be used by a small niche of high performance athletes or national or international competitions.
- To provide an understanding of having two 25m pools with the flexibility to provide a 50m pool looking at it from a lens of recreation rather than structured swimming and as noted in the strategy the concept of how people were engaging with pools with much of the feedback from tamariki and schools was they wanted to bomb, play, provide for learn to swim, hydrotherapy and to prevent increased drownings that occur within the district.
- A 50m pool split in two does not provide that flexibility. Assessing the Tauranga aquatic network the difference between two varying pools to a 50m pool and the type of activities they want to engage in not just swimming in a structured sense. If there was one 50m pool split in two there would be limitations in depth and what it could allow compared to standalone pools of varying sizes, depths and temperature abilities to cater for more.

- In noting that the community had overwhelmingly said they want a 50m pool and whether this was what people felt that was what they needed and other regions going against the strategy by providing these, it was noted that there was an element of nice to have, trade-offs and choosing one option over another. A 50m pool does not provide the flexibility that it should and had less useable space, rather than double the space. It was suggested that Council look at how some of these new facilities were being utilised as the results may be surprising.
- There was also the question as to why the 2020 feasibility study says one thing and the most recent short term community consultation says another. It was suggested that Council look at the responses that had been received in the short engagement time frame and consider what community consultation had actually been done.
- In answer to a query as to Sport Bay of Plenty's view from a location perspective on whether the Otumoetai pool should be retained as an aquatic facility, it was noted that it played a role in the network and while they would like to see it retained as a community pool, it should not be to the detriment of the development of a facility at Memorial Park.

### Attachments

- 1 Tabled Document - Sport BOP Memorial Park Aquatic Centre Submission November 2024
- 2 Tabled Item - Sport NZ Submission to TCC Memorial Park Aquatic Centre - final

### 3.3 Mark Rogers and Chris Longman– Tauranga City Basketball Speaking about Memorial Park Redevelopment

#### Key Points

- A written submission had been put forward.
- Organised basketball had been in the city since 1928 in a variety of locations with nearly 5,000 members currently residing in the city.
- They were 12 courts short on what the New Zealand Sport survey requirements were for the population.
- The LTP had plans for indoor facilities, but none would be ready for 4-5 years to add to the current 10 courts.
- Social return on investment in sport was \$2.12, so in terms of community spend, spending on sport was a great investment.
- Sport New Zealand participation trends showed that 30% of young people played basketball every week and this grows to over 40% when added to other indoor sports.
- The demographics of the city were changing along with the needs.
- The city does need new swimming pools, however the location and cost needed to be considered as there may be other opportunities to meet these and other needs.
- There was an opportunity for Council with a potential facility at Mairangi Place and the submitter had commissioned a business case for Council to consider along with the facilities that were being considered at present.

#### In response to questions

- Mayor Drysdale thanked the submitter for the proposal noting shortage of courts and that Council wanted to deliver value for money and were looking at options and opportunities to deliver those cheaper. The proposed four courts from Memorial Park had been shifted to 483 Cameron Road reducing the cost from \$60M to \$28M and if another similar deal would be made, eight courts could be provided for the original cost.
- In relation to a query to the submitter regarding his perspective of the overall development of Bay Park, the consolidation of formats to one area and the difference between that or a more dispersed model, it was noted that there definitely needed to be facilities on the Tauranga side of the city in terms of growth of the sport. There were a lot of comments from people that they would not go to Bay Park to play a 30 minute game of basketball because of the traffic. They were not opposed to more courts at Bay Park, they just need more on this side of the city.

- In answer to a query as to how to best deliver 12 courts, the submitter noted that the best sized facility was 3 courts which was big enough to run competitions and in terms of economies of scale to have them around the city with Bay Park as the main facility able to host major events.
- The Warehouse added only one additional court as they were losing three and they were unsure how many were planned for Bay Park. Basketball could fill nine more courts at present if they had the opportunity to use them. Facilities in the vicinities of Tauriko, Bethlehem/Otumoetai and Papamoa areas were included in the LTP and would be welcome.
- As an organisation they contributed \$250,000 to Bay Venues budget no matter where the players were from. Approximately 10% of the regular players came from the Western Bay, Rotorua and Matamata areas and when regional events were held teams came from the wider Bay of Plenty, Waikato and King Country.
- In response to a query regarding the amount paid to Bay Venues and whether the sport would like to have an independent group to manage the sport to ensure the players got good value for the service the group were providing, it was noted that while their preference was to manage their own space, they did not envisage that this would result in paying less than they currently did to Bay Venues.

## Attachments

- 1 Tabled Item - Tauranga City Basketball Submission

### 3.4 Moss Burmester – Aquatic Survival Skills Trust (via Teams)

#### Key Points

- Noted that he was speaking from the perspective of a Board Member of the Aquatic Survival Skills Trust in the Bay of Plenty, a survival skills programme that teaches teachers to teach children to survive.
- Grew up in the area and made his first Commonwealth Games and Olympics here spending a lot of time in and around the water.
- See the aquatic centre as an and/or scenario, not an and/or one, with the key for the programme being the square meterage of the pool space. When talking of a 50m pool, it needed to be at least 51m with a bulkhead in middle to divide the space into two 25m pools. This would be ideal as the closest 50m pool was Rotorua and was also the slowest in the country.
- The realities were the cost to run the centre and the water temperature. With a 50m pool even with a bulkhead it was one area of water and could not change the temperature if it was to be run as two 25m pools. From a competitive perspective the temperature needed to be colder than that for general public use, learn to swim and hydro therapy. Having two 25m pools as separate bodies of water the temperatures could be changed very easily making it warmer and shallower to teach survival skills.
- There was a lot of data around drownings and there was a connection between Tauranga and the Mount being hot spots for drownings with less pool space per capita than other areas.
- The and/or scenario also included retaining the Otumoetai pool to keep as much pool space as possible as the data showed that the city was falling behind. It was key to add to current facilities rather than take them away.
- In assuming that there was not the resource and budget for a 50m and two 25m pools. A 50m pool had to be considered in the context of use for international competition sports with a 2.5m depth for underwater hockey and water polo which could become an issue with one pool. Consideration could be given to providing a moveable floor at one end, but that would add to the cost.
- It would be prudent to build 25m pools that were able to be extended into a 50m in the future as it would be ideal to have both.

#### In response to questions

- There were a number of 33.3m pools, and a query was made as to whether this would provide

an alternative. It was noted that many of these pools had been converted to 25m with a bulkhead put in. If Council were to consider a 33.3m it would need to be 34.3m with a 1m bulkhead. Water sports needed additional space around the pool and if that could be built it would be great, but Council need to factor all considerations into it. The submitter remembered Clive Power, who used to manage all pools in Tauranga saying it was double the cost to run and heat one 50m pool to two 25m pools, even though it was the same volume of water. This was mostly around the heating and if there was geothermal like at Rotorua it would significantly change that.

- In answer to a query as to whether the submitter had to leave Tauranga to train because of the pool facilities, he noted that yes the closest 50m facility was Rotorua so made a decision to move to Auckland.

### **3.5 Cameron Templer and Andrew Templer – Tauranga Indoor Sports**

#### **Key Points**

- Presentation attached.
- Presentation of two fully costed proposals to Council that would double the city's indoor sport capacity and meet the needs of the growing population.
- National recommendations were to have one court to every 7,500 residents, but currently it was one court per 15,000 residents equating to half of what was required.
- To deliver more indoor courts currently costs Council \$7M per court, with the current \$50M allocated for courts in the LTP, the problem would only get bigger and leave residents with a significant unmet need.
- The submitter offered a solution to align with Council's goals and provide more courts at good value for money.
- Proposal 1 was a single large scale facility with three indoor courts with nets, 4 basketball courts and 8 badminton/pickle ball courts under one roof.
- Proposal 2 provided the same amount of courts split across either side of the city with accessibility for residents.
- Each proposal had the equivalent of nine full size courts bringing the city closer to the national standard of one court to every 8,000 residents.
- Multiple sporting codes such as basketball, indoor cricket and pickleball would benefit from a dedicated home with Tauranga Indoor Sports managing and maintaining the facilities with no operating costs to Council.
- Proposal 1 for nine full size indoor courts was \$10.1M, just over \$1M per court offering value for money. This was possible through the submitters excessive experience in indoor sports and construction giving them the knowledge of how to achieve cost effective and quality results.
- Leverage of a construction known as SmartBuild which was a standardised plan, ready to go and met all local requirements using local building materials and cold rod steel which was three times stronger than conventional materials while producing 60% fewer carbon emissions and 90% less cost than traditional structural steel.
- The group already owned \$2M in assets saving a lot of money in the fit out. They had fitted out multiple indoor sports facilities to deliver a top quality centre at a minimal cost.
- Potential sites identified included Bay Park, Merrick Farm, Soper Reserve and the Papamoa interchange area.
- Proposal 1 could be located at Bay Park which was ideal due to the existing infrastructure, ample parking and available land that was to be used for overflow carparking.
- The submitters were open to exploring any site that the Council deemed suitable, especially if there were environmental or community based priorities.
- Why us – as Tauranga's longest standing private indoor sports centre operator with 20 years of experience they understood the specific needs of the community and the longevity was a testament to their value. They had the combination of building experience, building knowledge, with fit out experience and assets it made them the best people to solve the court space problem for Council.

**In response to questions**

- The submitter noted that he was seeking land and \$10.1M from Council.
- The building was 7m high to the apex, 6m from the lighting with a 40m span, was built with cold rolled steel, included a thermal break and was lined on the inside with insulation.
- The intention was to run the current lease and make arrangements with key stakeholders such as City Basketball and the Badminton Club to use the courts on agreed days at an agreed cost so they were aware of what use they had of the facility. They would manage the operational costs and use based on the number of players in a sport and who needed the most court space in a fair and equitable way. Badminton and pickle ball would be the only codes that could use their spaces, as they had no purpose built facilities like other sports such as basketball, volleyball, netball.
- In answer to what proportion of the space would be open to current council users and private business, it was noted that they would retain ownership of their assets of three courts with nets that would be managed and ran privately. Other court space would be owned by Council agreed upon with key stakeholders on what they were getting out of it and would manage and run their own leagues. The use of the Tauranga Indoor Sports space would go towards managing the operation of the court space and keep them clean and tidy.
- In relation to costs to users, it was noted that they had made contact with Mark Rogers, and it was expected that the standard industry rate would be charged. The current charge for their own courts were \$13 for indoor cricket and \$11 for netball. Their costs could be reduced if the proposal was accepted as there would be no massive costs, apart from the cost to maintain the facility.
- In relation to the stakeholder engagement undertaken the submitter noted that they had spoken to many administrators of sporting codes and Sport Bay of Plenty who had all indicated that there was not enough court space and would support more. Many would like their own space, but the Council did not have the funding to meet that demand.
- In response to how the facilities were built for the amount quoted, it was noted that this was a proven method, without the need for a lot of consultants to put it together and build. The facilities were already designed, quality surveyed and structurally guaranteed as an out of ground build so the exact cost was known and set in stone. The consideration at Bay Park was that there was already some knowledge of the geotech conditions. One of the unknown factors with the builds was the ground conditions.
- The facility was nothing new and had been built 12,000 times around the world. Two basketball courts and a swimming pool were currently being built at St Stephens School in Auckland by the construction company.
- They would not be competing with other facilities as there was not enough court space to meet the demand. Indoor netball, cricket, futsal and dodgeball had always been a commercially run business as they did not use the same court space and needed their own facility. They had sought permission from Council in 2005 to build a facility on Soper Park, when it was \$55m<sup>2</sup> and was now \$120m<sup>2</sup>.
- Their sport facility was unsustainable and they were looking at other options know that they could build the buildings cost effectively, they needed space and it was about how to involve other groups. They don't need to use the courts they are for the groups to use.
- In response to a query regarding the construction costs being separated out in the event of Council wanting a different model, it was noted that these were costed to them as the plans were already done, the asset fit out was important to the cost and they had connection with people who could provide items such as the wooden spring floors for good deals.
- They were willing to talk to Council in terms of the build and would be open to Council if they just wanted them to build the building, however they would like to do the indoor sports management as well rather than Council continuing to lose money. They had paid a commercial lease for 20 years and were running their current facility as a family business and wanted to expand and carry it on.

- If the locations were split into two there would be eight badminton/pickleball courts and two basketball courts with the locations being discussed with Council to see what was necessary.
- Construction steel was heavy with a lot of cost in the ground. The use of cold rolled steel was not new and used in Canada and America and got stronger over time, it was a lightweight patented system so were able to get a bigger span.
- \$10.1m would include four basketball courts, three indoor courts with nets and eight badminton/pickleball courts. The buildings were lightweight and habitable which looked good from both the inside and outside and it was a smart way to build.

#### **Discussion points raised**

- Mayor Drysdale noted that staff would liaise with Mr Templer and bring a proposal back to Council.

#### **Attachments**

- 1 Presentation - Cameron Templer Indoor Sports Centre

### **3.6 Greg Cummings and Trudy Smith - Liz van Welie Aquatics Swimming Club**

#### **Key Points**

- The submitter noted that he had built pools and was disappointed that no one had engaged with him about the building an aquatic centre in Tauranga.
- On arrival at the meeting he had to introduce Chair Trudy Smith from the largest sporting club in Tauranga to the Chair of Sport Bay of Plenty as they had never been in contact.
- The submitter noted he wanted to give context to a possible gap in knowledge of the proposal currently being put to Council.
- Acknowledgement that the proposal was inherited by this Council and commended Councillors for stopping and taking stock of the proposal as he considered that it did not quite add up and to check where the project was at.
- When starting the business they looked at how to inspire the next generation of swimmers and named the squads making Hilary the pinnacle, Loader as the next level down followed by Devoy, Carrington, Lang and then Drysdale as they wanted children to look up to and aspire to high standards. Unfortunately the Drysdale squad was now tainted because it was overflowing and they could not take any more. Parents look at that and think what's the point and where can we go. There are 200 10-12 year old swimmers in the Drysdale squad which had become the glass ceiling to their business.
- Since opening in 2017, they run 10 full lanes of the 25m pool 6 days a week and have waiting lists for every session so there was a definite shortage of space.
- No support had been received from Council, it was all done on their own.
- There had been a lot of talk about what people know about aquatic centres and the cost, and he questioned where the information come from and who had they spoken to as no one had ever met with the submitter or Chair Trudy Smith.
- They had attended a consultation evening where the aquatic sector were spoken at rather than spoken with and the submitter noted that he took exception to that.
- The group carried out a feasibility study in 2013, the SmartGrowth strategy and the Tauranga Aquatic Strategy with everything pointing to further aquatic support in Tauranga West. The proposal at Memorial Park goes against this strategy. Pyes Pa was chosen as the location for their facility, and if as a businessman he was to build another pool it would be at Tauriko or Bethlehem West as that was where the city was going and maybe another one in the Kaituna area.
- The Club had submitted and he asked that to be taken as read.
- Support for a 52m pool with a 2m bulkhead to allow a transit space between the two pools so they could be run simultaneous with multiple use.
- Suggested that Councillors stop, go back to the drawing board and engage with a proper working group instead of just Council, Sport NZ, Sport BOP and Bay Venues, both of which

were major contractors to Council. The submitter noted that he failed to see the objectivity, transparency and engagement of the aquatic sector and those directly using or working in it and considered that any information would come third hand from a consultant who had never actually worked at the coal face.

- Pleased to hear there were over 5,000 submissions and that there was a strong community interest in a 52m pool.

### **In response to questions**

- The submitter noted that the facility included a swim school as a subset of the business with 2,000 children swimmers and 1,000 adults using the facility per week only closing for three weeks over the Christmas holiday period. There was a 6m x 12m pool with a temperature of 33.5-34° which needed its own separate area to control the air environment above the pool to match the pool temperature. There was also a 25m x 15m pool, running 6 lanes of 2.5m wide, to ensure that swimmers doing the butterfly had sufficient distance for the wing span. The Greerton pool lanes were only 2m wide.
- In relation to the pools at Memorial Park and Greerton that were struggling without maintenance and no pool at Papamoa and where pools should be focused, it was noted that as a long term view for the city a 52m pool model in a standalone fit for purpose aquatic centre needed to be considered for swimming, a variety of pool sports, surf lifesaving and the like as it would run at capacity each night from the first week and provide a good day facility. It would require good access and bus parks for school groups.
- The submitter accepted the need for recreational space as the current facilities were always busy, but putting the aquatic sport and recreation together was like oil and water and he strongly encourage Council to build a competition pool for aquatic sports. The eight lanes in the concept plan would not meet the needs of competition meets as they required 10 lanes. Consideration of another 25m aquatic centre in the vicinity of Te Timu to meet the needs. If families had more than 1 or 2 children needing to go to different venues across town it was a nightmare so one large centre centralising the swimming needs rather than contributing to Tauranga's traffic problems.
- Aims Games was held annually and was the biggest meet in the area, but Baywave had to be closed as there were so many children warming up and swimming they had to turn the water temperature down. There was no room for spectators and barely room for athletes. That was the pinnacle event and now Council were proposing to build something that was not as big as the Baywave hub which was already outgrown.
- In answer to a query as to how big the aquatic and competitive scene and the value of competition sport in Tauranga, it was noted that Moss Burmester had advised that he had to leave Tauranga to swim in a 50m pool, Hayden Wilde used to swim with their club, but it could no longer meet his training needs, as well as his daughter as a top triathlete. The city is growing world leading athletes, but with an over capacity 25m pool and no longer able to use the Greerton pool as it was broken. Having a 50m pool allowed flexibility to work in with other sports and cover the opex costs of a facility. A 50m pool changed the way in which people trained, changed the energy assistance that swimmers used and would give better overall to athletes of all sports.
- The submitter advised that he would not propose creating a facility for international athletes as it would expose Council to risks and trouble as the level of compliance was prohibitive.
- While Architects would provide a bigger and better facility, their fee was also bigger. The submitter asked that Council work from a pragmatic point of view to build a really good facility that met local needs and catered for a community of different swimmers.
- The Commissioners and previous Councillors were responsible for the depth of the clubs. There used to be a Tauranga Swimming Club, a Greerton Swimming Club and an Otumoetai Swimming Club with all three clubs testifying that their programmes were continuously disrupted by sub-standard pools and not being able to use some of their swimming time. Parents were getting frustrated having children across different venues so people left in droves. The Evo club were now running a junior league programme at the Otumoetai pool.
- In relation to the difference in temperature for various activities he noted that their training pool is 28° as swimmers could learn and it allowed for a multi-use pool. A young swimmer would

not last much below 28° in the pool as it would be too cold. A separate air system was required for any pool above 28° to deal with the condensation and evaporation.

- There was scope for Council to investigate geothermal heating and air treatment with the cost being only 10% of the \$400,000 in heating costs for a 50m pool compared to that in other centres without geothermal. With modern engineering, modern heat exchanges, good water filtration and good planning a pool could be run very efficiently and effectively providing quality water in a good environment.

#### **4 ACCEPTANCE OF LATE ITEMS**

Nil

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

Nil

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

The Memorial Pool Aquatic Centre report would be considered on 14 November 2024.

#### **7 CONFIRMATION OF MINUTES**

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

##### **RESOLUTION CO23/24/1**

Moved: Cr Rod Taylor

Seconded: Cr Marten Rozeboom

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

**CARRIED**

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

##### **RESOLUTION CO23/24/2**

Moved: Cr Rick Curach

Seconded: Cr Rod Taylor

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

**CARRIED**

#### **8 DECLARATION OF CONFLICTS OF INTEREST**

Nil

## 9 DEPUTATIONS, PRESENTATIONS, PETITIONS

### 9.1 Petition from Lisa Parker and Peter Dartfield on Harrington Street

#### Key Points

- Representing her business Liquorland CBD in Lower Harrington Street.
- Experiencing considerable backlash from the public on access and safety with the change in Lower Harrington Street to one way and the submitter and her staff want to be able to direct an action rather than what has become a daily rant, hence the petition.
- Had been the owner of the franchise since 2003 and purchased the store in 2015, upgrading the premises at considerable cost which she had yet to recover.
- Covid was a challenge in the CBD with a long recovery as people chose to work from home.
- Just as they were recovering from that they were asked to attend a roading meeting on 2 February 2024 outlining the proposed changes and spent time advising of her concerns to Council at that meeting.
- Nervousness followed that afternoon when a Council employee contractor purchased from the store and commented to her team that their owner was feisty yet hot. While appreciating the apology that followed, she felt a lack of respect and consideration that any feistiness was a desperate attempt to protect the business income and that of her team.
- The submitter noted that she had worked closely with authorities to provide a legal service of alcohol beverages to people responsibly and did not take lightly the responsibilities of selling alcohol. They were part of the Liquorland franchise that hold owners to strict standards and compliance checking with bimonthly mystery shoppers which were reported to the support office.
- The submitter noted that she did not believe that the consultation process was just and was told at the 2 February 2024 meeting that the work would start in March. Concerns over lost sales and business viability, along with the safety concerns of having a bus stop outside a liquor store were raised and dismissed by Council.
- During the consultation there was no consideration that McLean Street was also one way and both streets travel in the same direction. The plan actually showed McLean Street to be a cul de sac and highlighted the concerns with heavy trucks being forced to use The Strand. The reason given was to streamline the city traffic which had clearly not met its objectives and considered that the real reason was the big city constructions.
- The submitter and customers were staggered that Council had installed a bus stop outside a liquor store and with limited space having buses parking across the shop entrance was a further deterrent for customers.
- It was a liquor ban area, but staff daily picked up bottles and cans from around the store and bus stop. Two seats were provided outside the store under the shade of a tree.
- Prior to the change Police commented on 8 February 2024 – “while alcohol is problematic in the CBD at times I am reasonable in my opinion that the minority of society should not prevent the good majority of people being able to access legal items for purchase – alcohol and the CBD or shopping mall seems to be an appropriate place for such services”
- By 6 June 2024 the submitter noted that she had received an email from the Police advising that the amenity and good order in the CBD was decreasing to the point where her licence renewal could be in jeopardy. So not only was the business in jeopardy because of lack of traffic and reduced sales there was also a threat that the licence may not be renewed, all of which could be linked to the change in the road. Peter Dartfield from Liquorland head office was in support of the submitter at the meeting.
- The shop sales had dropped by over a third, the business was no longer viable, yet there were two years left on the lease, with the added cost of rates, insurance and costs for maintaining the building. The submitter noted that she had tried to sub-lease but the lack of traffic and restricted access had not been successful. She had provided notice to the landlord that she

would not be renewing on lease expiry and had franchise permission to shut the doors in February 2025, but would still have \$200,000 in lease obligations.

- The submitter noted that she had only asked for Lower Harrington Street to return to a two way street as it would mean a lot to their customers, it would allow her team to hold their jobs and as a business owner to remain open.
- The submitter questioned whether Council wanted to keep the faith of small business owners with consideration of their needs or were they willing to sacrifice this for a future city of large corporates and newer smaller businesses.

### **In response to questions**

- The current one way system was a two year trial at this point and staff reviewed the data, functionality and feedback as it was received. A workshop was planned with Council in early 2025 to consider the data.
- In relation to a comment regarding the reason for the change in the roading, the submitter noted that at no stage was it mentioned that it was to do with the construction and were told that it was a trial to assist the traffic flow throughout town. It was the submitters belief that the main reason was because of the construction being extended onto the footpath which had pushed parking out before they decided it was one way. She considered that there was still space for a two way.
- Consultation consisted of being told it was a done deal and the Police were also shocked that the bus stop would be located in the street. They were assured that it was just a stop and not a depot. The situation had gotten worse with the two seats being installed and now the Council sent them pictures of people intoxicated and drinking. As the people had said that they had purchased the alcohol from the shop they now got visits from the Police saying it was the shops responsibility. The submitter was now watching security cameras to see what was happening on the street had the safety of the team to consider if they stepped out onto the street to tell the drinkers it was a liquor ban area. The team were not responsible for enforcing the liquor ban, they advised people about the ban when purchasing liquor and told them they would be trespassed if they were drinking outside the store. The shop was struggling to survive, but we tell them they can not come into the store but fail to understand why Council would put a bus stop and two seats in the area as it was asking for the trouble they got.
- In terms of a change to the lower end of Harrington Street being considered it was acknowledged that the changes in the city had affected a lot of people who were surprised showing that this had not been well understood or communicated as the driver for the trial. With the growth of the city there were a lot of competing interests and had become lanes verses parking. It was possible to do something different in Lower Harrington Street with options being provided to Council at the workshop in February 2025.
- The submitter noted that after 21 years in the industry she took it as a privileged and responsibility to own the business and only opened from 10am-7pm, shutting at 8pm on a Friday and Saturday. She knew her customer base and could stay open later and open earlier, but there was a certain demographic shopping for alcohol very early in the CBD. They did not shut late because of the safety of the team and to increase the amenity in the CBD.
- The submitter noted that she felt sad from personal point of view and warned that when she had to shut and give the licence back, it was unlikely to get someone who considered it a privilege to serve her customers and the responsibility that goes with it, rather than it being a money making venture
- It was requested that a staff report be provided on the petition, the consideration of returning Lower Harrington Street to two way and wider information on the one way trial and how that was proceeding. It was noted that the Council were intending to undertake engagement in early 2025 on the one way trial and bring that back to Council in February 2025. Information could be provided on returning Lower Harrington Street to a two way street, noting that it needed to be treated as a system for the 9 December 2024 Council meeting.
- In relation to the bus stop, it was noted that it was not in front of the liquor store it was adjacent, however by default there were buses that did stop there. The location of bus stops had gone through quite a vigorous process of feedback and decision making before landing on that location.

**Discussion points raised**

- Apologies were offered to Ms Parker for the comments directed at her as that was not what the Council stood by.
- Deputy Mayor Scoular noted that as a tenant in Harrington House they had only recently been advised that the road was changed so that other roads would not be closed with the construction. It was important that Council hear from people that had been consulted with and to learn the meaning of that. Council were also hearing that this needed to be done better.
- It was requested that as part of the reporting in February 2025 that the engagement on the CBD bus pilot system be clearly outlined as there was a lot of confusion about what was temporary and what was semi permanent for bus locations. It was noted that liaison would be needed with the Bay of Plenty Regional Council and the Public Transport Committee.
- Appreciation was passed on to the petitioner for her honesty and highlighting the situation within the CBD noting that it was a learning for Councillors and staff that consultation was not just telling people and to work out what engagement mean as the business people were important to Tauranga.

**RESOLUTION CO23/24/3**

Moved: Mayor Mahé Drysdale

Seconded: Deputy Mayor Jen Scoular

That the Council:

- (a) Receives the Petition from Lisa Parker on Harrington Street".
- (b) Requests staff report on the petition and considers the request to return Lower Harrington Street to a two-way street at the Council meeting at 9 December 2024.

**CARRIED**

At 11.33am the meeting adjourned.

At 11.45am the meeting reconvened.

**10 RECOMMENDATIONS FROM OTHER COMMITTEES**

Nil

**11 BUSINESS****11.1 Chief Executive Summary Report**

**Staff** Marty Grenfell, Chief Executive  
Jeremy Boase, Manager: Strategy & Corporate Planning

**In response to questions**

- In relation to key principles for the budget and whether the consideration of affordability was defined when considering budgets, it was noted that the LTP signalled rate increases over the 10 year period. Part of the process of resetting the capital programme and income to revenue budgets was to consider whether or not the proposed rate increase was affordable to the community.
- In response to whether affordability was included in the consultation document, it was noted that while there was no specific question asking about a specific size of an increase, the community let the Council know whether they agreed with the proposed increases in rates. Council then determined what they considered was the right programme and gauged the affordability of that. The closest proximity to mentioning affordability was in the broad conversation asking if residents wanted to put rates up or cut services, with a 60/40 split to put rates up rather than cut services.

**Discussion points raised**

- Mayor Drysdale noted that this Council had a strict criteria and were not prepared to put rates up above the LTP and until they got to a balanced budget, it was not time to have a conversation about lowering rates or have a conversation around affordability. The consequence of that was that the community understood the compromise on the level of service. Council would be looking to answer questions within the upcoming annual plan discussion and in later years to look at where rates would go from there.
- It was considered important to discuss affordability at all stages and not just the levels of service, it was also about delivering at every level and how do it better, by doing some things differently, being more efficient and utilising the rates money better. This included utilising current staff and not using consultants and moving projects back as there was no money to do them now.
- It was suggested to consider the space around affordability and seeing evidence of the best balance of the changing dynamics around what the latest census was indicating with ethnic communities, styles of living, shortage of housing and the like rather than going out with one option. Auckland Council was an example with a more comprehensive range to get back in touch with those on the ground and balance the budget with an affordable outcome for the city. Three options were nuance, evidence and what was included in the capital programme as it was considered that the current LTP increases were too high and should be brought back to single figures.

**RESOLUTION CO23/24/4**

Moved: Cr Rick Curach

Seconded: Cr Glen Crowther

That the Council:

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

**CARRIED**

**11.2 Annual plan process and principles**

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

**Key Points**

- The report was to set the scene for the annual plan, the time line of where the process was currently at as well as outlining the basic principles for developing the document from the LTP process with the a definition of value for money added.

**In response to questions**

- In response to a query as to how Council could try and do projects differently and get value for projects such as the courts and aquatic centre to overcome the potential inherent problem of these being over defined by providing a building that could serve the function rather than design and deliver grandiose buildings for community, it was noted that the processes included gaining independent advice from the private sector. Local government did operate differently as they had to ensure procurement laws were adhered to, with transparency in front of mind with a better balance being sought within the sector, especially with professional services who added facts to a design and looked at value to Council rather than finding a supplier and trying to limit the scope and not getting the life expectancy Council required. Generating what was value for money was a long game and when some push this too far it could end up undermining the longevity of the solution.
- The Council focus was as a team to ensure that they were getting the best community facility in the most cost of effective way and managed as a whole of life cost. When a project included a wider community usage, independent advisory groups had been set up and commercial people brought in to allow Council to think outside the square . There were a number of different

relationships and needs with the community hub design and build, with a lot of work being done during each of the design stages to get best the outcome, which was not always the cheapest.

- It was important to have a set of principles as the elected members had different demands from their predecessors. The principles needed to outline affordability, value for money financial stability and have a robust and transparent financial, community and environmental analysis.
- It was noted that the fair share how the organisation spread the encumbrance across all of the people who used and benefited from it with the balance being made up from rates and fees and other Council projects. Affordability was to create a fair share within the three separate considerations.

### Discussion points raised

- Discussion ensued on the principles, the understanding of values, affordability, growth paying for growth, monetary verses the social side, value for money, community engagement, sustainability and working towards a budget that delivered good community outcomes for the people of Tauranga resulting in the recommendation in the report being changed to reflect these.

### RESOLUTION CO23/24/5

Moved: Cr Marten Rozeboom

Seconded: Deputy Mayor Jen Scoular

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, economic, social, cultural and environmental sustainability
  - Affordability
  - Robust and transparent financial analysis
  - 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* is defined as the most advantageous combination of cost, quality, and sustainability, and refers to the efficient, effective, and economical use of public resources to achieve the best possible outcomes for Tauranga.

In this context:

  - cost means consideration of the whole life cost.
  - quality means meeting a specification which is fit for purpose and sufficient to meet the needs of the people of Tauranga.
  - sustainability means economic, social, cultural and environmental benefits, considered in the business case in support of council procurement.

**CARRIED**

At 12.52pm the meeting adjourned.

At 1.20pm the meeting reconvened.

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

**Staff** Kathryn Sharplin, Manager: Finance  
Susan Braid, Finance Lead Projects Assurance  
Paul Davidson, Chief Financial Officer

#### Key Points

- The reforecast for the 2025/26 had been reduced by \$88M setting the annual plan budget at \$76M.
- Staff advice was to remain within existing covenants, the figure needed to be closer to \$500M, noting that there was a risk around the revenue which may impact on that.
- Confirming the approach for the annual plan with the projects showing the principles of looking after what Council had with renewals budgets remain in tact within the plan. Projects that were committed under contract or by other means were included within the plan .
- There were various groupings of prioritisation with those considered high priority to fit within the financial envelope and then other projects.
- A workshop would be held on 4 December 2024 to allow Councillors to consider information and work with projects included to confirm the programme at the Council meeting on 9 December 2024. Staff would put those decisions into the system to provide a draft annual plan for consideration in February 2025 to go out for consultation in March 2025.
- The prioritisation process was noted in the graph on paragraph 10 of the reports summarising the approach with the \$765M divided into each activity budget based on the LTP of 60% to transportation and 40% to civic community. Allocation of the available budget of \$500M was shown as the red line for each activity identified and prioritised, renewal and committed projects.
- Green were the projects that were currently sitting in the LTP and would be prioritised within the red line for next year.
- When the LTP was completed, there was an assumption that the IFF would take \$150M off the balance sheet and there would be higher levels of NZTA funding for roading projects. The reforecasting process from this year resulted in putting more budget into next year.
- The \$500M included the key financial metrics from the LTP noted in paragraph 7 but had not been updated for the annual plan. As well as the loss of subsidy and the debt being higher, there were other factors towards favourable which were being worked through. The capital prioritisation needed to generate through the system to determine what the financial metrics would be.
- \$500M was a maximum based on the estimate that would be at a debt of approximately \$1650, with capital subsidies of \$40M not \$85M. This made quite a difference to revenue ratios.
- With the proposed changes Council were getting close to the limit of 280% debt to revenue which was 272% in the LTP.
- \$250- \$300M needed to come out of the LTP as there had been a loss of \$150M IFF and NZTA subsidy reductions.
- There were several things that would influence whether sums had to be taken out, revenue that was considered appropriate as there would be influence by the revenue, the current debt level and new debt being brought on. Also the debt to revenue limit may change. Part of the decision of providing IFF was awareness that LGFA were looking at bespoke covenants and trying to increase financial convenience. More about whether this had been approved as a concept would be known after the LGFA Board had meet on 19 November 2024. The second item to affect ability was the water CCO as they would lend up to 500%.
- Information provided to Councillors on 11 November 2024 included capex information broken down by groups and the 25 reforecast budget items which had been spread across the programme. Further deferrals had been proposed on the \$766M totalling \$117M deferrals most of which were across the transport and community services infrastructure spaces. It included rephasing of initiatives such as Cameron Road Stage 2, Turret Road, Hewletts Road,

Bay Park master planning and Memorial Park leaving a draft planning budget of \$646M. To get to the \$500M, there would need to be a reduction or remove another \$146M next year.

- There were renewals budgets of \$107M and a further \$290M committed leaving \$103M capacity to balance a priority programme
- The second page showed how prioritisation was shaped up, with an exercise being undertaken to categorise the most high priority projects that fit within each teams respective target limit.
- The orange category needed the most interrogation which showed high priorities from each of the teams that could not fit within that limit. The red category was a group of lesser priority projects.
- The third table provided an organisation wide view of how projects had been categorised as high priorities. The 10 year view was overstated as it was not just a one year problem.
- The second attachment provided programme summaries and set out the most up to date funding priorities.

### **In response to questions**

- In answer to a query as to how to get to the place of community aspiration and increase the level of service or add efficiency to the transportation budget to alleviate congestion it was noted that the 60/40 was a starting point based on what had been seen in the plans. The process would unfold as move into the conversations especially in the orange projects and if the collective view to include more transport projects from the orange to the green. To do this would need to determine what other projects would come out and could result in the revision of the 60/40 split, but it would need to be done understanding the projects that collectively the Council want to see back in. This could also be a conversation held with the community. Also complicating this was the conversations potentially to bring to Council bespoke covenants as a further overlay and a conversation with the community as part of the consultation process.
- In answer to a query to put greater weighting on the efficiency and access aspects as opposed to safety elements programme, it was advised that the Government Policy Statement (GPS) and National Land Transport Plan (NLTP) had largely done that with a focus on efficiency and economic growth. Safety now had a different focus from central government which steered the NZTA investment programme which had been put together following that programme. If there were other objectives to focus on or different weightings on the current objectives in the investment assessment manual, these could be shifted and provide examples given on what that would look like, however it was very limiting to what could be done within the orange envelope at present.
- It was requested in paragraph 14 to separate out NZTA and Te Manawataki o Te Papa as they were different activities.
- In relation to paragraph 15 further noting that the negative risks incomes that may change and how these would be tracked throughout the process, it was advised that this would be reported and included in the finance reporting. The changes would also be included when the annual plan draft was provided and again time for deliberations by noting where the budget was heading with risk changes and best estimates of the changes. Any changes made to the funding environment would be brought to Council as soon as possible outlining the impacts of those.
- If the forecasting went over the covenant of 280%, staff would have a conversation within the business activity and bring any decisions to Council to stay within the borrowing covenant. If Council breached the level they would be given a months notice from LGFA to rectify or refinance. Track was kept within the quarterly monitoring and it breached would be brought to Council very quickly with options to remedy that situation. Council had a good relationship with LGFA and would work closely with them as they were aware of the position Council were in. LGFA would call on the debt to be repaid in that month period and Council would need to refinance on the open market. Any bespoke convenances would be higher and staff always tried to keep headroom so that they did not get in that situation at year end. LGFA had allowed some capital revenues in the past ratio calculation, but were conscious of the variability and were most likely to look at those less favourably and exclude those from calculations, so how the ratios were treated would be important.

- If the LGFA Board allowed bespoke convenances, a decision would need to be made whether Council would make an application for those and what the implications of that would look like.
- Finalisation of NZTA funding and not achieving grants and subsidies as budgeted figures would be provided.
- The first four years was overstated in the orange category and would probably be added on to future years unless decisions were made to reduce budgets or stop projects. The orange categorisation was applicable to the 2025/26 and renewals and committed was flowing through those projects and where need to be in the next four years. NZTA's green fund was in place and was of the same trend to what Council had at present.
- The \$500M was a gross figure which had come down after inflation the amount would shrink over that period and there was also the unknowns at present around bespoke convenances, water reforms and the like that could put more back in, but it was approximately \$500M.
- It was commented that Councils were not investing enough in three waters and the concern with the water reforms being left to the future, it was still the people of Tauranga that would need to take care of it. In relation to a concern that the \$109M included in the budget was insufficient it was noted that it was \$95M two years ago and \$100M this year, so was a similar input to this point. There had been a big investment in waters over the past two years. The programme was focused on the waste water component to be able to run the system more efficiently and staff were comfortable with the position in the programme.
- In relation to whether all of the necessary central infrastructure had been put into the LTP and consciously investing significant amounts in non core infrastructure as noted by the Auditor General's recent comments, it was noted that this was the 60/40 split and if this could be done differently more could be spent on waters projects. However other areas would suffer and Council had adopted the principle of dollar in and dollar out.
- In relation to the comments of non essential and not necessary, and the infrastructure strategy saying they were essential, it was advised that staff could provide a breakdown for waters noting the investments that had occurred and the investments proposed spend to provide reassurance of the spend along with a breakdown in the done well narrative. The water spend was higher in contrast to other areas of council with a large amount of infrastructure being delivered across all of the activities within the city and these needed to be prioritised accordingly.

### **Discussion points raised**

- Appreciation was passed on to staff for all of the work that had gone into the annual plan.
- It was requested that when debt was listed to put a footnote so that residents were able to determine what the debt was.
- Consideration needed to be given to the 60/40 split with options for high, medium and low priorities and giving people a choice with the annual plan.
- Consideration needed to be given to the 2023 Vital Signs Survey and the changes requested with alleviating congestion being residents most pressing issue.
- It was noted that while one of the ways to address this was a congestion charge, it was not seen as a popular solution.

**RESOLUTION CO23/24/6**

Moved: Cr Rod Taylor

Seconded: Cr Glen Crowther

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.

**CARRIED**

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

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

##### **Key Points**

- This was the result of the work done on the SmartGrowth strategy and implementation plan focusing on planning for future growth upper Belk Road to deliver business land and address housing shortfalls.
- It had been made clear through the process that it was unfunded and to look at how to provide implementation to the action and fund it.
- The purpose was to ensure that Council were working on the basis that they would meet the governments requirements around development capacity and growth needs of the city.
- In the past Council had experienced times where early planning funding was pulled back and growth was slow which had set the city back and it had taken time to recover. This was one of the reasons that they were now facing housing and growth challenges, but there were also budgetary constraints to consider.
- Upper Belk Road planning aspect had a priority short term action to move forward looking at the feasibility and then move towards structure planning with a plan change to change the rezone of the land.
- The area was currently located in the Western Bay of Plenty District Council (WBOP) and adjacent to Tauriko Business Estate consisting of 300 ha of developable land, with a potential use of 50% each for industrial and residential. It was subject to feasibility as to what any development would look like.
- Council were working closely with WBOP to work with the community and mana whenua in terms of any boundary issues going forward and to set up an action group with key stakeholders.
- A stepped approach would be undertaken over the next six months to provide gateways to

completing a feasibility analysis, engaging with WBOP and reporting back to Council with the results of this as to whether it was feasible, if there were any fatal flaws that they were not aware of. In 2025/26 it would move into the next stage which was a more detailed analysis of feasibility including cost, benefits and funding pathways. This would then be followed by the structured plan change from the study.

- Seeking funding through the annual plan for external costs around flood modelling assessment, stormwater velocity and initial transport modelling to test some of the feasibility elements and fatal flaws.
- There would be a 3-5 year planning period before moving into detailed development as this took a lot of time and the longer it took to start the process, the longer it would take for land to be opened up for development.
- One of the key issues for the area was waste water services. Tauriko West was a grouped network from the Orini sub station to the southern pipeline to the Waiari treatment plant was at full capacity and required an upgrade of the trunk infrastructure which was a significant investment.
- Council would need to look at the potential cost and whether there were other alternatives to service the area, which would take some time to determine.
- The water supply concept plan for the area was being reviewed in regard to cost and feasibility as the population changed with additional reservoir and increased pipe sizes but would require further assessments to ensure the system still worked.
- There should be no change in the order of service to the Upper Belk area from the treatment plant but they would need to bring the coastal trunk mains works forward which had been delayed in the LTP. These were the pipelines servicing from the Waiari treatment plant to the Mount.
- The eastern corridor had some new fast tracking projects as they want to be serviced by waste water but there was no capacity for servicing on the eastern strip, so were currently designing and implementing for the growth in Waiariki. There was nothing for Te Tumu area with further assessment having to be done to move into that area. It was suggested to work in with WBOP regarding growth around that area to determine if there were some joint projects.

### **In response to questions**

- In relation to how much of the \$980,000 spend was internal and external, it was noted that the budget was exclusive of staff time, within the senior planning team there would be 1-2 planners on the project full time and they would call on additional staff across the organisation in addition to external consultants.
- The response to a query as to whether the new legislation would make a difference, it was noted that growth requirements would likely solidify and bring forward the need of releasing growth in the Upper Belk Road. It was not likely that a simpler process would be introduced on structure planning for rezoned land, so Council would need to work under the current RMA requirements. This would become clearer in early 2025 once the draft policy changes were made available which could then be reflected through the annual plan.
- In response to why Council would plan this early with fast tracking in place, it was noted that one was Tara Road, another on the district boundary by the Papamoa Interchange and the Te Tumu urban growth area. There was an expensive waste water solution for the area with 13-14kms from the Te Tumu boundary to the treatment plant at around \$200M as well as internal infrastructure and looking at whether there were more cost effective solutions for growth in the eastern corridor. Those capital works could be recovered through development contributions. In areas such as Upper Belk Road, there were fragmented land ownership so Council needed to take the lead at this stage which were mainly operational. The costs would be recovered at the time of delivering the infrastructure.
- In terms of the new set of principles adopted that growth paying a fair share and how to recover those costs it was noted that the introduction of a targeted rate would be an option.
- In answer to a query as to whether WBOP were sharing the cost, it was advised that the area would likely to become part of the city and using TCC infrastructure so over time it would transfer. Those discussions still needed to be held more fully with them over the next 3-6

months. WBOP were not looking to fund these exercises but would be interested in looking at waste water solutions in the eastern corridor so Council would expect contributions for that. WBOP were funding their own growth projects in other areas of their district.

- In consideration of SmartGrowth determining this should occur but not taking any of the cost of planning in advance. A query was raised as to whether Council took a step back to give the proposal more vigour to see if the area was an unfeasible place to grow and expand as it needed roading, was hilly and hard to get to before spending an unbudgeted \$980,000 when not looking at the whole budget and were unsure of how much traffic congestion was being giving up to do it. It was noted that there was growth happening in the vicinity, Council were a partner to SmartGrowth in all growth options, and there was no where easy to grow areas within the city, like those which could be seen with the advanced projects at Tauriko West and Te Tumu. The first stage of the work was carrying out a deeper dive to understand whether the project was feasible before moving on to the next steps and investing money in infrastructure. SmartGrowth was a sub-regional collaboration to set a strategy but the implementation falls on the Council and it was their responsibility to rezone the land.
- It was suggested that Council may be better spending time on growing up rather than sprawling out, but it was noted that industrial development needed large tracts of relatively flat land and rather than building multi-storey units. The area had been identified in the SmartGrowth industrial study as the best opportunity for large scale future industrial land as it would be well connected to future transport infrastructure and the Waikato and Auckland markets and had a high chance of succeeding from that perspective.
- With regard to residential, Council wants to do as much as it can to make intensification successful as it would mean that the city would need have less need to grow outwards. There have been a number of zones freed for intensification and the infrastructure was in the ground and it was now up to the private market to pick that up.

### **Discussion points raised**

- It was noted that it was uneconomic for WBOP to develop the area as they did not have the infrastructure to support it. Unless more land was found to open up to more housing within the city, it was this area or Te Tumu and the city potentially needed both of these areas.
- Cr Baker noted that there were large areas of untapped Māori land blocks, many of whom were wanting a reasonable partnership with Council and asked whey the opportunity to build hundreds of homes across the city and alleviate pressure on the current market by putting whanau in those homes. Kaitemako were wanting to develop whanau homes and social housing but needed a level of financial support to enable the spaces to grow. Some of these groups had been consulted on for years and it was suggested that this be put to the table so that robust conversations were held to address those issues as it would serve multiple purposes for the people of Tauranga. It was noted that the Council were doing a number of factors in that space and information would be brought back through the Vision, Planning, Growth and Environment Committee.
- There were partnerships with WBOP and it was suggested that as there were a number of opportunities for growth within that region, the Councils should join together.
- It was considered worthwhile to start the process to determine whether it was feasible to continue as progress to solve the housing crisis. Any delay at this point would become another year without solving this issue.
- If Council did not invest in opportunities to grow the city they would also miss opportunities to receive central government funding,
- It was considered that the exasperator was central government with immigration driving growth, and there was no choice but to let it happen.
- There were other opportunities to look at to achieve growth before this one.
- Council needed to do a lot of planning up front and less on execution and open up a lot of areas for growth and do the work now. Delivering on the SmartGrowth strategy with partners was also important. The strategy for the 10-30 year time frame hedged bets on Keenan Road, Upper Belk Road and the eastern town centre and clarity was sought in the LTP process as to where Council were wanting to go with those areas.

**RESOLUTION CO23/24/7**

Moved: Cr Steve Morris

Seconded: Mayor Mahé Drysdale

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.

**CARRIED**

**Against:** Deputy Mayor Schoular and Cr Hautapu Baker

## 11.7 City Operations in-housing

**Staff** Greg Steele, Manager: City Operations  
Barbara Dempsey, General Manager: Community Services

Presentation attached to minutes.

### Key Points

- The presentation was based on the service Council were receiving and bringing the operation in-house from 12 staff working out of a container at the Airport in July 2022 to building a new Council business.
- Took over many of the areas that were not well maintained and were now working from two depots with 110 staff with processes and procedures in place. A point of difference being the culture, with the team as ambassador wearing the brand of TCC on their chest and making sure they were hiring the right people who were proud of the city.
- Performing maintenance across the city on gardens, reserve mowing, playgrounds, structures, natural and wetland vegetation, dunes and walkways.
- The team were mowing 23ha a day, maintaining large areas of tracks and walkways, there were two CBD caretakers picking up litter in Tauranga and the Mount walking 80km a week, 600 tonnes of weeds were removed from gardens in the past year.
- The induction model for staff was to prioritise routine maintenance and every month to make it better.
- Council were starting to recognise the efficiencies in scale.
- There was a wide range of experience with the team who were sharing together, with honesty,

being reliable, taking ownership and sharing stories of what they were doing with the community.

- Strategies were put in place for Mount Maunganui to upgrade the service in that area.
- Extending the life of areas with water blasting, repairs and maintenance rather than replacing.
- Mt Drury walkway had recently been upgraded and was seeing increased foot traffic. A new walkway was being provided at McLaren Falls with natural vegetation areas being made to be self sustained by infilling and keeping it maintained for 2-3 years until it was able to become self sustainable.
- Effectiveness was measured with before and after photographs, looking at trends and trying to improve.
- Last year 1,600 jobs had been raised by the community and staff had self raised over 12,000 jobs.
- Follow up was made with the call customer to explain what action had been taken and how long it would take to be done, resulting in a 49% increase in compliments which were shared with the field staff.
- Increased applicants when recruitment drives were carried out and have a staff with a number of different backgrounds and trades.
- Delivering awesome community outcomes and each team has own purpose and flavour. 34 staff achieved a certificate in horticulture in primary industry operational skills last year which was central government funded and another 32 would be completing it this year some of whom had never had qualification. 17 staff internally moved within the city operations unit and the 4 supervisors had undertaken customised TCC leadership training. There were also some doing landscape and horticulture 3 qualifications.
- Celebrate wins where staff were recognised for work they do through a self nomination form and the Toolbox awards.
- Health and safety was important and front of minds for all staff with monitoring and auditing being undertaken every day. Industry standards had been adopted and industry leading with proactive learning teams being established to test methodology before someone got hurt. The unit had its own Health and Safety Manager and committee. Internal communication was carried out in various ways to ensure they were understood such as videos.
- Consideration was being given to wildflowers, beekeepers for honey and an opportunity to sell services. Improvements included an auditing system from Auckland and different ways to improve through technology, such as the use of a robot spider mower which was saving man hours in mowing and working well.

### **In response to questions**

- In relation to a query on the use of agrichemicals was two fold and the start was the landscaping and where gardens should be and how they were developed in conjunction with the roading team at the concept stage. This helped to minimise concerns and to think about how many more gardens were needed while keeping the look and feel of what each place needed.
- The Team employed their own Health and Safety and human resources and were paying for those and the equipment that they brought so the depreciation and interest was going directly into that activity, paying its own way with that activity, plus the overheads of employing staff directly.
- In response to a query at attempting to keep the cost of providing safety at sites down, it was noted that there were opportunities to reduce this and do it better. It was also noted that the industry was also changing and they would be able to take advantage of that.

### **Discussion points raised**

- The appreciation of Council was noted and to know that they were getting good value for money doing more for less and looking for further opportunities. Compliments were received on the change of how much nicer parks, roadsides and paths were looking thanks to the team.
- It was requested that the tables also include the previous year to see what it costed before the until became in-house what it cost and the overheads paid to TCC should be part of the cost

structure.

### RESOLUTION CO23/24/8

Moved: Mayor Mahé Drysdale

Seconded: Deputy Mayor Jen Scoular

That the Council:

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

**CARRIED**

### Attachments

- 1 Presentation - City Ops Toolbox October 2024 Councillor Pack - Council 12 November 2024

## 11.5 To Make Operative Plan Changes 34 and 35

**Staff** Andy Mead, Manager: City Planning & Growth

### Key Points

- A change to the recommendation (c) from 23 to 25 November 2024.
- While there were submissions to the plan change, there were no appeals as all of the issues were able to be resolved.

### Discussion points raised

- It was noted the amount of work that had gone into the plan change and the importance to ensure that consents were consistent.

### RESOLUTION CO23/24/9

Moved: Cr Steve Morris

Seconded: Cr Rick Curach

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 25 November 2024.

**CARRIED**

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

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

### Key Points

- Date changes had been made to some of the events and approval was required to accommodate the change

**RESOLUTION CO23/24/10**

Moved: Cr Steve Morris

Seconded: Deputy Mayor Jen Scoular

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

**CARRIED**

**12 DISCUSSION OF LATE ITEMS**

Nil

**13 PUBLIC EXCLUDED SESSION**

**Resolution to exclude the public**

**RESOLUTION CO23/24/11**

Moved: Deputy Mayor Jen Scoular

Seconded: Cr Rick Curach

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

**CARRIED**

At 3.57pm the meeting adjourned to reconvene at 1.00pm on 14 November 2024.

**Continuation of meeting – Thursday, 14 November 2024 at 1pm**

**MEMBERS 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), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Alastair McNeill (General Manager: Corporate Services), Sarah Omundsen (General Manager: Regulatory and Compliance), Gareth Wallis (General Manager: City Development & Partnerships), Jeremy Boase (Manager: Strategy & Corporate Planning), Kathryn Sharplin (Manager: Finance), Susan Braid (Finance Lead Projects Assurance), Andy Mead (Manager: City Planning & Growth), Alison Law (Manager: Spaces and Places), Ceilidh Dunphy (Community Relations Manager), Coral Hair (Manager: Democracy & Governance Services), Caroline Irvin (Governance Advisor), Aimee Aranas (Governance Advisor), Janie Storey (Governance Advisor)

**EXTERNAL:** Craig Jones, Visitor Solutions, Sam Toulmin, Apollo Projects, Kyle Callow, Deloitte, Chad Hooker – Bay Venues Limited

### **3 PUBLIC FORUM** *(continued)*

#### **3.7 Peter Cooney and Kevin Hill – Tauriko West Density Debate**

##### **Key Points**

- As one of the largest developers in the country the submitter noted that he saw issues on density of the type which the Council were trying to achieve.
- There was no technical report supporting 25 lots per hectare (ha) and can not work out how the 800 lots at 22 houses per hectare increased to 25 as there was no data or information to be found on that rate.
- The handout included that a report commissioned by Council in 2020 carried out by Market Economics, with the submitter noting he could not understand why this had been ignored and the evidence produced for the upcoming hearings. The report recommended a range of potential housing based on the potential land allocated to different housing densities of 15-19 net dwellings per hectare was physically achievable within the Tauriko West. This information had not been raised in any of the discussions held and he was unsure why the Council were not using the information.
- There were a number of grey areas under Plan Change 33 where you were only required to develop 13 lots per hectare. The submitter questioned where the 25 lots per hectare had come from noting that some of Tauriko and the whole Te Papa peninsula had no densities on it. The submitter asked what commercially sound basis was there for 25 lots per hectare for their lots, when it did not stack up.
- Kenny's report used examples of where the density had been used which were misleading. The submitter noted his development was a joint venture arrangement with WBOP, using a small sample of Stage 1 where they did 300 lots. The area was 17.5 lots per ha not 20.2 apart from an area where terraced housing had to be put as part of a deal with Affordable Housing

and WBOP. Only half of the affordable housing had been sold and the balance was for sale at \$599,000 were not selling and they were losing money on it. If they had not been forced to do that by Council, it would have been 17.5 lots per hectare not what was included in the Veros report.

- One small area of East Quarter had been used for the density and they were also sitting on those as they could not sell the terraced housing so why would they go to Tauriko West and build 70% in terraced housing when they could not sell those in the East Quarter.
- The submitter pointed out that they were the ones taking the risk, it was his and shareholders money being put in, they had analysed and understood the market and had invested millions of dollars over the eight years since it started.
- When looking at all of the projects they took into account best practice, what a property would sell for, what it would cost to build and work their way back to what the land was worth.
- The submitter noted that they had a joint venture arrangement with the NZ Superannuation, stating that they became partners with them as they knew what they were doing.
- Examples were used in the report of 5ha at Hobsonville when it was 80ha. Stonefield was used but that was \$2.5M and as an expensive product market, the density did get higher but that example was not the same as this priced market.
- There were so many things wrong with the information in the report.
- Council wanted density but were not prepared to give the area an amenity, they had cut the amenity value and were not prepared to spend it nor could Council tell them when it would be done.
- Council want the submitter to take a risk when Council were not prepared to assign an amenity. The submitter advised that he was not prepared to sign an agreement with Council on that basis.

### **In response to questions**

- In response to a query of other areas with the larger density the submitter noted that this area was 140ha. Medium density may be on the periphery of a town centre or amenity of a small area of 5-6ha such as a retirement village or gated community. He was not able to provide an example of 20 lots over a 130ha subdivision which was why the report could not link to any evidence. There would be an area of 25 lot in the development, but this would not be done from Stage 1, it would be done much later and would more likely be in the vicinity of the river.
- The Lakes started at 12 lots ha and slowly crept up to 18 over time with the market dictating when they would do that density. The time was not now as terraced housing was well out of favour all around the country.
- In relation to a comment as to whether they would be given a fair hearing the submitter noted that the hearing was about the plan change. They had appealed and said no to 25 lots ha and argued from day one that they did not agree to it. The submitter stated that they would not develop at that rate and rather just keep farming the land. They did not want to take that massive risk as they were the ones putting the money up front. The submitter considered that it should be a development contribution policy where Council claimed it back as the developers were taking just as much risk as Council paying the money up front. He suggested that Council purchase the Kainga Ora land and build at 25 lots ha and tell the ratepayers what happened when it did not give a financial return. While Council had dictated the density with Smiths Farm it was only a small area and while they would have 10-12 ha in their subdivision at that density they would not do it for the whole area as it would be suicide.
- The submitter recommended that Councillors read the report that Council had paid for.
- In response to a query as to where the 25 lot ha came from and the aspiration behind it, the Manager: City Planning & Growth noted that it was not appropriate to talk about merits at this point as it was before a hearing panel where the views of various parties would be put to the hearing and Council needed to let that process run. A recommendation would be brought back to Council for consideration and decision making at that point.
- The density had come from the general planning process through AFTI and SmartGrowth with 30 dwellings ha as the target aspiration for greenfield developments moving forward. Council had held specific discussions around this projects and whether the density was appropriate or

not. Other parties had a strong line for 30 lots ha, but these had been able to be dialled back to be able to allow enabling works to proceed at the level of 25 per ha. The densities were not absolute, there was a planning framework in place through the city plan to enable them to be considered through the consenting process, market conditions and feasibility of development. The purpose of the framework was to set out the strategic direction and aspiration of what Council want to achieve over the 20-25 years of development in Tauriko West.

### 13 PUBLIC EXCLUDED SESSION *(continued)*

#### Resolution to exclude the public

#### RESOLUTION CO23/24/12

Moved: Cr Hautapu Baker

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
<b>13.4 - Memorial Park Aquatic Centre Updated Business Case – Supplementary Information</b>	<p>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</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>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)</p>	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 2.03pm the meeting adjourned.

At 2.09pm the meeting reconvened.

## 11 BUSINESS *(continued)*

### 11.8 Memorial Park Aquatic Centre Update – Supplementary Information

**Staff** Alison Law, Manager: Spaces and Places  
Ceilidh Dunphy, Community Relations Manager

**External** Chad Hooker, Bay Venues Limited

#### In response to questions

- In response to a query to understand the airspace with the mixture of pools it was noted that, it was the same ventilation and separation, but an acoustic environment rather than air temperature would be the same.
- Development contributions were only available on the growth of water space across the network and features in addition to what was currently provided.
- Development contribution figures for Te Manawataki o Te Papa would be provided, noting that these had changed over time and the amount had reduced.
- In relation to how the recent survey differed from that done in the past it was noted the latest survey was provided to the community at large with specific questions. Council did not previously undertake extensive consultation, but had received feedback within the last two LTPs supporting a new aquatic facility and to retain the Otumoetai pool.
- Mr Hooker noted that the café and fitness centre was to drive revenue to offset the cost of running the facility as without it, the revenue would be reduced increasing the amount of subsidy required to be put in by Council. Bay Venues operated a gym at Bay Wave for a good return and the one at Greerton pool broke even.
- If the Otumoetai pool was retained, staff would need to reassess the amount of development contributions and provide the information. It was noted that \$1.2M had been collected in that area and would need to be refunded.
- In relation to the opex funding included in the LTP for the Otumoetai pool and at what point it would not be operational, it was noted it would operate until the Memorial Park Aquatic Centre was due to open. The resolution was to establish a working group and as part of that process geotech testing would be carried out.

#### Supplementary Report

##### Key Points

- The team was well experienced and noted the importance of getting the right balance for the majority of the community.
- The existing facilities were at capacity with a major gap in the leisure, learn to swim, hydrotherapy and water sports as per the Sport NZ strategy.
- Baywave was the only pool that catered for water sports and the proposed aquatic centre with the current design would fill those gaps and enable most people to have the water space they required.
- Aquatic centres provided physical and social hubs, with a small percentage of space needed for the elite and high performance athletes coming out of Tauranga.
- The community was made up of a diverse range of user groups with varying needs, requiring varying depths and water temperatures.
- Expertise from Bay Venues, Council, Visitor Solutions and Apollo to reach the best outcomes as they had delivered many recent facilities across the country.
- Mr Hooker noted that the operations team was a group of dedicated aquatic professionals who worked within the sector each day, from high performance to aquafit classes.
- The community survey highlighted that the area was short on facilities and there was an under investment in community facilities.

- The centres were at capacity at peak times and they struggled to find space for others. There was little resilience if one of the pools has to close.
- The smaller pools were 50-70 years old and built when the city had smaller population. These were now failing and not fit for purpose and Baywave, which was 20 years old also needed some reinvestment as there had been a 50% increase in the population within that time. A start needed to be made to solve these problems as it could be up to ten years before more was provided.
- Bay Venues were tasked with delivering the best outcomes for the community in the best cost effective way, to prioritise investment, to determine what would give the best value for investment now and for future generations.
- The designs had been provided based on expert advice to give the best value for the cost following a lot of engagement, regular user forums and discussions on whether to install a 50m pool or not.
- Apollo had delivered \$20M in savings and had included revenue generating elements to offset the opex cost. Option 3 seemed to provide the widest benefit for the best whole of life cost and would drive the most use in the most cost effective way.
- Large bespoke buildings could provide false economies as they required ventilation and plant rooms to control the moisture and chlorination and to protect the electrical equipment.
- If a decision was made next year, it would be 2028 before it was operational.
- The funding requested was to allow the project to keep moving forward on the 4 options proposed.

### **In response to questions**

- In response to whether any work had been done on the current pool site, it was noted that yes and if it was to be built in a different location, the pool could still be used and the space not retired. The area was to include indoor courts, but this had been moved and the pool would be placed in the best location on the site.
- When the pool was replaced it was intended to redevelop the area and extend the mini golf and include an enabled play space on other side of park, with connections to them both.
- In response to a query regarding the inclusion of a fitness centre and café, it was noted that more work would be done on this. It was widely understood that the cost to run a fitness centre was minimal and that this worked in well for the learn to swim programme. Baywave had a gym which the private sector had resented the competition, but the package was with the pool and gym access at a discounted rate. In relation to this competing with the private sector it was noted that Bay Venues would try to do other things like catering and gyms partnering with Council but there was a limit to what they could do. If a gym was not included, the subsidy required from Council and ratepayers would need to be higher to offset the running of the facility. Mr Hooker noted that he would provide the cost of the fitness centre.
- It was suggested that the cost of aquatics was equivalent to 1% rates if depreciation interest was not included, depending on the type of facility and what was in it. In response to a query as to why depreciation interest was not included, it was noted that the facility would cover its costs, but may not have been picked up in the business case at this stage.
- A breakdown of figures could be provided on the single use of either the pool or fitness centre and how many used both facilities during a visit.

### **Key Points**

- The engagement for the recent survey included the rates data base and engagement platform resulting in a high level response rate of 5,000 responses received. This was higher than previous engagements. The clear result was an overwhelming support for Memorial Park Aquatic Centre and 71% for a \$80-105M spend.
- The bulk of the respondents were existing pool users with 54% of those wanting new facilities. 25% of the respondents were not pool users.
- Learn to swim and a 50m pool came out on top.
- A query in the survey sought responses to what people wanted the additional money in the LTP set aside for a pool to be used for, the overwhelming response of those not supporting the pool was to bring back reduced borrowing levels and 44% wanting Council to reduce debt.

**In response to questions**

- In answer to a query as to whether there was any limit on the number of responses from one IP address, it was noted that there had been none placed on this survey and while that information had not been sought, there was nothing of concern showing up with the results.
- It was considered that there were generally glitches in surveys of this scale with 1% indicating that they had an issue with the functionality and it was suggested that the instructions be made clearer. It was noted that some comments had been received via email noting the issues the respondents had encountered.
- Concern was noted that there was only 1% of under 18 year olds responding to the survey and a query was raised as to how to ensure that the childrens voices were heard for a facility of this nature moving forward. It was noted that the channels skewed a bit on the data base and on face book where there would normally be a better lead in time would be able to target different platforms that young people used. The Community Development team would reach out to youth and they also use paid marketing campaigns and channels that register more with young people. Bay Venues had shared the survey with their groups and networks.
- The information received was checked quickly to be able to provide it to this meeting.
- In relation to page 4 of the report where other suggestions provided 37% for a 50m pool were and whether they were added to the other numbers, it was noted that not all recipients filled that section out as the question had already been asked. There were not counted again but recipients wanted to reinforce their support or otherwise.
- The Sport NZ aquatic strategy was a national strategy, with every town having the same shortfall in leisure, learn to swim and hydrotherapy water spaces. They, and Sport BOP were supporting what was proposed rather than a 50m pool as it would not achieve what the community wanted. The 50m pool conversation was from those that need it for their sport or high performance and while they want to support them, the majority of pools users wanted the other spaces. A fact sheet from Sport NZ explained their rationale of a 50m verses a 25m pool and provided the answers to the questions being asked.

**Discussion points raised**

- It was noted that the gym and manu pool had ranked bottom and there was not the relativeity when asked to rank items, where some may only answer a few options making it difficult to draw insights correctly.
- Appreciation was passed on to all of the team for the work done so far, the Communications team for providing the survey and getting the results in so that Councillors could understand residents views and to those who had contributed noting it was a great response rate.
- It was resounding result that more aquatic facilities were needed and that residents actually wanted to commit to a pool at Memorial Park.
- While the 50m pool shone out highly, it was understood that there was a need to separate this out from a leisure facility as the two did not fit together.
- There was some discomfort at the cost of between \$80-105M, and a struggle to know which was the right figure. It was a huge commitment of ratepayer money and Councillors needed to be sure that they received value for money and at this stage they were unsure whether it did that.
- An alternative motion was proposed to commit to building an aquatic facility at Memorial Park and to continue to pause and do more work, leaning on user groups and understanding the strategy and where a 50m pool could be sited if it was not at Memorial Park.
- Reconsideration of the closure of the Otumoetai pool was suggested to determine how long it would be able to remain in service and to give consideration to how the whole network worked.
- There were risks involved which may cause delays for the team, but Elected Members wanted to be sure that they were comfortable with the proposal and explore more funding options so that the burden was not as large as if Council were committing by themselves.
- There was a need to ensure that the entry charges were fair so that users were paying their fair share.

- In relation to a suggestion to put time frames into the recommendations to determine what was to be included in the annual plan, the Chief Executive noted that they would be in a position early in 2025 to include funding in the annual plan to either advance the project or any other options chosen. It was not expected that the work required would not be as much as the \$2.2M sought.
- It was important to be provided with a robust honest report on the entire process, learnings moving forward providing something to measure against.
- Hold conversations with the wider network and WBOP.
- An amendment was made to add (k) to the resolution seeking a firmer commitment to retain the Otumoetai pool.
- Council could not afford an expensive option and should not use ratepayer funding to subsidise a fitness centre.
- It was noted that a report had already been requested for a strategic paper on the aquatic network and specifically on the recommended option with a solution that understands the desire for a 50m pool to be added to the network at some stage, the desire to keep the Otumoetai pool open. It was a timing issue.

**A motion was proposed by Mayor Mahé Drysdale  
Seconded by Cr Rod Taylor**

That the Council

- (a) Receives the report "Memorial Park Aquatic Centre Update" and "Memorial Park Aquatic Centre Update - Supplementary Information".
- (b) Notes that the Memorial Park Aquatic Centre project has been put on hold pending a decision from the Council on the project's future.
- (c) Continues with an Aquatic Centre at Memorial Park, but continue to pause work on the current design while we assess further options.
- (d) Engages in further stakeholder engagement to be undertaken on aquatic strategy within the sub region and further design options for the Memorial Park Aquatic Centre.
- (e) Assesses alternative scope, design, build and cost options, with a focus on delivering value for money for the people of Tauranga.
- (f) Notes that the intention of the Memorial Park Aquatic Centre will be to meet the current deficit in aquatic leisure and recreation facilities.
- (g) Approves the reallocation of the expenditure of up to \$2.2m allocated toward the Design Feasibility Report to the work to assess alternative options.
- (h) Requests a report be brought back to the Project Planning and Monitoring Committee to outline alternative scope, design, build and cost options.
- (i) Notes that in making resolution (c) above, the Council is agreeing not to progress the current Design Feasibility Report at this point.
- (j) Explores external funding options.

**An Amendment adding (k) was proposed by Cr Glen Crowther  
Seconded by Cr Steve Morris**

- (k) Requests a report be brought back to the first Council meeting in 2025 about the Otumoetai Pool geotechnical report, with a decision to be made at that meeting about whether to add Otumoetai Pool maintenance and operating expenditure back into the draft annual plan and into future LTP.

The amendment was put and declared lost

**For:** Crs Rick Curach, Steve Morris, Glen Crowther

**Against:** Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Crs Hautapu Baker, Marten Rozeboom, Kevin Schuler, Rod Taylor

### Discussion points raised

- The annual residents survey comments in regards to the current pools noted that there were concerns of overcrowding at Baywave and that the city needed more pools. The recommendations reflect the community concerns regarding the cost with some expressing frustration with the financial management of Council, prudent spending, unnecessary expenditure and value for money.
- There needed to be a focus on affordability and to drive further savings, looking at all costs.
- Mayor Drysdale thanked all for their input, commitment building a facility at Memorial Park and pausing the current design to ensure that they got value for money for the sake of a further three months.
- Appreciation was also passed on to the community as the results of the recent engagement had swayed the decision with the overwhelming result.

### RESOLUTION CO23/24/13

Moved: Mayor Mahé Drysdale

Seconded: Cr Rod Taylor

That the Council

- (a) Receives the report "Memorial Park Aquatic Centre Update" and "Memorial Park Aquatic Centre Update - Supplementary Information".
- (b) Notes that the Memorial Park Aquatic Centre project has been put on hold pending a decision from the Council on the project's future.
- (c) Continues with an Aquatic Centre at Memorial Park, but continue to pause work on the current design while we assess further options.
- (d) Engages in further stakeholder engagement to be undertaken on aquatic strategy within the sub region and further design options for the Memorial Park Aquatic Centre.
- (e) Assesses alternative scope, design, build and cost options, with a focus on delivering value for money for the people of Tauranga.
- (f) Notes that the intention of the Memorial Park Aquatic Centre will be to meet the current deficit in aquatic leisure and recreation facilities.
- (g) Approves the reallocation of the expenditure of up to \$2.2m allocated toward the Design Feasibility Report to the work to assess alternative options.
- (h) Requests a report be brought back to the Project Planning and Monitoring Committee to outline alternative scope, design, build and cost options.
- (i) Notes that in making resolution (c) above, the Council is agreeing not to progress the current Design Feasibility Report at this point.
- (j) Explores external funding options.

**CARRIED**

## **14 CLOSING KARAKIA**

Cr Hautapu Baker closed the meeting with a karakia.

**The meeting closed at 3.45pm.**

**The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 9 December 2024.**

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

**8 DECLARATION OF CONFLICTS OF INTEREST**

**9 DEPUTATIONS, PRESENTATIONS, PETITIONS**

Nil

## 10 RECOMMENDATIONS FROM OTHER COMMITTEES

### 10.1 Tauranga and Western Bay of Plenty Transport Committee Terms of Reference

**File Number:** A17093002

**Author:** Aimee Aranas, Governance Advisor  
Shawn Geard, City Centre Infrastructure Lead

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

#### PURPOSE OF THE REPORT

1. The purpose of this report is to bring a recommendation from the Tauranga Public Transport Joint Committee (TPTJC) to Council for consideration. At its meeting on 7 November 2024, the Committee passed the following resolution which includes a recommendation to Council.  
*Committee Resolution TPT4/24/4*  
*(b) Recommends to the Bay of Plenty Regional Council and Tauranga City Council that the revised terms of reference set out in attachment 1 be adopted with the addition of a representative from the Western Bay of Plenty Transport System Plan as an external non-voting member*
2. The TPTJC is recommending it be renamed "Tauranga and Western Bay of Plenty Transport Committee" with a new terms of reference.
3. In accordance with the Committee recommendation TPT4/24/4 (b) Council are now asked to adopt the Terms of Reference for the Tauranga and Western Bay of Plenty Transport Committee as per attachment 1.
4. The reasons for the change include:
  - (a) A desire to provide for more efficient governance.
  - (b) Providing a transport network delivering for the community.
  - (c) A desire for political level alignment of opportunities and constraints that exist within the Tauranga and Western Bay of Plenty subregion.
  - (d) Improved community engagement in respect to the transport network.

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#### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Tauranga and Western Bay of Plenty Transport Committee Terms of Reference".
  - (b) Accepts the recommendations of the Tauranga Public Transport Joint Committee TPT4/24/4 and
    - (i) Renames the committee the Tauranga and Western Bay of Plenty Transport Committee; and
    - (ii) Adopts the revised Terms of Reference for the Tauranga and Western Bay of Plenty Transport Committee as set out in **Attachment 1**.
- 

#### ATTACHMENTS

1. **Proposed Tauranga Western Bay of Plenty Transport Joint Committee Terms of Reference - A17193804** [↓](#) 

**Proposed Tauranga and Western Bay of Plenty Transport Joint Committee Terms of Reference****Membership**

<b>Chairperson</b>	Alternating between BOPRC and TCC
<b>Deputy Chairperson</b>	Alternating between BOPRC and TCC
<b>Members</b>  Bay of Plenty Regional Council (BOPRC) x 2  Tauranga City Council (TCC) x 2  Western Bay of Plenty District Council x 1	Cr Andrew von Dadelszen Cr Paula Thompson  Cr Glen Crowther Cr Rick Curach Cr Rod Taylor (Alternate)  <i>TBC</i>
<b>External Member (non-voting) Representation</b>  Waka Kotahi NZ Transport Agency  Western Bay of Plenty Transport Partnership (TSP)	<i>TBC</i>  Executive Steering Group Representative
<b>Quorum</b>	Three members, consisting of more than half the number of voting members.
<b>Meeting frequency</b>	Bi-monthly or as required by the need for decisions.

*Appointment of the Chair and Deputy Chair and associated administrative support to be rotated between TCC and BOPRC on an annual basis.*

**Purpose**

Provide effective political governance of an integrated transport system across the Tauranga and Western Bay of Plenty subregion through joint recommendations.

Ensure co-ordinated decision-making for effective delivery of transport initiatives that addresses system-wide benefits, risks and strategic priorities for the community.

**Role**

The Tauranga and Western Bay of Plenty Transport Joint Committee is a joint committee of Bay of Plenty Regional Council, Tauranga City Council and Western Bay of Plenty District Council that reports to the respective Councils.

The area covered by the Joint Committee extends to the Tauranga City Council and Western Bay of Plenty District Council boundaries.

The primary role of the Joint Committee is to deliver effective governance of the subregional transport system; providing advice and direction back to the Councils in order to achieve an integrated transport system and enhanced community value.

Functions within the scope of the Joint Committee include, but are not limited to:

- Enabling integrated transport system thinking and decision making for the Tauranga and Western Bay of Plenty subregion.
- Ensuring transport decision making in the Tauranga and Western Bay of Plenty subregion delivers on the transport and land use outcomes set out in the SmartGrowth Strategy and Future Development Strategy, the Urban Form and Transport Initiative (UFTI) Programme Business Case and Tauranga Transport System Plan (TSP).
- Providing governance level community engagement opportunities on the subregional transport system.
- Preparing and reviewing a Tauranga and Western Bay of Plenty integrated transport work programme.
- Receiving reporting on the performance of the Tauranga and Western Bay of Plenty transport system, including public transport services and strategic infrastructure delivery, and making recommendations for improvement.

For the avoidance of doubt, the Joint Committee's role does not include:

- Transport matters considered to be of a routine nature related to the statutory functions of the respective Councils and not of collective interest.
- Adopting, varying or renewing the Regional Land Transport Plan or Regional Public Transport Plan, which are functions of the Regional Council.

Reports to the Joint Committee will be prepared in partnership between the councils. Where differences of view at officer level are apparent, these will be clearly set out in order for Committee Members to make an objective and balanced decision.

#### **Power to Act**

To make all decisions necessary to fulfil the role and scope of the Joint Committee; with relevant powers delegated from the respective Council committees.

Any recommendations that impose financial commitments to any party are to be referred to the respective councils for approval.

Any variation to the Joint Committee's terms of reference are by formal agreement by all councils.

**Power to Recommend**

The Tauranga and Western Bay of Plenty Transport Joint Committee recommends and reports directly to the respective councils on all transport matters, with the following exceptions:

- Recommendations to the Regional Public Transport Committee on Tauranga and Western Bay of Plenty public transport matters to be considered as part of the Regional Public Transport Plan process; and
- Recommendations to the Regional Transport Committee on Tauranga and Western Bay of Plenty land transport matters to be considered as part of the Regional Land Transport Plan process.

## 11 BUSINESS

### 11.1 Civic Whare, Exhibition and Museum (CWEM) Project Update and Next Steps

**File Number:** A17007179

**Author:** Mike Naude, Director of Civic Developments  
 Graeme Frith, Acting General Manager: City Development & Partnerships  
 Anne Payne, Principal Strategic Advisor

**Authoriser:** Marty Grenfell, Chief Executive

**Please note that this report contains confidential attachments.**

Public Excluded Attachment	Reason why Public Excluded
Item 11.1 - Civic Whare, Exhibition and Museum (CWEM) Project Update and Next Steps - Attachment 1 - Summary of TECT Funding Agreement	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.
Item 11.1 - Civic Whare, Exhibition and Museum (CWEM) Project Update and Next Steps - Attachment 3 - Project Director's cover report - CWEM Stage 2 Tender	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.
Item 11.1 - Civic Whare, Exhibition and Museum (CWEM) Project Update and Next Steps - Attachment 4 - CWEM Stage 2 Tender Recommendation and Evaluation	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.
Item 11.1 - Civic Whare, Exhibition and Museum (CWEM) Project Update and Next Steps - Attachment 7 - RLB - Theoretical Scope Options Review	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.

### PURPOSE OF THE REPORT

- To provide the background to Te Manawataki o Te Papa (TMoTP) and the Civic Whare, Exhibition and Museum (CWEM) project; a progress update on the CWEM project; and to seek direction on next steps for the CWEM project.

### RECOMMENDATIONS

That the Council:

- Receives the report "Civic Whare, Exhibition and Museum (CWEM) Project Update and

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Next Steps".

- (b) Rescinds resolution CO12/23/8(c), passed on 24 July 2023, that the Council “Approves that on sale of assets managed through the Asset Realisation Reserve approach, any debt associated with that asset will be not repaid unless Council, by further resolution, determines full or partial debt repayment shall occur”.
  - (c) Confirms that on sale of assets managed through the Asset Realisation Reserve approach, any debt associated with that asset will be fully repaid from the sale proceeds unless Council, by further resolution, determines otherwise.
  - (d) Notes that Te Manawataki o Te Papa Limited have endorsed Tauranga City Council proceeding with the CWEM Stage 2 (construction works) as recommended in this report.
  - (e) Proceeds with construction of the CWEM facility as programmed in the 2024-34 Long-term Plan (Option 1: Status Quo), and authorises the Chief Executive to enter contracts on behalf of Tauranga City Council for the CWEM Stage 2 (construction) works, as further detailed within this report.
  - (f) Notes that the commercially sensitive attachments to this report will remain in public excluded, and will be considered for release once negotiations have been concluded.
  - (g) Notes that, in line with existing delegations, the remaining stages 3 and 4 of the CWEM Contract will be progressed once final tendered costs have been endorsed by the Te Manawataki o Te Papa Limited Board.
  - (a) **Attachment 1** can be transferred into the open when all commercial arrangements have been completed
  - (b) **Attachment 3** can be transferred into the open when all commercial arrangements have been completed
  - (c) **Attachment 4** can be transferred into the open when all commercial arrangements have been completed
  - (d) **Attachment 7** can be transferred into the open when all commercial arrangements have been completed
- 

## EXECUTIVE SUMMARY

- 2. This report provides background to the Te Manawataki o Te Papa (Civic Precinct) programme, including the composition of funding and Council’s past consultation and decision-making. The background is provided as context, and for the public record.
- 3. Key points are that:
  - (a) Te Manawataki o Te Papa (TMoTP) civic precinct aims to:
    - (i) Create a vibrant, safe, accessible, and thriving city centre.
    - (ii) Develop spaces and facilities that attract activity, draw people to the area, including domestic and international visitors, and stimulate the local environment, culturally and economically.
    - (iii) Engage with tangata whenua and provide opportunities for their participation.
    - (iv) Acknowledge the historical and cultural significance of the Te Manawataki o Te Papa precinct for tangata whenua and the broader community.
    - (v) Activate the site, maximising use of prime locations.
    - (vi) Establish a long-term vision for the site that serves as the foundation for a comprehensive development plan.

- (b) The civic precinct land is jointly owned by Council and Otamataha Trust through the Council Controlled Organisation (CCO), Te Manawataki o Te Papa Charitable Trust. The partnership and co-ownership of the land represents a unique and valuable approach that has helped to reconcile past events and restore mana to hapū and iwi. Through close engagement, the project design and implementation has been able to progress with the support and input of Otamataha Trust.
  - (c) The design approach for TMoTP is to create a cohesive campus with interconnected buildings and shared facilities to promote efficiency and collaboration. While each building is separate, the overall campus concept integrates spaces that support multiple functions and encourage shared use. This includes shared amenities like kitchens and meeting rooms, fostering a sense of community and maximising resource utilisation across the site. The interdependencies between buildings and facilities have been carefully planned to ensure seamless connectivity, flexibility and sustainability throughout the campus.
4. As further context, background is also provided on the Civic Whare, Exhibition and Museum (CWEM) facility, widely regarded as the centrepiece of the Te Manawataki o Te Papa development. The diagram below shows where the CWEM facility sits within the Te Manawataki o Te Papa site:



5. An update on the Te Manawataki o Te Papa funding composition (TMoTP Funding Stack) is provided. One element of this funding is from anticipated proceeds from the sale of non-core council assets, managed through the Asset Realisation Reserve.

#### **Council direction sought re: Asset Realisation Reserve sale proceeds**

- 6. In response to recent Council discussion and direction, this report recommends that Asset Realisation Reserve property sale proceeds are first used to repay debt on the asset activity, rather than to fund other capital projects.
- 7. If Council approves this recommendation, the existing Council resolution CO12/23/8 from 24 July 2023 is required to be rescinded, and a new Council resolution reflecting the above direction is required. Both steps are included as recommendations in this report.
- 8. If Council does not wish to approve this recommendation, the status quo would remain under Council resolution CO12/23/8.

#### **Council direction sought re: next steps for the Civic Whare, Exhibition and Museum (CWEM) facility construction**

- 9. The project budget for the CWEM build is \$128.4m and the project is forecast to come in on budget. The construction contract is budgeted at \$92m, with the remainder of the forecast spend being \$36.4 of non-construction costs (for consenting, legal, design, construction signage and furniture & fittings, council staff time, Willis Bond management fees, and contingency and risk escalation provisions).

10. The planning and design process for the CWEM has been completed, with detailed design being received in June 2024. Stage 1 of the construction contract has been approved and is underway (enabling works and early procurement). The tender evaluation process has been completed for Stage 2 construction, which would complete the CWEM build, and Council approval is required to proceed with letting the construction contract. The tender evaluation documentation is included as a public excluded attachment to this report.
11. Council direction is sought on whether it wishes to complete the CWEM build. This report provides three main options for consideration, which are to:
  - (a) Status Quo – proceed with the CWEM build as programmed in the Long-term Plan (option 1, recommended)
  - (b) Stop the CWEM build and remediate the build site (option 2), or
  - (c) Change the scale and scope of the CWEM project, which would require a pause to redesign (option 3).
12. Results from the Options Analysis section of this report are summarised in the table below, which shows the balance of advantages vs disadvantages across the range of considerations for each option:

Table colour key:

Green = mainly advantages
Amber = mix of advantages and disadvantages
Red = mainly disadvantages

Consideration grouping Option	Legal	Financial	Funding	Economic	Council	TMoTP outcomes	Tangata Whenua	Other partners	Directly affected communities	Current & future communities
<b>Option 1:</b> Status Quo – Proceed as programmed in the LTP (RECOMMENDED)	Green	Amber	Green	Green	Green	Green	Green	Green	Green	Amber
<b>Option 2:</b> Stop the project – remediate the site	Red	Amber	Red	Red	Red	Red	Red	Red	Red	Amber
<b>Option 3:</b> Change the scale and scope of the project	Red	Red	Red	Red	Red	Red	Red	Red	Red	Amber

13. If Council resolves to complete the CWEM build as programmed (option 1), Council approval is also sought to authorise the Chief Executive to enter into the Stage 2 CWEM construction contract, as detailed in the attached (public excluded) Tender Evaluation document.

## BACKGROUND TO TE MANAWATAKI O TE PAPA (THE CIVIC PRECINCT)

### 1. Te Manawataki o Te Papa – restoring the heartbeat of Te Papa

14. In 2018, Council adopted the Civic Precinct Masterplan. The plan provided direction for future development of central city Council-owned sites, including the site bounded by Willow, Hamilton, Wharf and Durham Streets. For various reasons, the plan was not implemented at this time.
15. Council's 2021-31 Long-term Plan (LTP), adopted in July 2021, included budget for the development of a new library and community hub on the civic precinct site. The council's first

step was to commission Willis Bond to refresh the Masterplan. The refresh was done in collaboration with mana whenua, including representatives from Ngai Tamarāwaho, Ngāti Tapu and Te Materāwaho, as represented by Otamataha Trust.

16. In December 2021, Council adopted the refreshed Civic Precinct Masterplan<sup>1</sup>, which reflected strategic decisions the Council had made as part of the 2021-31 LTP process, including:
  - A decision to lease a new civic administration building at 90 Devonport Road,
  - To respond to public submissions in favour of a museum located on the civic precinct site, and
  - To reflect the history and cultural significance of the site to tangata whenua, and to tell the stories of Tauranga Moana.
17. The new civic precinct, gifted the name *Te Manawataki o Te Papa*, was envisaged as a vibrant space that includes a Library and Community Hub, Civic Whare, Exhibition and Museum (CWEM), upgrade of Baycourt Theatre and Masonic Park, and landscaping of the wider civic precinct.
18. The diagram below from the Civic Precinct Masterplan shows Te Manawataki o Te Papa (the civic precinct, 'Site A') as the area within the red line. The CWEM building, highlighted in yellow, sits on the northern side of the precinct. (Note that the Te Manawataki o Te Papa budget also includes some elements of the waterfront precinct, 'Site B' in the Masterplan, to create the connection between the civic precinct and Te Awanui Harbour).

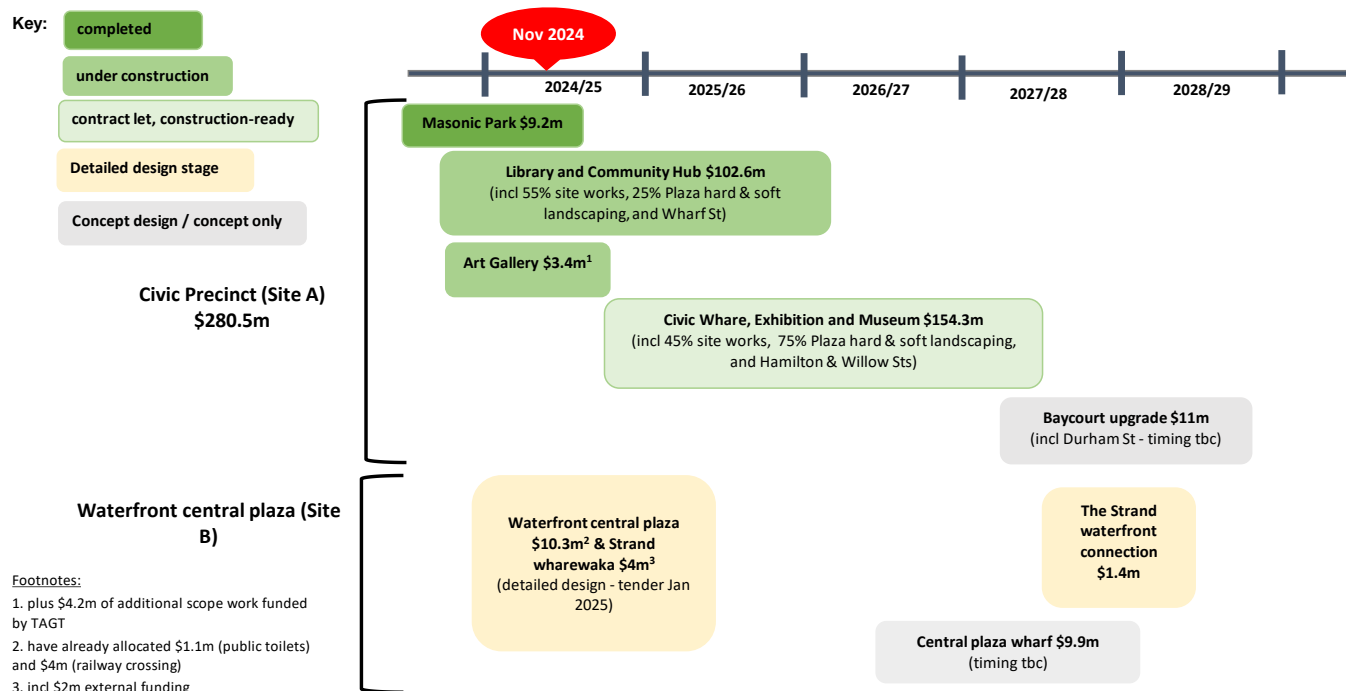


19. The land is jointly owned by Council and Otamataha Trust through the Council Controlled Organisation (CCO), Te Manawataki o Te Papa Charitable Trust. The partnership and co-ownership of the land represents a unique and valuable approach that has helped to reconcile past events and restore mana to hapū and iwi. Through close engagement, the project design and implementation has been able to progress with the support and input of Otamataha Trust.
20. Te Manawataki o Te Papa (TMoTP) civic precinct aims to:
  - (a) Create a vibrant, safe, accessible, and thriving city centre.
  - (b) Develop spaces and facilities that attract activity, draw people to the area, including domestic and international visitors, and stimulate the local environment, culturally and economically.

<sup>1</sup> Tauranga Civic Precinct Masterplan, refreshed 2021: <https://www.tauranga.govt.nz/our-future/its-on-in-our-city-centre/civic-precinct-the-heartbeat-of-te-papa>

- (c) Engage with tangata whenua and provide opportunities for their participation.
  - (d) Acknowledge the historical and cultural significance of the Te Manawataki o Te Papa precinct for tangata whenua and the broader community.
  - (e) Activate the site, maximising use of prime locations.
  - (f) Establish a long-term vision for the site that serves as the foundation for a comprehensive development plan.
21. The design approach for TMoTP is to create a cohesive campus with interconnected buildings and shared facilities to promote efficiency and collaboration. While each building is separate, the overall campus concept integrates spaces that support multiple functions and encourage shared use. This includes shared amenities like kitchens and meeting rooms, fostering a sense of community and maximising resource utilisation across the site. The interdependencies between buildings and facilities have been carefully planned to ensure seamless connectivity, flexibility and sustainability throughout the campus.
22. The natural slope of the site (approximately 14 metres from Durham Street to the water's edge) has been designed to include a number of step features, accessible ramps and an external public lift. The building forms reflect the metaphorical flow of the streams that once traversed the site on their way to the harbour. The buildings' architecture will embody this "flow of water", with soft edges defining the interior of the precinct.
23. The Precinct's outdoor area is given as much prominence as the buildings, creating a cohesive space that attracts visitors and establishes the campus as a major destination in the Bay of Plenty. A series of lawns, gardens, paved areas, and amphitheatres are connected by steps and access ramps and extend across the precinct, through Masonic Park and the Tauranga Moana waterfront, inviting visitors to explore and gather throughout the area.
24. The hard and soft landscaping for the Precinct comprises:
- Two large pouwhenua positioned at the entrance of the library / community hub and CWEM buildings. These are visually linked to a third large pouwhenua installed in the central waterfront plaza, providing a connection to and unification of the entire Te Manawataki o Te Papa site.
  - A series of steps and accessible (1:14) ramps to allow public to access the site and traverse the 14m slope from Durham Street to Willow Street.
  - A secondary through-link on the mid terrace between the CWEM and the Library / Community Hub, which is the location for the external lift that provides accessible access to Baycourt and to Durham Street.
  - The paved amphitheatre, which is the primary civic space within the precinct, with a design link to Masonic Park and the Central Waterfront Plaza.
  - Terraced steps and sloping lawns that frame the central stage area, allowing for larger events to take place and providing multiple areas to meet friends or relax.
  - The planting palette providing a range of trees, shrubs and groundcovers to connect the coastal planting with the inland coastal forest.
25. Other outdoor components include footpath upgrades of Wharf, Willow and Durham Streets, to connect the new buildings to the existing kerb. The upgrade and landscaping of Willow Street completes the link between the Precinct, Masonic Park and the Central Waterfront Plaza.
26. The elements that comprise Te Manawataki o Te Papa Civic Precinct development, including the high-level sequencing and delivery status are summarised in the diagram below:

## Te Manawataki o Te Papa (total budget \$306.1m) - Delivery status and sequencing



## 2. Te Manawataki o Te Papa – 2021-31 LTPA and decisions

27. On 24 May 2022, following the public consultation process, Council resolved to include the full Civic Precinct Masterplan in the 2021-2031 Long-term Plan Amendment. Council approved a capital cost of \$303.4 million, subject to achieving 50% of the required funding from sources other than rates-funded debt<sup>2</sup>.
28. Following several stages of development, the *TMoTP Design and Cost Update Report* and *Business Case* were approved by Council on 24 July 2023. At this meeting Council delegated to the Chief Executive authority to enter contracts on behalf of Council for the delivery of the Te Manawataki o Te Papa (Site A) programme of works, including CWEM<sup>3</sup>, subject to:
  - (a) Endorsement by the Te Manawataki o Te Papa Limited Board; and
  - (b) Sufficient funds being available in accordance with the Te Manawataki o Te Papa Financial Strategy Report resolutions approved by Council at the 24 July 2023 meeting.
29. The TMoTP Business Case<sup>4</sup> confirmed the single-stage delivery of TMoTP as delivering the best value for the community. The report outlined the project's far-reaching benefits across Treasury's five case model being Strategic Case, Economic Case, Commercial Case, Financial Case and Management Case.
30. Following the July 2023 Design and Cost Update, the TMoTP design and cost figures were further refined through developed and detailed design, tendering, and procurement processes with a view to finding cost savings where possible and to deliver the programme within the overall project budget.

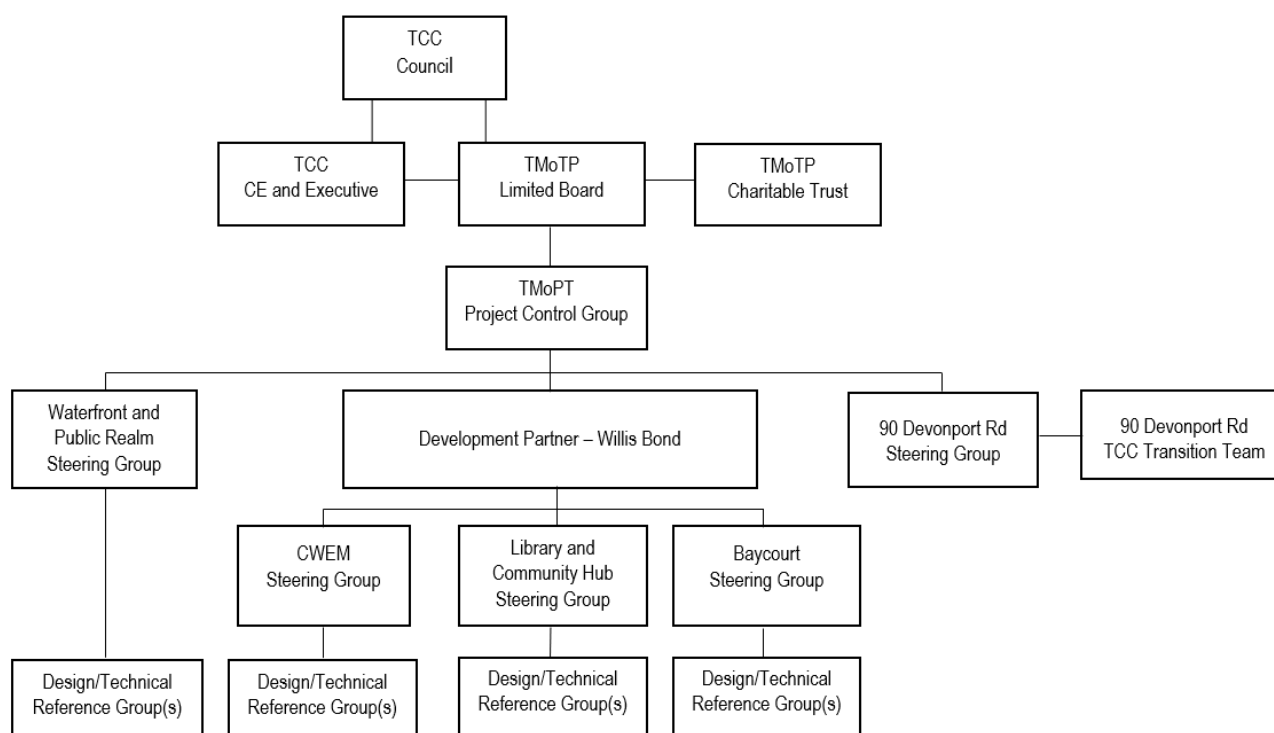
<sup>2</sup> Council 24 May 2022, Agenda item 11.2: [https://infocouncil.tauranga.govt.nz/Open/2022/05/CO\\_20220524\\_AGN\\_2428\\_AT\\_WEB.htm](https://infocouncil.tauranga.govt.nz/Open/2022/05/CO_20220524_AGN_2428_AT_WEB.htm)

<sup>3</sup> Council 24 July 2023, Agenda items 11.1 to 11.4: [https://infocouncil.tauranga.govt.nz/Open/2023/07/CO\\_20230724\\_AGN\\_2510\\_AT\\_WEB.htm](https://infocouncil.tauranga.govt.nz/Open/2023/07/CO_20230724_AGN_2510_AT_WEB.htm)

<sup>4</sup> Business Case 25 July 2023 (5.34mb pdf): <https://www.tauranga.govt.nz/Portals/0/data/future/civic-redevelopment/files/tmotp-business-case-25july2023.pdf>

### 3. Te Manawataki o Te Papa – CCO and project structure

31. In December 2022, Council approved the establishment of a second CCO, Te Manawataki o Te Papa Limited, to govern and lead the delivery of the Civic Precinct development and associated projects in the city.
32. The Te Manawataki o Te Papa Limited Board (the Board) offers a constant level of expertise and guidance to the programme to ensure successful delivery is undertaken in a way that meets the expectations of all involved including the community. The Board oversees implementation and approves all packages of work prior to Council decision making.
33. A range of Steering Groups, Design Reference Groups and Technical Reference Groups, comprising both internal and national experts, were established to guide the scope and design of each project within the TMoTP programme.
34. The TMoTP programme governance structure is outlined in the diagram below:



### 4. Te Manawataki o Te Papa – programme delivery partnership and agreement

35. Following the completion of an extensive competitive procurement process for the Heart of the City Precinct development over 2017-2018, Willis Bond was selected by TCC as its preferred development partner for the delivery of the Heart of the City (including the now called TMoTP) programme.
36. Willis Bond and TCC entered into a Partnering Agreement in 2018 which sets out the parties' contractual framework for the programming, identification, selection and activation of individual Heart of the City (now Te Manawataki of Te Papa) civic precinct developments.
37. As a consequence of Willis Bond's appointment as the preferred development partner under the Partnering Agreement, LT McGuinness (LTM) was appointed the preferred main contractor for the TMoTP programme.
38. A master pre-construction services agreement (MPCSA) between TCC and LTM was entered into in November 2023. The MPCSA engages LTM to:
  - (a) provide early contractor involvement (ECI) services for the TMoTP programme;
  - (b) (on instruction) order long lead items and/or carry out early works; and

- (c) prepare pricing for the carrying out of packages of contract works under a separate construction contract to be entered into pursuant to the MPCSA (if the relevant pricing is accepted by TCC).
39. Neither the ordering of long lead items nor the carrying out of early works obliges TCC to accept the price proposed by LTM for the contract works under the MPCSA, or to otherwise enter into a construction contract with LTM for the relevant contract works.

## 5. Te Manawataki o Te Papa – funding and financing

### 5.1 TECT Funding Agreement – June 2024

40. With the 2022 restructure of TECT, the amount of grant funding available to contribute to community projects of significance was increased on a per annum basis, from around \$8m to up to \$20m, depending on TECT's return on investments. The council worked very closely with TECT over an 18-month period to establish a relationship, and to build trust and confidence in council's ability to realise excellent community outcomes through the delivery of community amenity projects. These extended conversations resulted in TECT making the largest ever grant to a community project.
41. A Funding Agreement for the Te Manawataki o Te Papa Development was entered into in June 2024 between TCC and TECT, pursuant to which TECT have conditionally agreed to provide a contribution of \$21M towards the construction of the Museum (the TECT Contribution).
42. Whilst the TECT Contribution is to be applied solely to funding the Museum, it has been granted and is conditional upon, a number of factors relating to both CWEM and the wider TMoTP programme. These include, but are not limited to, TMoTP being developed in a manner consistent with and including all material elements promoted to TECT in the Business Case (July 2023) and there being no material reduction in the size of the buildings and improvements to be included in TMoTP (including Site A, Masonic Park, Waterfront Central Plaza and associated landscaping) in each case as set out in the design concepts and plans approved by TECT during the funding application process.
43. The Funding Agreement provides that, should there be material changes to the size or nature of buildings and improvements included in TMoTP, TECT will be entitled to reconsider and, at its discretion, withdraw the TECT Contribution.
44. Further details of the TECT Funding Agreement are provided in a summary of the TECT Funding Agreement included as ***Public Excluded Attachment 1*** to this report.

### 5.2 DIA Funding Agreement (Three Waters Better Off Funding) – December 2022

45. Originally, \$48.4m was committed to council as part of the Three Waters Better Off Funding package. Tranche 1 comprised \$12.1m, with the balance to be paid in Tranche 2. With subsequent changes to the Three Waters proposal by the previous and incoming government, Tranche 2 funding has now been withdrawn.
46. A funding agreement for Tranche 1 is currently in place and approximately \$11m of the \$12.1m has already been paid to council, with the balance of Tranche 1 funds forecast to be spent in the next three to six months. The funding had been applied to design and consenting costs related to CWEM as per the requirements of the funding agreement.
47. In early 2024, central Government approached council with a view to wanting to ensure all Three Waters Better Off Funding was being spent on water-related projects. If not, there was a possibility that funds may need to be returned, or re-allocated to waters-specific projects. The council was able to demonstrate that all funds spent to date, and the majority of the balance of the funding, will be able to be committed to waters-related parts of the TMoTP project. The council has advised central Government as such.
48. Based on the recent moves of central Government to validate the appropriateness of Three Waters Better Off Funding expenditure, there exists a risk that if the TMoTP projects do not

go-ahead central Government will move to ensure all monies committed to and spent on the project to date are returned.

### 5.3 Council decisions and communication

49. The 2022 public consultation document for the 2021-31 Long-term Plan Amendment (LTPA) included the following information when seeking community feedback about the Civic Precinct proposal<sup>5</sup>, and the 2021-31 LTPA was subsequently adopted on this basis:

*'Half of the estimated capital investment of \$303 million would be debt-funded and financed through rates, with the balance coming from other sources, such as government grants and the sale of non-core council assets.'* (page 13)

#### **'Funding'**

*A city centre transformation on this scale doesn't come cheaply, which is why we're proposing that if we choose to implement the full plan, half the investment would come from sources other than rates. Potential funding sources include Government grants; sponsorships; philanthropic grants; Government's three waters reform 'better off' grant; and proceeds from the sale of non-core council assets. The amount of grant funding is uncertain, as we will not be in a position to seek funding support until we have approved plans in place. However, the amount of grants funding we have assumed is consistent with that achieved for other similar council amenities.*

*Further investigation of asset sales is required, but potentially this could include Council's two central city parking buildings and the Marine Precinct. If these investigations prove favourable, it's likely that further consultation would be undertaken with key stakeholders.*

*If the full transformation goes ahead, we'll firm up our funding options and check in at key project milestones to confirm we have the investment we need before we proceed.'* (page 15).

50. The *TMoTP Financial Strategy* and *Overview* reports were presented to Council on 24 July 2023, as part of a suite of related reports, alongside the *Asset Realisation Reserve* report. The total TMoTP programme budget was approved at \$306.3 million<sup>6</sup>, with the ratepayer funded loan capped at a maximum of \$151.5 million and direction to seek to maximise external funding sources, with any shortfall being funded by Airport Activity up to \$13 million and/or from the Asset Realisation Reserve (both of which would require resolutions of Council after consideration of legal advice).
51. On 19 August 2024, Council received the *'Te Manawataki o Te Papa Infrastructure Funding and Financing (IFF) Resubmission and Library / Community Hub Contract Report'*, which outlined the TMoTP programme's funding and financing history and sought Council direction on next steps.<sup>7</sup> At this meeting, Council:
- (a) Agreed to not continue with an IFF levy as a financing and funding tool for TMoTP at this time, and to proceed to secure approval through the Local Government Funding Agency (LGFA) for increased debt covenants for Tauranga City Council (TCC).
  - (b) Approved the transfer of previously off-balance sheet borrowing of \$54 million to on-balance sheet borrowing, recognising that this will now be financed through the LGFA. An additional 2024/25 operational budget of up to \$1.54 million was approved to service the additional debt borrowing requirement, and Council noted that the IFF levy charge previously commencing 1 July 2025 will no longer occur.

<sup>5</sup> 2021-31 LTPA Consultation Document: [https://www.tauranga.govt.nz/Portals/0/data/council/long\\_term\\_plans/2021-31-amendment/files/ltpa-consultation.pdf](https://www.tauranga.govt.nz/Portals/0/data/council/long_term_plans/2021-31-amendment/files/ltpa-consultation.pdf)

<sup>6</sup> \$306.3m incorporates the increase from the initial \$303.4m TMoTP budget as a result of Council decisions to approve \$1.9m for Art Gallery additional scope in March 2023, and transfer of \$1m from the un-used demolition budget in July 2023.

<sup>7</sup> Council 19 August 2024, Agenda item 11.2 (Resolution CO17/24/4): [https://infocouncil.tauranga.govt.nz/Open/2024/08/CO\\_20240819\\_AGN\\_2647\\_AT\\_WEB.htm](https://infocouncil.tauranga.govt.nz/Open/2024/08/CO_20240819_AGN_2647_AT_WEB.htm)

- (c) Noted that the overspend of \$1.54 million will be managed through other operational savings which, if not fully achieved, would be reported back to Council.
  - (d) Resolved that the Council:
    - (b) *Notes the context of uncertain funding, financing and project costs, including but not limited to Te Manawataki o Te Papa...*
    - (l) *Confirms there will be sufficient funds available to fund the capital costs of Te Manawataki o Te Papa, noting that the Council has the option to achieve this by:*
      - (i) *Introduction of a rate (targeted or otherwise) commencing from 1 July 2025; and/or*
      - (ii) *Reprioritisation (including changes to scale and timing) of the capital programme from 1 July 2025 onwards.*
    - (n) *Notes that the final Civic Whare, Exhibition and Museum (CWEM) contract will be presented to Council towards the end of 2024, for consideration and approval or otherwise.*
52. This report addresses resolution (n) above and seeks direction from Council on whether to proceed with construction of the CWEM building.

## BACKGROUND TO THE CIVIC WHARE, EXHIBITION AND MUSEUM (CWEM)

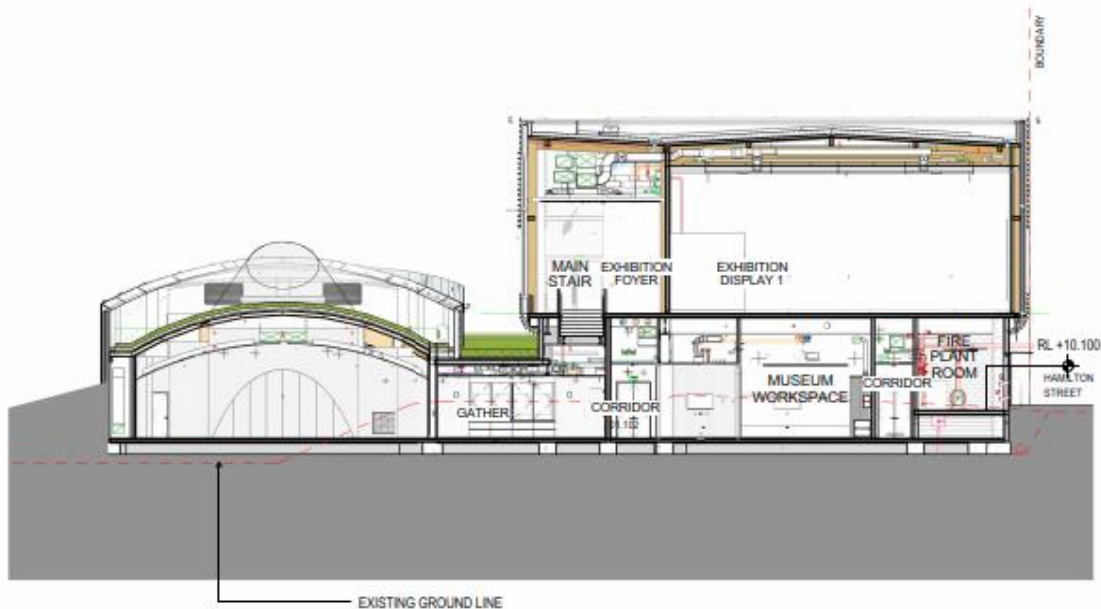
### 1. Civic Whare, Exhibition and Museum (CWEM) – description

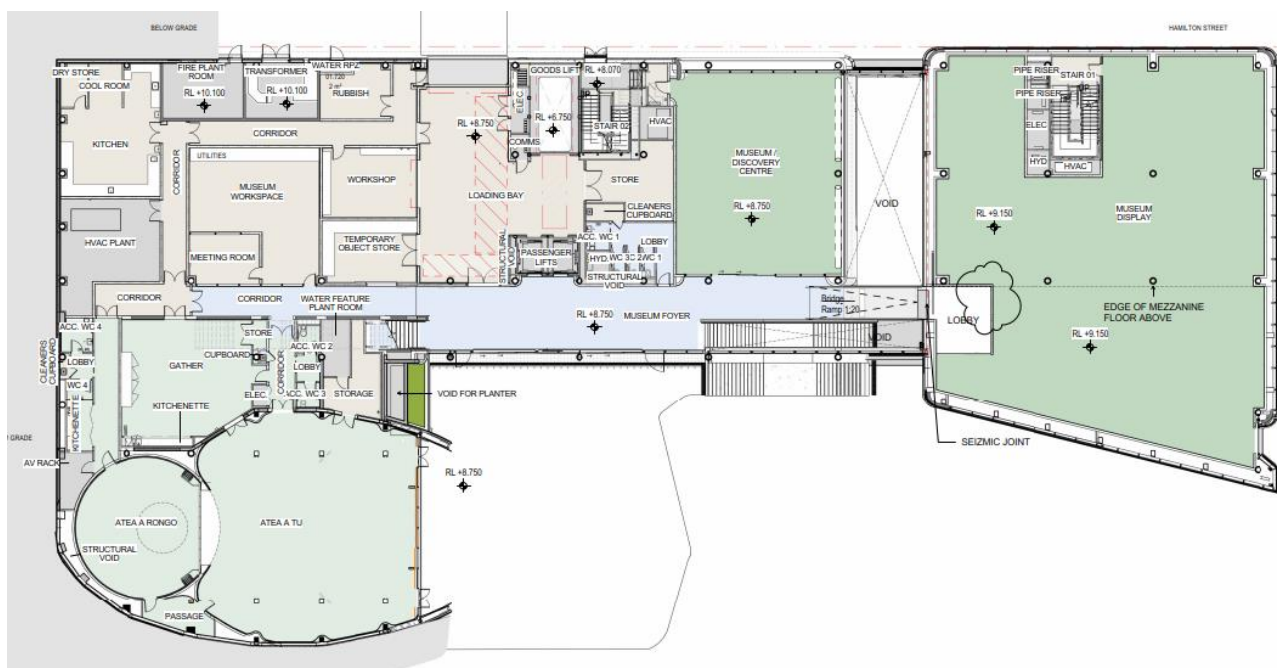
- 53. The 5,573m<sup>2</sup> building comprises three interconnected spaces designed to maximise site advantages and shared amenities. The building features an integrated design and installation of electrical, mechanical, and other essential services. The building aims to achieve a 6 Green Star rating using a hybrid mass timber structure. Amenities and meeting rooms are shared across the CWEM facility and the Library and Community Hub.
- 54. The following render, elevation and plan of the CWEM demonstrate the connectivity of the three spaces into a single building.

(a) Render of CWEM building, looking North from the civic square area:



(b) Elevation view of the designed CWEM building:



(c) *Floorplan view of the designed CWEM building – ground floor level:*

55. The CWEM building comprises three integrated components:

(a) **Civic Whare** | floor area of approx. 773m<sup>2</sup>

The Civic Whare, constructed with sustainable timber, is harmoniously integrated into the landscape and serves as the precinct's physical and symbolic heart. This multipurpose building combines traditional Māori design principles and modern Council requirements, accommodating both formal and informal meetings and civic functions. It will be designed to enable tikanga protocols for iwi hui and cultural gatherings.

(b) **Exhibition area** | floor area of approx. 2,400m<sup>2</sup>

The Exhibition area is primarily designed to support the Museum in hosting community and national/international exhibitions as part of the Museum visitor experience. The main spaces are designed to international museum standards, with high quality environmental and lighting controls, enabling sensitive exhibitions, artworks and taonga to be exhibited from institutions around New Zealand and from overseas. In addition to paid-for special exhibition offerings, further revenue-generating opportunities may be realised through programmed venue hire for seminars, conferences and hospitality events.

(c) **Museum** | floor area of approx. 2,400m<sup>2</sup>

Located on the corner of Willow and Hamilton Streets, the Museum will showcase the city's taonga and heritage collections, as well as provide a range of traditional museum offerings such as curriculum-based education programmes, lifelong learning opportunities for all ages, venues for public events, etc.

Revenue generating opportunities will be maximised through admission fees for non-Tauranga residents, café and retail facilities, venue hire for conferences, seminars and hospitality events, and active marketing to the domestic and international visitor and cruise ship markets. The core exhibitions will utilise modern interactive museum technologies and will include a large semi-permanent installation telling the stories of Tauranga and the wider Bay of Plenty region, and a Discovery Centre with an environmental focus, aimed primarily at children and young people.

## 2. Civic Whare, Exhibition and Museum (CWEM) – background to project and decisions

56. The CWEM project is to design and build the CWEM building. The project budget is \$128.4m, comprising \$92m for the site preparation and building construction, and \$36.4m over the life of the project for non-construction costs (such as consenting, legal, design, construction signage and furniture & fittings, TCC staff time, Willis Bond management fees, and contingency and risk escalation provisions).
57. The CWEM project includes a number of Council approval gateways to finalise the scope, design and budget. Implementation is then delivered through a number of separately considered and approved contract stages, as explained further in the CWEM project contract section of this report.
58. The project approach has included multiple value engineering (VE) reviews throughout the planning and detailed design phase, to identify any cost efficiencies and ensure optimisation. Further VE reviews are currently underway to identify any additional opportunities for improvements and cost savings through other components of the project including the remainder of the Precinct's hard and soft landscaping, and Willow and Hamilton Street upgrades.
59. Two CWEM reports were presented to Council on 26 February 2024. The first report was a CWEM project update<sup>8</sup>, confirming the Stage 1 approach for the Chief Executive to enter contracts on behalf of Council for CWEM Enabling Works and Procurement of Materials and Early Trades in accordance with approved delegated financial authority processes, subject to prior recommendation from Te Manawataki o Te Papa Limited.
60. The second report was in public excluded and included the following, subsequently released, resolutions passed by Council<sup>9</sup>:
- b) Notes the objective of the proposed (procurement) strategy is to reduce the risk of delays, and associated costs, to the construction of the Civic Whare, Exhibition and Museum (CWEM) project.*
  - c) Confirms authority for the Chief Executive to enter contracts on behalf of Council for the following packages of work:*
    - 1. CWEM Stage 1 Enabling Works – including site set up, demolition of the existing floor slab, carpark and disconnected utilities, retention of Hamilton Street and areas within the site and ground improvement works; and*
    - 2. CWEM Stage 1 Procurement of early trades – including mass timber, structural steel, façade and lifts.**as further detailed within this report and subject to prior recommendation from Te Manawataki o Te Papa Limited in accordance with approved delegated financial authority processes.*
  - f) Approves procurement of the CWEM Stage 1 Enabling Works and the CWEM Stage 1 Procurement of early trades by way of a NZS3910 Contract arrangement, subject to prior recommendation from Te Manawataki o Te Papa Limited.*

## 3. Civic Whare, Exhibition and Museum (CWEM) – project contract

61. Pursuant to the MPCSA, the council and LTM entered into a construction contract for CWEM in May 2024 (the CWEM Contract), with a contract price of \$106 million. The Contract is based on the pro forma construction contract agreed between the parties and appended to the MPCSA and is a build-only construction contract based on NZS3910:2013 General Conditions of Contract for building and civil engineering construction, as amended by special conditions.

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<sup>8</sup> Council 26 February 2024, Open Agenda item 11.4:

[https://infocouncil.tauranga.govt.nz/Open/2024/02/CO\\_20240226\\_AGN\\_2577\\_AT\\_WEB.htm](https://infocouncil.tauranga.govt.nz/Open/2024/02/CO_20240226_AGN_2577_AT_WEB.htm)

<sup>9</sup> Council 26 February 2024, Public Excluded agenda item 13.3. Minutes and Resolution CO2/24/10 released November 2024:

<https://www.tauranga.govt.nz/council/about-your-council/information-released-from-public-excluded-sessions>

62. The CWEM Contract of \$106m includes \$92m from the CWEM project budget for the CWEM building (Stages 1 and 2 below), plus two wider TMoTP budgeted elements that are being progressed in conjunction with the CWEM build to achieve practical delivery efficiencies (Stages 3 and 4). The contract works within each stage of the CWEM Contract are:
- Stage 1:
    - Civic Whare, Exhibition and Museum Enabling Works - including (a) site set up, demolition of the existing floor slab, carpark and disconnected utilities, retention of Hamilton Street and areas within the site and ground improvement works; and (b) procurement of early trades – including mass timber, structural steel, façade and lifts. These works are contractually committed and in progress.<sup>10</sup>
  - Stage 2:
    - Civic Whare, Exhibition and Museum Construction - main construction of civic whare, exhibition gallery, and museum.<sup>11</sup>
  - Stage 3:
    - Balance of Precinct hard and soft landscaping, and Hamilton Street footpath upgrades (as described earlier in this report, refer to paragraph 24).<sup>12</sup>
  - Stage 4:
    - Willow Street roading alterations (refer to paragraph 25).<sup>13</sup>
63. Of the four Stages, only Stage 1 has been committed to by the council. The contract works associated with Stage 2, 3 and 4 are subject to provisional sums. These contract works may only be undertaken by LTM once a final fixed price has been agreed for those contract works (in lieu of the provisional sum) and council has given LTM an instruction to carry out those works.
64. Stage 2 is the subject of this report.
65. Extensive provisions govern the way in which the contract price for each Stage is to be prepared, negotiated and finally agreed. These provisions require LTM to undertake competitive subtrade procurement and materials procurement, adopt good procurement practices, and require LTM to disclose all pricing on an open book basis, the latter of which means the proposed contract price and its build-up can be properly audited by the council and the Te Manawataki o Te Papa Limited Board. All costs of materials and trades are assessed by an independent Quantity Surveyor to ensure that the council achieves public value for money.
66. The council retains the right to remove any contract works that are the subject of a provisional sum in the CWEM Contract.
67. Further confidential information from Bell Gully on the existing contractual arrangements for Te Manawataki o Te Papa was provided to Elected Members in August 2024.

## TE MANAWATAKI O TE PAPA – FUNDING UPDATE

68. When the Asset Realisation Reserve (ARR) approach was established in July 2023, the then-Council resolved that it:

*'Approves that on sale of assets managed through the Asset Realisation Reserve approach, any debt associated with that asset will be not repaid unless Council, by further resolution, determines full or partial debt repayment shall occur.'*<sup>14</sup>

<sup>10</sup> Stage 1: from the CWEM budget, \$26m approved sum in CWEM Contract.

<sup>11</sup> Stage 2: from the CWEM budget, \$66m provisional sum in CWEM Contract

<sup>12</sup> Stage 3: from the wider TMoTP budget, \$10m provisional sum in CWEM Contract

<sup>13</sup> Stage 4: from the wider TMoTP budget, \$4m provisional sum in CWEM Contract

<sup>14</sup> Council 24 July 2023, Minutes, refer Resolution CO12/23/8 (c):

[https://infocouncil.tauranga.govt.nz/Open/2023/07/CO\\_20230724\\_MIN\\_2510.PDF](https://infocouncil.tauranga.govt.nz/Open/2023/07/CO_20230724_MIN_2510.PDF) (3.44mb pdf)

69. This resolution meant that the gross sale proceeds from an asset sold under the ARR approach would be available to fund other council projects, while any debt associated with that asset would be retained in the activity that the asset had been owned by.
70. The 2024-2028 Council has questioned this approach and instead has indicated a preference to adopt a different financial approach. This would be to use proceeds from any asset sold under the ARR approach to first repay any debt associated with that asset, then any residual (or 'net') funds would be available to fund other council projects.
71. Recommended resolutions (b) and (c) have been prepared to action this change of approach from the previous Council to this Council, if Council so decides.
72. The financial information in this section, and in the Options Analysis section, has been prepared on a 'net proceeds' basis to be consistent with this presumed new direction.
73. An updated summary of the funding composition for the Te Manawataki o Te Papa development is provided as an attachment to this report (see **Attachment 2: Te Manawataki o Te Papa Funding Stack at November 2024**). The Funding Stack update shows that, incorporating all current information, sufficient funds are available to fund the capital costs of the Te Manawataki o Te Papa development as currently programmed.

### CIVIC WHARE, EXHIBITION AND MUSEUM (CWEM) – PROJECT UPDATE

74. Following several design phases and Council approvals, the CWEM project design process has been completed with Detailed Design issued in June 2024. The completed Detailed Design has been reviewed by Willis Bond, with the designs also undergoing a thorough peer review process. The facade shop drawing design is currently in progress with collaboration ongoing between the subcontractor and architect.
75. Over the past 8 months the project has progressed through Stage 1 Enabling Works and Procurement of Early Trades, which are scheduled to be completed early in the New Year.
  - (a) Enabling works are well underway with sheet piling and bulk earthworks now complete. The drilling and installation of 1,550 Reinforced Aggregate Piles (RAP piles) is underway and due to be completed in December 2024.
  - (b) Ongoing works are subject to a number of active Building Consent applications, including dewatering works, ground improvements and crane piling, foundations and utilities.
76. CWEM building construction, Stage 2 of the project, is scheduled to begin in the second quarter of 2025 (May), following a Stage 2 procurement process. The tender evaluation for Stage 2 building construction and the Project Director's cover report are provided as **Public Excluded Attachments 3 and 4** to this report. The tender evaluation is within the provisional budget of \$66m.
77. Project completion is scheduled for December 2027, four months earlier than scheduled in the LTP, which will realise an approximately \$5 million overall project saving.

### STATUTORY CONTEXT

78. The Local Government Act 2022 (LGA)<sup>15</sup> sets out the purpose of local government, which includes *'to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future'* (Section 10(1)(b)).
79. The LGA also requires a local authority to *'manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community'* (Section 101(1)).

### STRATEGIC ALIGNMENT

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<sup>15</sup> Local Government Act 2022 (LGA): <https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM170873.html#DLM172358>

80. Following community engagement processes over several years, in June 2022 Council endorsed a new shared community vision for Tauranga, and also adopted it as the vision for Tauranga City Council. The vision is based on three key themes clearly expressed by our communities as being important for a future Tauranga – environment, community and inclusivity, and vibrancy. These three themes form the basis of the vision statement:

***Tauranga, together we can***

***Prioritise nature***

*Tauranga is a city where... we celebrate, protect and enhance our natural environment, integrating it into the city for all to enjoy*

***Lift each other up***

*Tauranga is a city where... we foster and grow our communities, celebrate our differences, and lift up those who are vulnerable*

***Fuel possibility***

*Tauranga is a city where... we foster creativity and innovation, celebrate our arts and culture, and empower our changemakers to create a vibrant city into the future*

***With everyone playing their part, together we can create the change our city needs.***

***Kei a tātou te pae tawhiti***

***The future is all of ours.***

***Because, Tauranga, together we can.***

81. The delivery of Te Manawataki o Te Papa (the civic precinct) programme, directly responds to the vision for Tauranga, with each of the three pillars being embodied by the plans for the precinct. Our community has told us that they want a vibrant, well-planned city centre that is inclusive, accessible, and diverse, with more activities and events for all to enjoy.
82. Te Manawataki o Te Papa contributes to the promotion or achievement of the following strategic community outcomes:

	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	✓

83. Te Manawataki o Te Papa has clear alignment with the city and Council's strategic direction, from the aspirational community vision to Council's action and investment plans, particularly the City Centre Action and Investment Plan<sup>16</sup>, and the Te Papa Peninsula Spatial Plan<sup>17</sup>, to revitalise and reactivate the heart of the city.
84. Te Manawataki o Te Papa clearly seeks to strengthen Tauranga's city centre as the commercial, civic, and cultural heart of the Western Bay of Plenty sub region – the cultural and community focus of the city centre; a unique civic destination for the stories and decision making of Tauranga, and its people.
85. As Tauranga continues to grow, our city centre will continue to transform from a commercial business centre into a sub-regional destination, providing a wide range of activities and facilities that support our economy, strengthen our community, and celebrate who we are.

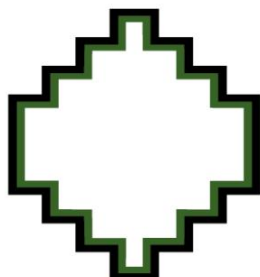
### **Te Ao Māori Approach**

86. The Te Manawataki o Te Papa Values give context to the cultural licence for the entire Te Manawataki o Te Papa programme. The Values are provided as **Attachment 5** to this report, and outlined below:

<sup>16</sup> City Centre Action & Investment Plan 2022-2032: <https://www.tauranga.govt.nz/our-future/its-on-in-our-city-centre>

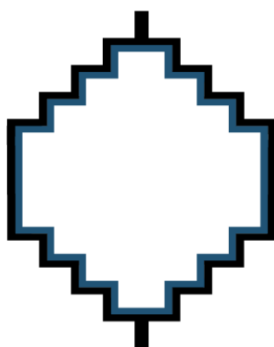
<sup>17</sup> Te Papa (Peninsula) Spatial Plan 2020: <https://www.tauranga.govt.nz/our-future/enabling-growth/te-papa-peninsula>

*In addition to the principles created by tangata whenua throughout the Te Papa Spatial Plan development, through further wānanga, with a focus on Te Papa (the Tauranga CBD) four pou (guiding pillars) were established, each upholding the principal place-based values identified as foundational in its restoration as a thriving centre of vibrancy, collectivity and wellbeing - The Heart of our City, Te Papa.*



Houkura can mean prosperity or affluence. The volcanic soils across the Te Papa peninsular meant the area was always a thriving natural environment which saw the establishment of major occupational areas and vast gardens across the space.

TE PAPA HOUKURA



Manawa Whenua is a term that can identify a deep spring of water. With over 20 historical spring sites across located across the penninsular, these springs fed the many gardens of crops, sustaining plantations and the people.

TE PAPA MANAWA  
WHENUA



TE PAPA O  
NGA WAKA

This term identifies the inherent trait and attribute of Te Papa as an ideal space to make landfall. This meant Te Papa was a place of connection, at the epicentre of the district and the depths of the harbor, it was a place of movement and transit across the lands of Te Papa and associated waterways. Te Papa was and remains a natural melting pot of many iwi and cultures.



Te Papa – Home of the people.  
One of 3 major Pā (occupational sites) in the Tauranga District. Te Papa was a buzzing metropolis and hive of activity. Its people basked fishing nets in the sun, gathered the many crops of the area, traded, and exported goods creating a thriving community.

## OPTIONS ANALYSIS

### Options summary

87. **The balance of advantages c.f. disadvantages for each of the three options** is provided in the table below, with further information provided in the sections that follow:

Table colour key:

Green = mainly advantages

Amber = mix of advantages and disadvantages

Red = mainly disadvantages

Consideration grouping Option	Legal	Financial	Funding	Economic	Council	TMoTP outcomes	Tangata Whenua	Other partners	Directly affected communities	Current & future communities
<b>Option 1: Status Quo</b> – Proceed as programmed in the LTP (RECOMMENDED)	Green	Amber	Green	Green	Green	Green	Green	Green	Green	Amber
<b>Option 2: Stop the project</b> – remediate the site	Red	Amber	Red	Red	Red	Red	Red	Red	Red	Amber
<b>Option 3: Change the scale and scope of the project</b>	Red	Red	Red	Red	Red	Red	Red	Red	Red	Amber

88. **Option 1: Status Quo – Proceed with the CWEM project, as programmed in the LTP (Recommended)**

- \$66m construction costs plus remaining non-contract costs to complete the CWEM project by December 2027, within approved/LTPA budget of \$128.4m.
- Funding for project completion within existing parameters, no issues with existing funding agreements.

- Te Manawataki o Te Papa site and the Civic Whare itself are particularly important to Tangata Whenua. Delivery as designed respects TCC's relationship with Otamataha Trust as joint landowners and co-design partners.
- Significantly increases the level of service through provision of these new facilities for Tauranga communities, providing a destination attraction for visitors and our communities now and in the future.

#### 89. Option 2: Stop the CWEM project, remediate the site

- Incurs sunk costs of \$20m plus costs for building site remediation, redesign of the Plaza and potential future liabilities & risks (including contract break costs) – all-up total estimated to be in the range of \$49m - \$67m. The only asset created would be landscaping, so the remainder would be written off as operating costs. A Council decision would be required on whether to debt fund or rate fund in current year.
- Funding agreements breached, likely refund of \$12.1m to DIA required, and TECT \$21m funding commitment would be withdrawn, along with a significant reduction in central Government and local and community grants achieved for the wider TMoTP precinct. Likely down-scaling or stopping of remaining elements of TMoTP Precinct programme required to retain existing cap of \$151.5m on property-owner funded portion of the programme.
- Partially completed Precinct unlikely to attract visitors to city centre, give confidence to private developers and commercial sector, or meet current and future needs of Tauranga's communities for these facilities. Lower level of service than planned for current and future Tauranga communities.
- Significant damage to relationship with Tangata Whenua, particularly Otamataha Trust, and significant reputational damage with funding partners, private developers and commercial sector in the city centre.

#### 90. Option 3: Change the scale and scope of the CWEM project (pause to redesign)

- We are unable to determine the financial impacts of this option with any degree of accuracy because of the large number of unknowns. However, in their advice to council, Rider Levett Bucknall have provided some useful information around some potential option 3 scenarios.
- Their advice, and an understanding of the likely funding implications of a re-scoped CWEM, suggest that a delayed and then re-scoped smaller CWEM would feasibly have a higher net cost to council than Option 1 (status quo) both in debt and opex.

91. **A summary of comparative financials** for Options 1 and 2 is provided in the table below, with further information provided in the sections that follow:

CWEM Option 1 vs Option 2	Option 1 (\$m)	Option 2a (\$m)	Difference (1 - 2a) (\$m)	Option 2b (\$m)	Difference (1 - 2b) (\$m)
Debt Impact compared to LTP/AP (Current Yr)	(14.4)	34.9	(49.3)	34.9	(49.3)
Debt Impact over LTP period	53.2	58.6	(5.4)	63.6	(10.4)
Net Rates Impact 2024/25	0.1	2.2	(2.2)	2.2	(2.2)
Net Rates Impact when fully operational	8.7	3.9	4.8	4.0	4.7
Net Present Value (NPV) to 2034 (Cost)	81.7	71.0	10.7	76.3	5.5
Level of Service Impact	Significant Increase	No Change		No Change	

**Option 1: Status Quo – Proceed as programmed in the LTP (RECOMMENDED)**

92. This option is to proceed with the Civic Whare, Exhibition and Museum building as programmed in the LTP. This is the status quo option.
93. Option-specific assumptions:
- Funding approved in the LTP, subject to completion in December 2027, four months earlier than planned and saving \$5m overall by bringing forward.
  - Subsequent changes to funding have been incorporated as outlined earlier in this report (refer Attachment 2: Te Manawataki o Te Papa Funding Stack at November 2024).
94. Advantages and disadvantages of this option are summarised in the table below:

Consideration grouping	Advantages of option 1: Status Quo – Proceed as planned	Disadvantages and risks of option 1: Status Quo – Proceed as planned
Legal	<ul style="list-style-type: none"> <li>No LTP Amendment triggered.</li> <li>Minimal or no risk of legal challenge from delivery partners, funders and/or other supporters in the community.</li> </ul>	
Financial	<ul style="list-style-type: none"> <li>\$128.4m CWEM budget is approved and included in the 2024-34 LTP.</li> <li>Ratepayer contribution to Te Manawataki o Te Papa overall is still capped at \$151.5 million.</li> <li>No break-costs incurred.</li> </ul>	<ul style="list-style-type: none"> <li>Is still a significant portion of council's LTP capex expenditure for the next 3-4 years.</li> </ul>
Funding	<ul style="list-style-type: none"> <li>External funding for the wider TMoTP project is not jeopardised (CG, TECT, local funders).</li> <li>Increased parking activity likely to materialise, ensuring parking activity funding for TMoTP will be achieved.</li> </ul>	
Economic	<ul style="list-style-type: none"> <li>Economic benefits for Te Manawataki o Te Papa in net present value terms estimated as additional \$513m to \$1,370m<sup>18</sup> over the next 60 years - tourism benefits (largest), use and non-use value of new amenities by Tauranga residents, cultural expression benefits for Māori, agglomeration benefits<sup>19</sup> assumed to be stimulated in the city centre and immediate surrounding area (GHD estimates, TMoTP Business Case, July 2023)</li> </ul>	
Council	<ul style="list-style-type: none"> <li>Reputational risk minimised, honouring Council's strategic and</li> </ul>	

<sup>18</sup> Te Manawataki o Te Papa Business Case, July 2023 (page 10 of business case, page 20 of PDF): [https://infocouncil.tauranga.govt.nz/Open/2023/07/CO\\_20230724\\_ATT\\_2510\\_EXCLUDED.PDF](https://infocouncil.tauranga.govt.nz/Open/2023/07/CO_20230724_ATT_2510_EXCLUDED.PDF)

<sup>19</sup> Agglomeration benefits from business concentration – As job density rises, productivity among workers rises due to businesses operating nearer to increased customers, suppliers, and competitors (ibid, page 83/93)

Consideration grouping	Advantages of option 1: Status Quo – Proceed as planned	Disadvantages and risks of option 1: Status Quo – Proceed as planned
	<p>LTP commitments.</p> <ul style="list-style-type: none"> <li>Reputational risk minimised by proceeding with this award-winning programme.<sup>20</sup></li> </ul>	
TMoTP delivery and outcomes	<ul style="list-style-type: none"> <li>TMoTP, including CWEM, outcomes achieved through delivery of the programme as planned.</li> <li>Completion of associated precinct landscape to ensure safe access into and connection across the precinct to Library Community Hub.</li> </ul>	
Tangata Whenua	<ul style="list-style-type: none"> <li>Maintains cultural integrity of Te Manawataki o Te Papa concept.</li> <li>Relationship with Tangata Whenua, and particularly Otamataha Trust co-owners, maintained and strengthened.</li> </ul>	
Other partners	<ul style="list-style-type: none"> <li>No surprises – proceeding as signalled in the LTP.</li> </ul>	
Directly affected communities (e.g. tourism sector, CBD commercial, the Elms)	<ul style="list-style-type: none"> <li>No surprises – proceeding as signalled in the LTP.</li> </ul>	
Current and future wider communities	<ul style="list-style-type: none"> <li>Positive response from current communities supportive of the project.</li> <li>Future communities benefit from current investment in the city, with the resulting improved level of service c.f. current, and having CWEM facilities in place.</li> </ul>	<ul style="list-style-type: none"> <li>Likely negative response from current communities that do not wish the project to proceed (or to proceed at the current scope/scale and cost).</li> </ul>

95. Estimated financial impacts of Option 1, proceeding with the CWEM project as programmed in the LTP, are provided in the tables and commentary below.

<sup>20</sup> Te Manawataki o Te Papa – the Heartbeat of Te Papa was awarded the 2023 Taituarā 'Te Tohu Waka Hourua – The Buddle Findlay Award for Māori-Council Partnerships', refer: [https://taituara.org.nz/Story?Action=View&Story\\_id=504](https://taituara.org.nz/Story?Action=View&Story_id=504)

**Table 1a: Capital expenditure and funding profile for Option 1**

<b>CWEM - Option 1: proceed as programmed</b>	<b>Historic Cost (\$m)</b>	<b>2025 Cost (\$m)</b>	<b>2026 Cost (\$m)</b>	<b>2027 Cost (\$m)</b>	<b>2028-34 Cost (\$m)</b>	<b>Total Cost (\$m)</b>
Actual/ Forecast Cost	10.7	9.6	34.3	41.2	32.6	128.4
<b>LTP/ AP Budget Cost</b>	<b>10.7</b>	<b>24.1</b>	<b>34.6</b>	<b>33.3</b>	<b>27.2</b>	<b>129.9</b>
External Revenue Funding	8.5	6.2	9.5	16.1	12.3	52.5
Renewal Funded Debt						0.0
Growth Funded Debt						0.0
Council Reserve Funding (from asset realisation, airport & parking)	2.2	0.6	4.7	7.9	7.3	22.7
<b>Rate Funded Debt Funding</b> (from \$151.5m capped total for TMoTP)	<b>0.0</b>	<b>2.9</b>	<b>20.1</b>	<b>17.2</b>	<b>13.1</b>	<b>53.2</b>

- (a) There has been a small reduction in the forecast project cost, and some pushing out of cashflows, but overall little change to what was in the LTP. We have a very high level of confidence in relation to project cost estimates.
- (b) \$33m of the external revenue is either received or supported by signed agreements, with the balance still to be confirmed. \$21.5m of the project will be funded from council reserve funding, with the balance of \$54.5m funded from the capped rate-funded debt available for the TMoTP programme.

**Table 1b: Operating Costs and funding profile for Option 1**

<b>CWEM - Option 1: proceed as programmed</b>	<b>2025 (\$'000)</b>	<b>2026 (\$'000)</b>	<b>2027 (\$'000)</b>	<b>Annual Costs once fully operational 2029 (\$'000)</b>
Operational Costs	-	295	2,070	4,111
Debt Servicing Costs	69	624	1,521	2,403
Depreciation Costs	-	-	-	3,808
<b>Total Actual/ Forecast Cost</b>	<b>69</b>	<b>918</b>	<b>3,591</b>	<b>10,322</b>
Revenue	-	-	-	(1,589)
<b>Net Actual/ Forecast Cost</b>	<b>69</b>	<b>918</b>	<b>3,591</b>	<b>8,733</b>
<b>Net Rates impact</b>	<b>69</b>	<b>918</b>	<b>3,591</b>	<b>8,733</b>

- (c) Operating costs are based on detailed external estimates and are unchanged from the LTP figures. Revenue relates to anticipated user fees with the balance of the activity funded through rates.
- (d) The ongoing cost of these buildings is approximately **\$140 per ratepayer per annum**, but would provide a significant increase in the level of service available to the community through provision of the new facilities.

## Option 2: Stop the project – remediate the site

96. This option is to stop the CWEM project, which requires stopping the CWEM Contract. This means not building the CWEM facility as designed, and not completing the remainder of the Plaza outdoor space (the hard and soft landscaping, part of the CWEM contract). The CWEM building site and remaining Plaza outdoor space would be remediated to a standard to be determined at a future date and in consultation with the landowners – options 2a and 2b below provide examples.
97. Option-specific assumptions:
- Estimated financial impacts are based on a Review of Theoretical Options provided by Rider Levett Bucknall (RLB). Further details are provided as **Attachment 6**, and further confidential information is provided as **Public Excluded Attachment 7** to this report. The RLB advice:
    - Relates only to the CWEM contract, and excludes the non-construction elements of the CWEM project.
    - Assumes that Hamilton Street footpath will remain similar to current design, and Willow Street a shared pedestrian roadway.
    - Notes that break cost estimates applied include contractual break costs and the cost of remediating the Precinct site and landscaping it, but do not include any potential legal costs through actions taken against Council for reputational or other damage.
  - The operational cost in 2025 is based on the write-off of costs incurred to date (and debt-funded) plus the midpoint estimate of break costs ex the RLB advice.
  - Because there will be no asset created under this option except for the remediation landscaping, costs already capitalised and any break costs incurred will be treated as operational costs. These operational costs could be debt funded, which would require a specific Council resolution.
98. Advantages and disadvantages of this option are summarised in the table below:

Consideration groupings	Advantages of option 2: stop CWEM project	Disadvantages and risks of option 2: stop CWEM project
Legal		<ul style="list-style-type: none"> <li>Requires an LTP Amendment (i.e. formal community consultation) to action, due to proposed change in future level of service (i.e. no museum).</li> <li>Potential for legal challenge from delivery partners, funders and/or other supporters in the community.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>Capital expenditure reduction for 2025-2028 c.f. LTP – benefit to current Tauranga ratepayers.</li> </ul>	<ul style="list-style-type: none"> <li>Sunk costs of \$20m (including for Stage 1 enabling works &amp; early trades procurement to date).</li> <li>Cancellation and contract break costs.</li> <li>Cost of remediating the CWEM site, and remaining Precinct outdoor space.</li> <li>Costs of continuing with current LOS provision (e.g. museum storage facility costs), which has been removed from LTP budgets.</li> </ul>
Funding		<ul style="list-style-type: none"> <li>Loss of TECT funding of \$21m</li> </ul>

Consideration groupings	Advantages of option 2: stop CWEM project	Disadvantages and risks of option 2: stop CWEM project
		<p>(committed for whole TMoTP precinct being delivered as designed).</p> <ul style="list-style-type: none"> <li>Requirement to pay back DIA funding of \$12.1m (for design &amp; non-construction costs, has already been applied to CWEM design).</li> <li>Likely loss of almost all other external funding for the wider TMoTP project.</li> <li>Central city parking revenue likely to be lower than envisaged (due to lower demand), resulting in less parking activity revenue being available to fund TMoTP development.</li> </ul>
Economic		<ul style="list-style-type: none"> <li>Economic benefits of wider TMoTP programme not fully realised, estimated at \$513m to \$1,370m NPV over next 60 years (per TMoTP Business Case, GHD)<sup>21</sup></li> </ul>
Council		<ul style="list-style-type: none"> <li>Risk of reputational damage from non-delivery of a significant project that has been consulted on and approved through the LTP, and is already underway.</li> <li>Risk of reputational damage from non-delivery of this core element of Te Manawataki o Te Papa, after receiving a national award for the programme.<sup>22</sup></li> </ul>
<p>TMoTP delivery and outcomes</p> <p>(incl other elements of Site A, and overall civic precinct (TMoTP))</p>		<ul style="list-style-type: none"> <li>Civic Precinct Masterplan not completed, unable to achieve the objectives of the integrated campus development.</li> <li>Reduced level of revitalisation for the central city area than planned.</li> <li>Tauranga remains without a museum, requiring the city's taonga to remain in storage.</li> <li>Tauranga remains without a dedicated central city civic space – TCC continues to use the small temporary Council Chambers at 90 Devonport Road, and Tangata Whenua continue without a central city wharenuī for special events.</li> </ul>

<sup>21</sup> Te Manawataki o Te Papa Business Case, July 2023 (page 10 of business case, page 20 of PDF):

[https://infocouncil.tauranga.govt.nz/Open/2023/07/CO\\_20230724\\_ATT\\_2510\\_EXCLUDED.PDF](https://infocouncil.tauranga.govt.nz/Open/2023/07/CO_20230724_ATT_2510_EXCLUDED.PDF)

<sup>22</sup> Te Manawataki o Te Papa – the Heartbeat of Te Papa was awarded the 2023 Taituarā 'Te Tohu Waka Hourua – The Buddle Findlay Award for Māori-Council Partnerships', refer: [https://taituara.org.nz/Story?Action=View&Story\\_id=504](https://taituara.org.nz/Story?Action=View&Story_id=504)

Consideration groupings	Advantages of option 2: stop CWEM project	Disadvantages and risks of option 2: stop CWEM project
Tangata Whenua		<ul style="list-style-type: none"> <li>Comprises the cultural licence for the Te Manawataki o Te Papa development<sup>23</sup></li> <li>Very significant negative impact on relationship with Tangata Whenua, particularly if the Civic Whare is not delivered as co-designed and planned. As joint owner of the land and TCC's main partner in TMoTP, the Trust would likely expect TCC not to make a unilateral decision to stop or pause all or part of the remaining TMoTP programme.</li> </ul>
Other partners		<ul style="list-style-type: none"> <li>Risk of reputational damage for Development Manager (Willis Bond) and Contractors (LTM and others) due to the length of association as key delivery partners for the TMoTP programme, including CWEM.</li> </ul>
Directly affected communities (e.g. tourism sector, CBD commercial)		<ul style="list-style-type: none"> <li>Risks a loss of confidence of private developers in the city, particularly the CBD, reducing potential private investment in the city centre.</li> <li>Risk of reduced interest from the tourism sector, due to removal of key cultural elements from the integrated precinct design and non-realisation of the Museum as a major new tourism product for the city.</li> </ul>
Current and future wider communities	<ul style="list-style-type: none"> <li>Positive response from current communities that do not support the project and/or are seeking overall reduction in Council spend / rates bills.</li> </ul>	<ul style="list-style-type: none"> <li>Negative response from current communities that wish the project to proceed.</li> <li>Risk of future Tauranga communities' dissatisfaction with the lack of facilities in the central city (lower future level of service than currently planned).</li> </ul>

99. Estimated financial impacts of Option 2, stopping the CWEM project and remediating the site, are summarised in the tables and commentary below:

- Write-off of sunk costs (assumed to be debt-funded subject to a Council decision)
- Significantly reduced capex (remaining landscaping to remediate the site would be the only capex)
- Significantly reduced grant funding from external parties
- Opex (to service the debt) about half of that of Option 1.

Two remediation options were considered and the financial impacts of each are summarised in the tables below.

<sup>23</sup> Refer to Te Manawataki o Te Papa values, included in the Strategic Context section of this report.

**Option 2a: stop CWEM project and remediate with soft landscaping****Table 2a.1: Capital costs and funding profile**

Option 2a: Stop CWEM and remediate site (soft landscaping)	Historic Cost (\$m)	2025 (\$m)	2026 (\$m)	2027 (\$m)	2028-34 (\$m)	Total Cost (\$m)
Actual/ Forecast Cost	0.0	0.0	6.0	7.5	10.3	23.8
LTP/ AP Cost	0.0	0.0	0.0	0.0	0.0	0.0
Non Rate Funded portion	0.0	0.0	0.0	0.0	0.0	0.0
Rate Funded portion	0.0	0.0	6.0	7.5	10.3	23.8

**Table 2a.2: Operating costs and funding profile**

Option 2a: Stop CWEM and remediate site (soft landscaping)	2025 (\$m)	2026 (\$m)	2027 (\$m)	2028-34 (\$m)	2025-34 10yr LTP Total (\$m)
Operational Costs	34.9	-	-	-	34.9
Debt Servicing Costs	0.8	1.8	2.1	16.6	21.4
Debt Retirement Costs	1.4	1.6	1.8	13.4	18.2
<b>Total Actual/ Forecast Cost</b>	<b>37.1</b>	<b>3.4</b>	<b>3.9</b>	<b>30.0</b>	<b>74.4</b>
Revenue	-	-	-	-	-
Net Actual/ Forecast Cost	37.1	3.4	3.9	30.0	74.4
<b>Net Rates impact</b>	<b>2.2</b>	<b>3.4</b>	<b>3.9</b>	<b>30.0</b>	<b>39.5</b>

- (e) The ongoing cost of stopping the CWEM building construction at this stage is approximately **\$75 per ratepayer per annum** (for debt servicing costs), with no new or alternative facilities provided. There is no increase to the current level of service for current and future Tauranga communities.

**Option 2b: stop CWEM project and remediate with mainly hard landscaping, similar to the current Plaza design****Table 2b.1: Capital costs and funding profile**

Option 2b: Stop CWEM and remediate site (similar to current Plaza design)	Historic Cost (\$m)	2025 (\$m)	2026 (\$m)	2027 (\$m)	2028-34 (\$m)	Total Cost (\$m)
Actual/ Forecast Cost	0.0	0.0	6.5	9.0	13.3	28.8
LTP/ AP Cost	0.0	0.0	0.0	0.0	0.0	0.0
Non Rate Funded portion	0.0	0.0	0.0	0.0	0.0	0.0
Rate Funded portion	0.0	0.0	6.5	9.0	13.3	28.8

**Table 2b.2: Operating costs and funding profile**

<b>Option 2b: Stop CWEM and remediate site (similar to current Plaza design)</b>	<b>2025 (\$m)</b>	<b>2026 (\$m)</b>	<b>2027 (\$m)</b>	<b>2028-34 (\$m)</b>	<b>2025-34 10yr LTP Total (\$m)</b>
Operational Costs	34.9	-	-	-	34.9
Debt Servicing Costs	0.8	1.8	2.2	18.0	22.9
Debt Retirement Costs	1.4	1.6	1.9	14.6	19.5
<b>Total Actual/ Forecast Cost</b>	<b>37.1</b>	<b>3.4</b>	<b>4.0</b>	<b>32.6</b>	<b>77.2</b>
Revenue	-	-	-	-	-
Net Actual/ Forecast Cost	37.1	3.4	4.0	32.6	77.2
<b>Net Rates impact</b>	<b>2.2</b>	<b>3.4</b>	<b>4.0</b>	<b>32.6</b>	<b>42.4</b>

- (f) The ongoing cost of stopping the CWEM building construction at this stage is approximately **\$82 per ratepayer per annum** (debt servicing costs), with no new or alternative facilities provided. There is no increase to the current level of service for current and future Tauranga communities.

### Option 3: Change the scale and scope of the project (pause the project)

100. This option is to pause the Civic Whare, Exhibition and Museum project for a period of time, and to review the CWEM building's scale and scope.
101. Option-specific assumptions:
- A list of potential scope change examples has not been provided, as there was insufficient time for analysis to prepare reliable information on the consequences of these change. This would be undertaken if Council decides to proceed with this option.
102. Advantages and disadvantages of this option are largely dependent on the degree of change and time required to plan and implement them. Comments below are indicative only:

Consideration groupings	Advantages of option 3: change scale and scope	Disadvantages and risks of option 3: change scale and scope
Legal	Unknown	<ul style="list-style-type: none"> <li>Likely to require some signed contracts to be amended due to time required to rescope &amp; redesign (level of impact on other existing contracts will depend on the degree of change).</li> <li>May require an LTP Amendment (i.e. formal community consultation) to action, due to proposed change in future level of service.</li> <li>Risk of legal challenges from, delivery partners, funders and/or other supporters in the community.</li> </ul>
Financial	Unknown	<ul style="list-style-type: none"> <li>Loss of sunk costs (costs already incurred) of \$20m.</li> <li>Some break costs likely.</li> <li>If proceeding as designed or redesigned at a later date, cost escalation due to re-fixing contracts.</li> </ul>
Funding	Unknown	<ul style="list-style-type: none"> <li>DIA \$12.1m funding (already applied to design of CWEM) will likely need to</li> </ul>

Consideration groupings	Advantages of option 3: change scale and scope	Disadvantages and risks of option 3: change scale and scope
		<p>be repaid to DIA – as the design will not proceed to construction. DIA may fund an alternative in the future, but not guaranteed.</p> <ul style="list-style-type: none"> <li>Potential of external funding for the wider TMoTP project being withdrawn due to delays and/or loss of confidence, as well as actual scope/scale change (TECT \$21m, local funders).</li> </ul>
Economic	Unknown	<ul style="list-style-type: none"> <li>Economic benefits of wider TMoTP programme potentially not fully realised, estimated at \$513m to \$1,370m NPV over next 60 years (per TMoTP Business Case, GHD)<sup>24</sup></li> </ul>
Council	Unknown	<ul style="list-style-type: none"> <li>Potential for reputational damage to Council, seen as not keeping promises made.</li> <li>Potential for reputational damage from non-delivery of this core element of Te Manawataki o Te Papa, after receiving a national award for the programme.<sup>25</sup></li> </ul>
TMoTP delivery and outcomes	Unknown	<ul style="list-style-type: none"> <li>Alternative design / scope likely to be of lesser scale, or in some way reduced to reduce costs, potential for non-delivery or partial delivery of TMoTP outcomes due to the integrated nature of the current TMoTP design.</li> </ul>
Tangata Whenua	Unknown	<ul style="list-style-type: none"> <li>Risk of compromising the cultural licence for the Te Manawataki o Te Papa development<sup>26</sup></li> <li>Risk of significant negative impact on relationship with Tangata Whenua.</li> <li>Risk of significant negative impact on relationship with Tangata Whenua, particularly if the Civic Whare is not delivered as co-designed and planned. As joint owner of the land and TCC's main partner in TMoTP, the Trust would likely expect TCC not to make a unilateral decision to stop or pause all or part of the remaining TMoTP programme.</li> </ul>
Other partners	Unknown	Unknown
Directly affected communities	Unknown	<ul style="list-style-type: none"> <li>Risks a loss of confidence of private developers in the city, particularly the</li> </ul>

<sup>24</sup> Te Manawataki o Te Papa Business Case, July 2023 (page 10 of business case, page 20 of PDF):

[https://infocouncil.tauranga.govt.nz/Open/2023/07/CO\\_20230724\\_ATT\\_2510\\_EXCLUDED.PDF](https://infocouncil.tauranga.govt.nz/Open/2023/07/CO_20230724_ATT_2510_EXCLUDED.PDF)

<sup>25</sup> Te Manawataki o Te Papa – the Heartbeat of Te Papa was awarded the 2023 Taituarā 'Te Tohu Waka Hourua – The Buddle Findlay Award for Māori-Council Partnerships', refer: [https://taituara.org.nz/Story?Action=View&Story\\_id=504](https://taituara.org.nz/Story?Action=View&Story_id=504)

<sup>26</sup> Refer to Te Manawataki o Te Papa values, included in the Strategic Context section of this report.

Consideration groupings	Advantages of option 3: change scale and scope	Disadvantages and risks of option 3: change scale and scope
(e.g. tourism sector, CBD commercial, The Elms)		<p>CBD, reducing potential private investment in the city centre.</p> <ul style="list-style-type: none"> <li>Risk of reduced interest from the tourism sector, due to removal of key cultural elements from the integrated precinct design and non-realisation of the Museum as a major new tourism product for the city.</li> </ul>
Current and future wider communities	<ul style="list-style-type: none"> <li>Positive response from current communities that do not support the project and/or are seeking overall reduction in Council spend / rates bills.</li> </ul>	<ul style="list-style-type: none"> <li>Negative response from current communities that wish the project to proceed.</li> <li>Future communities may have lower level of service than currently planned, potential dissatisfaction with lack of these facilities in the central city.</li> </ul>

103. We are unable to determine the financial impacts of this option with any degree of accuracy because of the large number of unknowns. However, in their advice to council, Rider Levett Bucknall have provided some useful information around some potential option 3 scenarios. Their advice, and an understanding of the likely funding implications of a re-scoped CWEM, suggest that the key financial elements of option 3 are:

- any decision-making delays are likely to incur additional costs in the range of a million dollars a month
- because of delays and escalation, current contractual commitments, re-design, and re-procurement any rescope of the CWEM building would need to reduce scale by at least 30% of gross floor area to have a comparable capital cost to Option 1 (status quo)
- such a reduction in scale is likely to put existing funding streams at considerable risk
- a smaller CWEM building would likely have lower direct operating costs, but if capex was comparable to Option 1 (status quo) then depreciation would be similar and if external funding was reduced then debt and therefore debt servicing could feasibly be higher.

104. Taken together, a delayed and then re-scoped smaller CWEM would feasibly have a higher net cost to council than Option 1 (status quo) both in debt and opex.

## FINANCIAL CONSIDERATIONS

105. Specific financial information is included within the option analysis section of this report.

## LEGAL IMPLICATIONS / RISKS

106. The Te Manawataki o Te Papa programme, including design and construction of the proposed CWEM building, is included in the adopted 2024-34 Long-term Plan. An LTP Amendment process would be triggered by a proposal to stop or significantly reduce the TMoTP programme, including the CWEM facility, due to the proposed reduction in level of service c.f. the current LTP.<sup>27</sup>

107. The council received legal advice from Bell Gully in early August which summarised the contractual arrangements for Te Manawataki o Te Papa. This information was provided in confidence to the Elected Members at the time.

<sup>27</sup> Local Government Act 2002 (LGA) section 97(2):

<https://www.legislation.govt.nz/act/public/2002/0084/latest/DLM170873.html#DLM172358>

108. Te Manawataki o Te Papa Limited Board has considered and endorsed the programme outlined in this report. In addition, the Board will oversee construction and approve all packages of work in accordance with existing policies and delegations.
109. Rider Levett Bucknall and Barnes Beagley Doherr are the appointed quantity surveyors for Te Manawataki o Te Papa projects. Both companies provide assurance of cost estimates against tenders received.
110. Risks relevant to each option are included in the options section of this report.

## TE AO MĀORI APPROACH

111. As part of the pre-work for the development of Te Manawataki o Te Papa, Council worked closely with Iwi and Hapū to resolve historical grievances relating to the ownership of the civic precinct (Site A) land. This work resulted in the creation of a new joint ownership structure, Te Manawataki o Te Papa Charitable Trust CCO, jointly owned and governed by Tauranga City Council and mana whenua (through Otamataha Trust). This key move forms part of Council's overall intention for the site, which is to use it to build community cohesion and civic pride, recognise and honour our history, and to connect mana whenua and the people of Tauranga with the land and their stories.
112. The Journey of Te Manawataki o Te Papa, on Tauranga City Council's website<sup>28</sup>, includes the following explanation:

***'Te Manawataki o Te Papa will stand as a symbol of the revitalised relationship between Council and mana whenua.'***

*In the spirit of partnership and co-ownership, Te Manawataki o Te Papa is being developed as an inclusive community space that reflects the original kaupapa as outlined in the trust deed that was formed by the Church Missionary Society and tangata whenua in the 1830s. It will be a place to engage with the history of the whenua, share stories, and celebrate the rich and diverse cultural heritage of Tauranga Moana.*

*In line with the reconciliation process, mana whenua has a voice in the design and development process, enabling the stories behind Te Papa to be told faithfully through design, art and building methods... The civic whare, which replaces the old council chambers, will resemble a big meeting house and provide the appropriate space for welcoming visitors to the city.'*

113. The Civic Whare is considered to be the beating heart of Te Manawataki o Te Papa and is envisaged to be used for council and cultural gatherings of importance. The Te Manawataki o Te Papa Design and Cost Update Report presented to Council on 24 July 2023 (page 16)<sup>29</sup>, describes the design as follows:

*'Inspired by mana whenua, the Civic Whare showcases a modern architectural form that incorporates and respects elements of a traditional wharenui (meeting house). This design approach blends modern elements with a contemporary aesthetic, resulting in a distinctive structure that pays homage to the rich cultural heritage of the region.'*

114. Otamataha Trust appointed a Cultural Advisory Group, which gifted the name of Te Manawataki o Te Papa (the beating heart of Te Papa) to the land and project. Both the Cultural Advisory group and Te Kahui Toi, a collective of mana whenua artists, have been involved in co-design of the entire Te Manawataki o Te Papa precinct and all its facilities.
115. In addition to the principles created by tangata whenua through the Te Papa (Peninsula) Spatial Plan development, four pou (guiding pillars) have been established as Te Manawataki o Te Papa values, foundational in restoring Te Papa as a thriving centre of

<sup>28</sup> TCC website 'The journey of Te Manawataki o Te Papa': <https://www.tauranga.govt.nz/our-future/its-on-in-our-city-centre/civic-precinct-the-heartbeat-of-te-papa/the-journey-of-te-manawataki-o-te-papa>

<sup>29</sup> Council 24 July 2023, Agenda item 11.2, Attachment 1 'Te Manawataki o Te Papa design and cost update report – 13 July 2023' pdf: [https://infocouncil.tauranga.govt.nz/Open/2023/07/CO\\_20230724\\_AGN\\_2510\\_AT\\_WEB.htm](https://infocouncil.tauranga.govt.nz/Open/2023/07/CO_20230724_AGN_2510_AT_WEB.htm)

vibrancy, collectivity, and well-being – the Heart of our City, Te Papa. The four pou are further explained in the Strategic Context section of this report.

## CLIMATE IMPACT

116. Sustainability is at the forefront of the Te Manawataki o Te Papa design. The Library and Community Hub, and Civic Whare, Exhibition Space and Museum (CWEM) buildings are targeting 6 Green Star sustainability ratings. To achieve this, both buildings have adopted a mass timber hybrid structure. The use of timber in construction has very low embedded carbon and plays a key role in creating a better built environment for our future.
117. Other sustainability initiatives and features include high-performance building materials, passive design strategies to minimise energy demand, and integration of renewable energy technologies and rainwater harvesting.
118. The precinct buildings are also aiming for WELL gold certification. WELL is a certification system that promotes human health and wellness within new and existing buildings.<sup>30</sup>

## CONSULTATION / ENGAGEMENT

119. The proposal to implement Te Manawataki o Te Papa required an amendment to the Council's LTP 2021-31 under section 93(5) of the Local Government Act 2002. As such, a full consultation process was undertaken from 25 March to 26 April 2022.

## SIGNIFICANCE

120. 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.
121. 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.
122. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision to proceed (or not) with construction of the Civic Whare, Exhibition Space and Museum building is of high significance.

## ENGAGEMENT

123. Taking into consideration the above assessment, that the decision is of high significance, and that public consultation has already been undertaken on the substantive matters, officers are of the opinion that no further engagement is required prior to Council making a decision.




## NEXT STEPS

124. If the recommended resolutions are adopted, the Engineer to the Contract (ETC) will issue an instruction for LT McGuinness to execute the works as tendered. Contract assurance is provided by the Contract Oversight Group, and under the Project Control Group (PCG) and the direction of the Te Manawataki o Te Papa Limited Board.

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<sup>30</sup> Refer footnote 12 (TMoTP design and cost update report, Executive Summary, page 3)

**ATTACHMENTS**

1. Summary of TECT Funding Agreement - A17162114 - Public Excluded
2. TMoTP Funding Stack at November 2024 - A17161714 (Separate Attachments 1) 
3. Project Director's cover report - CWEM Stage 2 Tender - A17249255 - Public Excluded
4. CWEM Stage 2 Tender Recommendation and Evaluation - A17160183 - Public Excluded
5. Te Manawataki o Te Papa - Values - A17223475 (Separate Attachments 1) 
6. RLB - Theoretical Scope Options Review (Summary) - A17251010 (Separate Attachments 1) 
7. RLB - Theoretical Scope Options Review - A17240774 - Public Excluded

## 11.2 Update - Transport System Plan Infrastructure Funding and Financing Projects

**File Number:** A16793423

**Author:** Andrew Elliott, Business Analyst and Partner  
Ben Corbett, Team Leader: Growth Funding  
Frazer Smith, Manager: Strategic Finance & Growth

**Authoriser:** Kathryn Sharplin, Manager: Finance

### PURPOSE OF THE REPORT

1. Update council on implications for the Infrastructure Funding and Financing Facility “IFF” of the announcement of the NLTP and subsequent revisions to the Transport capital program.
2. Seek endorsement to explore options for optimising the drawdown of the IFF going forward.

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Update - Transport System Plan Infrastructure Funding and Financing Projects".
- (b) Direct staff to engage with Crown Infrastructure Partners and other Crown agencies to explore opportunities to optimise the drawdown of the Transport System Plan Infrastructure Funding and Financing facility.
- (c) As part of engaging with the Crown, investigate potential amendments to the Infrastructure Funding and Financing (Western Bay of Plenty Transport System Plan Levy Order 2022).
- (d) Report to Council with a preferred optimisation approach by 30 June 2025.

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### EXECUTIVE SUMMARY

3. A review of our progress to draw down on the IFF has identified that we are currently tracking to our agreed draw down schedule, with \$78m drawn to date. However, we are forecast to fall behind in the coming months.
4. This is as a result of projects progressing slower than initially expected and a number of projects, not being funded by NZTA, are not progressing further.
5. Staff have undertaken preliminary work to assess how drawdown could be optimised to most closely align with the proposed drawdown schedule. Staff have raised this matter and potential options with Crown Infrastructure Partners (a Crown entity which assists in the operation and financing of the TSP IFF).
6. This paper reviews the options identified to us to address this problem and sets out next steps to identify a preferred option.
7. The identified options are:
  - (a) carry on as we currently are, with the IFF facility drawn over a longer period of time with the risk that we are unable to use the full \$177M available through the IFF.
  - (b) request an amendment to the order in council (OIC) to add projects or change the conditions we have agreed to, or

- (c) partially break the financial agreement between Crown Infrastructure Partners and their financiers to reduce the amount of funding available to TCC.
- 8. The total IFF levy for 2024/2025 is \$8,437,561 plus GST (\$4,271,364 residential and \$4,166,196 commercial/industrial). There has been no issue with collection and a very small number of enquiries about the new levy. Further information about the levy is available on the Tauranga City council website [Infrastructure Levy - Tauranga City Council](#)

## BACKGROUND

- 9. TCC signed up to IFF in November 2022. IFF was to be used to provide part of the funding for a pool of 13 transport projects that made up part of the Tauranga System Plan (TSP).
- 10. The agreement was for \$177m of IFF funding, with the total spend on the 13 projects originally budgeted at just over \$800m. The remainder of the funding for these projects was expected to be made up of NZTA funding, Infrastructure Acceleration Funding "IAF", payments from developers and loan funding, depending on the project.
- 11. IFF has a term of 30 years. Repayments are made through a separate levy on rate payers. TCC makes the initial levy collection on behalf of CIP (who administer the IFF) and pass on the funds collected. While TCC undertakes the initial debt collection, uncollected monies are passed back to CIP to collect.
- 12. There are conditions that restrict the amount of IFF funding which can be applied to each project. A detailed list has been included in Attachment 1. We are also required to have a minimum of 10% funding from an external source such as NZTA (note this can be varied by council resolution).
- 13. At the time of agreeing to IFF a letter of best endeavours was signed by the Crown acknowledging that a number of the TSP projects had not yet been through the business case approval process and, as such did not have confirmed NZTA funding. Best endeavours would be made to fund the projects providing the business cases were endorsed by Waka Kotahi.
- 14. Table 1 below provides a summary of the dollar amount of funding drawn down for each of the 13 eligible IFF projects and a brief update on the current status of the projects.

**Table 1: Summary of IFF drawdown to \$78.m to date**

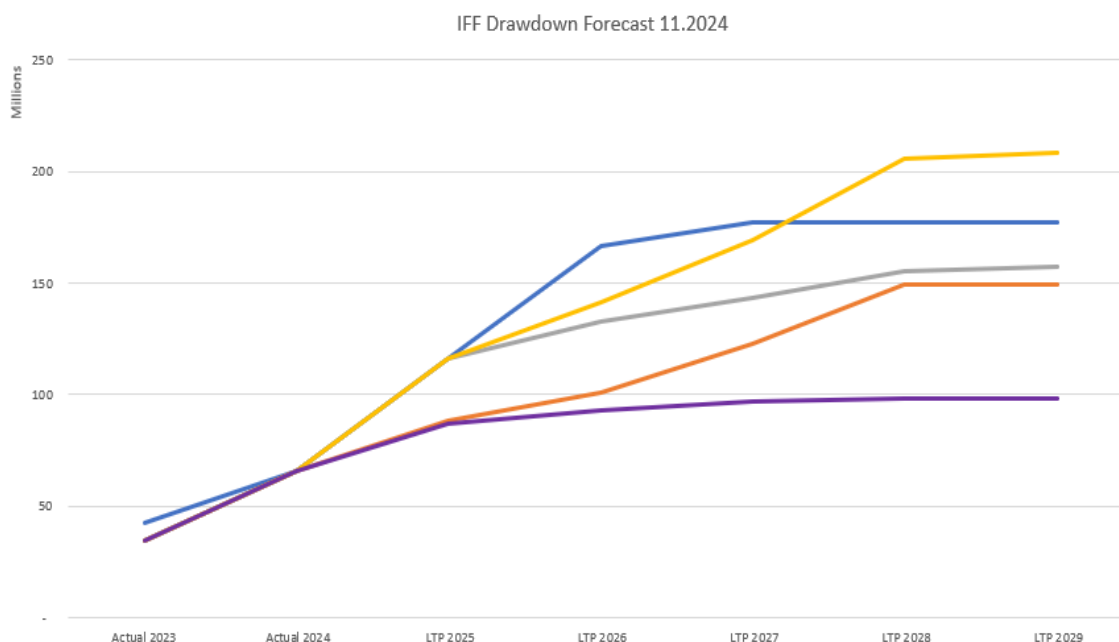
IFF drawdown summary	Claimed \$million	Project update
Hewletts Road sub access area	0.5	NZTA have advised that the project is not expected to progress past endorsement of the IBC in this NLTP period
Connecting the People Fifteenth Avenue to Welcome Bay	2.5	Going to NZTA board for the next stage of approval targeting December board meeting.
Tauriko West Enabling Work Package	8.6	Currently in construction we will have drawn the \$10m we budgeted by the end of the 25F/Y
Cameron Road Multi Modal Upgrade stage 1	50.0	Drawn to funding cap of \$50m no further draw downs are planned
Cameron Road multimodal upgrade stage 2	3.4	Business case was not supported for funding by NZTA. Currently reworking the business case to get better alignment to the updated GPS
Cameron road corridor connections (cycle, PT and pedestrian)	0.2	First stage of the Cameron Road connections projects are completed. No further funding available from NZTA through low cost low risk program.
Primary cycle route facilities (Accessible Streets programme - Area A Mount / Papamoa / CBD	1.0	Business case for main project not started as there is no funding available through NZTA. Some small components of the project have been done / designed
Primary cycle route facilities (Accessible Streets programme - Area B Otumoetai / Bellevue / Brookfield	1.6	Business case endorsed by council and submitted to NZTA but did not progress due to change in GPS away from walking and cycling projects
Tauranga Crossing bus facility improvements	0.6	Planning for first stage of project to improve access in progress with construction expected to start early next year with NZTA funding. Currently reconsidering the design and layout of the bus hub which is not approved for funding by NZTA
City Centre Transport Hub	1.2	Approved for construction by council proceeding without NZTA funding.
Barkes Corner to Tauranga Crossing Multi-modal Local Road component	0.0	nothing budgeted or forecasted in the next 1 - 3 years
SH2 Revocation – Cameron Road to Bethlehem	0.0	nothing budgeted or forecasted in the next 1 - 3 years
Maunganui Rd	8.6	Construction expected to be completed in the next few months.
<b>Total claimed date</b>	<b>78.2</b>	

15. To date the spend on IFF projects has tracked close to the drawdown schedule that was agreed at the time of signing in 2022 (all be it with some variations in the projects that money

was spent on). However, from now onwards our IFF claim rate was expected to accelerate with a number of large projects in construction (such as Cameron Rd stage 2 and Turret Rd). As we are not ready to start construction on these projects and a number have not had funding approved by NZTA our forecast spend is not increasing as expected.

16. Figure 1 below illustrates five scenarios which have been developed. These scenarios look at potential funding outcomes for Turret Rd (which is scheduled to go to the NZTA board later in December) and whether we seek to amend the order in council to add more projects to the IFF mix.

**Figure 1: IFF Drawdown Forecast as at November 2024**



17. The projects included in each scenario are summarised in Table 2 below

**Table 2: Projects included in Figure 1 above**

Scenario Description	Colour in Graph	Need to amend OIC?	Projects included in Scenario				
			Cameron Rd Stage 2	Turret Rd	Area A & B	Remaining IFF Projects	Low Cost low risk
Original Base IFF	Blue	N	Y	Y	Y	Y	
Worst case	Purple	N				Y	
Worst case plus LCLR	Grey	Y				Y	Y
Worst Case plus Turret Rd	Orange	N		Y		Y	
Best Case	Yellow	Y		Y		Y	Y

16. The requirements of the IFF were that specific projects were identified to be funded and that a detailed beneficiary analysis completed, rather than the traditional funding scenario where a pool of debt is made available. Projects included in the original IFF approval included:

- (a) Cameron Road Stage 2. This was the extension of the Cameron rd Stage 1 project. It has subsequently failed to obtain NZTA funding through the NLTP. We are currently rescoping the business case to try and secure NZTA fund with this expected to go to the NZTA board in the 2<sup>nd</sup> quarter next year. We also still have Infrastructure Acceleration Fund (IAF) funding for Cameron Road Stage 2 which has conditions of getting NZTA approval attached to it currently.
  - (b) Turret Road. This project's business case is being considered by the NZTA Board in December 2024.
  - (c) Area A & B. These are walking and cycling projects located in the vicinities of Otumoetai and Papamoa. These projects have subsequently failed to obtain NZTA funding and this is not expected to change in the medium term.
  - (d) Balance of original IFF programme that have received NZTA funding and will continue to be funded from IFF. This includes Cameron Rd Stage 1 which has been completed and drawn down.
17. Council has identified some other projects that potentially could be included in the IFF if the OIC is amended. They predominantly include Low Cost Low Risk projects (LCLR) that get NZTA funding and have been retained through the reforecast and annual plan prioritisation process. There are few other projects available due to projects being pushed out and the reduction in NZTA funding available. We have also considered whether some of the funding limits on projects already approved could be amended (which would also require a change to the OIC).
18. If the Turret Rd project is not approved (Grey Line), there would be a shortfall even with the new LCLR projects added. To address this shortfall we would need to increase the level of IFF funding used for each eligible project and the facility would also be drawn over a longer period.
19. We note that if we change the projects included in the IFF we are likely to need to redo the beneficiary analysis to ensure that levy payers across the city benefit from the projects, which is the basis for being able to charge the levy on a citywide basis.

## STATUTORY CONTEXT

20. Projects subject to IFF must be approved by Council through annual plan processes.

## STRATEGIC ALIGNMENT

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

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

22. IFF supports moving around the city by providing part of the funding for key roading projects within the city.

## OPTIONS ANALYSIS

23. TCC, together with Crown Infrastructure Partners, has identified three potential options going forward. It is possible that other options are available. If endorsed by Council, staff will arrange meetings with the Treasury, the Ministry for Housing and Urban Development and

NZ Transport Agency to understand whether other options exist. Once all feasible options are understood, staff will identify a preferred option to be considered by Council. No decision is required on these options at this time.

**Option 1: Maintain the Original Projects even those not receiving NZTA Funding.**

24. We could maintain the existing projects and conditions. This would result on the facility being drawn down over longer period of time than initially expected because we may choose to reapply for NZTA funding for which we would need to wait until the next NLTP round in three years.
25. There is the option to fund projects with 65% IFF and 35% loan funding rather than the 49% IFF and 51% NZTA that was envisioned at the beginning (Note there are some variations to the funding mix depending on the project). This means that projects do get completed, but levy payers would end up paying for the (expected) NZTA portion.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Investment of staff time and consultant expenditure is minimal;</li> <li>Unspent funds are invested reducing the overall interest expense paid by levy payers until utilized.</li> <li>Would retain the ability to return some of the Levy to the Levy payers if facility was to remain undrawn (reducing the cost) or could complete a break at a future date.</li> <li>Could potentially complete some projects for which there is no NZTA funding.</li> </ul>	<ul style="list-style-type: none"> <li>Some of the facility may become 'stranded' if eligible projects do not proceed and full drawdown is not able to be completed.</li> <li>It does not enable TCC to deliver as much infrastructure as we are delivering without 51% NZTA subsidy.</li> <li>Over time, inflation will erode the value of the infrastructure able to be delivered by TSP IFF.</li> <li>There will be a difference between the levy interest rate and the interest rate earned by investing undrawn funds. We estimate that this will be in the vicinity of 2.5% on any delayed drawdown.</li> </ul>

**Option 2: Amend OIC.**

26. The OIC could be amended to (a) include TCC's Low Cost, Low Risk programme in the eligible infrastructure schedule (this would see low cost low risk projects completed since the 2022 start of IFF, or currently in progress added to the mix of eligible projects); and/or (b) increase the caps for expenditure on any individual asset.
27. It is feasible to pursue option (a) only. If we were to pursue option (b) only the time taken to fully draw IFF would be longer as some of the projects are currently stopped and fewer projects would be completed with 100% IFF funding due to no NZTA funding. It could also impact the citywide beneficiary analysis by allowing investment to accumulate in fewer parts of the city.
28. The Order in Council was approved by Cabinet and would require their approval to amend. This process has not been tested yet. We would also need to get the Crown (CIP/MHud) to agree to make the OIC amendment, which will be confirmed in March 2025.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>It is highly likely TCC will be able to</li> </ul>	<ul style="list-style-type: none"> <li>It is likely to take up to a year to work</li> </ul>

Advantages	Disadvantages
<p>drawdown the whole TSP IFF facility over time.</p> <ul style="list-style-type: none"> <li>• It is likely TCC will be able to complete full drawdown by the end of 2027.</li> <li>• The citywide benefit of this project is retained (and possibly strengthened)</li> <li>• Infrastructure projects can be delivered although likely somewhat slower than originally anticipated (while the OIC amendment process is underway)</li> <li>• There will be a small benefit in that deposits of undrawn funds will earn interest, partially offsetting levy payers interest expense during any delayed drawdown.</li> </ul>	<p>through the process of updating the OIC. This will result in TCC temporarily falling behind the drawdown profile before resolving the shortfall in 2027.</p> <ul style="list-style-type: none"> <li>• The process of updating the OIC will require additional staff and consultant time.</li> <li>• There is a chance that further investigation may show that amending the OIC is not acceptable to central government agencies</li> </ul>

### Option 3: Partial break of facility.

29. Crown Infrastructure Partners (CIP) are working with Mafic to understand the options available to right-size the TSP IFF facility. This may involve breaking a portion of the facility to reduce its size to match TCC's forecast expenditure on eligible infrastructure. The estimated break costs are not yet known, however they are expected to be significant given the size of the facility and length of time to run.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Levy would be reduced as it would be based on lower facility amount.</li> <li>• Rightsized the facility based on the updated project spend.</li> </ul>	<ul style="list-style-type: none"> <li>• The break cost is expected to be considerable and would need to be recovered through the levy.</li> <li>• Less funding available for investment in Tauranga's transportation infrastructure.</li> <li>• Another source of funding will need to be found for TCC's share of the current eligible projects if they are to proceed.</li> </ul>

30. Staff raised these options with CIP in October 2024. CIP did not express a preference at this time but suggested that option 2 is likely to be their least preferred option due to the time and expense involved.
31. The best way forward depends on the outcome of NZ Transport Agency decisions relating to Cameron Rd Stage 2 and Turret Rd business cases. Once these decisions are known, likely by March 2025, staff will be able to assess the best optimisation pathway with a greater level of certainty.

## FINANCIAL CONSIDERATIONS

32. Impact on council debt levels. The IFF sits off balance sheet so any decision that reduces the amount of the facility or extends the time that it takes to draw the facility will result in additional borrowing being required unless there is a corresponding reduction in spending.
33. Not drawing the funds as planned does not have a direct impact on the council, however as this would result in the projects being completed at a later date they will cost more to complete due to inflation. IFF is for a fixed amount of borrowing, so levy payers will get less for their levy if it takes longer for the projects to be delivered.
34. As it stands projects cannot be completed with 100% IFF funding. The maximum amount of IFF that can be used is 65% with the remainder required to come from another source. If this was loan-funded it would have an impact on our debt limits.
35. If we are behind in our drawdown any unspent funds would still be drawn and are invested on our behalf by CIP which offsets part of the interest cost that is incurred. We have estimated this difference in rates at 2.5% (based on the difference between the borrowing and investing rates)
36. Pursuing option 2 is expected to result in additional consultancy and legal costs of about \$300k which would be found by reprioritising existing budgets.

### LEGAL IMPLICATIONS / RISKS

37. IFF is a fixed amount and if spent over a longer period of time inflation will erode the benefit that is able to be delivered to levy payers.

### TE AO MĀORI APPROACH

38. Not applicable for this report.

### CLIMATE IMPACT

39. Not applicable for this report.

### CONSULTATION / ENGAGEMENT

40. Not applicable for this report.

### SIGNIFICANCE

41. 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.
42. 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 .
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
43. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision of whether to pursue an amendment to the IFF Order in Council is of medium significance.

### ENGAGEMENT

44. Taking into consideration the above assessment, that the decision is of medium significance, and that public consultation has already been undertaken, officers are of the opinion that no further engagement is required prior to Council making a decision.

### NEXT STEPS

45. NZ Transport Agency decides whether to endorse business cases for Cameron Rd Stage 2 and Turret Rd. Timing of subsidy becomes clearer (December 2024 – April 2025).
46. Staff work with Crown Infrastructure Partners & Ministry of Housing and Urban Development to assess optimisation options (March 2025 – June 2025).
47. Staff report to Council with feasible and preferred option(s) in June 2025.

### ATTACHMENTS

Nil

### APPENDIX 1

Project	Project Description	Capped Funding Project	Eligible Cost cap	Cap Percentage	Cap \$ amount
<b>TSP 002 (Hewletts Road sub access area)</b>	Series of works in relation to transport infrastructure in the Hewletts Road project study area in the vicinity of the Port and Mount Industrial area including on Hewletts Road, Totara Road, Hull Road, Maunganui Road, other existing local roads and potential new roads / connections, and related works to the rail network and utilities to improve access to the Port of Tauranga and Mt Maunganui and make it safer to move through and around this part of town. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at the lesser of: (a) 65% of total final costs of construction of this project or (b) \$110,000,000.	65%	110m
<b>TSP 007 &amp; TSP 011 (Connecting the People Fifteenth Avenue to Welcome Bay)</b>	Series of works in relation to transport infrastructure on the route between City Centre fringe (e.g. Devonport Road; Fraser Street) and Fifteenth Avenue, Turret Road and Welcome Bay to improve the public realm and access to and from the Te Papa Peninsula and City Centre including increasing ease and safety of access to homes, schools, businesses, and shopping areas and related works to utilities. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at the lesser of: (a) 65% of total final costs of construction of this project or (b) \$50,000,000.	65%	50m
<b>TSP 009 (Tauriko West Enabling Work Package)</b>	Transport infrastructure works (including improvements) to support new urban development and housing developments in Tauriko West and employment within the Tauriko Business Estate while also supporting the inter-regional freight movement function of SH29 and related works to utilities. The works do not include the construction of a roundabout planned at State Highway 29 at the intersection of Redwood Lane and Kawaroa Drive referred to in the business case for this project as the 'Southern Connection' but, for the avoidance of doubt, do include works on Redwood Lane from the roundabout into Tauriko West. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at 15% of the total final costs of construction of this project.	15%	

<b>TSP 013 (Cameron Road Multi Modal Upgrade stage 1)</b>	Delivery of transport infrastructure works including public transport, cycling, walking and public realm improvements to Cameron Rd between Harington Street and towards Tauranga Hospital to move people safely and support urban developments and related works to utilities. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at the lesser of: (a) 65% of total final costs of construction of this project or (b) \$50,000,000.	65%	50m
<b>TSP 018 (Cameron Road multimodal upgrade stage 2)</b>	Delivery of transport infrastructure works including public transport, cycling, walking and public realm improvements to Cameron Rd between 15th Avenue - Tauranga Hospital area and through Barks Corner to integrate with Pyes Pa Road towards Cheyne Road to move people safely and support urban developments and related works to utilities. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at the lesser of: (a) 65% of total final costs of construction of this project or (b) \$110,000,000.	65%	110m
<b>TSP 019 (Cameron Road corridor connections (cycle, PT and pedestrian))</b>	Delivery of transport infrastructure works to improve access to Cameron Rd to support the use of bus, walking and cycling facilities delivered in the Futureproofing Cameron Rd Stage 1 and 2 projects and related works to utilities. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at the lesser of: (a) 65% of total final costs of construction of this project or (b) \$50,000,000.	65%	50m
<b>TSP 034 Primary cycle route facilities (Accessible Streets programme - Area A Mount / Papamoa / CBD)</b>	Delivery of transport infrastructure improvements to walking, cycling and public transport facilities to make it safe, convenient, and more attractive to ride to or take public transport to places like schools, work, parks etc and related works to utilities. This is in combination with TSP 035. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at the lesser of: (a) 65% of total final costs of construction of this project or (b) \$50,000,000.	65%	50m
<b>TSP 035 (Primary cycle route facilities (Accessible Streets programme - Area B Otumoetai / Bellevue / Brookfield))</b>	Delivery of transport infrastructure improvements to walking, cycling and public transport facilities to make it safe, convenient, and more attractive to ride to or take public transport to places like schools, work and parks and related works to utilities. This is in combination with TSP 034. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at the lesser of: (a) 65% of total final costs of construction of this project or (b) \$50,000,000.	65%	50m
<b>TSP 028 (Tauranga Crossing bus facility improvements)</b>	Delivery of transport infrastructure, including public transport hub to support multimodal access to / from the Tauriko commercial area in or around Tauranga Crossing and includes associated passenger facilities and active travel facilities like shelter or cycle storage to make public transport an attractive transport choice and related works to utilities. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at the lesser of: (a) 65% of total final costs of construction of this project or (b) \$50,000,000.	65%	50m

<b>TSP 032 (City Centre Transport Hub)</b>	Delivery of transport infrastructure, including a public transport hub to support multimodal access to / from the City centre and includes associated passenger facilities and active travel facilities like shelter or cycle storage to make public transport an attractive transport choice and related works to utilities. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at the lesser of: (a) 65% of total final costs of construction of this project or (b) \$50,000,000.	65%	50m
<b>Barkes Corner to Tauranga Crossing Multi-modal Local Road component</b>	Series of transport infrastructure works to improve public transport connections on the local road section (generally Taurikura Drive) and their integration with the state highway network (SH36) on the corridor between Cameron Road and the Tauriko commercial centre in and around Tauranga Crossing and includes associated walking and cycling and urban realm improvements and related works to utilities. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at the lesser of: (a) 65% of total final costs of construction of this project or (b) \$50,000,000.	65%	50m
<b>SH2 Revocation – Cameron Road to Bethlehem</b>	Series of transport infrastructure works to support improvements to local networks (e.g. roads, cycleways, public transport facilities like shelters) to integrate with the revocation of the existing State Highway 2 associated with Stage 1 of the Takitimu North Link project and related works to utilities. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at the lesser of: (a) 65% of total final costs of construction of this project or (b) \$50,000,000.	65%	50m
<b>Maunganui Road Future Proofing</b>	Transport infrastructure upgrades to roading, cycling & pedestrian facilities to improve safety, and speed management (e.g. Shared footpath/cycleways, drainage improvements, raised pedestrian crossings, new roundabouts) and related works to utilities. The project will also provide improved connections & parking amenities to Blake Park & Mt Maunganui College as well as changes to the public transport network to future proof for clearways and bus lanes. Works to Council-owned water services infrastructure in the vicinity of the transport infrastructure.	Yes	Eligible Costs funded under this Agreement for this project will be capped at the lesser of: (a) 65% of total final costs of construction of this project or (b) \$50,000,000.	65%	50m

### 11.3 Harington Street carpark - Variation of Encumbrance

**File Number:** A16875942

**Author:** Phil Kai Fong, Team Leader: Commercial Property Services

**Authoriser:** Sam Fellows, Acting General Manager: City Development & Partnerships

#### PURPOSE OF THE REPORT

1. To seek approval for the variation of an encumbrance registered over the titles for the Harington Street carpark site to enable the delivery of public carparking and commercial development.

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#### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Harington Street carpark - Variation of Encumbrance.
- (b) Approves a variation of Encumbrance 12069224.2 to extend the date that the developer is required to deliver no less than 200 carparks, which are available to and can be safely used by the general public, from 1 December 2024 to 30 June 2025.

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#### EXECUTIVE SUMMARY

2. In December 2020, Council entered into an agreement ("the Agreement") for the sale of the Harington Street Transport Hub ("HSTH") to Watts & Hughes ("W&H"), on the basis that W&H would assume full responsibility for the property and existing structure.
3. The Agreement was entered into on the basis that W&H would undertake and complete certain works, including the demolition and removal of the defective carparking structure on the site ("Initial Works"), by 14 June 2021.
4. An encumbrance (**Attachment A**) was registered over the four titles on which the HSTH was being constructed to ensure compliance and completion of the Initial Works ("the Encumbrance"), but also more importantly, to ensure that the title holder would be obliged to provide publicly accessible carparks in any remediation or development on the site.
5. Since registration in April 2021, the Encumbrance has been varied several times (**Attachment B**) because of delays in obtaining consents and the proposed plans by W&H to undertake a commercial development above the carparking structure.
6. In September 2023, the four titles were transferred by W&H to Panorama Towers Limited ("PTL"), which is a joint venture company held equally by Quayside Holdings Limited, WAIBOP (Hamilton) Limited (which is a subsidiary company of W&H), and Green Barrel Holdings Limited (which is a company associated with Carrus Corporation).
7. During the course of 2024, PTL has successfully secured an anchor tenant for the commercial office / tower component of the development above the carparking structure and have advised they are proceeding to complete the development fully as proposed.
8. PTL have asked for a variation to the Encumbrance to extend the date by which the public carparks are required to be made available to 30 June 2025 due to design and consent changes to accommodate the anchor tenant.

**DISCUSSION**

9. In March 2022, a Variation Agreement (“Variation Agreement”) was entered into vary the original Agreement for Sale and Purchase to provide for the following works:

**Stage 1 Works** means all works to:

- (a) demolish, remove and/or otherwise alter parts of the Improvements currently located above ground on the Property to ensure the Property does not pose a safety risk to the public; and
- (b) prepare the Property for and to enable the Stage 2 Works.

**Stage 2 Works** means all works to construct and complete an operational carpark building at the Property, so as to comply with the requirements set out in clause 2.7 (of the Variation Agreement).

**Stage 3 Works** means all works to construct and complete an office tower building on the Property as an addition to the carparking building completed as part of the Stage 2 Works.

10. In October 2023, Council became aware that W&H had transferred the titles for the property to PTL. The transfer was completed on the basis that PTL remains subject to the terms of the Encumbrance and subsequent variations by virtue of the implied covenants under the Property Law Act.
11. Quayside Holdings Limited issued a media release on 18 October 2023 advising that they had entered into a joint venture partnership with Carrus, and with Watts and Hughes, to develop a “*high quality commercial building in Hamilton Street, which incorporates commercial office tenancies and significant tenant and public car parking in Tauranga CBD*”.  
31
12. PTL now have a revised design and are intending to progress development of the whole building, rather than the staged development that had initially been planned. Design modifications have necessitated a further request to extend the date for the Stage 2 Works (carpark) until 30 June 2025.
13. PTL have advised that agreement has been reached with an anchor tenant that will provide specialist professional services for the Bay of Plenty area and will be a significant addition to the Tauranga CBD.
14. The particular requirements of the anchor tenant has necessitated a redesign of the development which PTL advise is now largely completed. It has however, resulted in delays arising from a structural redesign for Levels 6-11 of the building to accommodate the anchor tenant. The redesign has included improvements to the central core of the building which is an integral part of the carpark structure.
15. To mitigate some of the effects of the delay in providing the public carparks, PTL have advised that 77 contractor / subcontractor vehicles can be parked within the construction site from 1 December 2024, freeing up provision of on-street carparking available for general public use.
16. In addition, once the carpark structure is completed in June 2025, PTL advise that their site buildings and gantry currently situated on Harington Street will be able to be removed, allowing for normal use of Harington Street which currently has restricted access. This would then allow for the return of 2-way traffic on Harington Street between Durham Street and Willow Street.
17. PTL have also committed that access and availability of the 200 carparks will remain open during construction of the office tower and will provide a health and safety plan and access plan to support their commitment.

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<sup>31</sup> <https://quaysideholdings.co.nz/2023/10/quayside-partners-with-carrus-and-watts-hughes-for-hamilton-street-cbd-development/>

## STRATEGIC ALIGNMENT

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

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

18. Council's City Centre Action and Investment Plan (CCAIP) seeks to strengthen the role of the city centre as the key commercial and cultural focus of the sub-region through a series of coordinated actions, including an integrated approach to public and private support.
19. The associated framework outcomes focus on creating a vibrant, connected, active retail and commercial area that will support economic development. Council continues to work with Priority One, the sub-regional economic development organisation to streamline processes and match private investment with revitalisation priorities.
20. While seeking to achieve increased economic development there is a recognised tension around providing adequate car parking supply to support commercial activity while supporting a high amenity pedestrian environment.

## OPTIONS ANALYSIS

21. **Option 1 – Extend completion date for Stage 2 Works (carpark) until 30 June 2025 - RECOMMENDED**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Comprehensive solution that resolves issues with Harington Street carparking structure.</li> <li>Enables redevelopment by reputable developers and reuse of basement, structure, and materials.</li> <li>Council continues to maintain control of outcome through Encumbrance to enforce provision for public carparking.</li> <li>Supports city centre revitalisation and delivery of actions in the CCAIP.</li> <li>Delivers some public carparking on the site, which is immediately adjacent to Te Manawataki o Te Papa.</li> </ul>	<ul style="list-style-type: none"> <li>Risk of criticism in not seeking to enforce previous completion dates for provision of public carparking.</li> </ul>

22. **Option 2 – Do not extend completion date for Stage 2 Works (carpark) – NOT RECOMMENDED**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Potentially enables earlier delivery of some public carparking.</li> </ul>	<ul style="list-style-type: none"> <li>Does not enable consolidated redevelopment contributing to city centre revitalisation and delivery of actions in the CCAIP.</li> <li>Damage to relationship with developers and city centre partners.</li> <li>Does not support our city centre businesses.</li> </ul>

## FINANCIAL CONSIDERATIONS

23. There are no material financial considerations. The encumbrance requires PTL to provide not less than 200 carparks. However, the carparks to be provided by PTL will remain in private ownership and any revenue generated from those carparks being made available for public use, will be retained by PTL or the carpark operator. There will be no financial loss to Council if the completion date is extended to 30 June 2025.

## LEGAL IMPLICATIONS / RISKS

24. If Council does not agree to the further extension requested, PTL will not be able to comply with the requirements of the Encumbrance to deliver the required public carparking by 1 December 2024.
25. The Encumbrance only provides for remedies in favour of Council if PTL materially defaults in its requirements under the Encumbrance. There is also a requirement for Council to be acting reasonably in determining whether PTL would be in material breach of its obligations under the Encumbrance.
26. In the event that Council does not agree to the further extension requested, Council would be required to obtain specialist external legal advice to ascertain whether recourse to the default provisions under the Encumbrance are available.

## SIGNIFICANCE

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

## ENGAGEMENT

30. 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.

## NEXT STEPS

31. If Council agrees to the variations noted in the Recommendations, a further variation to the Encumbrance will need to be registered with LINZ.

## ATTACHMENTS

1. **Attachment A - Harington Street carpark - Variation of Encumbrance - Encumbrance 12069224.2 - A17251778** [!\[\]\(a5c41e426c02a331dce884ba0e808937\_img.jpg\)](#) [!\[\]\(723ee6766638a834e2c19774da19ae14\_img.jpg\)](#)
2. **Attachment B - Harington Street carpark - Variation of Encumbrance - Variations of Encumbrance 12069224.2 - A17251779** [!\[\]\(82228da0b7144f82f5102b1f02e22854\_img.jpg\)](#) [!\[\]\(edf5ec7343b0ed0c4c8114736727deb5\_img.jpg\)](#)





## View Instrument Details

**Instrument No.** 12069224.2  
**Status** Registered  
**Date & Time Lodged** 01 Apr 2021 11:02  
**Lodged By** Jeans, Jessica Ann  
**Instrument Type** Encumbrance



Affected Records of Title	Land District
786686	South Auckland
SA25B/1193	South Auckland
SA27A/838	South Auckland
SA780/237	South Auckland

**Annexure Schedule** Contains 9 Pages.

### Encumbrancer Certifications

- I certify that I have the authority to act for the Encumbrancer and that the party has the legal capacity to authorise me to lodge this instrument ☒
- I certify that I have taken reasonable steps to confirm the identity of the person who gave me authority to lodge this instrument ☒
- I certify that any statutory provisions specified by the Registrar for this class of instrument have been complied with or do not apply ☒
- I certify that I hold evidence showing the truth of the certifications I have given and will retain that evidence for the prescribed period ☒

### Signature

Signed by Suzanne June Mevissen as Encumbrancer Representative on 31/03/2021 03:42 PM

### Encumbrancee Certifications

- I certify that I have the authority to act for the Encumbrancee and that the party has the legal capacity to authorise me to lodge this instrument ☒
- I certify that I have taken reasonable steps to confirm the identity of the person who gave me authority to lodge this instrument ☒
- I certify that any statutory provisions specified by the Registrar for this class of instrument have been complied with or do not apply ☒
- I certify that I hold evidence showing the truth of the certifications I have given and will retain that evidence for the prescribed period ☒

### Signature

Signed by Mathew Thomas Brown as Encumbrancee Representative on 31/03/2021 02:43 PM

\*\*\* End of Report \*\*\*

Annexure Schedule: Page:1 of 9

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Form 18

**Encumbrance Instrument**  
(Section 100 Land Transfer Act 2017)

**Land Registration District**

South Auckland

Record of Title (unique identifier)	All/part	Area/Description of part
786686 (Lot 1 DP 28153)	All	
SA25B/1193 (Lot 2 DP 28153)	All	
SA780/237 (Pt Block 4 Church Mission Reserve)	All	
SA27A/838 (Lot 1 DP 29835)	All	

**Encumbrancer** *Surname(s) must be underlined.*

Waibop (Harrington) Limited

**Encumbrancee** *Surname(s) must be underlined.*

Tauranga City Council

**Estate or interest to be encumbered** *Insert e.g. Fee simple, Leasehold in Lease No. etc.*

Fee simple

**Encumbrance Memorandum Number**

N/A

**Nature of Security**

Annual rent charge of \$1.00 (plus GST) (if demanded) and such other sums of money as are payable by the Encumbrancer to the Encumbrancee pursuant to this Encumbrance (**Rentcharge**).

**Encumbrance**

The **Encumbrancer encumbers for the benefit of the Encumbrancee** the land in the above record of title(s) **with** the above sum of money, annuity, or rent charge to be raised and paid in accordance with the terms set out in the ~~[above encumbrance memorandum]~~ Annexure Schedule(s) **and** so as to incorporate in this encumbrance the terms and other provisions set out in the ~~[above encumbrance memorandum]~~ ~~[and]~~ Annexure Schedule(s) for the better securing to the Encumbrancee the payment(s) secured by this encumbrance, and compliance by the Encumbrancer with the terms of this encumbrance.

**Annexure Schedule:** Page:2 of 9

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**Annexure Schedule 1****Encumbrance Instrument****Terms** *Continue in additional Annexure Schedule(s), if required*

- |   |  |
|---|--|
| 1 | Length of term – Refer Annexure Schedule 2   |
| 2 | Payment date(s) – Refer Annexure Schedule 2  |
| 3 | Rate(s) of interest – Refer Annexure Schedule 2  |
| 4 | Event(s) in which the sum, annuity or rent charge becomes payable – Refer Annexure Schedule 2      |
| 5 | Event(s) in which the sum, annuity or rent charge ceases to be payable – Refer Annexure Schedule 2 |

**Covenants and conditions** *Continue in additional Annexure Schedule(s), if required*

Refer Annexure Schedule 2
---------------------------

**Modification of statutory provisions** *Continue in additional Annexure Schedule(s), if required*

Refer Annexure Schedule 2
---------------------------

## Annexure Schedule: Page:3 of 9

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## Annexure Schedule 2

**BACKGROUND**

- A.** The Encumbrancer and Encumbrancee are parties to the Agreement, pursuant to which they have agreed that the Property is sold by the Encumbrancee to the Encumbrancer strictly on the basis that the Encumbrancer consents to the registration of this Encumbrance as a first ranking security interest and will comply with the Covenants set out in this Encumbrance.
- B.** Accordingly, the Encumbrancer enters into and registers this Encumbrance for the benefit of the Encumbrancee.

**1. DEFINITIONS AND INTERPRETATION****1.1 Definitions:** In this Encumbrance, unless the context indicates otherwise:

**Agreement** means the agreement for sale and purchase between the Encumbrancee (as vendor) and the Encumbrancer (as purchaser) dated 23 December 2020.

**Covenants** means the covenants set out in this Encumbrance, including those covenants contained in clause 2.

**Encumbrance** means this encumbrance instrument and includes any schedules and any annexures.

**Encumbrancee** means Tauranga City Council and its permitted successors administrators and assigns.

**Encumbrancer** means the persons named as the Encumbrancer in this Encumbrance and includes the registered owners of the Property and their successors in title.

**Improvements** means any and all improvements located on or in the Property, including all buildings, structures and other fixtures, as at the date of registration of this Encumbrance.

**Initial Works** means all works to:

- (a) demolish, remove and/or otherwise alter parts of the Improvements currently located above ground on the Property, to be as described in the Initial Works Plan; and
- (b) ensure that the Property complies with all relevant approvals and consents to be obtained by the Encumbrancer in accordance with the Initial Works Plan and as a consequence of the Initial Works.

**Initial Works Completion Date** means on or before 14 June 2021.

**Initial Works Plan** means the scope, outline plans and specifications for the Initial Works, as agreed by the Encumbrancee and Encumbrancer under clause 20.4(a) of the Agreement.

**Initial Works Programme** means the programme for the Initial Works, as agreed by the Encumbrancee and Encumbrancer under clause 20.4(b) of the Agreement.

**Property** means the land comprised in the records of title identified in this Encumbrance, and any subdivision or amalgamation thereof.

**Proposed Redevelopment** means the Encumbrancer's proposed redevelopment of the Property, including the Improvements (as demolished, removed or otherwise altered as result of the Initial Works), as described in the Proposed Redevelopment Plan.

## Annexure Schedule: Page:4 of 9

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**Proposed Redevelopment Plan** means the concept plans for the Proposed Redevelopment, as agreed by the Encumbrancee and Encumbrancer under clause 20.4(d) of the Agreement.

**Rentcharge** has the meaning given to it at the front of this Encumbrance under "Nature of Security".

**Required Approvals** means all necessary consents and approvals to enable the Encumbrancer to:

- (a) carry out and complete the Initial Works; and
- (b) upon completion of the Initial Works, safely hold the Property pending the purchaser's progression of the Proposed Redevelopment,

in accordance with all applicable laws and regulations.

**Working Day** means a day which is not a Saturday or Sunday or a public holiday in Napier, New Zealand, and not any day commencing on 24 December in any year and ending on 5 January in the following year.

**1.2 Interpretation:** In this Encumbrance, unless the context indicates otherwise:

- (a) **Headings:** section, clause and other headings are for ease of reference only and will not affect this Encumbrance's interpretation.
- (b) **Joint and Several Liability:** an obligation by two or more persons binds those persons jointly and severally.
- (c) **Negative Obligations:** any obligation not to do anything will include an obligation not to suffer, permit or cause that thing to be done.
- (d) **Parties:** references to parties are references to parties to this Encumbrance.
- (e) **Persons:** references to persons will include references to individuals, companies, corporations, partnerships, firms, joint ventures, associations, trusts, organisations, governmental or other regulatory bodies or authorities or other entities in each case whether or not having separate legal personality.
- (f) **Plural and Singular:** words importing the singular number will include the plural and vice versa.
- (g) **Includes or Including:** all references to includes and including are deemed to be followed by ", without limitation".
- (h) **Consent:** where the Encumbrancee's consent or approval is required pursuant to any provision of this Encumbrance such consent or approval shall be required for each separate occasion despite any prior consent or approval obtained for a similar purpose on a prior occasion.
- (i) **Annexures:** the annexures to this Encumbrance and the provisions and conditions contained in these annexures will have the same effect as if set out in the body of this Encumbrance.
- (j) **Sections, Clauses and Annexures:** references to sections, clauses and annexures are references to this Encumbrance's sections, clauses and annexures.
- (k) **Statutes and Regulations:** references to any statutory provision will include any statutory provision which amends or replaces it, and any subordinate legislation made under it.

## Annexure Schedule: Page:5 of 9

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## 2. COVENANTS

### 2.1 Initial Works and Redevelopment: The Encumbrancer covenants to:

- (a) at its cost, undertake and complete the Initial Works in accordance with the:
  - (i.) Required Approvals;
  - (ii.) Initial Works Plan;
  - (iii.) Initial Works Programme and so as to achieve completion of the Initial Works by the Initial Works Completion Date; and
- (b) ensure that any redevelopment of the Property following completion of the Initial Works is reasonably consistent with the Proposed Redevelopment Plan.

### 2.2 Required Demolition: If the Encumbrancee, acting reasonably, determines that the Encumbrancer is in material breach of its obligations under clause 2.1(a) and is, or will be, unable to complete the Initial Works in accordance with that clause, immediately upon written notice being given by the Encumbrancee to the Encumbrancer, the Encumbrancer will, at its cost:

- (a) discontinue the Initial Works (in a safe manner, including in accordance with all applicable laws) and obtain all consents and approvals required for the works necessary to demolish all Improvements and otherwise remediate the Property to a flat on-grade vacant site that will not cause or be likely to cause any risk or hazard to adjoining landowners or the general public (the **Required Demolition**);
- (b) thereupon, and as soon as is reasonably practicable and with the Encumbrancer using all reasonable endeavours, carry out and complete the Required Demolition in accordance with all such consents and approvals; and
- (c) clause 5.1(b) will apply.

### 2.3 Carparks: The Encumbrancer covenants to:

- (a) where clause 2.1(b) applies, following completion of the Encumbrancer's redevelopment of the Property (in accordance with the Proposed Redevelopment Plan), deliver no less than 200 carparks at the Property; or
- (b) where clause 2.2 applies, following completion of the Required Demolition, deliver no less than 95 carparks at the Property,

which are available to and can be safely used by the general public for the duration of the term (the **Carparks**).

### 2.4 Maintenance: The Encumbrancer covenants to manage, operate and maintain the Carparks, at its cost, to a good professional standard consistent with public carpark buildings of a similar type in Tauranga City, including to:

- (a) ensure that any lifts, escalators or other machines and equipment serving the Carparks are kept in good working order and remain operative;
- (b) provide and maintain adequate access, lighting and ventilation to the Carparks;
- (c) mark out and maintain the delineation of carparking spaces;
- (d) keep and maintain the Carparks clean, tidy and free of rubbish; and

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(e) comply with all applicable laws and regulations affecting or relating to the Carparks.

**2.5 Third party arrangements:** The Encumbrancer may enter into arrangements with third parties in respect of the operation and maintenance of the Carparks, provided that the Carparks remain at all times available to and can be safely accessed by the general public.

### 3. RENTCHARGE

**3.1 Rentcharge Payable:** Subject to clause 3.2 below, the Rentcharge is payable by the Encumbrancer to the Encumbrancee on 31 March every calendar year.

**3.2 Deemed Payment:** If, during the 12 months preceding the day on which the annual Rentcharge under clause 3.1 is payable, there has not been any breach by the Encumbrancer of any of the Covenants under this Encumbrance, then the annual Rentcharge will be deemed to have been paid.

### 4. ENCUMBRANCE TERMS

**4.1 Term:** The term of this Encumbrance commences on the date of registration of this Encumbrance and ends 99 years following the date of registration.

**4.2 Binding on successors, lessees and assigns:** This Encumbrance will be binding on all transferees, lessees, mortgagees, charge holders and their respective successors in title and assigns of any estate or interest in any part of the Property.

**4.3 Assignment:** This Encumbrance is assignable by the Encumbrancee and its successors without the Encumbrancer's approval or consent.

**4.4 Statutory Provisions:** The Encumbrancee is entitled to all the powers and remedies given to encumbrancees under the Land Transfer Act 2017 and any of the powers and remedies given to mortgagees under the Land Transfer Act 2017 or the Property Law Act 2007.

**4.5 Discharge:** The Encumbrancer irrevocably covenants with the Encumbrancee for the term that:

- (a) the Encumbrancee will have no obligation to discharge this Encumbrance under section 97 of the Property Law Act 2007 or otherwise;
- (b) the Encumbrancer will not take any steps whatsoever, including, without limitation, pursuant to section 97 of the Property Law Act 2007 or section 115 of the Property Law Act 2007 to redeem or discharge this Encumbrance, or pursuant to section 317 of the Property Law Act 2007 to have this Encumbrance revoked, cancelled, surrendered, discharged, lapsed or otherwise removed from the title to the Property;
- (c) the Encumbrancer will not support any such steps being taken by a third party; and
- (d) the Encumbrancer surrenders and waives any right, entitlement or ability that the Encumbrancer may have to have this Encumbrance discharged, redeemed, revoked, cancelled, surrendered, discharged, lapsed or otherwise removed from the Property.

#### 4.6 Restriction on dealings

The Encumbrancer must not transfer, otherwise dispose of or deal with any one record of title that makes up the Property individually from the others, such that all four records of title that make up the Property must be dealt with together as one.

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#### 4.7 Consent to other dealings:

- (a) Subject to 4.6, for the purposes of the Property Law Act 2007 and the Land Transfer Act 2017, the Encumbrancee consents to the following dealings affecting the Property:

- (i.) creation, variation or surrender of an easement, or covenant;
- (ii.) registration or variation of any subsequent mortgage or encumbrance; and
- (iii.) registration or variation of any lease or licence which does not require consent pursuant to the terms of this Encumbrance,

over all or any part of the Property, provided that such consent will only extend to any of the above instruments where registration of the instruments will not have the effect of discharging, reducing or adversely affecting the rights and interests of the Encumbrancee under this Encumbrance in relation to the Property.

- (b) If written consent is required from the Encumbrancee (rather than deemed consent under clause 4.7(a)) then the Encumbrancee shall give that written consent provided the instrument to be registered would not in the reasonable opinion of the Encumbrancee prejudice the Encumbrancee's rights under this Encumbrance.

#### 5. ENCUMBRANCER DEFAULT

- 5.1 If the Encumbrancer materially defaults in its performance or observance of any of the Covenants in clause 2 then, without prejudice to any other remedies the Encumbrancee may have at law, the Encumbrancee may (without limitation to any other remedies it may have at law):

- (a) sue the Encumbrancer for specific performance; and/or
- (b) where the Encumbrancee has, acting reasonably, determined that the Encumbrancer is in material breach of its obligations under clause 2.1(a), the Encumbrancee may by written notice to the Encumbrancer require that the Property be transferred back to the Encumbrancee, in which case:
  - (i.) no compensation or other amount is payable by the Encumbrancee to the Encumbrancer in the circumstances, with the purchase price for the Property to be the sum of \$1.00, which is to be paid if demanded by the Encumbrancee and without prejudice to its rights and remedies under this clause;
  - (ii.) the Encumbrancee will be entitled to effect the transfer of the Property from the Encumbrancer to the Encumbrancee in accordance with the power of attorney granted in clause 6, and in any event, unless otherwise agreed, within 20 Working Days of the date of the Encumbrancee's notice;
  - (iii.) the Encumbrancee may retain for its own benefit any part of the Initial Works and/or Required Demolition undertaken or completed to date and any consents obtained by the Encumbrancer in respect of the Initial Works and/or the Required Demolition; and
  - (iv.) the Encumbrancee may recover from the Encumbrancer, on an indemnity basis, any costs, losses or damages incurred by the Encumbrancee as a direct result of the Encumbrancer's default, including all costs, damages, expenses and other amounts incurred by the Encumbrancee in carrying out the Required Demolition,

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together with any and all such other provisions as may be reasonably required by the Encumbrancee.

#### 6. POWER OF ATTORNEY

**6.1 Appointment:** If clause 5.1(b) applies, and in consideration for the Encumbrancer agreeing to encumber the Property for the benefit of the Encumbrancee, the Encumbrancer irrevocably appoints the Encumbrancee its attorney for the purposes set out in clause 6.2.

**6.2 Powers:** The Encumbrancee may do any of the following:

- (a) execute any necessary authority and instruction form on behalf of the Encumbrancer to authorise the transfer of the Property to the Encumbrancee;
- (b) obtain any necessary authority and instruction form or letter of instruction from the Encumbrancer's mortgagee (if any) for the purpose of discharging their mortgage on the Property (for the avoidance of doubt, the obligation to pay any remaining debts or liabilities to the mortgagee will remain with the Encumbrancer);
- (c) execute or obtain any other consent form or document as is necessary to give effect to the transfer of the Property to the Encumbrancee; or
- (d) take any action required to effect the transfer of the Property to the Encumbrancee.

#### 7. ENCUMBRANCER ACKNOWLEDGEMENTS

**7.1 Acknowledgement:** The Encumbrancer acknowledges that:

- (a) the primary purposes of this Encumbrance is to secure the Covenants of the Encumbrancer as set out in this Encumbrance. Any payments made pursuant to this Encumbrance, including any payment of the Rentcharge, will not release the Encumbrancer from or constitute the satisfaction of, the Encumbrancer's obligations under this Encumbrance;
- (b) damages will be an inadequate remedy to the Encumbrancee for breach of any of the Covenants such that the Encumbrancee shall be entitled to injunctive relief to enforce compliance with the Covenants. Further this clause may be pleaded by the Encumbrancee as a complete bar to any defence by the Encumbrancer that damages would be an adequate remedy; and
- (c) this Encumbrance has been granted for valuable consideration received, in full compensation for the grant of this Encumbrance.

**7.2 Rate of interest:** The Encumbrancer shall be liable to pay interest to the Encumbrancee on demand, calculated daily, on any late payment of the Rentcharge or any other money due and payable to the Encumbrancee by the Encumbrancer under this Encumbrance, at an interest rate being 12% per annum.

#### 8. NO WAIVER

No failure, delay or indulgence by the Encumbrancee in exercising any power or right conferred on it by this Encumbrance will operate as a waiver of such power or right. A waiver by the Encumbrancee of any breach or non-observance of any obligations and Covenants in this Encumbrance will not be, nor be deemed to be, a waiver of any other or subsequent breach or non-observance.

**Annexure Schedule: Page:9 of 9**

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**9. NOTICES**

**9.1 Method of Delivery:** Any notice or document required or authorised to be given under this Encumbrance may be delivered or sent in any manner mentioned in sections 354-361 of the Property Law Act 2007.

**9.2 Deemed Delivery:** Any notice or other document will be treated as given or served and received by the other party as provided for in sections 354-361 of the Property Law Act 2007.

**9.3 Signing:** Any notice or document to be served or given may be signed by any attorney, officer, employee or solicitor for the party serving or giving the notice or by any other person authorised by that party.

**10. PARTIAL INVALIDITY**

If any provision of this Encumbrance is or becomes invalid or unenforceable, that provision will be deemed deleted from this Encumbrance. The invalidity or unenforceability of that provision will not affect the other provisions in this Encumbrance, all of which will remain in full force and effect to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provision. If requested by the Encumbrancee, the parties shall register appropriate substitute instrument(s) to give full and proper effect to the agreements and understandings in this Encumbrance.

**11. DISCHARGE**

The Encumbrancer shall be entitled to a full or partial discharge of this Encumbrance if the Encumbrancee, at its sole discretion, believes that all or part of the Covenants expressed in this Encumbrance are no longer required.

**12. COSTS**

**12.1 Consent:** The Encumbrancer will pay all the Encumbrancee's reasonable legal costs and disbursements incurred in considering and, where consent is granted, consenting to the registration of any instrument under clause 4.7(b).

**12.2 Registration of Discharge:** The parties will each pay their own legal costs and disbursements directly or indirectly attributable to the preparation, execution and registration of any discharge this Encumbrance.

**12.3 Enforcement:** The Encumbrancer will pay the Encumbrancee's legal costs and disbursements directly or indirectly attributable to the enforcement or attempted enforcement of this Encumbrance and the Covenants.



## View Instrument Details

**Instrument No.** 12166342.1  
**Status** Registered  
**Date & Time Lodged** 02 May 2022 11:44  
**Lodged By** Yong, Nicola Jane  
**Instrument Type** Variation of Encumbrance



Affected Records of Title	Land District
786686	South Auckland
SA25B/1193	South Auckland
SA27A/838	South Auckland
SA780/237	South Auckland

**Affected Instrument** Encumbrance 12069224 2

**Annexure Schedule** Contains 13 Pages.

### Encumbrancer Certifications

I certify that I have the authority to act for the Encumbrancer and that the party has the legal capacity to authorise me to lodge this instrument ☒

I certify that I have taken reasonable steps to confirm the identity of the person who gave me authority to lodge this instrument ☒

I certify that any statutory provisions specified by the Registrar for this class of instrument have been complied with or do not apply ☒

I certify that I hold evidence showing the truth of the certifications I have given and will retain that evidence for the prescribed period ☒

### Signature

Signed by Suzanne June Mevissen as Encumbrancer Representative on 21/04/2022 11:26 AM

### Encumbrancee Certifications

I certify that I have the authority to act for the Encumbrancee and that the party has the legal capacity to authorise me to lodge this instrument ☒

I certify that I have taken reasonable steps to confirm the identity of the person who gave me authority to lodge this instrument ☒

I certify that any statutory provisions specified by the Registrar for this class of instrument have been complied with or do not apply ☒

I certify that I hold evidence showing the truth of the certifications I have given and will retain that evidence for the prescribed period ☒

### Signature

Signed by Nicola Jane Yong as Encumbrancee Representative on 02/05/2022 11:37 AM

\*\*\* End of Report \*\*\*

## Annexure Schedule: Page:1 of 13

Form 19

**Encumbrance variation instrument**

(Section 101 Land Transfer Act 2017)

**Land registration district**

South Auckland

**Record of Title (unique identifier)****Encumbrance number**

786686 (Lot 1 DP 28153)

SA25B/1193 (Lot 2 DP 28153)

SA780/237 (Pt Block 4 Church Mission Reserve)

SA27A/838 (Lot 1 DP 29835)

12069224.2

**Encumbrancer***Surname(s) must be underlined.*

Waibop (Hamilton) Limited

**Encumbrancee***Surname(s) must be underlined.*

Tauranga City Council

**Variation of encumbrance**

The above encumbrance is varied in the manner depicted in the marked up changes to Annexure 2 of the above encumbrance as set out in this Annexure Schedule 1.

*Insert instrument type*

Encumbrance Variation

## Annexure Schedule 1

## BACKGROUND

- A. The Encumbrancer and Encumbrancee are parties to the Agreement, pursuant to which they have agreed that the Property is sold by the Encumbrancee to the Encumbrancer strictly on the basis that the Encumbrancer consents to the registration of this Encumbrance as a first ranking security interest and will comply with the Covenants set out in this Encumbrance.
- B. Accordingly, the Encumbrancer enters into and registers this Encumbrance for the benefit of the Encumbrancee.

## 1. DEFINITIONS AND INTERPRETATION

## 1.1 Definitions: In this Encumbrance, unless the context indicates otherwise:

**Agreement** means the agreement for sale and purchase between the Encumbrancee (as vendor) and the Encumbrancer (as purchaser) dated 23 December 2020, and as varied by the variation agreement dated 23 March 2022.

**Code Compliance Certificate** means a code compliance certificate or certificates issued under the Building Act 2004.

**Covenants** means the covenants set out in this Encumbrance, including those covenants contained in clause 2.

**Demolition Consent** means the building consent required for the works described in limb (a) of the definition of Stage 1 Works in this clause.

**Enabling Works Consent** means the building consent required for the works described in limb (b) of the definition of Stage 1 Works in this clause.

**Encumbrance** means this encumbrance instrument and includes any schedules and any annexures.

**Encumbrancee** means Tauranga City Council and its permitted successors administrators and assigns.

**Encumbrancer** means the persons named as the Encumbrancer in this Encumbrance and includes the registered owners of the Property and their successors in title.

~~**Initial Works** means all works to:~~

~~(a) demolish, remove and/or otherwise alter parts of the Improvements currently located above ground on the Property, to be as described in the Initial Works Plan; and~~

~~(b) ensure that the Property complies with all relevant approvals and consents to be obtained by the Encumbrancer in accordance with the Initial Works Plan and as a consequence of the Initial Works.~~

~~**Initial Works Completion Date** means on or before 14 June 2021.~~

~~Initial Works Plan means the scope, outline plans and specifications for the Initial Works, as agreed by the Encumbrancee and Encumbrancer under clause 20.4(a) of the Agreement.~~

~~Initial Works Programme means the programme for the Initial Works, as agreed by the Encumbrancee and Encumbrancer under clause 20.4(b) of the Agreement.~~

**Improvements** means any and all improvements located on or in the Property, including all buildings, structures and other fixtures, as at 1 April 2021~~the date of registration of this Encumbrance.~~

**Property** means the land comprised in the records of title identified in this Encumbrance, and any subdivision or amalgamation thereof.

**Proposed Redevelopment** means the Encumbrancer's proposed redevelopment of the Property, comprised of the Stage 1 Works, the Stage 2 Works and the Stage 3 Works~~including the Improvements (as demolished, removed or otherwise altered as result of the Initial Works), as described in the Proposed Redevelopment Plan.~~

**Proposed Redevelopment Consent** means the building and/or resource consent/s required for the Stage 3 Works.

**Representative** means:

(a) for the Encumbrancee, David Lambie of TwentyTwo or such other person appointed by the Encumbrancee; and

(b) for the Encumbrancer, Craig Watts or such other person as may be approved by the Encumbrancer in writing.

~~**Required Approvals** means all necessary consents and approvals to enable the Encumbrancer to:~~

~~(a) carry out and complete the Initial Works; and~~

~~(b) upon completion of the Initial Works, safely hold the Property pending the purchaser's progression of the Proposed Redevelopment;~~

~~in accordance with all applicable laws and regulations.~~

**Rentcharge** has the meaning given to it at the front of this Encumbrance under "Nature of Security".

**Stage 1 Works** means all works to:

(a) demolish, remove and/or otherwise alter parts of the Improvements currently located above ground on the Property to ensure the Property does not pose a safety risk to the public; and

(b) prepare the Property for and to enable the Stage 2 Works.

**Stage 2 Works** means all works to construct and complete an operational carpark building at the Property, so as to comply with the requirements set out in

clause 2.7.

**Stage 3 Works** means all works to construct and complete an office tower building on the Property as an addition to the carparking building completed as part of the Stage 2 Works.

**Structural (Car park) Consents** means the building consents required for the Stage 2 Works.

**Working Day** means a day which is not a Saturday or Sunday or a public holiday in ~~Napier~~**Tauranga**, New Zealand, and not any day commencing on 24 December in any year and ending on 5 January in the following year.

**1.2 Interpretation:** In this Encumbrance, unless the context indicates otherwise:

- (a) **Headings:** section, clause and other headings are for ease of reference only and will not affect this Encumbrance's interpretation.
- (b) **Joint and Several Liability:** an obligation by two or more persons binds those persons jointly and severally.
- (c) **Negative Obligations:** any obligation not to do anything will include an obligation not to suffer, permit or cause that thing to be done.
- (d) **Parties:** references to parties are references to parties to this Encumbrance.
- (e) **Persons:** references to persons will include references to individuals, companies, corporations, partnerships, firms, joint ventures, associations, trusts, organisations, governmental or other regulatory bodies or authorities or other entities in each case whether or not having separate legal personality.
- (f) **Plural and Singular:** words importing the singular number will include the plural and vice versa.
- (g) **Includes or Including:** all references to includes and including are deemed to be followed by " , without limitation".
- (h) **Consent:** where the Encumbrancee's consent or approval is required pursuant to any provision of this Encumbrance such consent or approval shall be required for each separate occasion despite any prior consent or approval obtained for a similar purpose on a prior occasion.
- (i) **Annexures:** the annexures to this Encumbrance and the provisions and conditions contained in these annexures will have the same effect as if set out in the body of this Encumbrance.
- (j) **Sections, Clauses and Annexures:** references to sections, clauses and annexures are references to this Encumbrance's sections, clauses and annexures.
- (k) **Statutes and Regulations:** references to any statutory provision will include any statutory provision which amends or replaces it, and any subordinate legislation made under it.

## 2. COVENANTS

### 2.1 ~~Initial Works and Redevelopment~~ Stage 1 Works: The Encumbrancer covenants to:

(a) submit to the relevant local authority applications for:

(i.) the Demolition Consent, by no later than 1 December 2021;

(ii.) the Enabling Works Consent, by 1 February 2022;

(b) promptly following submission of the applications described in clause 2.1(a), obtain from the relevant local authority:

(i.) the Demolition Consent and the Enabling Works Consent; and

(ii.) all other necessary consents and approvals required to enable the Encumbrancer to:

A. carry out and complete the Stage 1 Works; and

B. upon completion of the Stage 1 Works, safely hold the Property pending the Encumbrancer's progression of the Stage 2 Works and Stage 3 Works.

(together, the Stage 1 Approvals); and

~~(a)~~(c) at its cost and with all due speed, diligence and in a proper and workmanlike manner, undertake and complete the Initial-Stage 1 Works:

(i.) ~~Required~~ in accordance with the Stage 1 Approvals; and

(ii.) ~~Initial Works Plan~~ so as to commence the Stage 1 Works by 1 April 2022.

A. ~~Initial Works Programme and so as to~~

B. ~~achieve completion of the Initial Works by the Initial Works Completion Date; and~~

~~(a) ensure that any redevelopment of the Property following completion of the Initial Works is reasonably consistent with the Proposed Redevelopment Plan.~~

### 2.2 Stage 2 Works: The Encumbrancer covenants to:

(a) submit to the relevant local authority applications for:

(i.) the Structural (Car park) Consents, by 31 March 2022;

(ii.) all other necessary consents and approvals to enable the Encumbrancer to:

A. carry out and complete the Stage 2 Works; and

B. upon completion of the Stage 2 Works safely hold the Property and operate the resulting carparking building in accordance with

clauses 2.7 and 2.8 pending the Encumbrancer's progression of the Stage 3 Works.

(together, the Stage 2 Approvals).

(b) at its cost and with all due speed, diligence and in a proper and workmanlike manner, undertake and complete the Stage 2 Works:

(i.) in accordance with the Stage 2 Approvals; and

~~(i.)~~ (ii.) so as to complete, and obtain a Code Compliance Certificate in respect of, the Stage 2 Works by 31 March 2023.

### 2.3 Stage 3 Works:

(a) The Representatives will prior to completion of the Stage 2 Works in accordance with clause 2.2(b)(ii) meet and discuss the timing of progression of the Stage 3 Works.

(b) If the Encumbrancer:

(i.) commences the Stage 3 Works immediately following completion of the Stage 2 Works, then clause 2.3(c) will apply; or

(ii.) does not commence the Stage 3 Works immediately following the completion of the Stage 2 Works, then:

A. the Encumbrancer will at its cost carry out and complete all additional works as may be reasonably required by the Encumbrancee to ensure that the Stage 2 Works and Property will be held in a completed and finished state pending progression of the Stage 3 Works, it being acknowledged that such works may include:

I. removal of all hoardings and other temporary construction related plant, materials and equipment; and

II. landscaping, planting and other beautification works,

to ensure that the Stage 2 Works and Property appear, fit and operate within their surroundings as a completed standalone development; and

B. the Encumbrancer will use all commercially reasonable endeavours to commence the Stage 3 Works within three (3) years of completion of the Stage 2 Works, and clause 2.3(c) will apply.

(c) The Encumbrancer covenants to:

(i.) promptly and without delay submit to the relevant local authority applications for:

A. the Proposed Redevelopment Consent; and

B. all other necessary consents and approvals to enable the

Encumbrancer to carry out and complete the Stage 3 Works,

(together, the Stage 3 Approvals); and

(ii.) at its cost and with all due speed, diligence and in a proper and workmanlike manner, undertake and complete the Stage 3 Works;

A. in accordance with the Stage 3 Approvals;

B. so as to complete, and obtain a Code Compliance Certificate in respect of, the Stage 3 Works within three (3) years of obtaining the Stage 3 Approvals.

#### 2.4 Reporting:

(a) The Encumbrancer will provide monthly progress reports to the Encumbrancee detailing progress on the Proposed Redevelopment (Monthly Status Report).

(b) Each Monthly Status Report will contain at least the following:

(i.) confirmation that the Property in its current state of development is safe and does not present a danger to persons or property to a standard reasonably required by the Encumbrancee;

(ii.) updates on the development of the design documentation for the Proposed Redevelopment;

(iii.) a progress report detailing actual progress with all construction related activities for the Proposed Redevelopment;

(iv.) identification of any risks which are likely to affect the Encumbrancer's ability to comply with this Encumbrance; and

(v.) any other matter which could reasonably be considered to be material to the Encumbrancee in the context of this Encumbrance.

2.5 Meetings: The parties will cause their Representatives to meet once a month (following the issue of the Monthly Status Report for that month), or at such other intervals as may be reasonably agreed by the parties, to consider the Monthly Status Report and discuss any other matters relevant to the Proposed Redevelopment.

2.22.6 Required Demolition: If the Encumbrancee, acting reasonably, determines that the Encumbrancer is in material breach of its obligations under clause 2.1 ~~(a) and is, or will be, unable to complete the Initial Works in accordance with that clause,~~ immediately upon written notice being given by the Encumbrancee to the Encumbrancer, the Encumbrancer will at its cost, if required by the Encumbrancee at its election (in its sole discretion) ~~at its cost:~~

(a) discontinue the Initial Stage 1 Works (in a safe manner, including in accordance with all applicable laws); ~~and~~

~~(a)~~(b) obtain all consents and approvals required for the works necessary to demolish all Improvements and otherwise remediate the Property to a flat on-grade vacant site that will not cause or be likely to cause any risk or hazard to adjoining landowners or the general public (the Required

Demolition);

~~(b)(c)~~ thereupon, and as soon as is reasonably practicable and with the Encumbrancer using all reasonable endeavours, carry out and complete the Required Demolition in accordance with all such consents and approvals; and

~~(e)(d)~~ clause 5.1~~(b)~~ will apply.

**2.32.7 Carparks:** The Encumbrancer covenants to:

- (a) ~~where clause 2.1(b) applies, immediately following completion (and as part of) the Encumbrancer's redevelopment of the Property Stage 2 Works (in accordance with the Proposed Redevelopment Plan), deliver and ensure that there are~~ no less than 200 carparks at the Property; or
- (b) where clause 2.62 applies, immediately following completion (and as part of) the Required Demolition, deliver and ensure that there are no less than 95 carparks at the Property,

which are available to and can be safely used by the general public for the duration of the term of this Encumbrance (the **Carparks**). When the Encumbrancer proceeds with the Stage 3 Works, the Encumbrancer will be able to temporarily suspend availability of the Carparks by giving not less than 20 Working Days' notice to the Encumbrancee for a period commencing no earlier than the date the Encumbrancer commences the Stage 3 Works and ending no later than the date that the Encumbrancer must complete, and obtain a Code Compliance Certificate in respect of, the Stage 3 Works under clause 2.3(c)(ii)B.

**2.42.8 Maintenance:** The Encumbrancer covenants to manage, operate and maintain the Carparks, at its cost, to a good professional standard consistent with public carpark buildings of a similar type in Tauranga City, including to:

- (a) ensure that any lifts, escalators or other machines and equipment serving the Carparks are kept in good working order and remain operative;
- (b) provide and maintain adequate access, lighting and ventilation to the Carparks;
- (c) mark out and maintain the delineation of carparking spaces;
- (d) keep and maintain the Carparks clean, tidy and free of rubbish; and
- (e) comply with all applicable laws and regulations affecting or relating to the Carparks.

**2.9 Third party arrangements:** The Encumbrancer may enter into arrangements with third parties in respect of the operation and maintenance of the Carparks, provided that the Carparks remain at all times available to and can be safely accessed by the general public.

**2.10 Enduring Covenant:** The Encumbrancer acknowledges that the covenants in clauses 2.7 and 2.8 are enduring and, notwithstanding anything to the contrary, the Encumbrancer will ensure that on and from completion of the Stage 2 Works and for the duration of the term of this Encumbrance;

(a) the Property will include the Carparks; and

(b) the Carparks will continue to be available to and can be safely used by the general public for the duration of the term of this Encumbrance.

### 3. RENTCHARGE

**3.1 Rentcharge Payable:** Subject to clause 3.2 below, the Rentcharge is payable by the Encumbrancer to the Encumbrancee on 31 March every calendar year.

**3.2 Deemed Payment:** If, during the 12 months preceding the day on which the annual Rentcharge under clause 3.1 is payable, there has not been any breach by the Encumbrancer of any of the Covenants under this Encumbrance, then the annual Rentcharge will be deemed to have been paid.

### 4. ENCUMBRANCE TERMS

**4.1 Term:** The term of this Encumbrance commences on the date of registration of this Encumbrance and ends 99 years following the date of registration.

**4.2 Binding on successors, lessees and assigns:** This Encumbrance will be binding on all transferees, lessees, mortgagees, charge holders and their respective successors in title and assigns of any estate or interest in any part of the Property.

**4.3 Assignment:** This Encumbrance is assignable by the Encumbrancee and its successors without the Encumbrancer's approval or consent.

**4.4 Statutory Provisions:** The Encumbrancee is entitled to all the powers and remedies given to encumbrancees under the Land Transfer Act 2017 and any of the powers and remedies given to mortgagees under the Land Transfer Act 2017 or the Property Law Act 2007.

**4.5 Discharge:** The Encumbrancer irrevocably covenants with the Encumbrancee for the term that:

- (a) the Encumbrancee will have no obligation to discharge this Encumbrance under section 97 of the Property Law Act 2007 or otherwise;
- (b) the Encumbrancer will not take any steps whatsoever, including, without limitation, pursuant to section 97 of the Property Law Act 2007 or section 115 of the Property Law Act 2007 to redeem or discharge this Encumbrance, or pursuant to section 317 of the Property Law Act 2007 to have this Encumbrance revoked, cancelled, surrendered, discharged, lapsed or otherwise removed from the title to the Property;
- (c) the Encumbrancer will not support any such steps being taken by a third party; and
- (d) the Encumbrancer surrenders and waives any right, entitlement or ability that the Encumbrancer may have to have this Encumbrance discharged, redeemed, revoked, cancelled, surrendered, discharged, lapsed or otherwise removed from the Property.

### 4.6 Restriction on dealings

The Encumbrancer must not transfer, otherwise dispose of or deal with any one record of title that makes up the Property individually from the others, such that all four records of title that make up the Property must be dealt with together as one.

#### 4.7 Consent to other dealings:

- (a) Subject to 4.6, for the purposes of the Property Law Act 2007 and the Land Transfer Act 2017, the Encumbrancee consents to the following dealings affecting the Property:

- (i.) creation, variation or surrender of an easement, or covenant;
- (ii.) registration or variation of any subsequent mortgage or encumbrance; and
- (iii.) registration or variation of any lease or licence which does not require consent pursuant to the terms of this Encumbrance,

over all or any part of the Property, provided that such consent will only extend to any of the above instruments where registration of the instruments will not have the effect of discharging, reducing or adversely affecting the rights and interests of the Encumbrancee under this Encumbrance in relation to the Property.

- (b) If written consent is required from the Encumbrancee (rather than deemed consent under clause 4.7(a)) then the Encumbrancee shall give that written consent provided the instrument to be registered would not in the reasonable opinion of the Encumbrancee prejudice the Encumbrancee's rights under this Encumbrance.

#### 5. ENCUMBRANCER DEFAULT

- 5.1 If the Encumbrancer materially defaults in its performance or observance of any of the Covenants in clause 2 then, without prejudice to any other remedies the Encumbrancee may have at law, the Encumbrancee may (without limitation to any other remedies it may have at law):

- (a) sue the Encumbrancer for specific performance; and/or

(b) where the Encumbrancee has, acting reasonably, determined that the Encumbrancer is in material breach of its obligations under clauses 2.1(a) or 2.2(b), the Encumbrancee may by written notice to the Encumbrancer require that the Property be transferred back to the Encumbrancee, in which case:

- (i.) no compensation or other amount is payable by the Encumbrancee to the Encumbrancer in the circumstances, with the purchase price for the Property to be the sum of \$1.00, which is to be paid if demanded by the Encumbrancee and without prejudice to its rights and remedies under this clause;
- (ii.) the Encumbrancee will be entitled to effect the transfer of the Property from the Encumbrancer to the Encumbrancee in accordance with the power of attorney granted in clause 6, and in any event, unless otherwise agreed, within 20 Working Days of the

date of the Encumbrancee's notice;

~~(iii.)~~ the Encumbrancee may retain for its own benefit any part of the ~~Initial Stage 1 Works~~, Stage 2 Works and/or Required Demolition undertaken or completed to date and any consents obtained by the Encumbrancer in respect of the ~~Initial Stage 1 Works~~, Stage 2 Works and/or the Required Demolition; and

~~(iii.)~~(iv.) the Encumbrancee may recover from the Encumbrancer, on an indemnity basis, any costs, losses or damages incurred by the Encumbrancee as a direct result of the Encumbrancer's default, including all costs, damages, expenses and other amounts incurred by the Encumbrancee in carrying out the Required Demolition,

~~(b)(c)~~ where the Encumbrancee has, acting reasonably, determined that the Encumbrancer has failed to complete the Stage 3 Works in accordance with clause 2.3(c)(ii)B, then the Rentcharge payable under this Encumbrance and frequency of payment will increase to \$1,000 (plus GST) per calendar day until such time as the Encumbrancer has completed, and obtained a Code Compliance Certificate in respect of, the Stage 3 Works. During this period, the definition of "Rentcharge" in clause 1.1 and clause 3.1 is amended to reflect the increased amount and frequency of payment of the Rentcharge and clause 3.2 will not apply together with any and all such other provisions as may be reasonably required by the Encumbrancee.

## 6. POWER OF ATTORNEY

**6.1 Appointment:** If clause 5.1(b) applies, and in consideration for the Encumbrancer agreeing to encumber the Property for the benefit of the Encumbrancee, the Encumbrancer irrevocably appoints the Encumbrancee its attorney for the purposes set out in clause 6.2.

**6.2 Powers:** The Encumbrancee may do any of the following:

- (a) execute any necessary authority and instruction form on behalf of the Encumbrancer to authorise the transfer of the Property to the Encumbrancee;
- (b) obtain any necessary authority and instruction form or letter of instruction from the Encumbrancer's mortgagee (if any) for the purpose of discharging their mortgage on the Property (for the avoidance of doubt, the obligation to pay any remaining debts or liabilities to the mortgagee will remain with the Encumbrancer);
- (c) execute or obtain any other consent form or document as is necessary to give effect to the transfer of the Property to the Encumbrancee; or
- (d) take any action required to effect the transfer of the Property to the Encumbrancee.

**6.3 Deed:** Upon request of the Encumbrancee, the Encumbrancer will enter into a deed of power of attorney to give effect to the provisions in clauses 6.1 and 6.2.

## 7. ENCUMBRANCER ACKNOWLEDGEMENTS

**7.1 Acknowledgement:** The Encumbrancer acknowledges that:

- (a) the primary purposes of this Encumbrance is to secure the Covenants of the Encumbrancer as set out in this Encumbrance. Any payments made pursuant to this Encumbrance, including any payment of the Rentcharge, will not release the Encumbrancer from or constitute the satisfaction of, the Encumbrancer's obligations under this Encumbrance;
- (b) damages will be an inadequate remedy to the Encumbrancee for breach of any of the Covenants such that the Encumbrancee shall be entitled to injunctive relief to enforce compliance with the Covenants. Further this clause may be pleaded by the Encumbrancee as a complete bar to any defence by the Encumbrancer that damages would be an adequate remedy; and
- (c) this Encumbrance has been granted for valuable consideration received, in full compensation for the grant of this Encumbrance.

**7.2 Rate of interest:** The Encumbrancer shall be liable to pay interest to the Encumbrancee on demand, calculated daily, on any late payment of the Rentcharge or any other money due and payable to the Encumbrancee by the Encumbrancer under this Encumbrance, at an interest rate being 12% per annum.

**8. NO WAIVER**

No failure, delay or indulgence by the Encumbrancee in exercising any power or right conferred on it by this Encumbrance will operate as a waiver of such power or right. A waiver by the Encumbrancee of any breach or non-observance of any obligations and Covenants in this Encumbrance will not be, nor be deemed to be, a waiver of any other or subsequent breach or non-observance.

**9. NOTICES**

**9.1 Method of Delivery:** Any notice or document required or authorised to be given under this Encumbrance may be delivered or sent in any manner mentioned in sections 354-361 of the Property Law Act 2007.

**9.2 Deemed Delivery:** Any notice or other document will be treated as given or served and received by the other party as provided for in sections 354-361 of the Property Law Act 2007.

**9.3 Signing:** Any notice or document to be served or given may be signed by any attorney, officer, employee or solicitor for the party serving or giving the notice or by any other person authorised by that party.

**10. PARTIAL INVALIDITY**

If any provision of this Encumbrance is or becomes invalid or unenforceable, that provision will be deemed deleted from this Encumbrance. The invalidity or unenforceability of that provision will not affect the other provisions in this Encumbrance, all of which will remain in full force and effect to the extent permitted by law, subject to any modifications made necessary by the deletion of the invalid or unenforceable provision. If requested by the Encumbrancee, the parties shall register appropriate substitute instrument(s) to give full and proper effect to the agreements and understandings in this Encumbrance.

**11. DISCHARGE**

The Encumbrancer shall be entitled to a full or partial discharge of this Encumbrance if the Encumbrancee, at its sole discretion, believes that all or part of the Covenants expressed in this Encumbrance are no longer required.

**12. COSTS**

**12.1 Consent:** The Encumbrancer will pay all the Encumbrancee's reasonable legal costs and disbursements incurred in considering and, where consent is granted, consenting to the registration of any instrument under clause 4.7(b).

**12.2 Registration of Discharge:** The parties will each pay their own legal costs and disbursements directly or indirectly attributable to the preparation, execution and registration of any discharge this Encumbrance.

**12.3 Enforcement:** The Encumbrancer will pay the Encumbrancee's legal costs and disbursements directly or indirectly attributable to the enforcement or attempted enforcement of this Encumbrance and the Covenants.

## View Instrument Details



**Instrument No** 12596807.1  
**Status** Registered  
**Date & Time Lodged** 07 December 2022 12:23  
**Lodged By** Yong, Nicola Jane  
**Instrument Type** Variation of Encumbrance



Affected Records of Title	Land District
786686	South Auckland
SA25B/1193	South Auckland
SA27A/838	South Auckland
SA780/237	South Auckland

**Affected Instrument** Encumbrance 12069224.2

**Annexure Schedule** Contains 2 Pages.

### Encumbrancer Certifications

- I certify that I have the authority to act for the Encumbrancer and that the party has the legal capacity to authorise me to lodge this instrument ☒
- I certify that I have taken reasonable steps to confirm the identity of the person who gave me authority to lodge this instrument ☒
- I certify that any statutory provisions specified by the Registrar for this class of instrument have been complied with or do not apply ☒
- I certify that I hold evidence showing the truth of the certifications I have given and will retain that evidence for the prescribed period ☒

### Signature

Signed by Suzanne June Mevissen as Encumbrancer Representative on 08/11/2022 08:58 AM

### Encumbrancee Certifications

- I certify that I have the authority to act for the Encumbrancee and that the party has the legal capacity to authorise me to lodge this instrument ☒
- I certify that I have taken reasonable steps to confirm the identity of the person who gave me authority to lodge this instrument ☒
- I certify that any statutory provisions specified by the Registrar for this class of instrument have been complied with or do not apply ☒
- I certify that I hold evidence showing the truth of the certifications I have given and will retain that evidence for the prescribed period ☒

### Signature

Signed by Nicola Jane Yong as Encumbrancee Representative on 07/12/2022 11:58 AM

\*\*\* End of Report \*\*\*

Annexure Schedule: Page:1 of 2

Form 19

**Encumbrance variation instrument**

(Section 101 Land Transfer Act 2017)

**Land registration district**

South Auckland

**Record of Title (unique identifier)**

**Encumbrance number**

786686 (Lot 1 DP 28153)

SA25B/1193 (Lot 2 DP 28153)

SA780/237 (Pt Block 4 Church Mission Reserve)

SA27A/838 (Lot 1 DP 29835)

12069224.2

**Encumbrancer**

*Surname(s) must be underlined.*

Waibop (Hamilton) Limited

**Encumbrancee**

*Surname(s) must be underlined.*

Tauranga City Council

**Variation of encumbrance**

The above encumbrance is **varied** as set out in this Annexure Schedule 1.

*Insert instrument type*

Encumbrance Variation

JXJ-164047-10-271-2

## Annexure Schedule: Page:2 of 2

2

**ANNEXURE SCHEDULE 1**

1. Clause 1.1: The definition of Stage 3 Works amended to read:

***"Stage 3 Works** means all work to construct and complete an office and/or hotel tower building, residential accommodation, serviced apartments or short stay accommodation on the Property as an addition to the carparking building completed as part of the Stage 2 Works".*

2. Clause 2.2(b)(ii) is amended to read:

*"so as to complete, and obtain a Code Compliance Certificate in respect of the Stage 2 Works by 31 October 2023."*

JXJ-164047-10-271-2

## View Instrument Details



**Instrument No** 12743285.1  
**Status** Registered  
**Date & Time Lodged** 26 June 2023 14:23  
**Lodged By** Yong, Nicola Jane  
**Instrument Type** Variation of Encumbrance



Affected Records of Title	Land District
786686	South Auckland
SA25B/1193	South Auckland
SA27A/838	South Auckland
SA780/237	South Auckland

**Affected Instrument** Encumbrance 12069224.2

**Annexure Schedule** Contains 2 Pages.

### Encumbrancer Certifications

- I certify that I have the authority to act for the Encumbrancer and that the party has the legal capacity to authorise me to lodge this instrument ☒
- I certify that I have taken reasonable steps to confirm the identity of the person who gave me authority to lodge this instrument ☒
- I certify that any statutory provisions specified by the Registrar for this class of instrument have been complied with or do not apply ☒
- I certify that I hold evidence showing the truth of the certifications I have given and will retain that evidence for the prescribed period ☒

### Signature

Signed by Suzanne June Mevissen as Encumbrancer Representative on 20/06/2023 02:28 PM

### Encumbrancee Certifications

- I certify that I have the authority to act for the Encumbrancee and that the party has the legal capacity to authorise me to lodge this instrument ☒
- I certify that I have taken reasonable steps to confirm the identity of the person who gave me authority to lodge this instrument ☒
- I certify that any statutory provisions specified by the Registrar for this class of instrument have been complied with or do not apply ☒
- I certify that I hold evidence showing the truth of the certifications I have given and will retain that evidence for the prescribed period ☒

### Signature

Signed by Mathew Thomas Brown as Encumbrancee Representative on 26/06/2023 09:42 AM

\*\*\* End of Report \*\*\*

Annexure Schedule: Page:1 of 2

Form 19

Encumbrance variation instrument

(Section 101 Land Transfer Act 2017)

Land registration district

South Auckland

Record of Title (unique identifier)

Encumbrance number

786686 (Lot 1 DP 28153)

SA25B/1193 (Lot 2 DP 28153)

SA780/237 (Pt Block 4 Church Mission Reserve)

SA27A/838 (Lot 1 DP 29835)

12069224.2

Encumbrancer

Surname(s) must be underlined.

Waibop (Hamilton) Limited

Encumbrancee

Surname(s) must be underlined.

Tauranga City Council

Variation of encumbrance

The above encumbrance is **varied** as set out in this Annexure Schedule 1.

Insert instrument type

Encumbrance Variation

SXM-164047-10-325-1

Item 11.3 - Attachment 2

Page 164

**Annexure Schedule: Page:2 of 2**

2

**ANNEXURE SCHEDULE 1**

1. Clause 2.2(b)(ii) is amended to read:  
*"so as to complete, and obtain a Code Compliance Certificate in respect of the Stage 2 Works by 30 June 2024."*

SXM-164047-10-325-1

## View Instrument Details



**Instrument No** 13030592.1  
**Status** Registered  
**Date & Time Lodged** 12 July 2024 13:22  
**Lodged By** Mevissen, Suzanne June  
**Instrument Type** Variation of Encumbrance



Affected Records of Title	Land District
786686	South Auckland
SA25B/1193	South Auckland
SA27A/838	South Auckland
SA780/237	South Auckland

**Affected Instrument** Encumbrance 12069224.2

**Annexure Schedule** Contains 2 Pages.

### Encumbrancer Certifications

- I certify that I have the authority to act for the Encumbrancer and that the party has the legal capacity to authorise me to lodge this instrument ☒
- I certify that I have taken reasonable steps to confirm the identity of the person who gave me authority to lodge this instrument ☒
- I certify that any statutory provisions specified by the Registrar for this class of instrument have been complied with or do not apply ☒
- I certify that I hold evidence showing the truth of the certifications I have given and will retain that evidence for the prescribed period ☒

### Signature

Signed by Suzanne June Mevissen as Encumbrancer Representative on 12/07/2024 10:15 AM

### Encumbrancee Certifications

- I certify that I have the authority to act for the Encumbrancee and that the party has the legal capacity to authorise me to lodge this instrument ☒
- I certify that I have taken reasonable steps to confirm the identity of the person who gave me authority to lodge this instrument ☒
- I certify that any statutory provisions specified by the Registrar for this class of instrument have been complied with or do not apply ☒
- I certify that I hold evidence showing the truth of the certifications I have given and will retain that evidence for the prescribed period ☒

### Signature

Signed by Nicola Jane Yong as Encumbrancee Representative on 12/07/2024 12:20 PM

\*\*\* End of Report \*\*\*

Annexure Schedule: Page:1 of 2

Form 19

Encumbrance variation instrument

(Section 101 Land Transfer Act 2017)

Land registration district

South Auckland

Record of Title (unique identifier)

Encumbrance number

786686 (Lot 1 DP 28153)

SA25B/1193 (Lot 2 DP 28153)

SA780/237 (Pt Block 4 Church Mission Reserve)

SA27A/838 (Lot 1 DP 29835)

12069224.2

Encumbrancer

Surname(s) must be underlined.

Panorama Towers Limited

Encumbrancee

Surname(s) must be underlined.

Tauranga City Council

Variation of encumbrance

The above encumbrance is **varied** as set out in this Annexure Schedule 1.

Insert instrument type

Encumbrance Variation

SXM-173507-13-21-V3

Item 11.3 - Attachment 2

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**Annexure Schedule:** Page:2 of 2

2

**ANNEXURE SCHEDULE 1**

1. Clause 2.2(b)(ii) is amended to read:  
*"so as to complete, and obtain a Code Compliance Certificate in respect of the Stage 2 Works by 1 December 2024."*

SXM-173507-13-21-V3

## 11.4 City Centre Movement Pilot - Lower Harington Street

**File Number:** A17090642

**Author:** Shawn Geard, City Centre Infrastructure Lead

**Authoriser:** Nic Johansson, General Manager: Infrastructure

### PURPOSE OF THE REPORT

1. To present options to Council on potential actions following the petition presented to Council 12 November 2024 requesting Lower Harington Street (Willow Street to The Strand) be returned to two-way traffic.

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "City Centre Movement Pilot - Lower Harington Street".
  - (b) Endorses the City Centre Movement Pilot adjusting Harington Street between Willow Street and The Strand to accommodate two-way travel, noting this will result in reduced carparking provision.
- Or;
- Endorses the City Centre Movement Pilot retaining the current Harington Street between Willow Street and The Strand as one-way (eastbound).
- (c) Requests staff provide further reporting to Council on the City Centre Movement Pilot by May 2025.
  - (d) Support the current bus stop location on Harington Street.

---

### EXECUTIVE SUMMARY

2. The City Centre Movement Pilot was implemented March 2024 as a pilot under the Land Transport Rule: Street Layouts 2023. This enables a road controlling authority to change road layouts as a pilot for up to two years, enabling practical adjustments and enabling future designs to consider on the ground experience.
3. Prior to the movement pilot was implemented there had been regular temporary traffic management one-way restrictions on sections of Hamilton Street and Harington St, the key outcomes desired from the pilot on Hamilton Street and Harington Street are:
  - (a) Consistency, enabling road users to learn a regular pattern.
  - (b) An enhanced city centre feel, increasing planting and quality of pedestrian spaces.
  - (c) Provision of public transport within the northern city centre.
4. Engagement has occurred with surrounding stakeholders between the 12 November 2024 Council meeting and 6 December 2024 specifically about the layout of lower Harington Street. Overall 50% of respondents were neutral, 10% for lower Harington Street being one-way, and 40% for lower Harington Street being two-way.

5. At Council on 18 March 2024 (Item 11.1) the bus stop provided on Lower Harington Street was included within the Civic Centre split-stop arrangement, this location provides for harbour bridge bound bus services as close as reasonable to the civic precinct at an accessible grade.
6. Two options of either retaining one-way at this location or accommodating two-way travel are presented with pros and cons respectively. Feedback from a drop-in session on 6<sup>th</sup> December will be tabled for Council's consideration at the meeting on the 9<sup>th</sup> December.

## BACKGROUND

7. The City Centre Movement Pilot was endorsed for implementation by Council 12 February 2024 (Item 10.10).
8. The City Centre Action and Investment Plan adopted on 15 August 2022 includes a City Centre Movement Framework, this was revised 12 February 2024 to provide focus and increase deliverability as it was found implementation of the previous framework was highly aspirational.
9. A street layout pilot acknowledges that road arrangement changes are difficult to understand during engagement, require change of behaviour, and are not always right. A key element of the trial is to ensure we get the road arrangement right for the future, enabling permanent works to be based on lessons learnt during the pilot.
10. At the time of implementation upper Hamilton Street and Harington Street were often one way due to temporary traffic management, this presented difficult to communicate variability to road users, an issue Tauranga City Council were sought to address based on feedback during construction of Cameron Road Stage 1.
11. Harington Street forms the northern most connection in the city centre between Cameron Road, Durham Street, and The Strand, with the roundabout intersection of Harington Street and The Strand providing re-routing options if required.

## STATUTORY CONTEXT

12. The movement pilot is implemented under the Land Transport Rule: Street Layouts 2023, this enables changes to occur as lessons are learnt prior to the more standard permanent statutory process.

## STRATEGIC ALIGNMENT

13. 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	✓

## OPTIONS ANALYSIS

14. Two predominant options exist for Harington Street Between Willow Street and The Strand, these being summarised in the below table.

	One-way	Two-way
Adjacent business Sentiment	This option is likely to result in a net negative sentiment	This option is likely to result in a net positive sentiment

Road user impacts	This option is likely to maintain the increased consistency of travel experienced.	This option is likely to result in increase travel variability as it is likely temporary traffic management will be required to shut to westbound lane at times.
Carparking	Retention of the 21 carparks on the southern side of Harington Street.	Provision for 11 carparks expected to increase to 15 by June 2025 on the southern side of Harington Street.
Events	Closure of The Strand between Devonport Road and Hamilton Street is supported by this option	Closure of The Strand between Devonport Road and Harington Street is supported by this option

15. The bus stop provided on lower Harington Street has limited options for relocation, the only alternative being onto The Strand outside 31 The Strand. This location is not recommended due to its further distance from key trip generators (noting the current location has compromised on this currently), likely issues this frontage would exhibit due to it's open nature, and the adjacent motel.

## CONSULTATION / ENGAGEMENT

16. Community engagement has included in person letter drops to businesses on Harington Street, Mclean Street, and The Strand requesting feedback at the time and by email. This has been supported by a public drop-in session set for 6 December 2025.
17. Key themes from the engagement have been (It is noted that this report will be published prior to closing of this targeted engagement ending):
- (a) Predominantly customer facing businesses have indicated they often receive negative feedback from visitors who do not travel to the city centre often, these businesses are predominantly negative about having Harington Street one-way.
  - (b) Regular vehicle users are typically ambivalent, with some being positive or negative in their response to the Harington Street one-way.
  - (c) Pedestrian users are predominantly supportive of the one-way changes due to the increased amenity and space provided.
  - (d) Generally, feedback on carparking along lower Harington Street has been ambivalent due to parking often being occupied by construction workers, (it has been noted that without this issue, changes to carparking would be a significant concern).
  - (e) Feedback from the drop-in session on 6<sup>th</sup> December will be tabled for Council's consideration at the meeting on the 9<sup>th</sup> December.

## SIGNIFICANCE

18. 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.
19. In making this assessment, consideration has been given to the likely impact, and likely consequences for:

- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
  - (b) any persons who are likely to be particularly affected by, or interested in, the issue.
  - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
20. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the issue is of medium significance.

### **ENGAGEMENT**

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

### **NEXT STEPS**

22. Next steps are dependent on the resolution with two-waying of Harington Street to occur early 2025 if that is the option decided.
23. Council will undertake a workshop in March to workshop options and next steps for city centre streets.

### **ATTACHMENTS**

**Nil**

## 11.5 Options for access to un-fluoridated water

**File Number:** A16585999

**Author:** Peter Bahrs, Manager: Water Services  
Fiona Nalder, Principal Strategic Advisor  
Rodney Clark, Water Treatment Manager

**Authoriser:** Nic Johansson, General Manager: Infrastructure

### PURPOSE OF THE REPORT

1. The purpose of this report is to present a range of options to Council for the supply of un-fluoridated water for those who choose it, and to provide a recommended approach for Council's consideration.

---

### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Options for access to un-fluoridated water".
- (b) Proceeds to prepare and publish education resources providing residents with information and guidance on how to remove fluoride from their own drinking water, at an estimated cost of \$20,000 or less (one-off opex).
- (c) Works further with Western Bay of Plenty District Council regarding the potential of providing Tauranga residents with access to un-fluoridated water at a supply point within Western Bay District, but close to Tauranga city boundaries (estimated cost of \$30,000 in 2024/2025, capex, plus ongoing opex of \$5,000 per annum).
- (d) Notes that the funding required in the 2024/2025 year, \$50,000 as per recommendations (b) and (c) above, would be sourced via a prioritisation exercise in order to offset the cost within the existing water infrastructure budget, as there is no existing budget available.

---

### EXECUTIVE SUMMARY

2. Council requested staff to investigate options to provide a non-fluoridated water supply for those who choose it, and to report back on identified options (CO18/24/1, 26 August 2024).
3. This report responds to that decision. Six options (some with sub-options) are presented in this report, with an options analysis completed for three shortlisted options.
  - Option (i): Self-help guidance
  - Option (iv)(b): Treated water from an alternative raw water source – rainwater
  - Option (vi): Enabled access to a communal source of un-fluoridated water outside of Council boundaries
4. The report recommends proceeding with Options (i) and (vi) above, as these provide an approach which is cost effective and lower risk. This approach recognises Council's constrained financial position and the expected low uptake of an un-fluoridated water supply, whilst still providing access to an un-fluoridated water supply for those who want it. (Noting that in Hamilton there is an estimated uptake of ~1000 litres per day for un-fluoridated water

via tap access in central Hamilton, since 2016, and that the average daily household usage in Tauranga is ~500 litres.)

5. The cost of implementing the recommended options is \$50,000 in 2024/2025 plus \$5,000 opex annually. As there is no existing budget available, a prioritisation exercise would be required to offset the cost within the existing water infrastructure budget.
6. If Council adopts the recommendations of this report, the next steps would be to:
  - Prepare and publish education resources providing residents with information and guidance on how to remove fluoride from their own drinking water.
  - Work with Western Bay of Plenty District Council regarding the potential of providing Tauranga residents with access to un-fluoridated water at a supply point within Western Bay District, but close to Tauranga city boundaries.
7. There is no legal requirement for Council to provide residents with access to un-fluoridated water.

## BACKGROUND

8. On 14 October 2024 Council resolved to '*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.*' (CO20/24/2). As per this decision, and legislative requirements, Tauranga's water supply is now fluoridated.
9. Whilst fluoridation of public water supplies is viewed as a safe and beneficial community health measure by many individuals, groups and organisations, including the Ministry of Health, others oppose fluoridation due to a range of different concerns.
10. Acknowledging this, prior to the 14 October 2024 decision Council requested staff to investigate options to provide a non-fluoridated water supply for those who choose it, and to report back on identified options (CO18/24/3, 26 August 2024).
11. Note that the local level of demand for un-fluoridated water has not been assessed. In Hamilton there is an estimated uptake of ~1000 litres per day for un-fluoridated water (provided by a communal source of un-fluoridated water, via tap access in central Hamilton, since 2016). The average daily household usage in Tauranga is ~500 litres.

## THE MEANING OF 'UN-FLUORIDATED' WATER

12. In this report the term 'un-fluoridated' water is used to refer to all the following categories.
13. Fluoride free water, water with no fluoride in it, either:
  - from a source that has no natural occurring fluoride, and no fluoride added to it, or
  - treated through a method that will remove the majority of fluoride from the water (e.g. reverse osmosis).
14. Fluoride reduced water, referring to fluoridated water which either:
  - is from a fluoridated network supply that is treated to remove fluoride from the water using a means that is known to remove most fluoride, but may not remove all fluoride (such as absorption filters), or
  - is from a non-fluoridated supply containing naturally occurring fluoride.

## OPTIONS FOR THE PROVISION OF AN UN-FLUORIDATED WATER SUPPLY

15. Council identified two approaches, broken down into five options, and asked Beca Limited (Beca) to complete further work investigating the costs, risks and feasibility of each of these options. Beca's final report is provided as Attachment 1.

16. Council can either support individuals to access a personal supply of un-fluoridated water and/or provide (within Tauranga city) a communal source of un-fluoridated water which individuals can access. Each of these two approaches can be broken down further as below.
17. Approach 1: Support individuals to access a personal supply of un-fluoridated water.
  - Option (i) – Self-help guidance
  - Option (ii) – Self-help guidance and subsidy towards the cost of a fluoride removal system
18. Approach 2: Provide, within Tauranga city, a communal source of un-fluoridated water which individuals can access. The Options under Approach 2 are based on providing a community water supply at a single location with a water collection point, consisting of a bottle filling station and a tap for filling larger containers.
19. The Beca report assumes a location based on or around the Mercury Baypark stadium grounds, however this is for example only. If Council decided to proceed with one of Options (iii) to (v), further work would be done prior to finalising the location of the collection points. Note that Beca's costs are also based on providing only one collection point (i.e. not multiple locations across the city).
  - Option (iii): Centralised fluoride removal plant
    - (a) Fluoride removal treatment plan with re-chlorination from the potable water network.
    - (b) Fluoride removal treatment plan without re-chlorination from the potable water network.
  - Option (iv): Alternative raw water source and treatment system
    - (a) Bore water treatment system
    - (b) Rainwater treatment system
  - Option (v) Tanker delivery of un-fluoridated water from one of Council's sources.
    - (a) From a local water supply, located outside Council's boundary, without fluoride added (i.e. McLaren Falls).
    - (b) From Oropi water treatment plant with fluoride dosing turned off.
20. Two further alternative options have since been identified. These options were not analysed by Beca or included in their report.
  - Option (vi): Enable access, outside of the city's jurisdiction, to a communal source of un-fluoridated water.
  - Option (vii): Provide communal access to un-fluoridated water, via a simple filter system.
21. Each of these options is discussed below.

#### Option (i): Self-help guidance

22. This option focuses solely on education, providing residents with information and guidance on how to remove fluoride from their own drinking water. It does not provide the means of obtaining un-fluoridated water, only the knowledge of how to do so. It is a low cost, low risk approach.

#### Option (ii): Self-help guidance *plus* subsidy

23. This option includes the education aspect of Option (i) and partners it with a one-off subsidy towards a fluoride removal system (for example, an under-bench filter system). To provide financial certainty for Council, it is recommended that if this initiative is adopted, it is capped. The estimated cost, based on an uptake of 2000 households, with a subsidy of \$300 per system/household is \$600,000 (one-off opex). This is a higher cost approach, although it has no ongoing operational costs.

**Option (iii): Centralised fluoride removal plant**

24. This option involves removing fluoride via building a fluoride removal system. This system would take in fluoridated water from Council's water supply and treat it via a series of filtration processes. It includes the following steps.
- Activated carbon filtration (removes residual chlorine, necessary to provide the reverse osmosis membranes).
  - Cartridge filtration (removes suspended solids).
  - Reverse osmosis (removes fluoride and other dissolved substances).
  - UV disinfection (or sodium hypochlorite dosing).
25. Once these steps were completed, Council could choose to re-chlorinate the water (Option (iii)(a)) or leave it as is (Option (iii)(b)). This is a high-cost approach, with significant ongoing operational considerations as well as initial capital expenditure.

**Option (iv): Treated water from an alternative raw water source**

26. This option looks at sourcing water from either an in-ground source (bore water) or via rainwater collection. For illustrative purposes, the Beca analysis considered utilisation of an existing borehole in Truman Lane or the collection of rainwater from the roof of the Mercury Baypark Stadium. However, if Council chose to proceed with either bore water or rainwater collection, these may not be the final locations. Both these sub-options would require construction of a water treatment system and incur ongoing operational costs.
27. Option (iv)(a) Bore water treatment: Involves a series of processes, including media filtration (to remove iron and manganese), cartridge filtration and UV disinfection. The quality of bore water is unknown until a hole is drilled and may result in complex treatment challenges. There are potential issues regarding consent requirements, waste management and ultimately the outcome of this option is dependent on the bore (i.e. multiple bore holes may be required before a suitable one is obtained).
28. Option (iv)(b) Rainwater treatment: Involves a series of processes, including cartridge filtration, UV disinfection and pH adjustment (as the pH of rainwater tends to be below the guideline value of 7, i.e. slightly acidic). This solution relies on access to a large roof area which would require carefully planned maintenance to ensure there are no negative impacts on water quality (e.g. applied treatments for issues such as moss and mould would need to be avoided or carefully managed). Supply issues during dry periods could be an issue.

**Option (v): Tanker delivery of un-fluoridated water from an existing Council source**

29. This option involves transporting un-fluoridated water to a collection point. Water could be either sourced from Oropi water treatment plant (with the fluoride dosing turned off), this is Option (v)(b), or from an existing un-fluoridated, but otherwise compliant, water supply outside of Council's boundaries (such as McLaren Falls Park), this is Option (v)(a).
30. This approach would incur significant ongoing operational costs. It is likely that, regardless of the source, the water would require further treatment to ensure it was safe to drink (sodium hypochlorite dosing). Water sourced from Oropi water treatment may have residual fluoride and the requirement to manage fluoride dosing would add complexity and risk to regular water treatment operations.

**Option (vi): Enabled access to a communal source of un-fluoridated water outside of Council boundaries**

31. This option was not included in the Beca assessment. It was only recently identified, as work originally focussed solely on identifying options for an un-fluoridated water supply within Tauranga city.
32. Western Bay of Plenty District Council (WBoPDC) will be fluoridating water at two of its water treatment plants (Athenree and Wharawhara), in compliance with direction received from the

Director-General of Health. However other water treatment plants within WBoPDC remain un-fluoridated at this stage.

33. This option involves facilitating access to treated but un-fluoridated water from one of the WBoPDC un-fluoridated water treatment plants. Access would be via a metered communal tap, with the water usage then charged back to Council.
34. High level conversations regarding this possibility have occurred with WBoPDC. However, further work is required before WBoPDC are willing to support the implementation of this approach.
35. Further work would include identifying potential location/s, considering factors such as traffic management, safety and potential conflicts with existing users, assessing infrastructure requirements (and costing this), and confirming arrangements to charge-back water usage to Council.

#### Option (vii)

36. This option would remove fluoride via a whole of house reverse osmosis filter. Water would be sourced from Tauranga's treated water supply. Chlorine would be re-added to the water to increase safety. Other alternative fluoride removal systems have not been considered due to their lower reliability in removing fluoride sustainably.
37. Access would be via a communal tap, location to be determined.
38. This is a higher risk option in terms of health and safety, as the technology used would be the same as used in home filter systems, rather than the engineered treatment system envisaged by Options (iii)(a) and (iii)(b) above. While this is a lower cost option, this is not recommended as it results in higher risks to consumers. To undertake a system with all the appropriate controls, testing, redundancy, alarming, operational and maintenance interface needed to protect public health see option (iii). If Council were to consider this option, there would be a need to evaluate the health risk and level of service that would be provided from such a system.

#### HIGH-LEVEL OPTIONS ANALYSIS

39. Given the large number of options, the table below prioritises three possibilities for further analysis. There is further detail on the pros and cons of each of these options (except for Option (vi)) in the Beca report (Attachment 1).

Option	Estimated cost and comments	Shortlist (Y/N)
(i) Self-help guidance	Estimated cost: \$20,000 (one-off cost, opex)  Low risk, low intervention option. However, does not directly deliver un-fluoridated water. Note that the Beca report allocates an estimated ongoing annual opex cost of \$2,000, however it is likely that an additional targeted budget for this work will not be required.	Yes
(ii) Self-help guidance <i>plus</i> subsidy	Estimated cost: \$600,000 (2,000 units at \$300 subsidy per unit – one-off cost, opex)  This would be a one-off initiative and be complex to administer. Additionally, it would be managed on a first-in, first-served basis. Given the capped numbers, not all households would be able to access it, and some households who are not opposed to fluoridation may take advantage of the scheme to access the subsidy for other reasons. There would also still be initial and ongoing costs for participants to meet.	No

(iii)(a): Centralised fluoride removal plant <i>with</i> re-chlorination	<p>Estimated cost: \$614,000 capex plus \$24,300 opex per annum. 20-yr NPV estimate: \$960,000.</p> <p>This is a high-cost initiative, generates higher waste than some other options, and would require careful management to ensure compliance with drinking water regulations.</p>	No
(iii)(b): Centralised fluoride removal plant <i>without</i> re-chlorination	<p>Estimated cost: \$604,000 capex plus \$24,000 opex per annum. 20-yr NPV estimate: \$946,000.</p> <p>This is a high-cost initiative, generates higher waste than some other options, and would require careful management to ensure compliance with drinking water regulations.</p>	No
(iv)(a): Treated water from an alternative raw water source – bore water	<p>Estimated cost: \$815,000 to \$1,158,000 capex plus \$24,800 opex per annum. 20-yr NPV estimate: \$1,196,00 to \$1,495,000.</p> <p>This is a high-cost option, as bore water frequently needs treatment to mediate potentially high-levels of iron and manganese. Shallow bores are unlikely to provide suitable drinking water. Consent may be required. May generate higher waste than some other options.</p>	No
(iv)(b): Treated water from an alternative raw water source – rainwater	<p>Estimated cost: \$558,000 capex plus \$23,800 opex per annum. 20-yr NPV estimate: \$898,000.</p> <p>This is a more environmentally sustainable option as it generates little to no liquid wastes and takes advantage of a resource (rainwater) which would otherwise be unused. There is a higher degree of operational complexity to ensure the safety of the water supply and availability may be an issue during periods of low rainfall. This option costs less than many others.</p>	Yes
(v)(a): Tanker delivery of un-fluoridated water from an existing Council source, outside of Council's boundaries	<p>Estimated cost: \$560,000 capex plus \$34,900 opex per annum. 20-yr NPV estimate: \$1,066,000.</p> <p>This option has higher operational costs and generates a higher carbon footprint due to transport requirements.</p>	No
(v)(b): Tanker delivery of un-fluoridated water from an existing Council source, from one of Council's water treatment plants	<p>Estimated cost: \$505,000 capex plus \$35,000 opex per annum. 20-yr NPV estimate: \$1,015,000.</p> <p>This option has higher operational costs and generates a higher carbon footprint due to transport requirements. It adds complexity and risk to the daily operations at the water treatment plant.</p>	No
(vi): Enabled access to a communal source of un-fluoridated water outside of Council	<p>Estimated cost: \$30,000 capex 2024/2025, plus \$5,000 opex annually.</p> <p>This is a lower cost model, with limited operational costs, however further work is required to clarify and confirm costs. The advantage of this option is that it</p>	Yes

boundaries	utilises an existing water supply treated to high standards, so there is less risk regarding the safety of the water supply.	
(vii) Water with fluoride removed via reverse osmosis (filter system).	<p>Estimated cost: \$60,000 capex 2024/2025 plus ongoing annual opex costs (\$10,000+).</p> <p>This is a lower cost model, however the risks to Council are higher than other options, as it utilises a technology designed for home use, rather than more sophisticated technology. This model uses simple technology without failsafe systems or safety alerts in place. This places the community and Council at risk should the water supply become unsafe. Council does not have experience with home-based systems therefore it has been challenging to apply these to a commercial installation and operation for accurate costing.</p>	No

## ANALYSIS OF SHORTLISTED OPTIONS

### Option (i): Self-help guidance (Recommended)

40. Delivery of educational resources, providing residents with information and guidance on how to remove fluoride from their own drinking water.
41. Estimated cost: \$20,000 (one-off opex)
42. Key risk: this is a low-risk option. The primary risk with this option is a negative reception from the relatively small, but vocal, number of people who oppose fluoridation, as this option (on its own) does not directly provide un-fluoridated water for those who want it.

Advantages	Disadvantages
<p>Low cost</p> <p>Has a minimal financial impact on ratepayers.</p> <p>Low risk.</p> <p>Low complexity.</p> <p>Enables people to make their own choices, via the provision of information.</p> <p>Given its low cost, does not need consideration of user-pays avenues.</p>	<p>Does not deliver un-fluoridated water, people would still need to source this independently.</p>

### Option (iv)(b): Treated water from an alternative raw water source – rainwater (Not recommended)

43. Collection and treatment of rainwater. This option would require a large roof area. For illustrative purposes, the Beca report (Attachment 1) considered Mercury Baypark Stadium.
44. Estimated cost: \$558,000 capex plus \$23,800 opex per annum. 20-yr NPV estimate: \$898,000.
45. Key risks: this option would require careful management to ensure the safety of the drinking water (i.e. the condition and maintenance of the roof is a key consideration, and the use of chemicals to control mould etc. would need to be either avoided or programmed with care). Supply may be an issue during dry periods.

Advantages	Disadvantages
<p>Lower cost than many of the un-fluoridated water supply options within Tauranga city.</p> <p>More environmentally sustainable than many of the other options.</p> <p>Directly provides an un-fluoridated water supply that is under Council's full control.</p>	<p>Has initial set up costs and ongoing operational costs.</p> <p>Would be complex to manage.</p> <p>Either requires a user-pays approach or imposes increased costs on the wider ratepayer base (most who will have no interest in this service). See financial considerations for more discussion.</p> <p>Supply may be an issue during dry periods.</p> <p>Requires further work to identify and confirm a suitable location (Mercury Baypark Stadium is a possibility but not a confirmed location).</p> <p>Would be at a single location to which users would need to travel.</p>

#### Option (vi): Enabled access to a communal source of un-fluoridated water outside of Council boundaries (Recommended)

46. This option was not included in the Beca assessment. Preliminary discussions with WBoPDC have occurred, however further work would be required prior to confirming the feasibility of this approach. It involves facilitating access to treated but un-fluoridated water from one of WBoPDC un-fluoridated water treatment plant. Access would be via a metered communal tap, with the water usage then charged back to Council.
47. Estimated cost: \$30,000 capex 2024/2025 plus \$5,000 opex annually.
48. Key risks: That no agreement can be reached with WBoPDC and that, in the future, this supply becomes fluoridated (this would occur if, for example, WBoPC were directed to fluoridate all of their water treatment plants).

Advantages	Disadvantages
<p>A lower cost option for the supply of un-fluoridated water.</p> <p>Operationally simple.</p> <p>Directly provides an un-fluoridated water supply.</p> <p>More environmentally sustainable than many of the other options.</p>	<p>Requires further negotiation with WBoPDC before an agreement is reached.</p> <p>The water supply would not be under direct Council control (as outside of Tauranga city).</p> <p>Would be at a single location to which users would need to travel.</p>

#### FINANCIAL CONSIDERATIONS

49. All three shortlisted options require funding, and no budget has been allocated towards this initiative. Council's financial capacity is severely constrained and prioritising new, unfunded initiatives will require other planned projects to either reduce their scope, be deferred, or be cancelled.
50. From a financial perspective, taking into account the estimated low uptake of an un-fluoridated supply (based on Hamilton's actual usage), the most prudent option for Council would be to do nothing. There is no legal requirement for Council to provide an un-fluoridated water supply.

51. The second lowest cost approach is education only. However, this approach does not directly provide access to an un-fluoridated water supply.
52. If Council does wish to provide an un-fluoridated water supply, it could theoretically consider a user-pays approach. This could be viewed as more equitable than spreading the cost over all ratepayers, as a relatively small proportion of the community is expected to utilise the option of un-fluoridated water. For example, in Hamilton, the average total daily uptake of their central city un-fluoridated water supply is ~1,000 litres. For comparison purposes, the average four-person household in Tauranga uses a total of ~500 litres per day. (Note that expectations that uptake in Tauranga will be low is an assumption based on Hamilton's actual uptake, and until usage occurs here and is monitored, the local demand cannot be accurately determined.)
53. However, adopting a user-pays approach would be difficult to implement and demand may decrease if users were required to pay. If demand was lower than expected, this means either Council's share of the costs would increase, or the cost for the individuals would need to increase.
54. This report recommends Council fully funds a combined approach of education and provision of access to an un-fluoridated water supply located in WBoPDC. A user pays approach is not recommended. Financial, operational and safety considerations are the drivers behind the approach recommended in this report, along with environmental sustainability.

### RECOMMENDED APPROACH

55. This report recommends proceeding with options (i): *Self-help guidance* and (vi): *Enabled access to a communal source of un-fluoridated water outside of Council boundaries*.
56. The expected cost for this approach in 2024/2025 is \$50,000 (\$20k opex, \$30k capex), plus \$5,000 opex annually. As there is no existing budget available to use for this cost, a prioritisation exercise would be required to offset the cost within the existing water infrastructure budget.
57. The recommended approach provides information which enables people to source their own independent supply of un-fluoridated water (at their own cost) as well as providing the option of an un-fluoridated water supply for those who want it. As this approach takes advantage of an existing water supply which is already treated to high standards by WBoPDC, but is simply un-fluoridated, it is a lower risk option.

### LEGAL IMPLICATIONS / RISKS

58. Council has no legal obligation to provide an un-fluoridated water supply.
59. If Council proceeds to provide access to an un-fluoridated water supply within Tauranga city boundaries, Council would first need to notify the Director-General of Health as per section 116(f)(3) of the Health (Fluoridation of Water) Amendment Act (2021). Council would also be responsible for the safety of this water supply. Providing access to an un-fluoridated water supply within Tauranga city boundaries is a higher risk option.
60. If Council facilitates access to a water supply outside of Tauranga city boundaries, the relevant water supplier would be responsible for the safety of this supply and notification would not be required. Additionally, as this approach utilises an already treated and managed supply, the risk of providing unsafe water to the community is low.

### STATUTORY CONTEXT

61. The recommendations comply with Council's responsibilities as a water supplier.

### STRATEGIC ALIGNMENT

62. 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	<input type="checkbox"/>
We can move around our city easily	<input type="checkbox"/>
We are a city that supports business and education	<input type="checkbox"/>

63. The recommended option is the most sustainable approach, as it does not create an additional waste stream or require the establishment of a new water supply system, or the installation of new infrastructure.

### TE AO MĀORI APPROACH

64. No engagement with tangata whenua has occurred in relation to the provision of un-fluoridated water for those who want it.

### CLIMATE IMPACT

65. Comprehensive climate impact assessments have not been undertaken for any of the options in this report.

### CONSULTATION / ENGAGEMENT

66. No consultation has occurred regarding the recommendations of this report.

### SIGNIFICANCE

67. 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.
68. 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.
69. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.
70. This assessment recognises the low cost of the recommendations of this report and the reversibility of the decisions. It also acknowledges that, while the issue of fluoridation is very important to some groups and individuals in the city, the number of people interested in this decision is estimated as low compared to the overall population of the city, and (based on Hamilton city) the ongoing uptake of an un-fluoridated water supply is expected to be low.

### ENGAGEMENT

71. 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**

72. If Council adopts the recommendations of this report, the next steps would be to:
- Prepare and publish education resources providing residents with information and guidance on how to remove fluoride from their own drinking water.
  - Work with Western Bay of Plenty District Council regarding the potential of providing Tauranga residents with access to un-fluoridated water at a supply point within Western Bay District, but close to Tauranga city boundaries.

**ATTACHMENTS**

1. **Attachment 1 - Non-Fluoridated Water Supply Options - Beca Analysis - A17149036 (Separate Attachments 1)** 

## 11.6 Speed Management Plan and Transport Resolutions Report No.53

**File Number:** A16851808

**Author:** Karen Hay, Acting Manager: Safety and Sustainability  
Will Hyde, Senior Transportation Engineer

**Authoriser:** Nic Johansson, General Manager: Infrastructure

### PURPOSE OF THE REPORT

1. Seek approval to amend previously approved and new speed limit changes in response to the enactment of the Land Transport Rule: Setting of Speed Limits 2024.
2. Seek approval for the introduction, removal, or amendment of traffic controls throughout the city, relating mainly to traffic and parking controls.

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Speed Management Plan and Transport Resolutions Report No.53".
- (b) Approve the introduction of 30 km/h variable speed zones at 35 schools previously approved for 40 km/h zones (see Attachment 1).
- (c) Approve the development and implementation of 30 km/h speed zones at 8 new schools as outlined in Attachment 1, noting that funding will be considered in the annual plan.
- (d) Approve the extension or inclusion of 30 km/h variable school zones in the speed management plan map (Attachment 2) for the following,
  - (i) extending the 30km/h variable speed limit to include Queen Road, Ōtūmoetai.
  - (ii) extending the 30km/h variable speed limit on Golf Road to Ranch Road.
  - (iii) inclusion of the 30km/h variable speed limit on Links Avenue.
  - (iv) extending the variable 30km/h variable speed limit on Te Okuroa Drive.
- (e) Approve the relocation of the urban/rural boundary on Welcome Bay Road, moving the 50 km/h/80 km/h speed limit change 230 meters east.
- (f) Approve consultation with directly affected parties on whether Truman Lane (between Mangatawa Link Rd and SH29) should stay at 50 km/h permanently or revert to 80 km/h once the temporary limit expires.
- (g) Resolves to adopt the proposed traffic and parking controls relating to new subdivisions and minor changes for general safety, operational or amenity purposes, as per Attachment 3 of this report.
- (h) The changes are to become effective on or after 10 December 2024 subject to installation of appropriate signs and road markings.

## EXECUTIVE SUMMARY

### Speed management plan

3. At the Council meeting on 10 June 2024, speed limits for various roads were approved. The new Speed Limit Rule, enacted in September 2024, introduces different requirements for some of these limits.
4. By 1 July 2026, all schools must implement a variable 30 km/h speed limit during school pick up and drop off times, as required by the new regulations. A list of schools is provided in Attachment 1. The following changes are necessary to ensure compliance with the new rule:
  - (a) **Conversion of Existing Speed Limits:** Schools currently with existing or recently implemented 40 km/h variable speed limits will need to adjust to 30 km/h. This change is essential to meet the new legal requirement and to maintain consistency across the network. The current electronic variable signs are future proofed for 30km/h. An adjustment to the electronic signs and communication is required to reflect the change.
  - (b) **Implementation at additional schools:** Eight more schools will need to be included in the 30 km/h variable speed limit programme. These schools were not initially prioritised but are now part of the broader plan to meet the rule's deadline. The estimated cost is \$360,000. This budget requirement needs consideration in the upcoming annual plan review.
  - (c) **Updating Static Signs:** For those schools where variable speed limits are in place, requires the static approach signs (those placed along the road before reaching the school zone) to be updated to reflect the new 30 km/h speed limit. The cost of this is accommodated within existing approved budget.
5. These changes will not only ensure compliance with the Speed Limit Rule 2024 but also contribute to improving the safety of school zones. Setting safe variable speed limits outside schools prioritises the safety of children arriving at or leaving schools during busy pick-up and drop-off times.
6. A permanent speed limit change for Truman Lane is proposed as well as extending the urban/rural boundary on Welcome Bay Road.

### Resolutions

7. Attachment 3 sets out proposed changes for general access, safety and operational reasons. Some of these are requests from the public or other stakeholders for changes to parking controls which have been assessed to be appropriate.
8. Some of the changes relate to previously approved capital projects which are either recently completed or are nearing completion and require the bylaw to be updated to enable enforcement of the proposed controls.
9. Some of these are controls introduced as consent conditions of recently completed subdivisions.
10. Amendments include changes to the following Attachments to the Traffic & Parking Bylaw (2023):
  - (a) Attachment 7.1: No Parking Behind Kerb
  - (b) Attachment 7.2: No Stopping at Any Time
  - (c) Attachment 7.7 Mobility Parking
  - (d) Attachment 7.27: Passenger Vehicle Stands (Tourist Vehicles)
  - (e) Attachment 7.29: Passenger Service and Other Vehicle Stands (Amusement

## BACKGROUND

### Speed management plan

11. At its meeting on 10 June 2024<sup>32</sup>, Council passed a resolution CO13/24/11, receiving the Speed Management Plan and approving the following actions:
- (a) **City Centre Speed Limit:** The area currently covered by a temporary 30 km/h speed limit (between McLean Street and Second Avenue) will be made a permanent 30 km/h zone.
  - (b) **School Speed Zones:** The approval of 40 km/h variable speed zones for the schools listed in Attachment 1, with these zones applying 30 minutes before school starts and 20 minutes after school ends.
  - (c) **Prioritisation of School Zones:** The roll-out of speed limits will follow the order outlined in (b), with high-risk priority schools being addressed first. The timing of this roll-out will depend on funding availability.
  - (d) **Marae Speed Limits:** Based on feedback from local marae, the following locations will be adopted as permanent 40 km/h zones, as shown in the attachment:
    - (i) Waimapu Marae: Waimapu Pa Road, extending 200 meters east from the marae.
    - (ii) Waikari Marae & Hungahungatoroa Marae: Waikari Road, Hungahungatoroa Road, and Matapihi Road between Waikari Road and Hungahungatoroa Road.
  - (e) **Deferred Speed Limit Changes:** Proposed changes to speed limits on Domain Road, Tara Road, Te Puke Highway, and Parton Road are deferred until future development alters the current road environment. These changes will be decided by a future Council.
  - (f) **Delegation to Chief Executive:** The Chief Executive is delegated the authority to confirm and implement the speed management plan, in line with the Land Transport Rule: Setting of Speed Limits 2022, including the 2023 amendment.
12. Staff are seeking approval for some changes to the above resolutions, including:
- (a) Truman Lane - The current permanent speed limit on Truman Lane is 80 km/h, but a temporary 50 km/h limit has been in effect for several years to reduce risks associated with the high volume of traffic bypassing the Baylink overpass project. Meanwhile, development in this area of Truman Lane has increased.

With the completion of the Baylink project, the temporary speed limit is now due to be lifted, and a permanent limit needs to be established. It is proposed to consult with residents of the papakāinga at the southeastern end of Truman Lane, as well as the businesses operating along this section of the road.
  - (b) Adjustment of variable speed limits outside schools (as per Attachment 2) from 40 km/h to 30 km/h, including the following updates:
    - (i) Inclusion of Queen Road for a variable 30 km/h speed limit, as part of the Ōtūmoetai school cluster. This follows additional feedback from the local community, requesting the inclusion due to the road being a heavily used school route.
    - (ii) Amend the map to reflect the 30km/h variable speed limit on Links Avenue to support Mount Maunganui Intermediate.
    - (iii) Extension of variable 30 km/h school zones within the map for clarity, including Golf Road to Ranch Road and Te Okuroa Drive, to cover the crossing near Te Manawa ō Pāpāmoa.

<sup>32</sup> [https://infocouncil.tauranga.govt.nz/Open/2024/06/CO\\_20240610\\_AGN\\_2584\\_AT\\_WEB.htm](https://infocouncil.tauranga.govt.nz/Open/2024/06/CO_20240610_AGN_2584_AT_WEB.htm)

- (c) Approve extension of the 50km/h speed limit for a section (230m) on Welcome Bay Road, which was previously consulted on but not confirmed in the Council resolution.

**Resolutions**

- 13. The Traffic and Parking Bylaw 2023 includes attachments which list various traffic and parking restrictions. Council can amend the attachments by Council resolution.
- 14. As the city grows and changes, the demands on the road network also change. Often there can be conflict between the need to keep traffic lanes clear to enable an efficient network, the need to provide on-street parking and loading to support nearby activities, and the need for vulnerable road users such as pedestrians and cyclists to move around the city safely.
- 15. The Council regularly adds, removes or amends traffic and parking controls to reflect and support operational and safety needs on the road network. The proposed amendments in Attachment A are minor changes to parking restrictions across the city which have arisen through requests from the public, transportation staff, or other stakeholders; or changes resulting from approved developments.

**STATUTORY CONTEXT**

**Speed management plan**

- 16. The Speed Limit Rule 2024<sup>33</sup> came into force on the 28<sup>th</sup> of September 2024. The objective of this Rule is to contribute to an effective, efficient and safe land transport system by:
  - (a) providing for an approach to speed management that considers speed limits alongside safety infrastructure and safety camera enforcement; and
  - (b) empowering or requiring road controlling authorities to set speed limits for roads under their control, generally after considering safety, economic impacts and the views of road users and the community; and
  - (c) setting out requirements road controlling authorities must comply with when setting speed limits.

**Resolutions**

- 17. The amendments help to achieve the vision and strategic transport priorities of making our network safer and easier for people to get around the city.

**STRATEGIC ALIGNMENT**

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

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

- 18. The speed limit changes are designed to enhance student safety outside schools thereby supporting sustainable transport options.
- 19. The recommendations address a number of minor issues affecting safety and/or amenity and contribute to the safe and efficient operation of the city's transport network. The provision of mobility parking enables a more inclusive city by making our amenities more accessible to less-abled members of our community.

<sup>33</sup> <https://nzta.govt.nz/assets/resources/rules/docs/land-transport-rule-setting-of-speed-limits-2024-signed.pdf>

### OPTIONS ANALYSIS

20. This report seeks approval to amend a previous Council decision in response to the new legislative requirements, with no alternative options available.
21. For the proposed changes related to general operations and resolutions the reasons for each proposal are described in Attachment 3. In each case the problem identified is expected to continue if the proposed amendment is not adopted.
22. The proposals are independent of each other, and Council may resolve to adopt some, all or none of them.

### FINANCIAL CONSIDERATIONS

23. Meeting rule obligations for the 14 existing schools with 40 km/h variable speed zones, as well as the 21 new schools, will involve updating both static and variable signs.
  - (a) The variable electronic signs are future-proofed for either 40 km/h or 30 km/h variable limits and can be easily adjusted.
  - (b) Amendments to the static signs to reflect the new speed limit is an estimated at \$6k, which will be covered within this year's approved speed management funding.
24. The rule mandates that all schools must have 30 km/h variable speed limits in place by 1 July 2026. The estimated cost to install electronic 30 km/h variable speed zones at the eight new schools is \$360K (\$45K per school). This funding will need to be included in the upcoming annual plan.
25. NZTA funding for the speed management plan implementation was allocated for the previous and this financial year. No additional funding has been approved for the eight new schools in the NLTP. Staff will seek potential contributions from NZTA due to the mandated requirement.
26. The signs and markings costs associated with general operational changes are minor in nature and accommodated and prioritised within available funding.

### LEGAL IMPLICATIONS / RISKS

27. The Council must comply with the legislative requirements of the rule. The risk is low, given previous consultation on speed limits and 30 km/h variable speed limits in school zones, which was supported.
28. The resolution proposals are required in order to allow enforcement of changes deemed necessary for safety and network operational purposes.

### TE AO MĀORI APPROACH

29. Staff have previously engaged closely with local hapū regarding the proposed speed limit changes, with no further changes proposed at this time.

### CLIMATE IMPACT

30. Variable speed limits outside schools at peak school traffic times provides a safer road environment thereby supporting sustainable transportation choices.

### CONSULTATION / ENGAGEMENT

31. As part of the June decision, the Council considered engagement with the community to understand their view on the speed management plan. 1038 responses with the following outcomes:
  - (a) 71.7% are in favour of the 30km/h speeds restrictions around schools as proposed,
  - (b) 52.6% are in favour of the 30km/h speed restrictions within the city centre as proposed,
  - (c) 37% are in favour of the speed limit changes proposed on Domain Road and the roundabout intersection with State Highway 2,

- (d) 36.1% are in favour of the speed limit changes on Parton Road.

## SIGNIFICANCE

32. 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.
33. 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.
34. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

## ENGAGEMENT

35. 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.
36. This decision is of low significance as extensive consultation on the 30 km/h school speed limits has already been completed and supported. The report seeks approval to meet legislative requirements, except for Truman Lane, where consultation will occur.

## NEXT STEPS

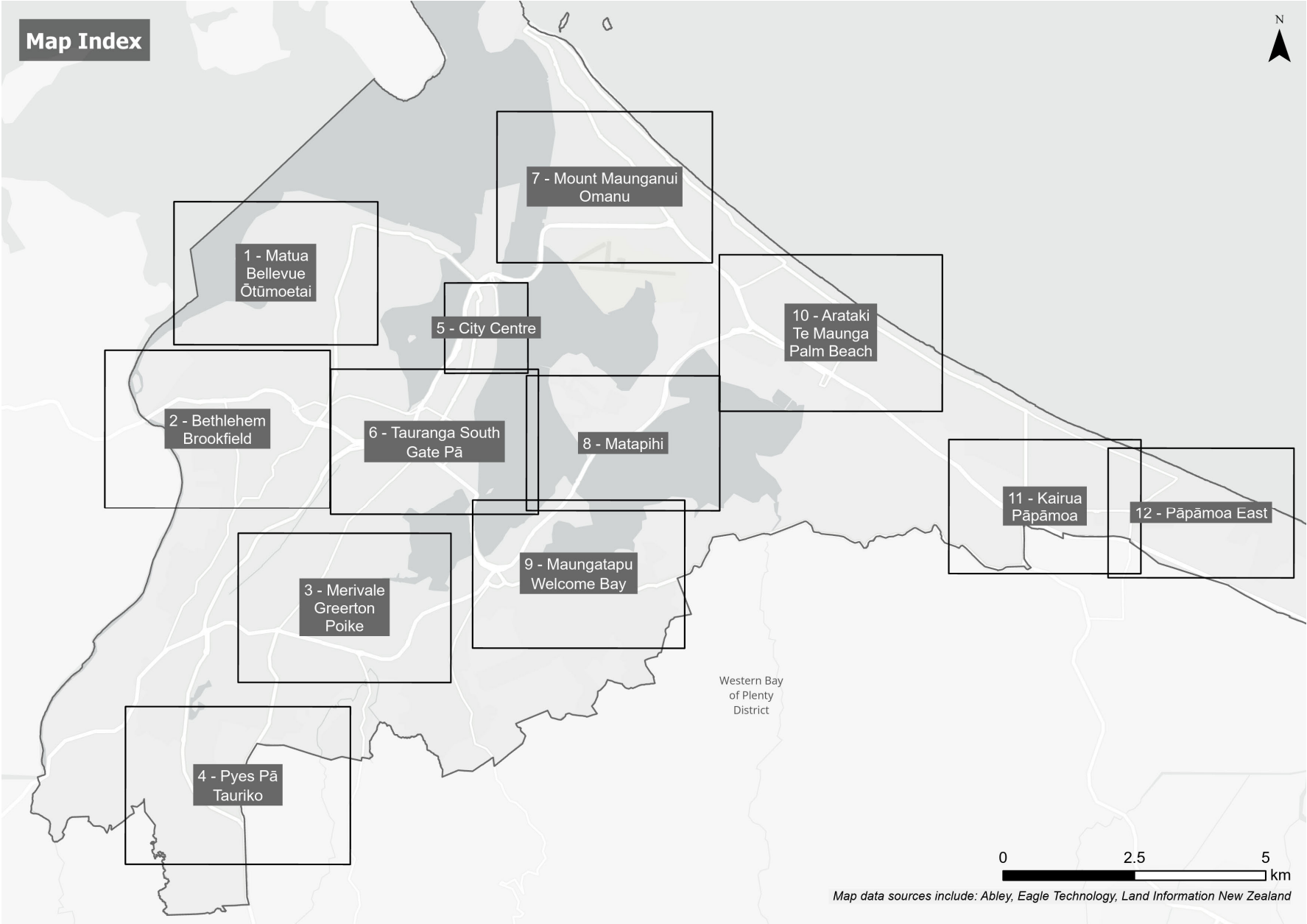
37. Submit the proposed speed limit changes (from the previous and current Council approvals) to NZTA for Director approval.
38. Once the Director approves the changes, Council will activate the 30 km/h school zones and notify the local community, along with other approved or amended speed limits.
39. Submit to the annual plan for the 2026 financial year funding of \$360k to meet regulatory requirements.

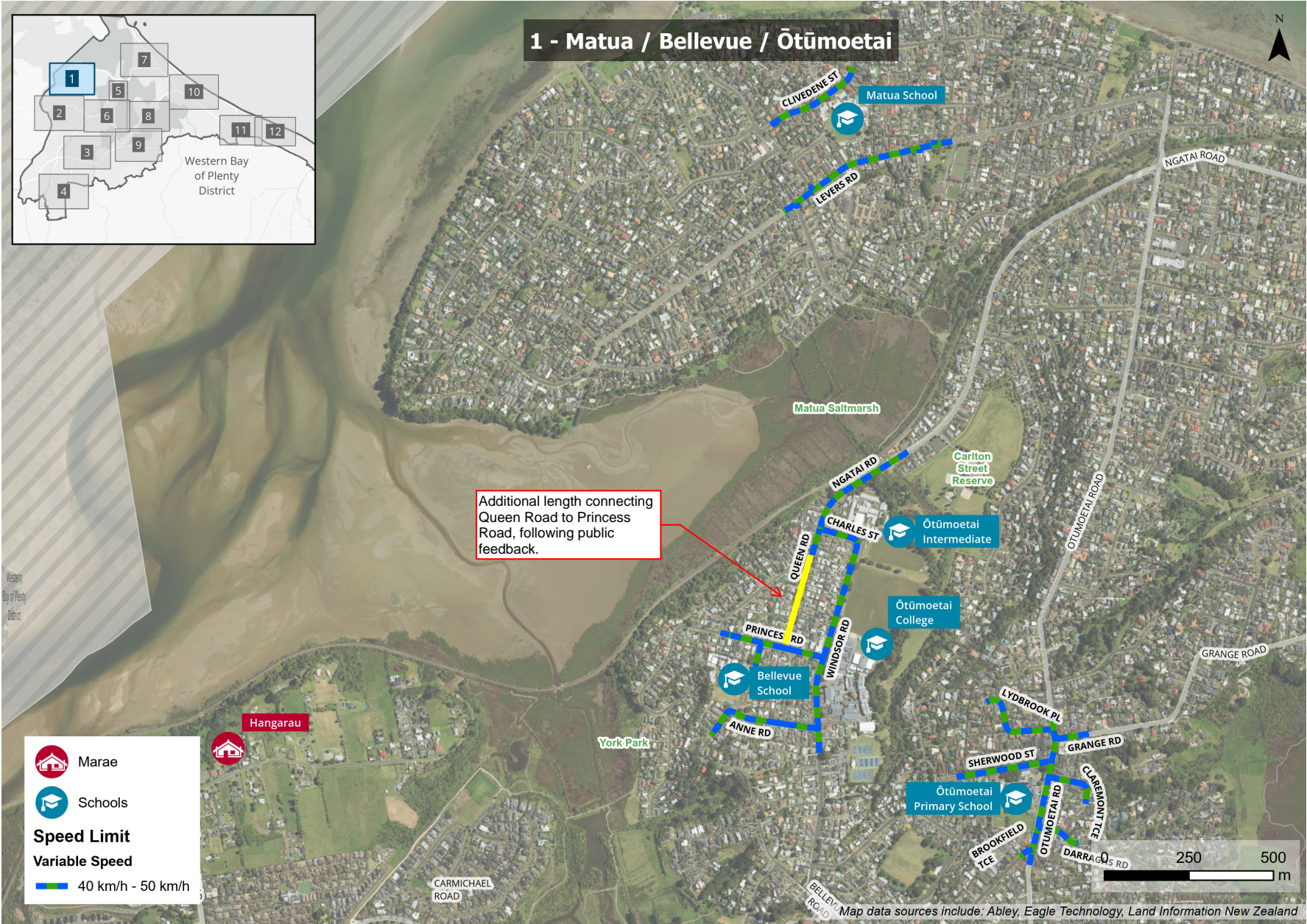
## ATTACHMENTS

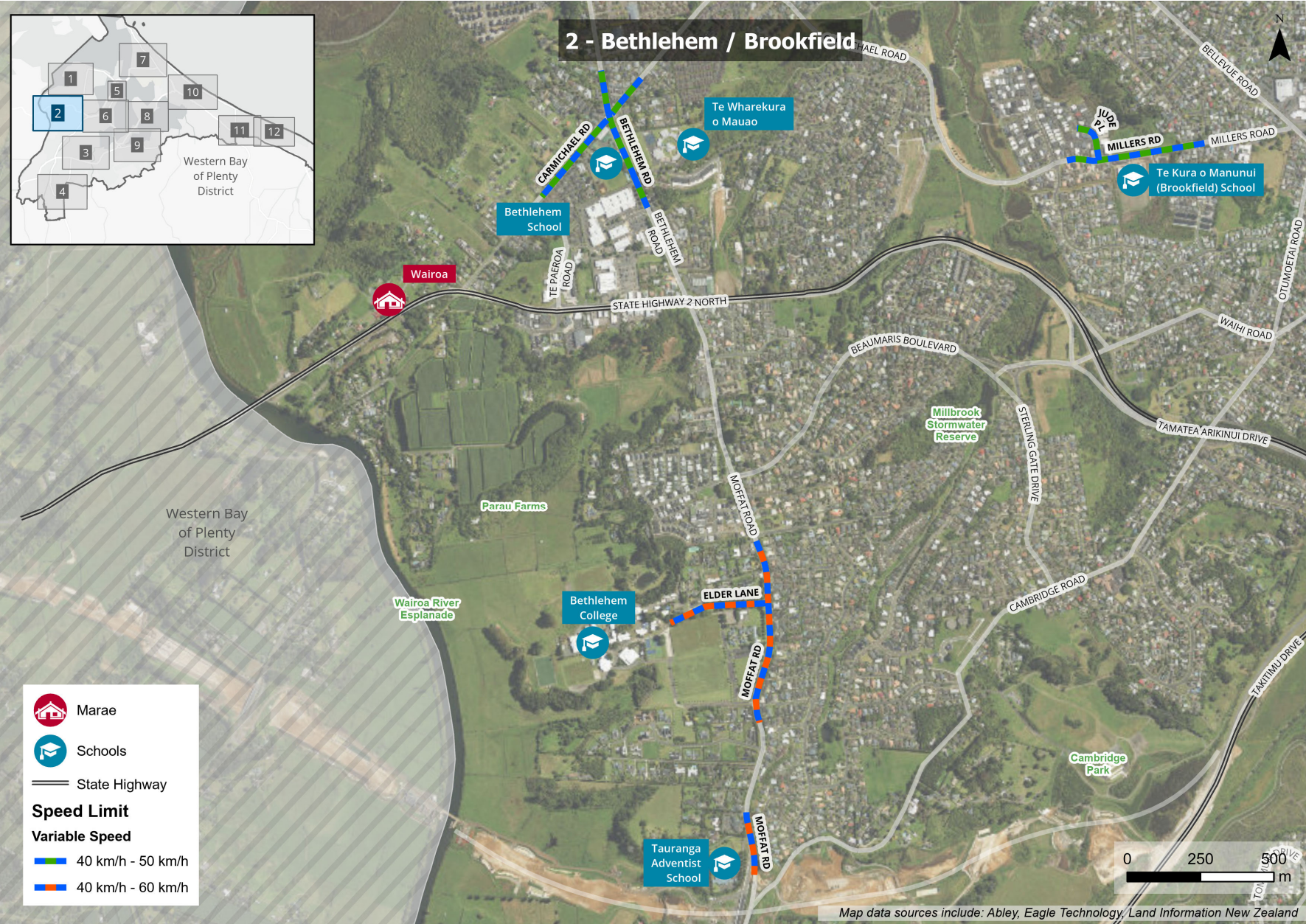
1. **Attachment 1 Schools prioritised for variable speed zones. - A17099830**  
2. **Attachment 2 Speed Management Plan - A17099829**  
3. **Attachment 3 Resolutions report traffic controls - A17093773**  

**Attachment 1 - Schools prioritised for variable speed zones.**

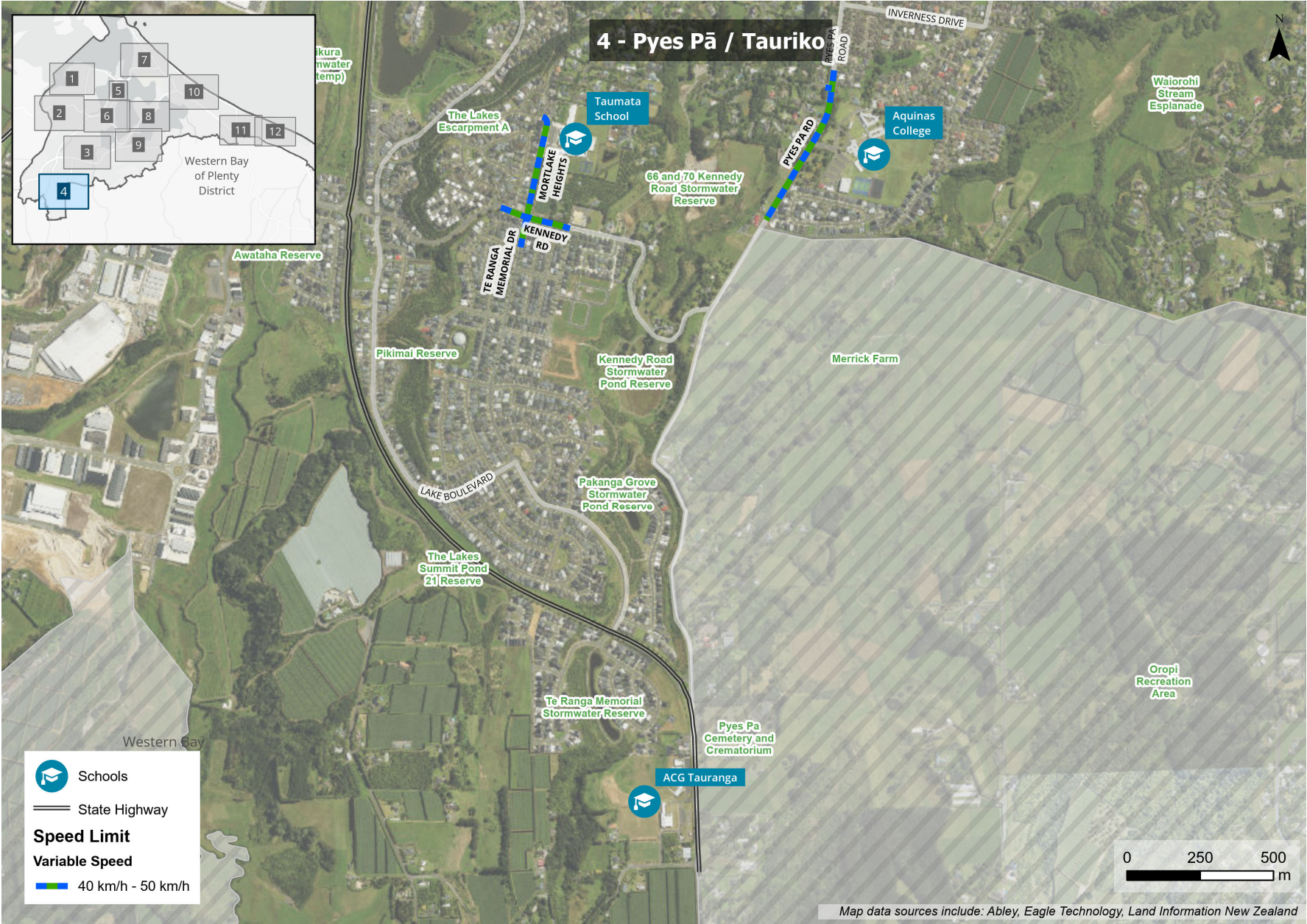
#	Name of School	School Type	School Roll	School Boundary Risk	Overall Risk	
1	Aquinas College	Secondary (Year 7-15)	783	High	High	Schools with existing variable speed zones
2	Bethlehem College	Composite (Year 1-15)	1945	High	High	
3	Greenpark School (Tauranga)	Primary (Year 1-6)	724	High	High	
4	Otumoetai Primary School	Primary (Year 1-6)	554	High	High	
5	Welcome Bay School	Primary (Year 1-6)	336	High	High	
6	Matua School	Primary (Year 1-6)	545	High	Medium-High	
7	Papamoa Primary School	Primary (Year 1-6)	670	High	Medium-High	
8	Tauranga Intermediate	Intermediate (Year 7-8)	1372	High	Medium-High	
9	Bethlehem School	Primary (Year 1-6)	485	High	Medium	
10	Tauranga Special School	Specialist School	106	Medium-High	High	
11	Golden Sands School	Primary (Year 1-6)	547	Low-Medium	Low	
12	Te Kura o Manunui (prev. Brookfield)	Contributing	283	Low	Low-Medium	
13	Maungatapu School	Primary (Year 1-6)	568	Low	Low-Medium	
14	Taumata School	Full Primary	660	Low	Low	
15	Arataki School	Primary (Year 1-6)	488	High	High	Schools with recent implementation of variable speed zones
16	Mount Maunganui College	Secondary (Year 9-15)	1739	High	High	
17	Omanu School	Primary (Year 1-6)	541	High	High	
18	Papamoa College	Secondary (Year 7-15)	1706	High	High	
19	Tauranga Primary School	Primary (Year 1-6)	439	High	High	
20	Tauranga Waldorf School	Full Primary	203	High	High	
21	Tahatai Coast School	Primary (Year 1-6)	787	High	Medium-High	
22	Tauranga Girls' College	Secondary (Year 9-15)	1417	High	Medium	
23	Gate Pa School	Primary (Year 1-6)	347	High	Medium	
24	Greerton Village School	Primary (Year 1-6)	391	High	Medium	
25	Ōtūmoetai College	Secondary (Year 9-15)	1906	High	Medium	
26	Ōtūmoetai Intermediate	Intermediate (Year 7-8)	940	High	Medium	
27	Mt Maunganui Intermediate	Intermediate (Year 7-8)	760	High	Low-Medium	
28	Te Akau ki Papamoa Primary School	Primary (Year 1-6)	630	High	Low-Medium	
29	Tauranga Boys' College	Secondary (Year 9-15)	2146	High	Medium	
30	Tauranga Adventist School	Full Primary	117	Medium-High	High	
31	Te Kura o Matapihi	Full Primary	207	Medium-High	Medium-High	
32	Merivale School	Primary (Year 1-6)	187	Low	Low-Medium	
33	Mount Maunganui Primary School	Primary (Year 1-6)	443	Low	Low	
34	Te Manawa o Pāpāmoa School	Primary (Year 1-6)	440			
35	Bellevue School (Tauranga)	Primary (Year 1-6) Montessori	382	Low	Low	
36	Te Wharekura o Mauao	Secondary (Year 7-15)	265	Medium-High	Medium	New Schools
37	St Thomas More Catholic School	Primary (Year 1-6)	155	Medium	Medium	
38	Selwyn Ridge School	Primary (Year 1-6)	495	Low	Low-Medium	
39	St Mary's Catholic School (Tauranga)	Primary (Year 1-6)	432	Low	Low-Medium	
40	Pillans Point School	Primary (Year 1-6)	526	Low	Low	
41	ACG	Composite (Year 1-15)	387			
42	Suzanne Aubert Catholic School		250			
43	Te Whakatipuranga (Otumoetai) Tertiary	Teen Parent Unit	21			























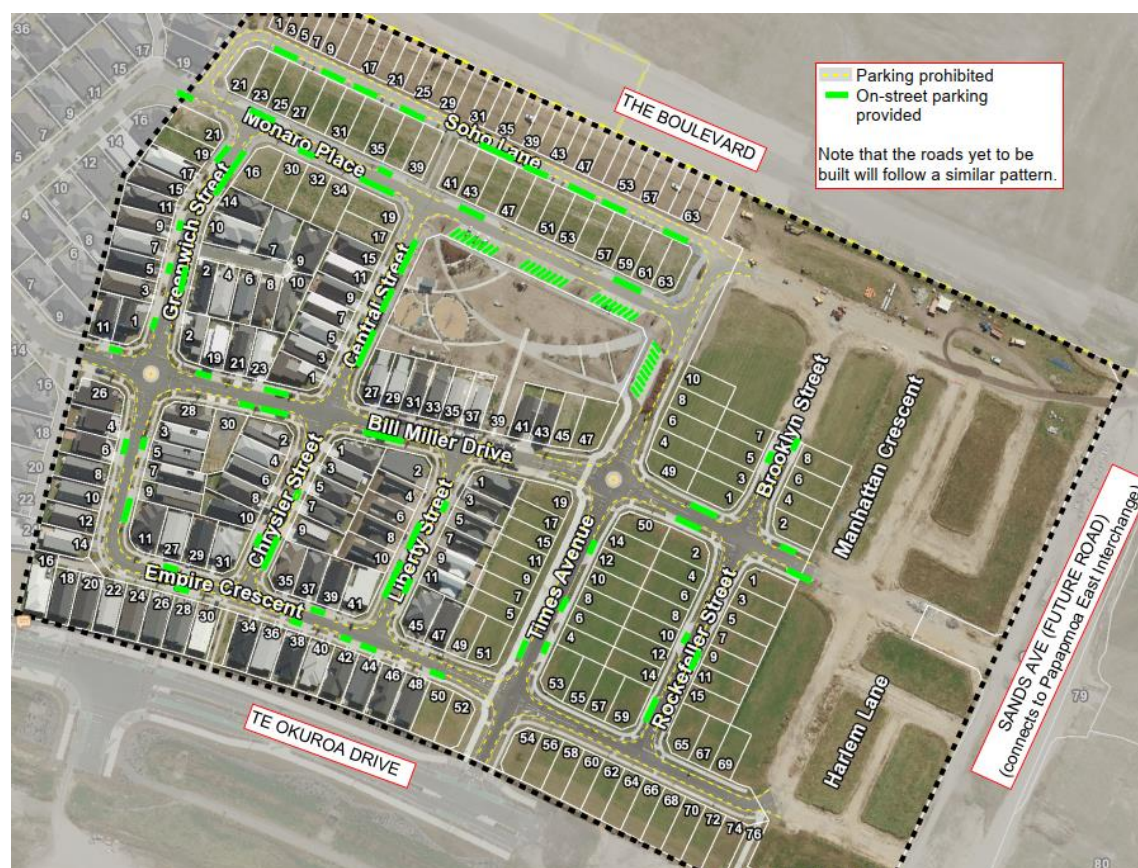




**Appendix A: Details of Proposals for Transport Resolution Report No.53**

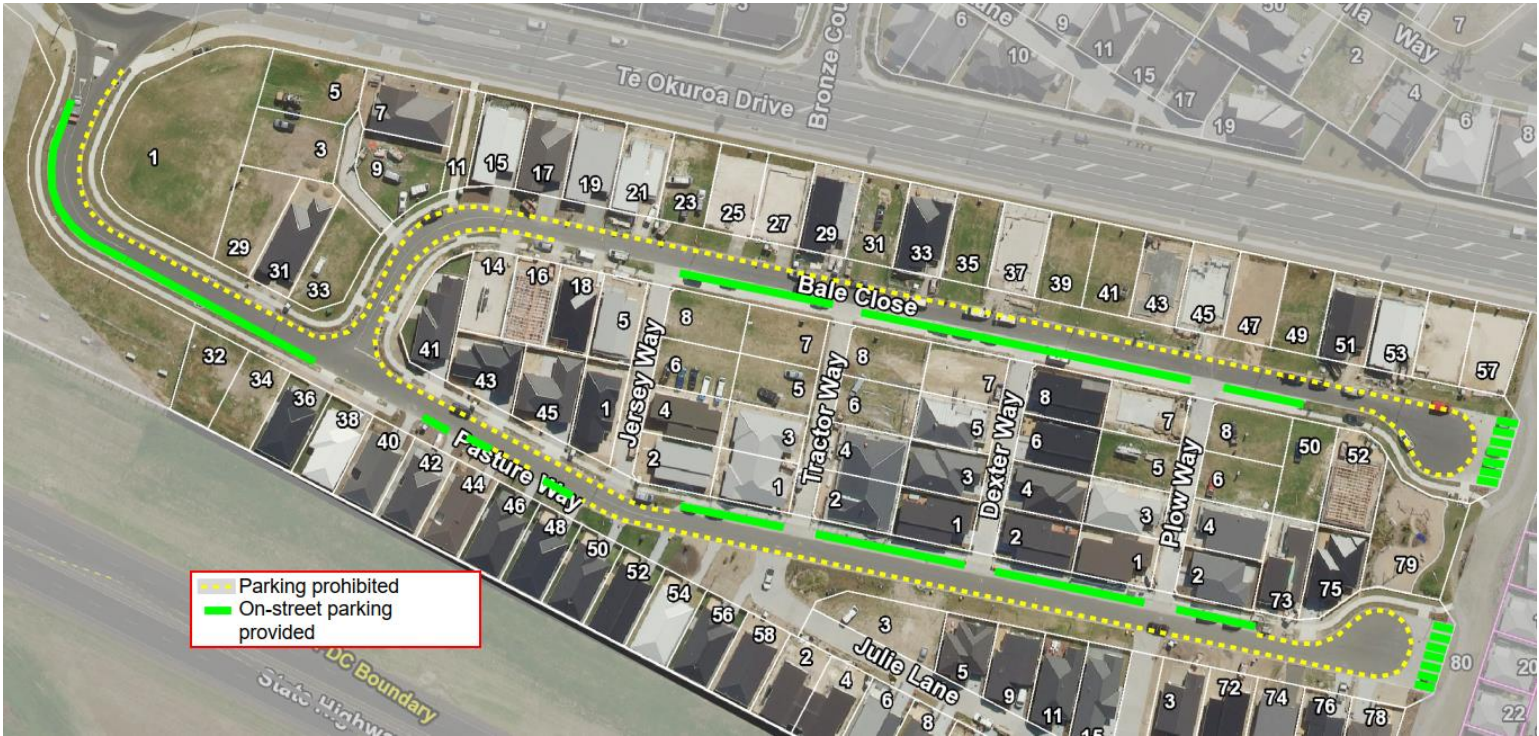
New parking restrictions (No Parking At Any Time) at newly constructed and soon-to-be-constructed subdivisions:

- 1) Bill Miller Drive Subdivision. This subdivision was designed with on-street parking provided in bays set into the berms, to eliminate parking in traffic lanes. This eliminates issues relating to access that can often occur in subdivisions with narrow road widths.



Appendix A: Details of Proposals for Transport Resolution Report No.53

- 2) Pasture Way subdivision. This subdivision was designed with the majority of on-street parking provided in bays set into the berms, to minimise parking in traffic lanes.



# Appendix A: Details of Proposals for Transport Resolution Report No.53

- 3) Union Drive subdivision. This subdivision was designed with the majority of on-street parking provided in bays set into the berms, to minimise parking in traffic lanes.



Union Drive (image 1 of 2)

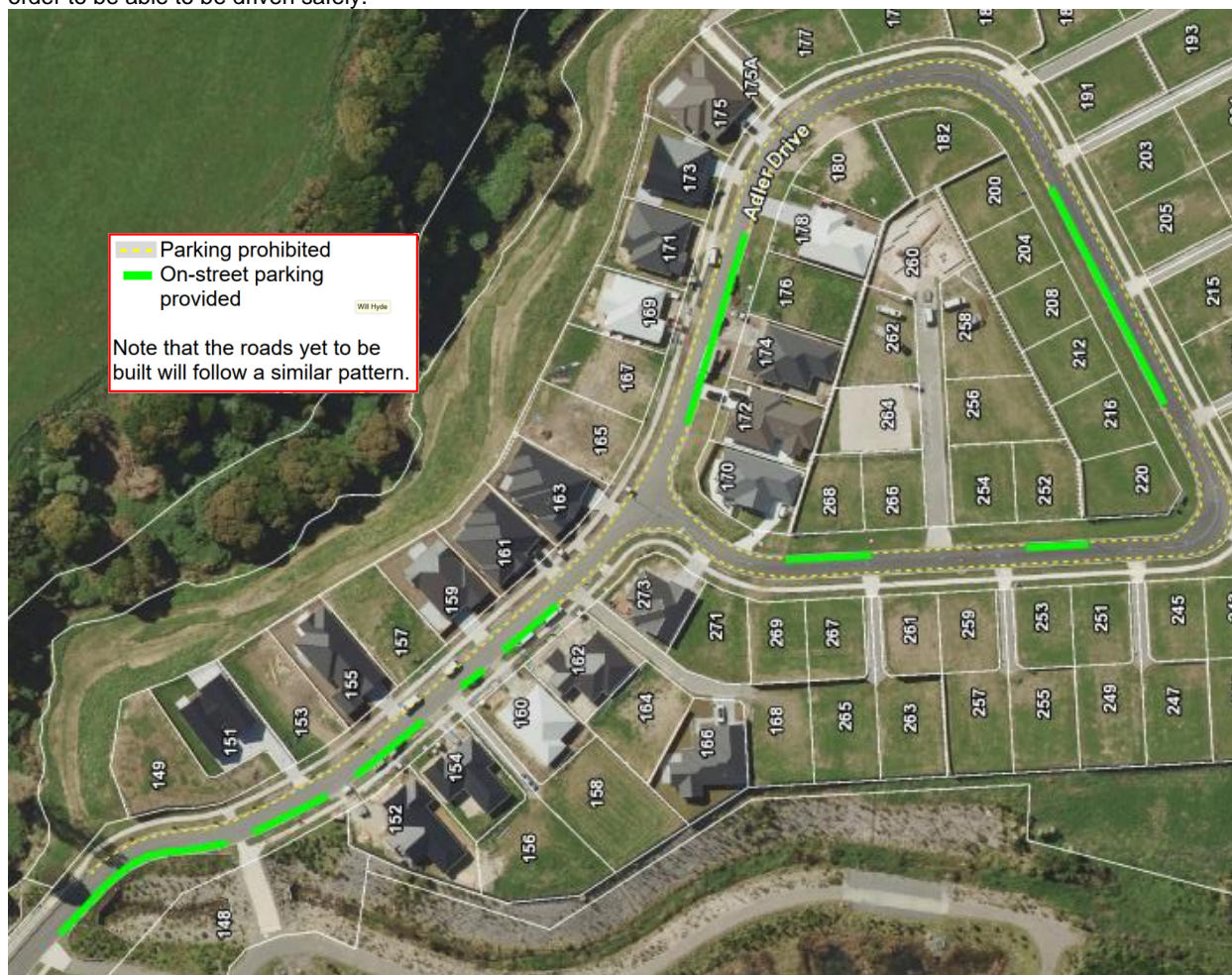
Appendix A: Details of Proposals for Transport Resolution Report No.53



Union Drive (image 2 of 2)

**Appendix A: Details of Proposals for Transport Resolution Report No.53**

- 4) Adler Drive extension. . This road extension is on steep terrain with blind corners and crest curves which require extensive yellow lines in order to be able to be driven safely.



**Appendix A: Details of Proposals for Transport Resolution Report No.53**

**Other proposed changes:**

**Attachment 7.1: No Parking Behind Kerb**

Location	Details (No Parking Behind Kerb)	Reason for implementing
Chadwick Road South side	From the western boundary of No.100 to 8m towards the northwest direction of Chadwick Road.	Due to visibility issue while coming out from Mansels Road to Chadwick Road.

**Attachment 7.2: No Stopping at Any Time**

Location	Details (No Stopping at any time)	Reason for implementing
Bethlehem Road East side	A length of 20m centred on the north boundary of O'Connor Way.	Requested by residents of O'Connor Way as parked vehicles block sight lines for drivers exiting O'Connor Way.
Oceanbeach Road East side	Along the frontage of No.213 Oceanbeach Road	Redevelopment of site. Remove kerbside parking and install yellow lines to accommodate the new vehicle crossing and safe sight lines. Requested by the site owner, who is the affected party.
Ōtūmoetai Road East side	Extend existing parking restriction by 8m (one parking space) northwards on the north side of Hazel Terrace.	Issue raised by a member of the public. Parked vehicles at this location obstruct sight lines when exiting Hazel Terrace. Adjacent property owner has been consulted and does not object.

Appendix A: Details of Proposals for Transport Resolution Report No.53

Appendix A: Details of Proposals for Transport Resolution Report No.53

Attachment 7.7                      Mobility Parking

Mobility Parking		Reason for implementing
Additions:		
Warrington Street North side	The easternmost space of the angle spaces fronting No.18 Tilby Drive	This is an existing space which was not previously included in the bylaw, and a resolution is required so that infringements can be issued for misuse.

agenda

**Attachment 7.27: Passenger Vehicle Stands (Tourist Vehicles)**

<b>Passenger Service and Other Vehicle Stands (Amusement Rides)</b>		<b>Reason for implementing</b>
Salisbury Avenue South Side	<p><b>Remove</b></p> <p>The eleven angle parks extending east from the Salisbury Wharf Car Park Area for a distance of 60 metres.</p> <p><b>Add</b></p> <p>The eleven angle parks fronting No.6 and the adjacent four parks fronting the western end of No.4.</p>	Adjustment to the number and position of spaces allocated to Amusement Rides on days when cruise ships are in port, based on changes in the number of operators. The overall number and location of spaces allocated to tourist and amusement vehicles remains unchanged. The Regulation Monitoring team maintains regular contact with tour operators regarding the best use of this space.

**Attachment 7.29: Passenger Service and Other Vehicle Stands (Amusement Rides)**

<b>Passenger Service and Other Vehicle Stands (Amusement Rides)</b>		<b>Reason for implementing</b>
Salisbury Avenue South Side Between 20 September and 31 May (inclusive) from 6:00am to 11:00am on the days that Cruise Ships visit the Port of Tauranga in accordance with the annual Cruise Ship Schedule (and any amendments thereof).	<p><b>Remove</b></p> <p>Commencing at a point 12 metres west of the prolongation of the western boundary of Victoria Road extending 15 metres west (5 angle parks).</p> <p><b>Add</b></p> <p>The two westernmost angle spaces, between the entry and exit driveways to the Port of Tauranga.</p>	Adjustment to the number and position of spaces allocated to Amusement Rides on days when cruise ships are in port, based on changes in the number of operators. The overall number and location of spaces allocated to tourist and amusement vehicles remains unchanged. The Regulation Monitoring team maintains regular contact with tour operators regarding the best use of this space.

## 11.7 Proposed Plan Change 39 - Upper Ohauti Land Rezoning - Adoption and Notification of Decisions

**File Number:** A17223626

**Author:** Brad Bellamy, Project Leader: Urban Planning

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

### PURPOSE OF THE REPORT

1. The purpose of this report is to seek adoption of the recommendations and reasons of the Independent Hearing Commissioner on Proposed Plan Change 39 – Upper Ohauti Land Rezoning (PPC 39).

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Proposed Plan Change 39 - Upper Ohauti Land Rezoning - Adoption and Notification of Decisions".
- (b) Pursuant to clause 29(4) of Schedule 1 of the Resource Management Act 1991, accepts and adopts as its decision the recommendations and reasons of the Independent Hearing Commissioner on Proposed Plan Change 39 Upper Ohauti Land Rezoning included as Attachment 1 - Recommended Proposed Plan Change 39 Provisions, and Attachment 2 - Recommendations on Submissions and Further Submissions.
- (c) Delegates authority to the General Manager Strategy, Growth & Governance to notify the decision in accordance with clause 10 of Schedule 1 of the Resource Management Act.
- (d) Delegates authority to the General Manager: Strategy, Growth & Governance to approve any minor and technical changes to the plan content set out in the recommended Proposed Plan Change 39 Provisions (Attachment 1).

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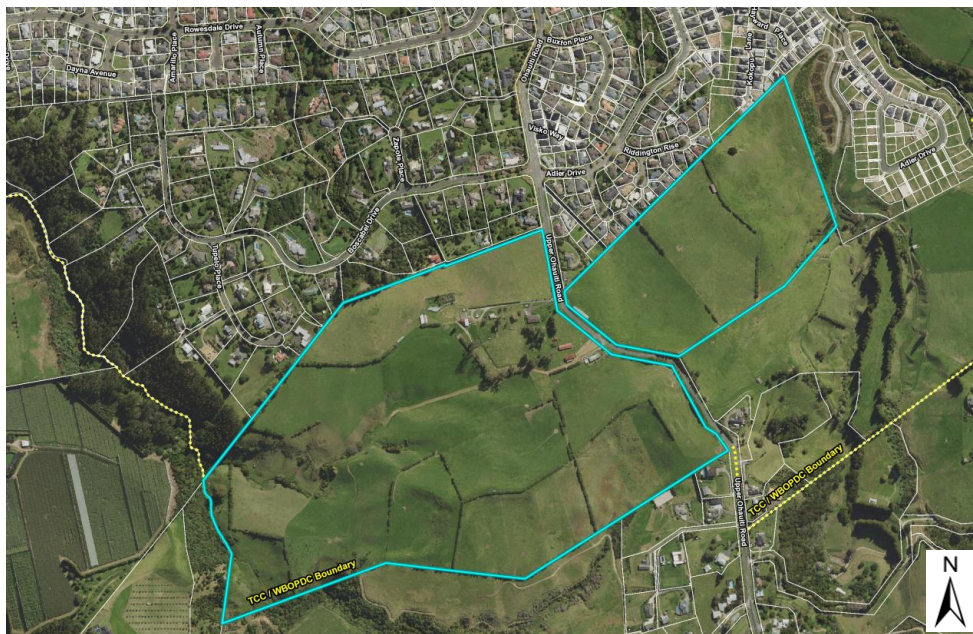
### EXECUTIVE SUMMARY

2. Proposed Plan Change 39 – Upper Ohauti Land Rezoning (PPC 39) is a private plan change promoted by Landsdale Development Limited. The plan change request seeks to create a Medium Density Residential Zone over approximately 23.5 hectares of Rural Zone land on Upper Ohauti Road.
3. The Plan Change was accepted by Council in February 2024. Public notification of the proposed plan change and primary submissions occurred over April and May this year and a further submission period ran until 16 August 2024.
4. A hearing on this plan change was held on 20 November 2024 and was conducted by an Independent Hearings Commissioner (IHC). The IHC has made recommendations to the Council and a decision of the Council is required on these recommendations.

### BACKGROUND

5. Landsdale Development Limited requested a change to the Tauranga City Plan (City Plan) in accordance with clause 25(2)(b) of Schedule 1 of the Resource Management Act 1991 (RMA). This private plan change request was accepted by Council on 12 February 2024.

6. This request sought to rezone land located at 120 and 125 Upper Ohauti Road. The total area of the property measures 56.4 hectares and is situated on Upper Ohauti Road at the southern extend of the city's territorial boundary.
7. The proposal included the creation of a Medium Density Residential Zone measuring approximately 23.5 hectares with the intention to deliver up to approximately 470 new homes over the next 10-15 years.
8. This land is identified within the SmartGrowth Strategy 2024-2074 as a growth area (Ohauti South) where residential development is anticipated to commence within the medium term (2027 – 2034). This land is shown in Figure 1.



**Figure 1: Aerial Photo showing land at 120 Upper Ohauti Road**

9. PPC 39 was publicly notified on 29 April 2024. The summary of decisions requested by submitters was released in August and the further submission period ended on 16 August 2024.
10. A total of 32 submissions and one further submission were received on PPC39. Several submitters requested to be heard, and therefore Council was required to hold a hearing.
11. A report pursuant to section 42A of the RMA ('section 42A report') was prepared by an independent planning consultant and released on 30 October 2024. The section 42A report considers the matters raised by submitters and provides recommendations in response to those submissions. Its purpose is to assist the IHC in making recommendations to Council in relation to the submissions and further submissions received on the proposed plan change.
12. The Hearing for PPC 39 was held on 20 November 2024. The IHC issued his recommendations on 26 November 2024. Attachment 3 includes the full IHC recommendation report for this proposed plan change.
13. The IHC was not delegated the power to make a final decision on the proposed plan change, hence the IHC's recommendations are required to go to Council to make a decision.
14. Several key matters raised through submissions were considered in detail during the hearing. These matters related to transport and stormwater management.
15. In response to traffic related concerns raised within submissions, and based on traffic evidence the section 42A report recommended that an upgrade would need to be in place on State Highway 29A, (specifically an additional westbound lane between Poike Road roundabout to Oropi Road roundabout), to enable full development across the proposed plan change area. This upgrade was identified within the applicant's transportation assessment as being the most suitable measure to alleviate not only existing congestion but also the

additional effects that would likely be generated by development within the plan change area. However, at this point the investment necessary to provide this State highway upgrade is not planned by NZTA and there is no certainty that it will be delivered in line with development effects being generated, or at all.

16. The recommendation within the section 42A report was that development within the western block (stage 2, being the larger of the two land parcels), required this upgrade to be in place. If this was not the case, a resource consent would be required that specifically addresses the traffic related impacts of this including the need to provide further detailed traffic assessment and modelling. If Council was not satisfied that adverse effects could be appropriately addressed, then it would have the ability to decline resource consent. The recommendation of the IHC has supported this approach to impose the additional requirement on subdivision and development within the western block.
17. It is noted that subdivision and development within the eastern block (stage 1, expected to yield between 110-145 homes) will not be subject to the SH29A upgrade requirement. This staged approach was supported by technical assessment that concluded that the additional development enabled within this smaller block could be accommodated without generating any further significant reduction in the safety or efficiency of the existing local road network. Any development within the plan change area is however required to deliver an upgrade to Upper Ohauti Road which includes establishing new footpaths, cycle lanes and a new roundabout at the site entrance, which will also accommodate bus manoeuvring to allow for the potential future expansion of the public bus service to this area.
18. In respect to stormwater management, subdivision and future development within the plan change area will be required to be connected to a Council owned stormwater system. The section 42A report recommended that this stormwater system be designed to ensure all relevant stormwater run-off effects from development are managed including ensuring run-off effects on waterways are managed and that there is no increase in flooding impact to downstream properties. The proposal included a comprehensive stormwater management assessment that demonstrated that a stormwater system could be constructed to support urban development of this land and satisfy Council's Infrastructure Development Code and Regional Council consenting requirements. The applicant would be responsible for obtaining any regional council consents required to develop the site including the approval of stormwater discharge from the site. The IHC has recommended that provisions are included that require stormwater management be undertaken in accordance with the assessments undertaken and any relevant stormwater discharge consents.

## STATUTORY CONTEXT

19. PPC 39 seeks to rezone land located on Upper Ohauti Road within the jurisdictional boundary of Tauranga City Council. Under section 34A of the RMA Council appointed an IHC to exercise and perform the functions, powers or duties required to hold a hearing under the RMA and make recommendations to the Council. The terms of this appointment did not include the approval of the proposed plan change under clause 29(4) of Schedule 1 of the RMA. The IHC's recommendations have now been provided and the Council can proceed to make a decision under clause 29(4) of Schedule 1 of the RMA.
20. The Council's decision is required to be made in accordance with the processes and statutory considerations under the RMA, as set out in the Independent Hearing Commissioner Report. However, the Council's usual decision-making requirements have been addressed below for completeness.

## STRATEGIC ALIGNMENT

21. 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	<input type="checkbox"/>

22. PPC 39 aligns with many of the key strategic outcomes being sought for the city.
23. The recommendations of the IHC have considered the assessments provided with PPC 39 that have demonstrated how a proposed rezoning of this site will enable development that supports the wellbeing of the natural environment through protection and enhancement of wetlands and freshwater bodies.
24. The recommendations of the IHC considers that the proposed plan change enables land for housing purposes which will be supported by open space and the delivery of neighbourhood amenities.
25. The recommendations have carefully considered the evidence including submissions and supports the inclusion of provisions for the upgrade of the local road network immediately adjoining the site to support development outcomes within the plan change area including the delivery of internal roading infrastructure that promotes transport choice and public transport use. It also considers that subdivision and development across the entire plan change area should only proceed on the basis of upgrades being in place on SH29A or through separate resource consent processes that specifically address traffic related impacts on the local road network.

## OPTIONS ANALYSIS

26. Council has two options:
- (a) Accept the Independent Hearing Commissioner's recommendations.
  - (b) Not accept the Independent Hearing Commissioner's recommendations. Note that any intention to depart from the Independent Hearings Commissioner's recommendations would require further advice, given that the Council did not conduct the hearings and hear submitters first hand.
27. Option (a) is recommended as the IHC has carefully weighed up the evidence including matters raised through submissions in coming to the recommendations before Council.

## FINANCIAL CONSIDERATIONS

28. There are no financial considerations associated with this report. PPC 39 is a private plan change and all costs incurred from the processing of this are recoverable from the proponent of the plan change. This was a matter considered by Council in February where it was resolved that full cost recovery in adherence with Council policy was to occur.
29. Staff are currently in the process of preparing a developer's agreement to ensure that development enabled through this plan change contributes to the funding of all necessary infrastructure to service this growth area.

## LEGAL IMPLICATIONS / RISKS

30. PPC 39 has been prepared and notified to meet the legislative requirements of Schedule 1 of the RMA. In accordance with clause 29(4) and 10 of Schedule 1 of the RMA, Council is required to make and then notify a decision on this proposed plan change.

## TE AO MĀORI APPROACH

31. Consultation with relevant hapu and iwi was undertaken by the plan change proponent as part of the preparation of the plan change, as required by the RMA. Consultation was also undertaken by the Council prior to notification and prior to appointment of the IHC.

## CLIMATE IMPACT

32. PPC 39 has been prepared with consideration to the effects of climate change on the use and development enabled through this proposed plan change. Specifically, the plan change has considered the effects of climate change in respect to assessing flooding and other natural hazard risk, stormwater management including the use of low impact stormwater design, and infrastructure to support transport mode choice. Stormwater modelling has been undertaken using the latest parameters for climate change. These matters have been considered as part of the preparation of the recommendations by the IHC.

## CONSULTATION / ENGAGEMENT

33. Schedule 1 of the RMA requires plan changes to be publicly notified for submissions and further submissions. This is in addition to the engagement process that occurred as part of the development of PPC 39 by the proponent.
34. The applicant undertook consultation with relevant hapu and iwi prior to the proposed plan change being submitted to Council. Open days were also carried out and helped inform the content of the request. All parties then had the opportunity to participate in the submission and hearing process in accordance with the RMA.

## SIGNIFICANCE

35. 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.
36. 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.
37. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.

## ENGAGEMENT




38. Taking into consideration the above assessment, that the decision is of medium significance, given the engagement undertaken as part of the preparation of the plan change and the subsequent public submission and hearing process. Officers are of the opinion that no further engagement is required prior to Council making a decision.

## NEXT STEPS

39. Council's decision on the proposed plan change is publicly notified.
40. There is a 30-working day period where a submitter can appeal Council's decision to the Environment Court.

41. If no appeals are received, then the plan change is beyond challenge, and it is made operative and incorporated into the City Plan. In that instance a report will come to Council in the New Year, seeking approval of the plan change.

## ATTACHMENTS

1. **Recommended PPC 39 Provisions - 26 November - A17228022 (Separate Attachments 1)** 
2. **Recommendations on Submissions and Further Submissions - A17228026 (Separate Attachments 1)** 
3. **IHC Recommendation Report - PPC 39 - 26 November - A17228021 (Separate Attachments 1)** 

## 11.8 Local Water Done Well - Indicative Business Case on the Future for Water Service Delivery

**File Number:** A16475737

**Author:** Stephen Burton, Transformation Lead - Water Services  
Cathy Davidson, Manager: Directorate Services  
Sarah Stewart, Principal Strategic Advisor  
Kathryn Sharplin, Manager: Finance

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

### PURPOSE OF THE REPORT

1. This report presents the 'Indicative Business Case on the Future for Water Service Delivery' (Indicative Business Case) for adoption (Attachment 1).
2. The purpose of the Indicative Business Case is to assist the Council to develop a response to Local Water Done Well and to recommend a preferred way forward – a jointly owned three-water Council Controlled Organisation (CCO) that is mutually beneficial to both partners and can grow to include multiple councils over time.
3. Consultation and engagement with Iwi and Hapū partners and with our communities are critical next steps to inform future decision-making on the intention for the future of water service delivery (refer Attachment 2).

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Local Water Done Well - Indicative Business Case on the Future for Water Service Delivery" and the accompanying Indicative Business Case (Attachment 1).
- (b) Rescinds resolution CO11/24/5 made at the Council meeting on 20 May 2024 that *"Approves the preferred option of establishing a Council Controlled Organisation (CCO) model with Western Bay of Plenty District Council"*.
- (c) Adopts the Indicative Business Case and approves that the preferred way forward for the future of water service delivery is:
  - (i) The establishment of a three-water jointly owned Tauranga City Council and 'debt capacity council' CCO; and
  - (ii) If no suitable 'debt capacity council' is ready to proceed with establishing a jointly owned CCO by 1 July 2026, then a Tauranga City Council independent CCO should be established with a view to moving to the preferred joint or multiply owned CCO in the future.
- (d) Delegates the General Manager Strategy, Growth & Governance to make minor changes to the Indicative Business Case prior to its finalisation.
- (e) Notes that Council is willing to engage with any council that has a formal mandate, shared vision and that can demonstrate mutually beneficial outcomes through a joint/multiply owned water service delivery CCO.
- (f) Notes that staff will develop and report back to Council with a set of establishment principles, criteria, and safeguard mechanisms to apply to any joint or multiply owned CCO to ensure beneficial arrangements are able to be identified and implemented, including:

- 
- (i) The establishment of fair and equitable outcomes
  - (ii) That due diligence is undertaken, including:
    - that current and future investment requirements are adequately identified
    - that financial and asset positions are independently verified to ensure mutual benefit
    - that risks are identified, understood, and mutually agreed to be manageable within available mitigation mechanisms and funding
    - that current and future debt capacity is understood and is sufficient to allow for the establishment of a viable joint CCO.
  - (iii) That there is mutual agreement that costs will be ring-fenced in the short to medium term (5-10 years) before transitioning to pricing alignment.
- (g) Approves that staff continue to have informal conversations with other councils, including Western Bay of Plenty District Council, to progress the considerations listed in (f) above, while noting that a final decision on whether to proceed (or not) with a CCO option will be made after engaging with Iwi and Hapū and with our communities.
  - (h) Approves the 'Summary communication and engagement approach' (Attachment 2), which will be undertaken in compliance the new consultation mechanisms provided for in Sections 61-64 of the Local Government (Water Services Preliminary Arrangements) Act 2024.
  - (i) Approves that Council publicly consults alongside the Annual Plan on the:
    - (i) Current delivery model (Status Quo); and
    - (ii) Jointly owned three-water CCO involving Tauranga City Council and a 'debt-capacity' council, with the option to set up a stand-alone Tauranga City Council CCO that other councils can join later if there is no suitable or ready partner to proceed by 1 July 2026.
  - (j) Approves that based on the preferred option, planning on the implementation phase will commence immediately to ensure business readiness for future water services delivery.
  - (k) Notes that the initial unbudgeted cost to establish a CCO for 2025/26 and 2026/27 is estimated at \$7 million (based on high level Department of Internal Affairs advice).
  - (l) Notes that there is projected to be a stranded cost disbenefit to the remaining organisation (initial estimate between \$7-10 million), with the potential for a significant portion of this cost to be recovered in the short to medium term through transitional arrangements between Council and the CCO. Further work is required on potential stranded costs.
- 

## EXECUTIVE SUMMARY

- 4. Local Water Done Well presents Tauranga City Council with an opportunity to explore alternative water service delivery models. Changing the model for delivering water will bring additional benefits to our already high-performing waters service. It may also help to alleviate Council's funding and financing challenges that constrain investment in our fast-growing city.
- 5. The Indicative Business Case (Attachment 1) aims to assist the Council to develop a response to Local Water Done Well. The Executive Summary of the Indicative Business Case (pages 7 to 17) provides a summary picture of the work completed and the conclusions reached. It recommends a preferred way forward being through a council owned CCO. Analysis shows greater benefit in a jointly owned CCO based on a second council with 'debt capacity' that could be utilised for capital expenditure for the sub-region, for example growth

projects. For the purpose of the Indicative Business Case, a 'debt-capacity council' represents councils that have capacity before reaching the Local Government Funding Agency's borrowing limits. The ability to achieve mutually beneficial outcomes will be a priority consideration when selecting partner organisations and, over time it is envisaged that this could grow to include multiple councils.

6. Initial assessment demonstrates that a jointly owned CCO may provide a positive path forward. Next steps will include further discussions and due diligence to establish mutual benefits; and engagement with both Iwi and Hapū and with our communities to inform any future decision on water service delivery under Local Water Done Well.

## BACKGROUND

7. To date, Council has received three reports on Local Water Done Well.

- On 29 April 2024, Council received an update on legislative developments and planned work to support the new Government initiative.
- On 20 May 2024, a preferred structure for the future of water service delivery was discussed, and the following resolution made:

*(d) Approves the preferred option of establishing a Council Controlled Organisation (CCO) model with Western Bay of Plenty District Council.*

This resolution was made prior to the Local Government (Water Services Preliminary Arrangements) Act which established the Local Water Done Well framework on 3 September 2024. Detailed analysis was not presented prior to this resolution being made and therefore it is recommended that it be rescinded.

- On 26 August 2024, a further update was presented to Council that outlined significant legislative and policy changes released by Central Government. It also outlined Council's approach to develop an Indicative Business Case to explore future service delivery models under the Local Water Done Well framework.

## INDICATIVE BUSINESS CASE AND KEY POINTS FOR CONSIDERATION

8. An Indicative Business Case, guided by The Treasury's Better Business Case model, has been developed and is presented for Council adoption. It provides an early indication of the preferred option and is used to seek approval to move forward with more planning and analysis. The attached Indicative Business Case takes a holistic approach to investigate options for both water service delivery and the Tauranga City Council organisation (including impacts on the remaining Council if the water activity is to be transferred).
9. Staff have been working in collaboration with 'Rationale Ltd', investment management specialists, to support this work. This has been overseen by an Executive Oversight Group consisting of four General Managers and relevant staff. Investment logic mapping and multi-criteria analysis are core tools used to develop the Indicative Business Case. Investment logic maps are used to help understand a problem, its impacts, and desired benefits before looking at solutions. Multi-criteria analysis is used to identify and compare different options by assessing their effects, costs, impacts and trade-offs.
10. Financial modelling across options has also been fully developed to provide greater understanding of the financial costs and benefits for managing waters. The modelling was based on 2024-34 Long-term Plan data for Council and data provided for the purpose of this analysis by potential future water CCO partners. Council's Long-term Plan data was the only consistent and reliable data available for analysis at the time this Indicative Business Case was prepared. The financial data for Council is being updated as part of the annual planning process and some updates to Council only analysis has been included in the annual plan update to this meeting (refer 2025-26 Annual Plan Key Financial Update and LGFA Borrowing Covenant Implications and Options). A cross check with recent financial projections was carried out and conclusions were not materially different.
11. The Indicative Business Case highlights the advantages of CCOs versus a ring-fenced in-house business unit, including that the move towards a CCO model:

- provides a pathway to slight improvements to financial sustainability but no option is considered financially sustainable under Local Water Done Well parameters (refer Financial Considerations Section).
  - provides a slight uplift in local and regional economic development with improvements in debt capacity.
  - improves efficiency and effectiveness through focussed and experienced governance, and through capital investment and management decision-making that solely focuses on delivering the requirements of water services.
  - will have greater scrutiny from regulators, professional governors and shareholders which will increase investment certainty.
  - improves access to more capital through Local Government Funding Agency's financing framework.
  - aligns with Central Government's direction.
12. The Indicative Business Case also outlines that the transfer of the waters' activities will have an impact on the remaining Council organisation. Stranded costs refer to the costs that will remain with the organisation after the waters' activities have been transferred (and that would otherwise be attributed to the waters activity). Further analysis is required to refine stranded costs, but an initial estimate is between \$7-10 million. It should be noted that a significant portion of this cost may be recovered in the short to medium term through transitional arrangements between Council and the CCO, particularly in relation to digital services.
13. If the right partnering council(s) can be identified and appropriate arrangements agreed, a jointly owned CCO offers the most benefit with the view to grow to include multiple councils over time. Further details about assets and financial arrangements will still need to be developed before deciding on whether a joint arrangement is mutually beneficial. It is proposed that the underlying principles and criteria for partnering with another council will be further developed and reported back to Council, along with findings from public consultation and engagement with Iwi and Hapū.
14. Staff have been working with Western Bay of Plenty District Council to consider if there are mutual benefits of partnering in a joint CCO. This work is progressing and further due diligence is required, particularly around financial information and the ability to establish mutually beneficial outcomes. Non-financial benefits of working with our neighbouring council are, however, evident and include:
- Partnering on growth and transport planning through SmartGrowth
  - Shared services and joint arrangements across the water activities
  - Recognising Council's strategic approach of 'working beyond Tauranga' – acknowledging that we are an integral part of the wider Bay of Plenty region, and we have a key role in making a significant contribution to the social, economic, cultural and environmental wellbeing of the region.

## LOCAL WATER DONE WELL

15. Local Water Done Well is the Coalition Government's plan to address New Zealand's longstanding water infrastructure challenges. It was announced as part of the Coalition Government's 100-day plan, replacing the former government's Three Waters Reform Programme. A key feature of Local Water Done Well is to provide councils with the flexibility to determine the optimal structure and delivery method for water services, including the establishment of new, financially separate water organisations with greater access to funding.
16. Significant changes in the operating environment for water services is expected to occur over time in New Zealand through Local Water Done Well. Adoption of new service delivery

models, new regulatory requirements, and new structural and financing tools are all part of the Government's Local Water Done Well policy, along with economic regulation.

17. Legislation is currently being progressed and the third and final Bill is planned to be introduced in early December 2024. Until that legislation is enacted there will be uncertainty over the specific provisions, however policy announcements highlight the following principles underpinning the Government's Local Water Done Well:
  - Greater central government oversight, economic and quality regulation
  - Fit-for-purpose service delivery models and financing tools
  - A strong emphasis on meeting rules for water quality and investment in infrastructure
  - Ensuring water services are financially sustainable.
18. Under the Local Water Done Well framework, Council can continue delivering water services directly (such as through in-house business units) or can establish a new water organisation that is more financially and operationally independent of Council. For all options, assets will remain in public ownership, either being owned by Council, through a CCO, or a community trust.
19. New water organisations are intended to enable enhanced access to long-term borrowing for water infrastructure – supporting infrastructure development, while managing costs for consumers. Local Government Funding Agency Limited has confirmed it will provide financing to support water CCOs established under Local Water Done Well and will assist high growth councils with additional financing. Local Water Done Well policy also intends to make it easier for councils who wish to enter joint arrangements to achieve cost savings, improve efficiency and affordability.
20. All councils will need to develop a Water Services Delivery Plan to publicly demonstrate the intention and commitment to deliver water services in ways that are financially sustainable, meet regulatory quality standards for water infrastructure and water quality, and unlock housing growth. This approach will provide transparency to communities in relation to costs and financing of water services. These plans need to be submitted to the Government agency by 3 September 2025.
21. Another feature of Local Water Done Well is that councils have a choice about separating stormwater services. Stormwater services can be retained in-house, while drinking water and wastewater services are provided through a water organisation. Additionally, a water organisation can provide all three water services.

## STRATEGIC ALIGNMENT

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

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

23. The social, cultural, environmental, and economic wellbeing of our communities rely on adequate, reliable, and resilient water networks. Waters service delivery are therefore key contributors to the community outcomes that Council strives to achieve.
24. **We are an inclusive city** – Water services are fundamental to social wellbeing and provide a daily necessity. The health and social wellbeing of our communities rely on adequate, reliable, and resilient water networks. Tangata Whenua have a significant relationship with

water that also needs strong consideration, no matter which future water service delivery model is decided on.

25. **We value, protect and enhance the environment** – Water supply, wastewater and stormwater management can have a direct impact on the environment. How impacts are mitigated and managed are vital to protecting our environment. Water services are currently subject to significant environmental regulation, and Local Water Done Well will introduce further regulations relating to stormwater management and national standards for wastewater discharges, providing further environmental protection for all future water service delivery models.
26. **We are a well-planned city** – Planning for the implementation, renewing and upgrading of water infrastructure is an inherent part of the long-term planning and asset management process required by legislation. The way in which water services are delivered may provide an opportunity for Council to deliver investment that is required to support growth, contributing to a well-planned city. Ensuring the ongoing integration of growth planning with water services management will need to be a key consideration for any future model.
27. **We are a city that supports business and education** – Water services are fundamental to economic activity and social wellbeing, including businesses and schools. Approximately 10% of our water users are commercial users and water services play a significant role in many of these businesses. Ensuring that businesses are educated, supported, and contribute fairly towards water services is important for any future water service delivery model.

## OPTIONS ANALYSIS

28. The Council has two options for consideration:
  - (a) Option 1: Adopt the Future for Water Service Delivery Indicative Business Case. (Recommended)
  - (b) Option 2: Do not adopt the Future for Water Service Delivery Indicative Business Case. (Not Recommended)

<b>OPTION ONE: Adopt the Indicative Business Case – Future for Water Service Delivery</b>	
<b>Benefits</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>Provides a robust and evidence-based framework to assess the Department of Internal Affairs' options under Local Water Done Well, enabling the identification of a preferred way forward.</li> <li>Utilises a holistic methodology assessing and considering both the waters activity and the impact on the remaining organisation (with waters' activities transferred).</li> <li>Provides a preferred way forward for consultation and engagement with Iwi and Hapū and with the community.</li> </ul>	<ul style="list-style-type: none"> <li>None.</li> </ul>

<b>OPTION 2: Do not adopt the Indicative Business Case – Future for Water Service Delivery.</b>	
<b>Benefits</b>	<b>Disadvantages</b>
<ul style="list-style-type: none"> <li>None.</li> </ul>	<ul style="list-style-type: none"> <li>No framework for robust and evidence-based decision-making on the preferred way forward under Local Water Done Well.</li> </ul>

- |  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• Council will need to identify a preferred way forward for public consultation and for the development of a Water Service Delivery Plan, which is legislatively required to be lodged with Central Government by 3 September 2025 under the Local Government (Water Services Preliminary Arrangements) Act 2024. Timeframes will be unmanageable if it is decided to re-investigate alternative options under Local Water Done Well.</li> <li>• Lost efficiencies in terms of work completed to date.</li> </ul> |
|--|--|

## FINANCIAL CONSIDERATIONS

29. The financially sustainable definition used in analysis in the Indicative Business Case is set by the Local Water Done Well policy. Specifically, it requires that there is sufficient:
  - (a) **revenue** to cover the costs (including servicing debt) of water services delivery.
  - (b) **investment** projected to meet regulatory requirements and provide for growth.
  - (c) **finance** to cover the costs of a project or investment. It involves checking if the funds you have or can get (loans investments and savings) are enough to meet all the expenses needed to complete the project successfully.
30. For all options, financial sustainability for waters is challenged by the high level of future capital investment required. Future capital investment is needed to meet the level of growth expected under the National Policy Statement – Urban Development and to meet current understandings of regulatory requirements. This is particularly difficult when the waters activity already carries a large amount of debt relating to growth investment, such as the new Waiāri water supply, future wastewater treatment costs, as well as providing lead infrastructure to multiple growth areas.
31. Financial sustainability under Local Water Done Well requires that there is adequate revenue able to be raised to pay the operating costs of the business, to meet borrowing requirements, and over time to repay debt to provide headroom for future investment. Growth-related debt is repaid over a long timeframe through development contributions with the annual interest charges capitalised until it is repaid (meaning debt grows year on year). Revenue for large infrastructure, such as Waiāri water treatment plant, is collected through city-wide development contribution charges as new dwellings are built over the next 30 years. Operating costs for water services, including paying interest on non-growth debt, are covered through charges to users. Revenue for services is provided directly by consumers for wastewater and water services making these operations akin to other utility services such as electricity. Stormwater on the other hand is currently rate funded as services are not readily associated with individual consumers. For this reason, revenue is likely to remain as some form of rating through Council.
32. None of the options assessed in the Indicative Business Case provide revenue sources other than those mentioned above that come from ratepayers or consumers. Therefore, the ability to charge enough to meet ongoing operating and borrowing requirements is limited to assumptions around affordability for users. Under all scenarios, the cost of three waters to consumers is expected to increase significantly over time.
33. CCO options provide a better overall access to debt at competitive prices through the Local Government Funding Agency by providing a higher borrowing limit overall (500% on waters activities and 280-350% overall on other activities) without the Council having to accommodate higher waters debt within its total borrowings.
34. The extra debt headroom can be utilised through lower water charges to consumers than the current delivery model. This is not a silver bullet as both the current delivery model and CCO options are likely to be debt constrained. The Long-term Plan, that was based on waters remaining within council, required higher charges to consumers to create an operating surplus to retire debt in the last five years of the LTP. An alternative to this higher charging

for debt retirement may be off-balance sheet funding of a portion of new projects through other funding mechanisms, such as through the Infrastructure Funding and Financing Act 2020<sup>34</sup>.

35. Set-up costs for a waters CCO have been estimated at about \$7 million. This figure is a high-level estimate with no agreed breakdown and is based on Department of Internal Affairs advice. The \$7 million has been included in the debt figures in the separate '2025-26 Annual Plan Key Financial Update and LGFA Borrowing Covenant Implications and Options' report to this meeting. It would be expected that these costs would be loan funded by the new CCO. The amount is modest in relation to the existing and future debt levels of the three waters activity, with three waters debt projected to be \$525m by 30 June 2025.
36. For the remaining Council (with waters transferred), there would be a loss of revenue associated with three waters (totalling \$125 million in the year to 30 June 2025). Stranded overhead costs have also been estimated at between \$7 to \$10 million for services such as finance, people and capability, communications, legal and procurement, and digital expenditure as well as existing allocation of governance and executive overheads against the water revenue streams. A portion of these overheads are likely to be recovered (at least initially) by Council providing these services to the CCO and charging the CCO for them. However, there would be some costs unable to be recovered, impacting the cost of delivering the remaining services of Council.

## LEGAL IMPLICATIONS / RISKS

37. Local Water Done Well is being implemented in three stages, each with its own piece of legislation.
38. The Water Services Acts Repeal Act (enacted in February 2024) repealed the previous Government's water services legislation and restored continued council ownership and control of water services and water assets.
39. The Local Government (Water Services Preliminary Arrangements) Act was enacted on 3 September 2024. This established the Local Water Done Well framework and the preliminary arrangements for the new water services system. Key areas are:
  - (a) Requirements for councils to develop a WSDP within 12 months of enactment.
  - (b) Requirements for councils to include in those plans baseline information about their water services operations, assets, revenue, expenditure, pricing, and projected capital expenditure, as well as necessary financing arrangements, as a first step towards future economic regulation (also refer to below section 'Water Service Delivery Plans').
  - (c) Streamlined consultation and decision-making processes for setting up council-controlled organisations (CCOs) that deliver water services, and joint local government arrangements, both of which are currently provided for in the Local Government Act 2002.
  - (d) Interim changes to the Water Services Act 2021 that means Te Mana o te Wai<sup>35</sup> hierarchy of obligations in the National Policy Statement for Freshwater Management (NPS-FM) will not apply when Taumata Arowai<sup>36</sup> sets wastewater standards.
40. The proposed Local Government Water Services Bill is in development and is planned to be introduced to Parliament in December 2024. It will establish the enduring settings for the new water services system. Until that legislation is enacted there will be uncertainty over the specific provisions that apply to the delivery of water services, however, policy

<sup>34</sup> In 2020 the Government enacted a new legislative tool under this Act to make the cost of new infrastructure more transparent while spreading the costs, so it falls primarily on the property owners who benefit, including across generations.

<sup>35</sup> Te Mana o te Wai refers to the vital importance of water. When managing freshwater, it ensures the health and well-being of the water is protected and human health needs are provided for before enabling other uses of water. It expresses the special connection all New Zealanders have with freshwater.

<sup>36</sup> Taumata Arowai is the water services regulator for New Zealand.

announcements in early August 2024 signalled changes to both the water services delivery system and to the water services regulatory system.

## TE AO MĀORI APPROACH

41. In Te Ao Māori - the Māori worldview – humans are connected physically and spiritually to land, water, air and forests. People are an integral part of ecosystems, and ecosystems are an essential part of heritage and genealogy (whakapapa). For Māori, talking about the well-being of waterbodies also means talking about the well-being of people.
42. Under Local Water Done Well, the use of a more independent entity to manage water service delivery may have an impact on the ability to contribute to decision making impacting the principles of rangatiratanga (self-determination) and kaitiakitanga (stewardship of the natural environment). Any new CCO will need to outline how tangata whenua participation will be developed to ensure the significant relationship between tangata whenua and water is maintained and that provision is made for continued involvement.
43. Iwi and Hapū may perceive the option for a joint Western Bay of Plenty CCO as providing better alignment with Iwi and Hapū boundaries and with improved environmental outcomes through a wider catchment approach.
44. It should be noted that engagement with Iwi and Hapū are vital next steps to inform future decisions about water service delivery.

## CLIMATE IMPACT

45. The built environment, including water networks, play a crucial role in the resilience of our city. Water infrastructure is a long-term investment and the infrastructure built today may still be operating 100 years from now. Any future service delivery model needs to consider sustainability to be of utmost importance.
46. The water management challenges of Tauranga are strongly connected to the city's growth, land use and its reliance on stream-based water supply. Growth over a relatively short timeframe has put increased pressure on the city's infrastructure and on our natural environment. Negative environmental outcomes, such as pollution of waterways, sedimentation and a loss of biodiversity are some of these.
47. There is still more work to do to protect and enhance our water resources and environments. Any future water service delivery model will need to align and take steps to achieve the goals of becoming a 'water sensitive city' and a 'climate resilient city' as set out in the Council's Tauranga Taurikura – Environment Strategy. A water sensitive city encompasses the principles of providing a healthy natural environment for water, a range of quality sources and ways to use it and having a community which have the knowledge and desire to make wise choices about water.

## CONSULTATION / ENGAGEMENT

48. Engagement with Iwi and Hapū and consultation with our communities are vital next steps in the process to decide on the future of water service delivery.
49. Council has two legislative options for decisions for consultation if Council decides that a CCO arrangement is the preferred way forward:
  - (a) **Local Government Act (2002) pathway** - Deciding whether to establish or join a Water Service CCO or a joint local government arrangement under the Local Government Act 2022 using Part 6 and the consultation and decision-making requirements.
  - (b) **Local Government (Water Services Preliminary Arrangements) Act 2024 pathway** - Deciding whether to establish a Water Service CCO under the new legislation using the alternative requirements as set out in sections 61-64.
50. Key differences are summarised in the table below. For both pathways, information must be made publicly available, including:

- Explanation and reasons why the proposed model is preferred
- Analysis of options
- How proceeding (or not, would affect council rates, debt charges etc).

<b>Local Government Act 2002</b>	<b>Local Government (Water Services Preliminary Arrangements) Act 2024</b>
<ul style="list-style-type: none"> <li>• Consultation would need to occur across all reasonably practicable options and adhere to section 82 principles.</li> </ul>	<ul style="list-style-type: none"> <li>• One consultation round is mandatory, but may consult further</li> </ul>
<ul style="list-style-type: none"> <li>• Consultation on the Water Service Delivery Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Consult on one option and status quo (can do more)</li> </ul>
<ul style="list-style-type: none"> <li>• Consultation on the Long-term Plan Amendment (triggered by the transfer of assets if decision is made to go forward with a CCO model).</li> </ul>	<ul style="list-style-type: none"> <li>• Only consult on the Water Service Delivery model i.e. not the WSDP and not the Long-term Plan Amendment (although this still needs to be developed) if consultation already occurred.</li> </ul>

51. It is recommended that new legislation be utilised as this provides the most tailored pathway for consultation on water service delivery models. It will enable communities to understand the new service delivery model proposal, the reasons for proceeding with change, and its impacts on rates, debt, and charges.
52. If a jointly owned CCO with a debt-capacity council is Council's preferred approach, it is assumed that consultation and engagement, and Water Service Delivery Plan development, could occur in a collaborative and joined-up manner with the partnering council, if both Councils are ready and, in a position, to do so.
53. For further detail and timeframes, refer to the attached 'Summary communication and engagement approach' (Attachment 2)

## SIGNIFICANCE

54. 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.
55. 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.
56. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of high significance.



## ENGAGEMENT

57. Taking into consideration the above assessment, that the decision is of high significance, officers are of the opinion that the following consultation/engagement is required under the Local Government (Water Services Preliminary Arrangements) Act 2024.

### NEXT STEPS

58. There are several steps needed before a final decision is made on the future of water service delivery. Planning and implementing the following next steps are essential ingredients for a successful move towards a jointly owned CCO.
59. The following next steps are recommended for progressing the decision for future water service delivery:
- Engaging with Iwi and Hapū through Te Rangapū Mana Whenua o Tauranga Moana
  - Engaging and consulting with our communities and key stakeholders
  - Continued discussions and due diligence with other councils, including Western Bay of Plenty District Council, with the view to finding appropriate partner/s with which to establish a jointly owned waters CCO by 1 July 2026
  - Developing the Water Service Delivery Plan (including an implementation plan) and lodging with Central Government by 3 September 2025
  - Transition and change management planning for both the establishment of a CCO by 1 July 2026 and for the remaining Tauranga City Council (with waters transferred).

### ATTACHMENTS

1. **Indicative Business Case - Future for Water Service Delivery - A17250174 (Separate Attachments 1)** 
2. **LWDW Summary communication and engagement approach - A17250992 (Separate Attachments 1)** 

## 11.9 Remuneration Fees for External Representatives on Council Committees - Benchmarking with other Councils

**File Number:** A16980636

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

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

### PURPOSE OF THE REPORT

1. The Council requested benchmarking information from other councils before making a decision on remuneration for external representatives on Council Committees. This report sets out the benchmarking information.

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Remuneration Fees for External Representatives on Council Committees - Benchmarking with other Councils".
- (b) Approves the remuneration of \$1,430 per day, \$800 per half day, to maximum of 30 days per financial year for the Independent Chairperson of the Audit and Risk Committee.
- (c) Approves the remuneration of \$8,500 per annum for the Independent Chairperson of the Tangata Whenua/Tauranga City Council Committee.
- (d) Approves the remuneration of \$605 per meeting for the Tangata Whenua representative appointed to the Chairperson or Deputy Chairperson role on the Wastewater Management Review Committee.
- (e) Approves the remuneration of \$435 per meeting for Tangata Whenua members appointed to the Wastewater Management Review Committee.
- (f) Approves the remuneration of \$297 per meeting for the Tangata Whenua members appointed to the Tangata Whenua/Tauranga City Council Committee.
- (g) Approves changes to the Tangata Whenua Remuneration Policy 2021 as follows:
  - (i) Levels of remuneration - section 5.1.2 – a meeting fee set at \$297 will be paid to tangata whenua representatives appointed to all other governance committees, advisory groups with joint tangata whenua and elected member membership.
  - (ii) Te Rangapū Mana Whenua o Tauranga Moana section 5.2.5 – Council will pay a meeting fee of \$297 per individual mandated member (except the chairperson) (one per iwi or hapū) per meeting.
  - (iii) Te Rangapū Mana Whenua o Tauranga Moana section 5.2.6 – The Chairperson will be paid a meeting fee of \$402 in recognition of the extra duties undertaken by the Chairperson.

## EXECUTIVE SUMMARY

2. The Council considered a report at its meeting on 29 October 2024 (see Attachment 1) on remuneration fees for external appointees to council committees and requested further information on benchmarking against other councils before making a decision.
3. The remuneration consultant firm Strategic Pay was engaged to review the remuneration of the following positions:
  - Independent Chairperson of the Audit and Risk Committee (this is a new position)
  - Independent Chairperson of the Tangata Whenua/Tauranga City Council Committee
  - Tangata Whenua members of the Wastewater Management Review Committee (review)
  - Tangata Whenua members of the Tangata Whenua/Tauranga City Council (TW/TCC) Committee
4. The position of Independent Chairperson of the Audit and Risk Committee is new, and the recommendation was to remunerate at the upper end of the range recommended by Strategic Pay. The Council indicated at the 29 October 2024 meeting that it would look to pay a meeting fee based on the Cabinet Fees Framework of \$1,430 per day, \$800 per half day, to maximum of 30 days per financial year.
5. Increases in remuneration are recommended for all members, based on the Strategic Pay advice as set out in Attachments 2-4. The remuneration for the Tangata Whenua members of the Wastewater Management Review Committee (WWMRC) and the Tangata Whenua/Tauranga City Council Committee (TW/TCC) is recommended to increase by 10%. The Independent Chairperson of the TW/TCC is recommended to increase by 30.7% which is at the upper end of the range recommended by Strategic Pay and recognises the role requires significant consultation across the Māori community.
6. The Council can decide on the remuneration levels for these positions. It is recommended these are within the higher ranges provided by Strategic Pay and are not set below the current levels.

## BENCHMARKING INFORMATION

7. A variety of councils were contacted including metros, regional and district councils and provided information on their remuneration to external appointees to committees.
8. The majority of councils aligned with the New Zealand Government's State Services Commission's [Cabinet Fees Framework](#). Auckland Council has its own fees framework and expense policy for appointed members which aligned with the Cabinet Fees Framework. Many of the councils looked at what other councils were paying. Some councils paid mileage of \$1.04 per km and travel time in addition to remuneration. TCC does not pay mileage or time travel unless specified in individual agreements.
9. This is consistent with the specialist advice from Strategic Pay who scored the Wastewater Management Review Committee (WWMRC) at SSC Level 3 and Tangata Whenua/TCC Committee at SSC Level 4 using the Cabinet Fees Framework and recommended these be set at the upper end of the ranges.
10. Strategic Pay used a variety of data sets and approaches to arrive at their recommendations for the Independent Chair of the Audit and Risk Committee and the Independent Chair of the Tangata Whenua/TCC Committee. Strategic Pay reports are set out in Attachments 2-4 of this report.
11. There were no similar committees to the WWMRC. The closest comparison was to the Water Management Committee at Christchurch City Council and therefore there is limited data for comparison.

12. The table below sets out the remuneration levels for the various positions which are stated as per meeting unless there otherwise stated as per annum (pa).

	Chair Audit & Risk Committee	Independent Chair Tangata Whenua/TCC	Tangata Whenua/TCC Member	WWMRC Chair	WWMRC member	Iwi reps on standing committees
Auckland Council	\$9,000 + hourly rate of \$330 per hour for additional work	See Note 1	See Note 1			
Wellington City	\$3,000 + monthly retainer of \$1,000 + \$275-\$300 per hour for additional work					\$105,283 pa See Note 2
Christchurch City	\$27,000 pa + \$330 per hour for additional work + expenses (6 meetings)				\$4,000 pa (Water Management Committee)	
Dunedin City	\$25,000 pa					\$750
Hamilton City	\$54,000 pa for Chair and Deputy Chair		\$100 per hour for external members			\$48,000 pa
Palmerston North City	\$20,000 pa					\$250
Greater Wellington Regional	\$1,300 + mileage and \$13,500 pa honorarium	\$8,000 pa See Note 3A	\$400 See Note 3A			\$2,500 pa honorarium and meeting fee of \$235 + mileage See Note 3B
BOP Regional			\$200 (+GST) and expenses (see note 4)			
Rotorua Lakes	\$15,000 pa					See note 5 below
Tauranga City	New position	\$6,500 pa	\$270	\$550	\$395	

Note 1: Auckland Council Chair Māori Statutory Board \$140,931, Member \$78,295

Chair Tupuna Maunga Authority \$34,680, Member \$13,055, Ngāti Whatua Orakei Board Chair \$575, Member \$350

Note 2: Wellington City Council Tākai Here partners paid the same as one a councillor with no additional responsibilities. Both have seats on all committees of the whole and are individually appointed to the committees of the part, excepting CE Performance Review Committee.

Note 3A: Greater Wellington Regional Council Ara Tahi Advisory Group (currently in abeyance).

- Note 3B: Mana whenua members on Wellington Regional Leadership Committee receive \$2,500 pa and \$235 per day + mileage
- Note 4: [BOP Regional Council Elected and Appointed Members' allowances and expenses policy](#) 2022-2025 includes payment for vehicle mileage and travel time. These will be reviewed after 2025 local government elections.
- Note 5: Rotorua Lakes Council contribute \$428,575 pa Te Tatau o Te Arawa Board comprising 14 members

## STATUTORY CONTEXT

13. Refer to report to Council on 29 October 2024.






## OPTIONS ANALYSIS

14. Refer to report to Council on 29 October 2024.

## NEXT STEPS

15. The Council sets the fees for external representatives on Council Committees.

## ATTACHMENTS

1. **Report to Council 29 October 2024 Remuneration fees for external representatives on Council Committee - A16704997 (Separate Attachments 1)** 
2. **Report on fees Independent Chair of Audit and Risk Committee - A16733548 (Separate Attachments 1)** 
3. **Report on fees Tangata Whenua-TCC Committee Independent Chair - A16733550 (Separate Attachments 1)** 
4. **Report on fees for members of Wastewater Management Review Committee and Tangata Whenua-TCC Committee - A16704867 (Separate Attachments 1)** 
5. **Tangata Whenua Remuneration Policy 2021 - A12397942 (Separate Attachments 1)** 

**11.10 Review of Governance Structure and Appointments 2025****File Number: A17228562****Author: Mahé Drysdale, Mayor****Authoriser: Mahé Drysdale, Mayor****PURPOSE OF THE REPORT**

1. To present a revised governance structure and appointments to begin in 2025.

**RECOMMENDATIONS**

That the Council:

- (a) Receives the report "Review of Governance Structure and Appointments 2025".
- (b) Acknowledges that the Mayor has exercised his powers under section 41A(3)(b) and (c) of the Local Government Act 2002 to review the standing committees of Council and appoint committee chairpersons and has revoked the following standing committees:
  - (i) Accountability, Performance and Finance Committee
  - (ii) Community, Transparency and Engagement Committee
  - (iii) Project Planning and Monitoring Committee
  - (iv) Vision, Planning and Growth Committee

And replaced those standing committees revoked above with the following two committees:

- (i) City Futures Committee
  - (ii) Community and Performance Committee
- (c) Adopts the terms of reference for and makes the delegations to the City Futures Committee and the Community and Performance Committee and the amended delegations to the Council as outlined in Attachment 3.
- (d) Confirms committee membership as follows:

Committee	Membership
City Futures Committees	Chairperson: ..... Deputy Chairperson: ..... All councillors Mayor Mahé Drysdale (ex officio) Tangata Whenua representative (subject to decision by Council 9 December 2024)
Community and Performance Committee	Chairperson: ..... Deputy Chairperson: ..... All councillors Mayor Mahé Drysdale (ex officio) Tangata Whenua representative (subject to

	decision by Council 9 December 2024)
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- (e) Confirms the Te Rangapū Mana Whenua o Tauranga Moana members appointed to the Tangata Whenua/Tauranga City Council Committee are Matire Duncan, Puhirake Ihaka, Destiny Leaf, Whitiara McLeod, Kura Martin and Buddy Mikaere.

## EXECUTIVE SUMMARY

2. The committee structure established on 15 August 2024 is requiring some changes to optimise the governance structure for ongoing efficient and effective decision-making. I am revoking four of the standing committees and replacing them with two standing committees.
3. I am revoking the following standing committees:
  - (i) Accountability, Performance and Finance Committee
  - (ii) Community, Transparency and Engagement Committee
  - (iii) Project Planning and Monitoring Committee
  - (iv) Vision, Planning and Growth Committee
4. Replacing them with the following two standing committees that are committees of the whole:
  - (i) City Futures Committees
  - (ii) Community and Performance Committee
5. A diagram showing an overview of the delegations that have transferred from four to two committees or to the Council is set out in Attachment 1.
6. An updated governance structure diagram showing all the committees and advisory boards is set out in Attachment 2. There are no changes to the other standing committees or to the rest of the governance structure.
7. The full terms of reference and delegations to the Council and the new committees are set out in Attachment 3.
8. I will announce the appointment of the chairs and deputy chairs of these two new committees at the meeting.
9. The appointment of Tangata Whenua representatives to the standing committees is the subject of a separate report on the agenda, and, if approved, will impact the membership of the two new committees and the Audit and Risk Committee.
10. Section 41A of the Local Government Act 2002 (LGA) provides for the Mayor to establish committees of Council and to appoint the chairperson of each committee. This report is formal notification that I have exercised this power after consulting with elected members.
11. Te Rangapū Mana Whenua o Tauranga Moana held their elections on 10 October 2024 and made one change to their six representatives on the Tangata Whenua/Tauranga City Council Committee with Kura Martin replacing Nathan James on the committee.

## BACKGROUND

12. After four months it's a good chance to assess the effectiveness and efficiency of Council and the Committees. The Committees are currently effective and are achieving the objectives they were set up to do.
13. We need to be more efficient and with that in mind we are reducing the number of committees. This will reduce the number of meetings allowing Councillors and staff more time to prepare and drive efficiency. The committees will continue to carry out the same objectives with the new Committees doing more in less.

14. I have been very happy with the committees and what they have delivered so far. We need to continue to evolve and will continue to look for efficiencies and make changes if we feel things can be improved. Council meetings will be more regular, meeting three-weekly. Both new committees will be of the whole and meet in six weekly cycles. As Council we need to continue to drive efficiency and prioritise what's important for the city.
15. I am revoking the following standing committees:
  - (i) Accountability, Performance and Finance Committee
  - (ii) Community, Transparency and Engagement Committee
  - (iii) Project Planning and Monitoring Committee
  - (iv) Vision, Planning and Growth Committee
16. Replacing them with the following two standing committees that are committees of the whole:
  - (iii) City Futures Committees
  - (iv) Community and Performance Committee
17. The change will take effect from February 2025. This is reflected in the meetings schedule for 2025 which is a separate report on the agenda.
18. The diagram in attachment 1 shows the delegations that have been transferred from the revoked standing committees to the newly established standing committees and to the Council.
19. The main changes are:
  - Key strategic financial issues (and city deals) moves to Council.
  - The Chief Executive's performance review moves to Council.
  - One committee is 'future focused' and the other committee is 'current focused'.
  - The future focused committee – City Futures Committee covers policies as these typically are linked up with strategy and generally implement strategic thinking. This Committee will develop, engage, hold hearings and deliberate on the matters it has been delegated.
  - The current-focused committee Community and Performance Committee covers:
    - community issues, concerns, feedback, trust & confidence
    - current project development and delivery
    - the organisation's financial and other performance reporting
20. An updated governance structure diagram showing all the committees and advisory boards is set out in Attachment 2.
21. The full terms of reference and delegations to the Council and the new committees are set out in Attachment 3.
22. There are no other changes proposed to the governance structure that was adopted on 15 August 2024.
23. Te Rangapū Mana Whenua o Tauranga Moana held their elections on 10 October 2024 and reappointed Matire Duncan as Chairperson and appointed Whitiara McLeod as Deputy Chairperson. Te Rangapū Mana Whenua o Tauranga Moana made one change to their six representatives on the Tangata Whenua/Tauranga City Council Committee with Kura Martin replacing Nathan James on the committee. The six representatives are Matire Duncan, Puhirake Ihaka, Destiny Leaf, Whitiara McLeod, Kura Martin and Buddy Mikaere and this report confirms these appointments. They also confirmed the reappointment of Anthony Fisher as the Independent Chairperson of the Tangata Whenua/Tauranga City Council Committee.

## STATUTORY CONTEXT

24. Section 41A of the Local Government Act 2002 (LGA) provides for the Mayor to establish committees of Council and to appoint the chairperson of each committee. This report is formal notification that Mayor Drysdale has exercised this power. The Mayor consulted with elected members prior to exercising this power.

## STRATEGIC ALIGNMENT

25. 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	✓

## FINANCIAL CONSIDERATIONS

26. There are no financial impacts of changing the committee structure. It does not impact on the elected members remuneration as all councillors, apart from the Deputy Mayor are remunerated at the same level.

## LEGAL IMPLICATIONS / RISKS

27. The new committee structure comes into effect in February 2025 and be publicly notified.

## SIGNIFICANCE

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

## ENGAGEMENT

31. 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

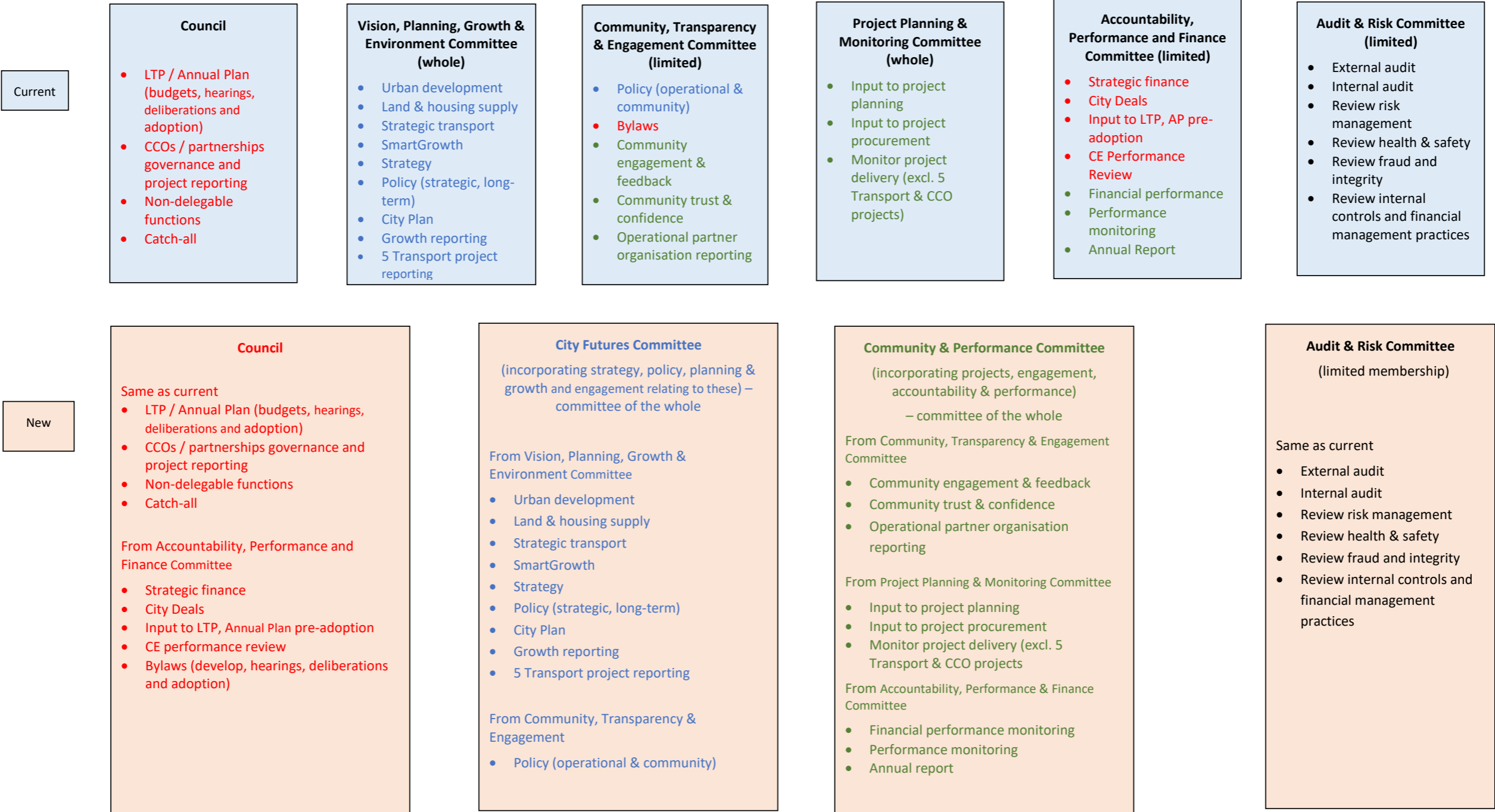
32. New committee structure begins in February 2025.

**ATTACHMENTS**

1. **Diagram showing delegations that have been transferred from four to two committees and to the Council - A17231815** [!\[\]\(ba282c360f64af2fbbf41490bdc09964\_img.jpg\)](#) [!\[\]\(2868cd7ca24b683c36fc0255411f8253\_img.jpg\)](#)
2. **Governance Structure 2025 Diagram - A17231814** [!\[\]\(55714665fc212c8b87db89fb293003ae\_img.jpg\)](#) [!\[\]\(2180b5b5277b873d5e291b13d67750e0\_img.jpg\)](#)
3. **Proposed terms of reference and delegations to City Futures Committee and Community and Performance Committee and Council - 9 December 2025 - A17236705**  
[!\[\]\(0c7f8652d845b292535d1716f9c9142b\_img.jpg\)](#) [!\[\]\(e8e69e5e8e786ed9391dc6da086678d0\_img.jpg\)](#)

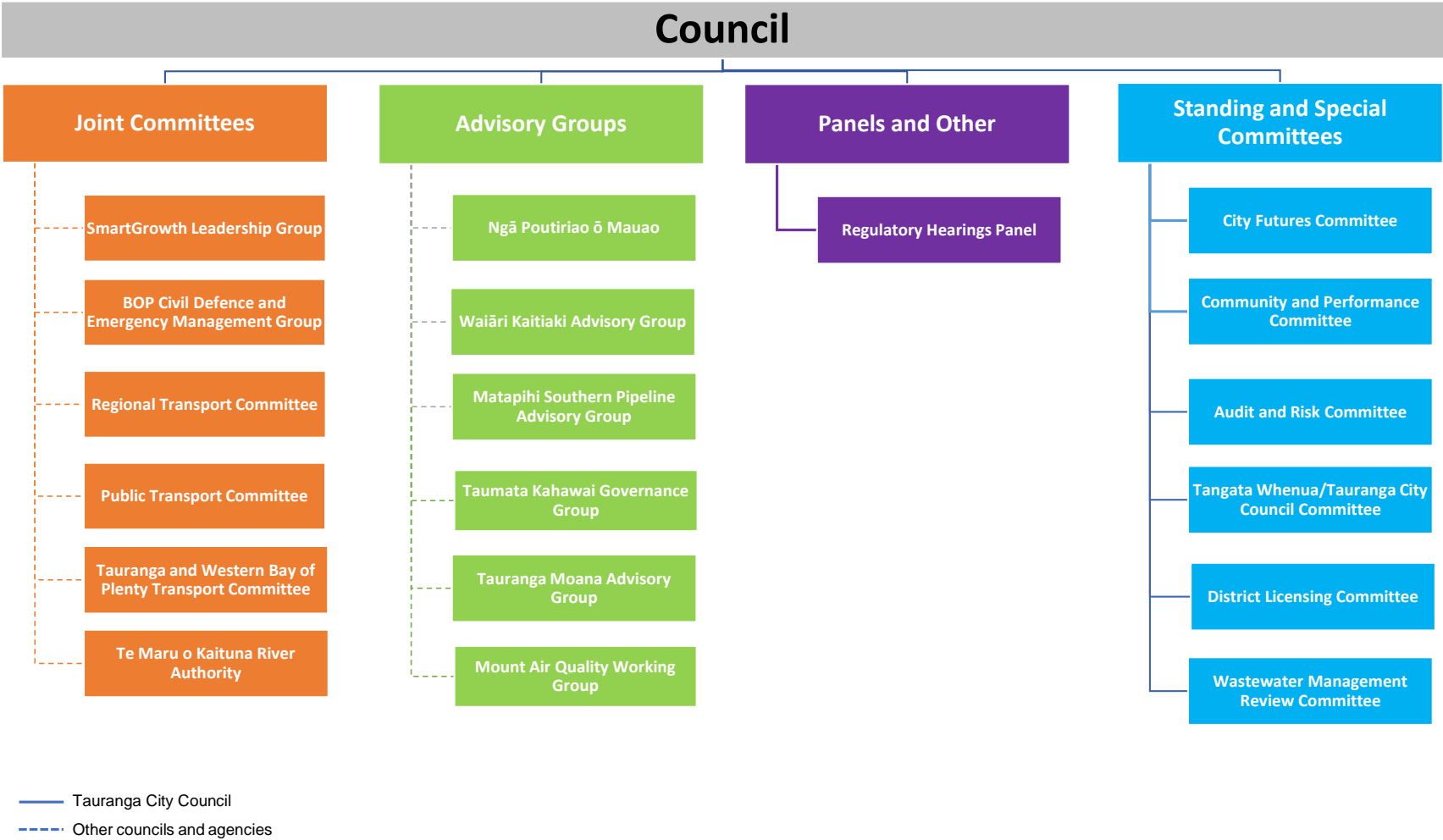
TAURANGA CITY COUNCIL - REVISED COMMITTEE STRUCTURE DIAGRAM

SHOWING CHANGES TO DELEGATIONS – 9 DECEMBER 2024





Governance Structure 2025



## Proposed delegations to City Futures Committee and Community & Performance Committee and Council – 9 December 2024

### City Futures Committee

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#### Membership

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<b>Chairperson</b>	TBC
<b>Deputy chairperson</b>	TBC
<b>Members</b>	Deputy Mayor Jen Scoular Cr Hautapu Baker Cr Glen Crowther Cr Rick Curach Cr Steve Morris Cr Kevin Schuler Cr Mikaere Sydney Cr Martin Rozeboom Cr Rod Taylor  <i>Mayor Mahé Drysdale (ex officio)</i>  <i>Tangata Whenua Representative (subject to Council approval)</i> <i>(TBC)</i>
<b>Non-voting members</b>	(if any)
<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>	Six-weekly

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#### Role

The role of the City Futures Committee is:

- To consider strategic issues and opportunities facing the city and develop a pathway for the future.
- To consider Tauranga's strategic responses at a sub-regional, regional, and national level as appropriate.
- To ensure there is sufficient land supply for housing and for commercial and industrial purposes.

- To ensure there is sufficient and appropriate housing supply and choice in existing and new urban areas to meet current and future needs.
- To ensure that Tauranga's urban form and transport system enables, supports and shapes current and future sustainable, vibrant and connected communities.
- To ensure there is a clear and agreed approach to achieve measurable improvement in transport outcomes in the medium to long-term including transport system safety, predictability of travel times, accessibility, travel choice, mode shift and improved environmental outcomes.
- To enable Tauranga's urban centres to thrive and provide a sense of place.
- To ensure that council and partner investments in Tauranga's build environment are economically and environmentally resilient.
- To work with all key partners to enhance, protect and restore (where necessary) the wellbeing of our natural environment and harbour to ensure the people of Tauranga can thrive and enjoy the lifestyle this city provides.
- To review and determine the policy framework that will assist in achieving the desired strategic and operational priorities and outcomes for the city.

### Scope

- Development and ongoing monitoring and update of the Western Bay of Plenty Transport System Plan and associated programmes and network operating plans.
- Development and ongoing monitoring and update of the Future Development Strategy and urban settlement patterns, including structure plans as required.
- Development and oversight of urban centres strategies, neighbourhood plans and master-plans.
- Development and oversight of the Compact City programme in support of higher development densities and the provision of a greater range of housing options.
- Development of City Plan changes and related matters for adoption by Council.
- Contribution to matters related to the SmartGrowth Strategy and input to the SmartGrowth Leadership Group.
- Regular monitoring of strategic growth-related projects and strategic transport projects.
- Development of strategies, policies, plans and programmes for the medium to long term delivery of social, environmental, economic, cultural and resilience outcomes.
- Ensuring that social, environmental, economic and cultural wellbeing's are promoted through all strategic work considered by the Committee.
- Consideration of significant natural hazards risks across the city, as they apply to current and future land-form and built environment.
- Develop, review and approve policies, including as appropriate the development of community consultation material, the undertaking of community consultation, and the hearing of and deliberating on community submissions.

### Power to act

- To make all decisions necessary to fulfil the role, scope and responsibilities of the Committee subject to the limitations imposed.
- To establish sub-committees, working parties and forums as required.

### Power to recommend

- To Council and/or any standing committee as it deems appropriate.

## Community and Performance Committee

### Membership

<b>Chairperson</b>	TBC
<b>Deputy chairperson</b>	TBC
<b>Members</b>	Deputy Mayor Jen Scoular Cr Hautapu Baker Cr Glen Crowther Cr Rick Curach Cr Steve Morris Cr Kevin Schuler Cr Mikaere Sydney Cr Martin Rozeboom Cr Rod Taylor  <i>Mayor Mahé Drysdale (ex officio)</i> <i>Tangata Whenua Representative (subject to Council approval) (TBC)</i>
<b>Non-voting members</b>	(if any)
<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>	Six weekly

### Role

The role of the Community and Performance Committee is:

- To ensure community involvement in, and support for, Council projects, proposals, initiatives and services.
- To monitor delivery of Council-funded delivery by community-led organisations partnering with, or otherwise contracted to, Council.
- To review and improve public confidence and participation in Council decision making processes.
- To ensure that approved projects are effectively planned and delivered on a timely basis and in a way that provides good social, economic and environmental outcomes, including value-for-money, for the community.
- To monitor the financial and non-financial performance of Council.
- To provide oversight of the Annual Report.

### Scope

- Develop a council-wide engagement strategy and monitor, including via community feedback, its implementation and success.
- Develop and review engagement plans for projects, proposals, initiatives and services that the Committee considers significant from a community interest perspective.
- Ensure appropriate and accessible information is available to the community on current and upcoming projects.

- Receive and consider the community's views on public transport and provide that information to relevant Committees.
- Develop and consider opportunities for Council to partner with the community, organisations, and other agencies to enable good outcomes for the city.
- Lead the development of relationships with community organisations, schools, businesses and other groups to broaden Council's reach into the community and use of available resources.
- Ensure promotion of the community's trust and confidence in Council is embedded in Council's projects, proposals, initiatives and services.
- Where gaps are identified, develop proposals for new projects or services for recommendation to Council for inclusion in future Annual Plan or Long-term Plan processes.
- Receive and consider feedback that is fully representative of the community including, but not limited to, the annual residents' survey (undertaken in waves).
- Receive reporting by Mainstreet organisations as appropriate.
- Receive reporting against partnership agreements with key cornerstone organisations (as per the Community Funding Policy) and from other community-led organisations as appropriate.
- Assess options for improving public participation in decision making and make recommendations to Council that will strengthen democratic processes at all levels of the organisation.
- Provide input to operational proposals, options, and costs of projects as considered appropriate by the Committee having taken into account value, risk, and public interest (within scope and budgets approved through the Annual Plan or Long-term Plan process or separately by Council).
- Provide input to the proposed approach and options for procurement processes that the Committee considers significant having taken into account value, risk, and public interest.
- Take necessary steps to ensure that procurement processes provide value-for-money.
- Approval of tenders and contracts that are outside of approved staff delegations.
- Ensure that the design and delivery of projects reflect Council's strategic framework ("Our Direction") as appropriate including, but not limited to, the adopted community outcomes and Council's four lead strategies (Tauranga Taurikura – Environment Strategy; Tauranga Mataraunui – Inclusive City Strategy; Connected Centres Programme; Western Bay Economic Strategy).
- Ensure that where projects have a potential negative environmental impact, appropriate mitigation is considered in design, delivery, and eventual operations.
- Monitor the delivery of projects. (Note that the 'Five Transportation Projects' will be reported to the City Futures Committee, and the projects managed by Te Manawataki o Te Papa Ltd will be reported, alongside other council-controlled organisation reporting, to Council).
- Review regular financial and non-financial performance reporting, including reporting against strategic outcomes, the Long-term Plan, the Annual Plan, and other strategic and implementation documents (including, for instance, action and investment plans adopted as part of Council's strategic framework, Our Direction).
- Provide oversight on the preparation of the Annual Report and other external financial reporting required by legislation.

#### Power to act

- To make all decisions necessary to fulfil the role, scope and responsibilities of the Committee subject to the limitations imposed.
- To establish sub-committees, working parties and forums as required.

#### Power to recommend

- To Council and/or any standing committee as it deems appropriate.

## Council

### Membership

<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>	Three weekly or as required

### Role

- To ensure the effective and efficient governance of the City.
- To enable leadership of the City including advocacy and facilitation on behalf of the community.
- To review and monitor the performance of the Chief Executive.

### 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.
- Review and monitor the Chief Executive's performance.
- Develop Long Term Plans and Annual Plans including hearings, deliberations and adoption.
- For clarity the Council will develop, review, undertake hearings of and deliberations on community submissions to bylaws as well as the adoption of the final bylaw.

#### 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).

**11.11 Appointment of Tangata Whenua Representatives to Standing Committees****File Number: A17099776****Author: Coral Hair, Manager: Democracy and Governance Services****Authoriser: Mahé Drysdale, Mayor****PURPOSE OF THE REPORT**

1. The report recommends the appointment of Tangata Whenua representatives to three of the Council's Standing Committees with full voting rights.

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**RECOMMENDATIONS**

That the Council:

- (a) Receives the report "Appointment of Tangata Whenua Representatives to Standing Committees".
- (b) Approves the appointment of one tangata whenua representative to each of the following Standing Committees:
  - (i) Audit and Risk Committee
  - (ii) City Futures Committee
  - (iii) Community and Performance Committee
- (c) Approves that the appointees will be nominated and endorsed by Te Rangapū Mana Whenua o Tauranga Moana based on the skill sets, attributes and knowledge appropriate to each Standing Committee.
- (d) Approves voting rights for the tangata whenua representatives on each of the Standing Committees.
- (e) Notes that the term of appointment of tangata whenua representatives will be subject to any future changes to the committee structure during the term of the Council.
- (f) Notes that the Chief Executive will report back to the Council on the remuneration for each of the tangata whenua representatives on the standing committees informed by an independent expert advisor.

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**EXECUTIVE SUMMARY**

2. I received an email from Matire Duncan, Chair of Te Rangapū Mana Whenua o Tauranga Moana (Te Rangapū), on 1 October 2024 requesting that tangata whenua representation be made on the newly established Council committees and that the positions are remunerated accordingly and have full voting rights.
3. This followed the request made at the hui between elected members and Te Rangapū on 25 September 2024, where Te Rangapū presented the importance of the appointment of tangata whenua representatives and the process to take into consideration the specific skill sets, that would add value to each committee.
4. Te Rangapū Mana Whenua o Tauranga Moana are clear about the distinction between tangata whenua representation on committees and the elected representation via Te Awanui Māori ward.

5. Te Rangapū have a longstanding and valued relationship with Council and have been represented on previous elected council committees and under Commissioners. After due consideration I now ask that the Council support the appointment of tangata whenua representatives to the three standing committees with appropriate remuneration and full voting rights.

## BACKGROUND

6. The 2019-2021 elected Council adopted the same committee structure as the outgoing Council 2016-2019 and retained the provision for a non-voting tangata whenua representative on each of its four main standing committees. Those initial appointments were subsequently made in late 2019 and mid-2020 based on the recommendation of Te Rangapū who recruited and interviewed skills-based applicants for each of the standing committees.
7. In August 2020, the Council amended its committees' terms of reference to provide voting rights to the tangata whenua representatives on each committee. Previously these had been non-voting positions.
8. The 2021-2024 appointed Commission disestablished the four main standing committees and, in April 2021, established the Strategy, Finance and Risk Committee. This Committee included as voting members the four commissioners, three tangata whenua members, again appointed on the recommendation of Te Rangapū, and one other external member. In addition, the chair of Te Rangapū was appointed as a non-voting member. Those appointments were made in May 2021 and the members continued until July 2024 when the Commission's term ended.
9. Te Rangapū Mana Whenua o Tauranga Moana have sought representation on Council Committees and recommend the same recruitment process be undertaken as previous, which includes:
  - Identify the skill sets, attributes and knowledge required for each standing committee.
  - Invite applications through hapū and iwi representatives.
  - Candidates submit their resumes.
  - Interviews conducted by the Chairperson and Vice-Chairperson of Te Rangapū Mana Whenua o Tauranga Moana and the Manager: Strategic Māori Engagement.
  - Chairpersons of each relevant standing committee are consulted about the recommended candidates.
  - Nominated candidates are endorsed by Te Rangapū Mana Whenua o Tauranga Moana.
  - Council endorses the recommendations of Te Rangapū Mana Whenua o Tauranga Moana, and the persons are appointed as tangata whenua representatives to each standing committee.

## RATIONALE FOR TANGATA WHENUA REPRESENTATIVES

10. Te Rangapū Mana Whenua o Tauranga Moana are clear about the distinction between tangata whenua representation and the elected representation on council via the Māori ward Te Awanui and I believe this distinction is critical.
11. A Māori ward provides one way for Māori to have a voice and be represented around the Council table and the councillor may act independently of iwi and mana whenua and is obligated to represent the interests of all Tauranga city residents, not only Māori residents. A Māori ward councillor is not expected to speak on behalf of tangata whenua, they speak for themselves when working with elected members.
12. Tangata whenua representatives have a mandate from Te Rangapū to represent iwi and hapū and can provide the unique perspective of mana whenua. Through the Local Government Act 2002 and the significance and engagement policy, the Council often consults with, or requires input into decisions from, mana whenua. Having a mana whenua

voice at the table during the decision-making process may result in better outcomes for Council and mana whenua.

## STATUTORY CONTEXT

13. Clause 31(3) of Schedule 7 of the Local Government Act 2002 enables the Council to appoint a person who is not an elected member to a committee, if the Council believes the person has the skills, attributes or knowledge to assist the committee.
14. Section 14 of the LGA 2002 requires a local authority, in performing its role, to act in accordance with the principles specified. These principles include, in subsection 14(1)(d), that a local authority should provide opportunities for Māori to contribute to its decision-making processes.
15. Section 81(1)(a) and (b) of the LGA 2002 require that a local authority must (a) establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and (b) consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority.

## STRATEGIC ALIGNMENT

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

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

## OPTIONS ANALYSIS

17. **Option 1:** Accept the recommendation of Te Rangapū Mana Whenua o Tauranga Moana and appoint tangata whenua representatives to the respective standing committees.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Reflects valued partnership approach between Tauranga City Council and Te Rangapū Mana Whenua o Tauranga Moana.</li> <li>Ensures that mandated Māori voices, endorsed by Te Rangapū Mana Whenua o Tauranga Moana, will continue to be heard at a committee of Council.</li> <li>Can attract high calibre representatives with specific skill sets that add value to each committee.</li> <li>Enables a tangata whenua view in decision making, aiding in mana whenua engagement and consultation.</li> </ul>	<ul style="list-style-type: none"> <li>Councillors have not assessed each of the candidates.</li> <li>Non-elected members making decisions.</li> <li>Remuneration costs will increase.</li> </ul>

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18. **Option 2:** Do not appoint tangata whenua representatives to the respective standing committees.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Elected members only making decisions.</li> <li>Māori representation on committees via Te Awanui ward councillor.</li> <li>Reduce remuneration costs for external appointees.</li> </ul>	<ul style="list-style-type: none"> <li>Does not reflect the valued partnership approach between Tauranga City Council and Te Rangapū Mana Whenua o Tauranga Moana.</li> <li>Mandated Māori voices distinct from elected members are not heard at committees of council.</li> <li>Miss out on the value of high calibre representatives.</li> </ul>

19. **Option 3:** Agree to appoint tangata whenua representative to the respective standing committees but run a Tauranga City Council led process.

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>Assume full control of all aspects of appointment process.</li> </ul>	<ul style="list-style-type: none"> <li>Indicates to Te Rangapū Mana Whenua o Tauranga Moana that their judgement and support is not trusted leading to strained relationships.</li> <li>Process may not attract same calibre of candidates if trust in relationship is undermined.</li> <li>Candidates may not be endorsed by Te Rangapū Mana Whenua o Tauranga Moana.</li> </ul>

### VOTING RIGHTS FOR TANGATA WHENUA REPRESENTATIVES

20. The Council previously provided for external appointees to exercise voting rights on the standing committees, and I recommend that voting rights continue to be provided.
21. The previous elected Council, at its meeting on 25 August 2020, resolved to provide voting rights for tangata whenua representatives. Providing this voting right to the tangata whenua representatives would move their participation in decision making from passive to active. Further, such voting rights would reflect the respect and mana of partnership at the table as intended by Te Tiriti o Waitangi and the Local Government Act 2002 and would ensure the

tangata whenua perspective on any topic is fully represented without undue influence, misinterpretation or misunderstanding as it would be reflected directly in the vote.

### FINANCIAL CONSIDERATIONS

22. The remuneration of tangata whenua representatives to standing committees will vary depending on the type of committee. I have asked the Chief Executive to report back on the appropriate remuneration and that this be informed by an independent expert advisor.
23. Depending on the remuneration approved there should be sufficient budget in the current financial year to cover these costs and this will be reviewed for the annual plan budget for 2025/26.

### LEGAL IMPLICATIONS / RISKS

24. The Council can appoint non-elected members to a committee. There is a risk to the valued partnership between TCC and Te Rangapū Mana Whenua o Tauranga Moana if the request to appoint tangata whenua representatives is refused.

### TE AO MĀORI APPROACH

25. The appointment of tangata whenua representatives to standing committees is aligned with the goals in Council's Te Ao Māori approach, particular Whaia te Tika, doing the right thing for our community and each other, Whanaungatanga, of working together in partnership, relationships and network support systems, Manaakitanga in listening to show we care and promoting and enabling fuller participation for Māori to contribute to decision-making processes.

### CLIMATE IMPACT

26. This decision does not have a climate impact.

### CONSULTATION / ENGAGEMENT

27. No community engagement is required.

### SIGNIFICANCE

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

### ENGAGEMENT

31. 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**

32. Te Rangapū Mana Whenua o Tauranga Moana to undertake recruitment process and provide a recommendation to Council in early 2025 for tangata representatives to three standing committees.

### **ATTACHMENTS**

**Nil**

## 11.12 Meetings Schedule 2025

**File Number:** A17031328

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

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

### PURPOSE OF THE REPORT

1. This report confirms the Council and committee meeting dates for 2025. This provides certainty for the elected members, external appointees and staff and transparency to the public and media on when meetings will be held and gives effect to the governance structure.

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### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Meetings Schedule 2025".
- (b) Adopts the meetings schedule for the period January-December 2025 as set out in Attachment 1.

---

### EXECUTIVE SUMMARY

2. The Council can adopt a schedule of meetings that covers any future period. It is recommended that the Council adopts a meeting schedule for the period January-December 2025. This will provide certainty to elected members, external appointees and staff and transparency to the public and media on when meetings will be held. The meetings schedule gives effect to the governance structure.

### BACKGROUND

3. Attachment 1 sets out the meetings schedule for January-December 2025 based on the governance structure revised in the separate report to council on this agenda and is based on three weekly council meetings and six to twelve weekly committee meetings depending on the terms of reference for those committees.
4. Dates for joint committee meetings are co-ordinated with the Bay of Plenty Regional Council, the Western Bay of Plenty District Council, and other councils in the Bay of Plenty. Due to local government elections in October 2025, there are no joint committee meetings scheduled from September 2025.
5. The Local Government New Zealand Conference, Zone 2 and Metro meeting dates are included in the schedule.

### STATUTORY CONTEXT

6. Clause 19(6) of Schedule 7 of the Local Government Act 2002 provides for the Council to adopt a meeting schedule to cover any future period.

### STRATEGIC ALIGNMENT

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

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

## OPTIONS ANALYSIS

### Option 1 – Adopt the meetings schedule for January-December 2025 (preferred option)

8. The Council has the option of adopting a meetings schedule for the period January-December 2025.
9. This option enables the elected members, external appointees, staff, media and the public to know when meetings are scheduled which provides for openness and transparency.

### Option 2 – Adopt a meetings schedule for a different time period

10. The Council has the option of adopting a meetings schedule for a different time period; for example, until September 2025 when joint meetings stop during the local government election period.
11. This option would still provide for certainty. However, Tauranga City Council can continue with its meetings during the local election period. Joint meetings after October 2025 elections have not been set and will be included after co-ordination with the other councils involved. For this reason, this option is not preferred.

## FINANCIAL CONSIDERATIONS

12. There are no financial considerations to adopting a meetings schedule.

## LEGAL IMPLICATIONS / RISKS

13. The legislation provides for the adoption of a schedule of meetings.

## SIGNIFICANCE

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

**ENGAGEMENT**

17. 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**

18. Meetings schedule will be available on the Council's website.
19. Calendar requests will be sent out to elected members, any external appointees and relevant staff.

**ATTACHMENTS**

1. **Draft 2025 Meetings Schedule - A17232082** [↓](#) 

Draft 2025 Meeting Schedule

	January		February	March		April		May		June		July		August		September		October		November		December																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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### 11.13 Mayoral vehicle

**File Number:** A17238727

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

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

#### PURPOSE OF THE REPORT

1. This report sets out information on providing a mayoral vehicle.

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#### RECOMMENDATIONS

That the Council:

- (a) Receives the report "Mayoral vehicle".
- (b) Agrees to provide the Mayor with a vehicle of his choice for restricted private use, up to the maximum vehicle amount provided for by the Remuneration Authority in the Local Government Members (2024/25) Determination.

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#### EXECUTIVE SUMMARY

2. The Remuneration Authority (the Authority) allows for councils to provide a vehicle for the Mayor. The Authority sets the maximum purchase price that councils can purchase vehicles based on whether the vehicle is petrol or diesel (\$55,000 including GST and on-road costs) or electric/hybrid (\$68,500 including GST and on-road costs).
3. The Mayor has indicated he would prefer an electric car for restricted private use.
4. It is recommended that the Council agrees to provide the Mayor with a vehicle and allow him to exercise his choice about the type of vehicle within the limits set out by the Authority in the Local Government Members (2024/25) Determination.

#### STATUTORY CONTEXT

5. Section 9 of the [Local Government Members \(2024/25\) Determination 2024](#) states that councils may provide a vehicle for the Mayor and sets out the parameters. The Remuneration Authority, through the Determination, sets the maximum purchase price that councils can pay for a mayoral vehicle based on whether the vehicle is petrol or diesel (\$55,000 including GST and on-road costs) or electric/hybrid (\$68,500 including GST and on-road costs).
6. The Authority also sets out a formula to be applied when calculating the reduction from the Mayor's remuneration to reflect either full or restricted private usage of a council provided car. There is no deduction provided for from the Mayor's remuneration for restricted private use under Clause 3, Section 9 of the Local Government Members (2024/25) Determination. The Authority has advised that the Mayor is able to use a mayoral vehicle for travel to and from his home to the council, and return, under any of the three types of private use.
7. Definitions of full private use, partial private use and restricted private use are set out in Clause 7, Section 9 of the Local Government Members (2024/25) Determination:

(7) In this clause,—

**full private use means—**

- (a) the vehicle is usually driven home and securely parked by the mayor or regional council chairperson; and
- (b) the vehicle is available for the mayor's or regional council chairperson's unrestricted private use; and
- (c) the vehicle is used by the mayor or regional council chairperson for both local authority business and private use; and
- (d) the vehicle may also be used by other local authority members or staff on local authority business, with the permission of the mayor or regional council chairperson

**partial private use means—**

- (a) the vehicle is usually driven home and securely parked by the mayor or regional council chairperson; and
- (b) the vehicle is used by the mayor or regional council chairperson for both local authority business and private purposes; and
- (c) the vehicle may also be used by other local authority members or staff on local authority business, with the permission of the mayor or regional council chairperson; and
- (d) all travel in the vehicle is recorded in a logbook; and
- (e) the use of the vehicle for private purposes accounts for no more than 10% of the distance travelled in the vehicle in a year

**purchase price means the amount paid for the vehicle,—**

- (a) including goods and services tax and any on-road costs; and
- (b) after deducting the amount of any rebate that applies under the clean car discount scheme in respect of the purchase of the vehicle

**restricted private use means—**

- (a) the vehicle is usually driven home and securely parked by the mayor or regional council chairperson; and
- (b) the vehicle is otherwise generally available for use by other local authority members or staff on local authority business; and
- (c) the vehicle is used solely for local authority business; and
- (d) all travel in the vehicle is recorded in a logbook.

## OPTIONS ANALYSIS

8. The Council has the option of providing the Mayor with a mayoral vehicle or declining to provide the Mayor with a mayoral vehicle.
9. If the Council declines to provide a mayoral vehicle, the Mayor has the options of using his own vehicle and claiming mileage as set out in the [Elected Members' Expenses and Resources Policy 2024](#) or, where convenient, using a pool vehicle.
10. The Council needs to consider factors including cost, convenience and support for the Mayoral function. Section 41A of the Local Government Act 2002 states that the role of a Mayor is to provide leadership to other members of the Council and to people in the Tauranga City. The Mayor also has a ceremonial role and represents the Council at meetings and occasions outside of Tauranga City on a regular basis.

## FINANCIAL CONSIDERATIONS

11. There is budget available within current 2024/25 year to fund the cost of an electric/hybrid vehicle up to \$68,500 including GST (\$59,565.22 excluding GST).
12. The budget currently includes costs for pool vehicles by elected members and mileage allowances. This budget would cover the cost of operating a mayoral vehicle. The Council can sell the vehicle after four years or trade it in for another mayoral vehicle following the 2028 election.

## LEGAL IMPLICATIONS / RISKS

13. There are no legal implications or risks from providing a mayoral vehicle.

## CLIMATE IMPACT

14. The Mayor has indicated a preference for a fully electric vehicle and this will reduce emissions associated with the Mayor's travel.

## SIGNIFICANCE

15. 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.
16. 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.
17. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

## ENGAGEMENT

18. 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

19. If approved, purchase a vehicle of the Mayor's choice.

## ATTACHMENTS

**Nil**

**11.14 Submission to Local Electoral Reform Issues Paper****File Number: A17037950****Author: Coral Hair, Manager: Democracy and Governance Services****Authoriser: Christine Jones, General Manager: Strategy, Growth & Governance****PURPOSE OF THE REPORT**

1. The purpose of the report is to seek direction for a submission to the Local Electoral Reform Issues Paper that will enable the views of the Council to be considered by Local Government New Zealand's (LGNZ) Local Electoral Reform Group.

---

**RECOMMENDATIONS**

That the Council:

- (a) Receives the report "Submission to Local Electoral Reform Issues Paper".
- (b) Provides direction to the Local Government New Zealand's Local Electoral Reform Group on Local Electoral Reform Issues Paper for the following Issues and Questions:
  - (i) **Issue 1 - The public's understanding of local government and why it's important**
    - Question 1: What should be done to improve understanding of local government and its value, and who should hold responsibility for this?
    - Question 2: What should be done, given the decline in local media, to increase visibility of local government work and local elections?
  - (ii) **Issue 2 - Understanding candidates and their policies**
    - Question 3: How should voters receive better information on candidates and their policy positions and whose role should it be?
    - Question 4: Is it important to improve candidate knowledge of local government, and if so, how should this be done?
  - (iii) **Issue 3. Voting methods**
    - Question 5: Given the challenges outlines, what should be the future voting method (or methods) of voting in local elections, and why?
    - Question 6: Should the voting method (or methods) be nationally consistent or decided locally, and why?
    - Question 7: What short-term improvements should be made to the postal voting system, until a permanent solution can be implemented?
  - (iv) **Issue 4. Administration and promotion of elections**
    - Question 8: Who should administer local elections, and why?
    - Question 9: Who should be responsible for promoting local elections, and why?
  - (v) **Issue 5. Four-year terms (including transition and implementation)**
    - Question 10: Which of the three timing options, for a four-year term, do you prefer?

- 
- Question 11: How should councils' budget and planning cycles be adjusted to a four-year term?
- Question 12: Do four-year terms for local councils require increased accountability mechanisms, and if so, which do you support?
- (vi) Question 13: Do you have any other ideas or options to improve participation in local elections?
- (c) Delegates to the Mayor the authority to approve the submission on behalf of the Council based on the direction provided at today's meeting in time to be lodged by 19 January 2025.
- 

## EXECUTIVE SUMMARY

2. Local Government New Zealand (LGNZ) recently released a *Local electoral reform – Issues paper*. Refer to attachment 1. Submissions close on 19 January 2025.
3. This is an opportunity for the Council to provide feedback on this paper and the issues it raises. This is one of the ways that the Council can look to influence electoral reform.

## BACKGROUND

4. In June 2024 LGNZ established an [Electoral Reform Group](#), chaired by Nelson Mayor Nick Smith, that will explore four key areas of reform including:
  - Increasing voter turnout.
  - Implementation and transition to four-year terms.
  - Considering the ways people can vote.
  - Who should administer local elections, and how they are best run.
5. The Electoral Reform Group are seeking feedback from councils on the following issues and questions:
  - (i) **Issue 1 - The public's understanding of local government and why it's important**

Question 1: What should be done to improve understanding of local government and its value, and who should hold responsibility for this?

Question 2: What should be done, given the decline in local media, to increase visibility of local government work and local elections?
  - (ii) **Issue 2 - Understanding candidates and their policies**

Question 3: How should voters receive better information on candidates and their policy positions and whose role should it be?

Question 4: Is it important to improve candidate knowledge of local government, and if so, how should this be done?
  - (iii) **Issue 3 - Voting methods**

Question 5: Given the challenges outlines, what should be the future voting method (or methods) of voting in local elections, and why?

Question 6: Should the voting method (or methods) be nationally consistent or decided locally, and why?

Question 7: What short-term improvements should be made to the postal voting system, until a permanent solution can be implemented?

**(iv) Issue 4 - Administration and promotion of elections**

Question 8: Who should administer local elections, and why?

Question 9: Who should be responsible for promoting local elections, and why?

**(v) Issue 5 - Four-year terms (including transition and implementation)**

Question 10: Which of the three timing options, for a four-year term, do you prefer?

Question 11: How should councils' budget and planning cycles be adjusted to a four-year term?

Question 12: Do four-year terms for local councils require increased accountability mechanisms, and if so, which do you support?

**(vi) Question 13: Do you have any other ideas or options to improve participation in local elections?**

6. Feedback from the elected members will be collated into a submission. Given there is no further council meetings between now and 19 January 2025, when the submission is due, it is recommended that the Mayor be delegated the authority to approve the submission on behalf of the Council.

**STATUTORY CONTEXT**

7. There is no statutory requirement to make a submission to LGNZ.

**STRATEGIC ALIGNMENT**

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

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

**OPTIONS ANALYSIS**

9. The Council has the option to make a submission or not. It is recommended that the Council does provide feedback on this paper and the issues it raises. This is one of the ways that the Council can look to influence electoral reform.

**FINANCIAL CONSIDERATIONS**

10. There are no financial implications from making a submission to LGNZ.

**LEGAL IMPLICATIONS / RISKS**

11. There are no legal implications or risks from making a submission to LGNZ.

**TE AO MĀORI APPROACH**

12. Any potential electoral reform which may eventuate from a submission to LGNZ that increases voter turnout and makes voting easier will benefit Māori enrolled on the general or Māori roll.

## CLIMATE IMPACT

13. There are no climate impacts from making a submission to LGNZ.

## SIGNIFICANCE

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

## ENGAGEMENT

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

## NEXT STEPS

18. Staff prepare a submission based on the direction of the Council.
19. The Mayor authorises a submission on behalf of the Council to be lodged by 19 January 2025.

## ATTACHMENTS

1. **LGNZ Local Electoral Reform Group - Issues Paper - A16932137** [↓](#) 



# Local electoral reform Issues paper

// Local Government New Zealand's Electoral Reform Working Group

// 2024





## Foreword from the Chair of the Working Group

Kia ora Mayors, Chairs, councils, communities and residents

This Issues Paper is about Local Government New Zealand leading a discussion on how we can strengthen the democratic mandate we have to represent communities across New Zealand.

The decline in participation in local elections is an existential threat to local government. It is getting so low that it is a risk to our mandate and is about half the turnout of central government elections. It also compares poorly internationally with local elections in other democracies. We need to identify why people are not voting and find practical changes that will enhance participation.

The most urgent challenge, with most councils conducting their elections by post, is the collapse of what New Zealanders now refer to as “snail mail”. There have been multiple commitments to trial e-voting but none have eventuated and security remains a significant concern. The third alternative is polling booth voting as per general elections. We need to move quickly to find a reliable replacement for postal voting.

An underlying issue we are also concerned with is ensuring New Zealanders understand the role of councils. There are problems with voters knowing who the candidates are and what they stand for. This is exacerbated by the growth of social media and the decline of traditional media.

A further issue is the appropriate term for local government. This discussion is pertinent with the Coalition Government proposing a referendum on central government moving to a four-year term. There is a strong argument for alignment. Three years is unusually short by international standards. The case for councils to move to four years is that it will better enable us to deal with long-term challenges such as infrastructure, housing and climate change.

These challenges over turnout, voting method, information and length of term come at a time when democratic values are being challenged globally. We need to work harder than ever to maintain and build trust in our democratically elected councils.

Changes to our electoral system are difficult. They are rightly subject to a high level of scrutiny as they go to the core of how our communities are governed. For reform to be successful, it requires good research, wide consultation and broad agreement. Our group is working hard and across the political spectrum to try and build a platform for positive change. We welcome your feedback and support on these issues so that together we can strengthen the future of local government in New Zealand.

Nga mihi nui,

A handwritten signature in blue ink, appearing to read "Nick Smith".

**Hon Dr Nick Smith, Mayor of Nelson**  
Chair, LGNZ Electoral Reform Working Group



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## Purpose and timeframes for this work

### The purpose of the working group

The National Council of Local Government New Zealand (LGNZ) set up the Electoral Reform Working Group to drive LGNZ's advocacy work around strengthening local government's democratic mandate, with a particular focus on increasing participation in local body elections.

The working group's members are:

// <b>Mayor Hon Dr Nick Smith</b> , Nelson City (Chair)	// <b>Professor Andrew Geddis</b> , University of Otago
// <b>Mayor Campbell Barry</b> , Hutt City	
// <b>Councillor Toni Boynton</b> , Whakatāne District, Co-Chair Te Maruata	// <b>Mayor Susan O'Regan</b> , Waipā District
	// <b>Mayor Rehette Stoltz</b> , Gisborne District

The group can be contacted by emailing [electoralreform@lgnz.co.nz](mailto:electoralreform@lgnz.co.nz)

### Timeframes

Alongside this issues paper, the working group will produce a draft position paper. Submissions on these papers, alongside targeted engagement with key organisations, will inform the development of a final position paper.

The high-level timeline is:



### Scope of this issues paper

This paper sets out the key issues the working group is exploring. The working group is focused on effecting change, so this paper is focused on factors that we can influence and that are likely to gain wide buy-in from local government. For completeness, this paper makes reference to other factors that are important but out of scope because they don't meet these criteria.

### Providing feedback on this issues paper

Consultation on this document closes at **midnight on Sunday 19 January 2025**. You can provide feedback using the feedback form (a pdf and online survey option are available at <https://www.lgnz.co.nz/policy-advocacy/key-issues-for-councils/local-electoral-reform/>) or by emailing [electoralreform@lgnz.co.nz](mailto:electoralreform@lgnz.co.nz).



## Background on participation in local elections

### History of local elections and electoral reform

The rules governing local elections are set out in the Local Electoral Act 2002 and regulations made under that legislation. This framework has been subject to frequent change, with some 29 amendments to the Act since it was first passed – many of which have an influence over voter participation.

Other reforms, such as the introduction of elected District Health Boards, have also impacted voter turnout.

#### Timeline of key events

- 1976** Postal voting was introduced by the Local Elections and Polls Act 1976, and first used by some county councils in the 1977 election
- 1989** Local government is reorganised, moving from around 850 local bodies to 86 local authorities
- 1993** Locally elected Area Health Boards are disestablished
- 2001** A review of the 1976 Act is conducted, resulting in its replacement with the Local Electoral Act 2001  
District Health Boards are introduced, with half their members elected as part of local elections
- 2002** The option to establish Māori wards and constituencies is introduced for all councils  
Councils are given the option to adopt either First Past the Post (FPP) or Single Transferable Vote (STV) as their electoral system  
Candidate profile statements and candidate booklets are used for the first time
- 2009** The Local Government Act is amended to make Council Chief Executives responsible for *"facilitating and fostering representative and substantial elector participation in elections and polls held under the Local Electoral Act 2001"*
- 2010** The first election of the amalgamated Auckland Council takes place
- 2011** The Electoral Commission takes over responsibility for the electoral roll, replacing the Chief Registrar of Electors
- 2019** District Health Boards are disestablished
- 2021** The Local Electoral (Māori Wards and Māori Constituencies) Amendment Act is passed, removing the ability to require a binding poll on Māori wards and constituencies
- 2024** The Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Act re-introduces the ability to require a binding poll. This legislation also changes election timeframes in response to declining reliability of the postal system.



## Participation in local elections

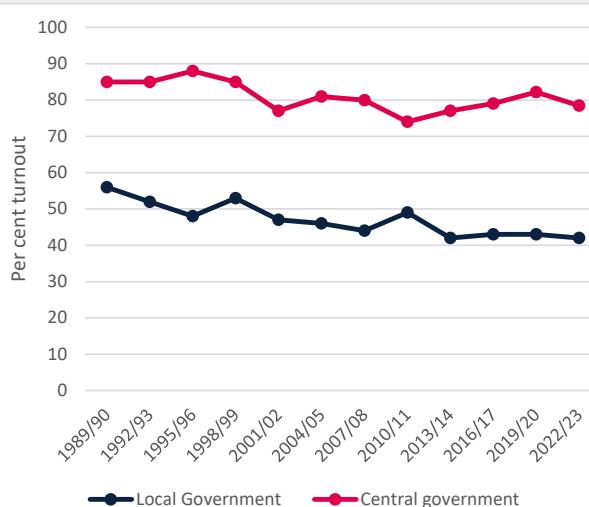
Voter turnout in local authority elections in New Zealand has been in decline for much of the last three decades. However, since 2007 (with the exception of the formation of Auckland Council in 2010), turnout has been stable at between 42 and 44%. This represents a fall in total turnout of approximately 14 percentage points since 1989.

Over the same period, turnout in parliamentary elections has fallen by 6.5%. The current gap between turnout for parliamentary elections and local authority elections is approximately 36%. This gap has grown by 3% since 1992.

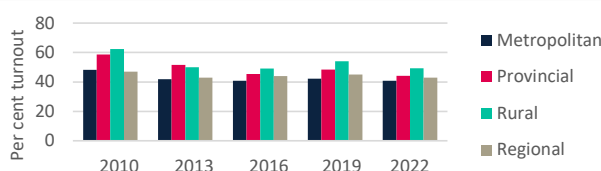
Turnout varies significantly between councils, ranging in 2022 from under 30% to over 60%. Turnout tends to be higher in smaller and rural councils than in larger and urban councils. Turnout is also higher in those councils where councillors represent a small number of residents.

When compared to similar countries, voter turnout in New Zealand councils is close to the middle. It's well below countries like Norway, Denmark, and Iceland, where local governments have traditionally had a greater role with more autonomy. However, turnout in local elections is declining even amongst those countries.

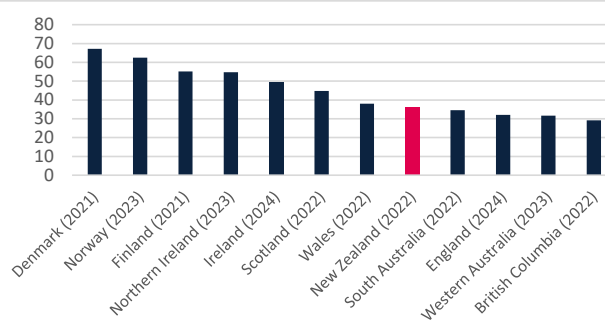
**Figure 1** Voter turnout in national and local elections 1989 – 2023



**Figure 2** Turnout by council type



**Figure 3** Turnout at last local elections

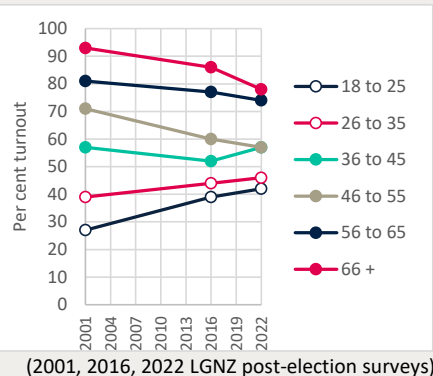




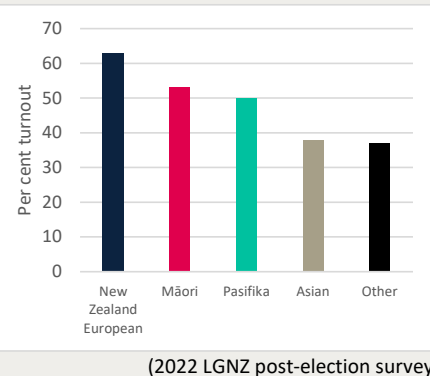
## Who votes?

Post-election surveys suggest that voters in local elections are more likely to be: women than men; older or retired (although the proportion of voters under 45 is increasing while over 45 is gradually decreasing); from the South Island; have lived at the same address for 10 years or more; and European or Pākehā are more likely to vote than those who identify as Māori, who are then more likely to vote than those who identify as Pasifika, with the lowest participation rate being Asian.

**Figure 4 Turnout by age**



**Figure 5 Turnout by ethnicity at the 2022 election**



## Why people don't vote

The Horizon Research nationwide survey following the 2022 local elections found that the most common reasons for not voting were that people did not know enough about the candidates (31%) and their policies (26%) and could not work out who to vote for (22%). Another 11% of non-voters said that they did not vote because they did not receive voting papers.

The Auckland Council 2022 demographic study on voter turnout noted these possible causes of low turnout:

- Perceived relevance of local government to the everyday life
- Family and work commitments and an inability to pay attention to local politics in light of other life priorities
- Differences in the level of exposure to civics education
- Complexity of the local government system and voting process, along with differences in knowledge about local government across communities
- For some communities, a lack of identification with and ability to see one's identity reflected in the local governance system
- A distrust of and disengagement from the local government system, particularly amongst Māori
- The existence of a social norm of non-voting in some families, neighbourhoods and communities.



## Issue 1: The public's understanding of local government and why it's important

The public's lack of understanding of what councils do – and not seeing the work of councils as important – have been repeatedly identified as reasons people don't vote in local elections. Building understanding is therefore one way to increase engagement and participation with councils, including voting in local elections. The rates system can mean ratepayers have greater engagement with councils, compared to other voters.

### What do people say would increase turnout?

**40%** - more information about what councils do

**32%** - make it easier to engage with your council

(2022 LGNZ post-election survey)

Civics education is about learning your rights and duties as citizens, including democratic processes and how you can interact with government and create change. While it is important to include in compulsory schooling, civics education is broader than this.

The Panel for the Review into the Future for Local Government agreed that civics education would be beneficial for all ages. It also included a recommendation that "local government and councils develop and invest in democratic innovations, including participatory and deliberative democracy processes", as a means of improving the connection people feel to decisions that impact them, their whānau and community.

### Key elements of this issue

#### Civics education is a key way to build understanding of councils' work and value

Civics education objectives are built into the New Zealand Curriculum in Year 9 and 10 Social Studies. Schools have the flexibility to design their own curriculum within the national framework, including decisions about teaching civics and citizenship. In 2020, the Ministry of Education published a [Civics and Citizenship Education Teaching and Learning Guide](#) to support primary and secondary school teachers, but it is unclear how widely this resource is being used.

While the school curriculum is a key starting point for civics education, community-wide education is also important. This is particularly important for communities that have the lowest voting participation rates.

LGNZ and some councils deliver elements of civics education through initiatives that encourage young people to vote or engage with their local councils. One of these initiatives was [Ngā Pōti ā-Taiohi - Youth Voting 2022 programme](#), run by LGNZ as part of the VOTE 2022 campaign. The programme gave students the opportunity to run their own elections alongside the local body elections, and provided teachers with resources to plan and run an election in their classroom. Auckland Council has also run a [youth voting programme](#), aimed at those in Years 7-10. Many councils also have youth councils, which also foster young people's understanding of what local government does and why it is important.



### Options to increase the uptake and effectiveness of civics education

Building on work some councils and organisations already do, delivery of civics education could be strengthened by:

#### Greater support for delivery of civics in schools

This could see the development and distribution of additional resources, alongside support to help teachers deliver the curriculum. These resources could be developed by a collective of councils or a specific organisation with a stewardship role for local government could be directed and funded to do this.

#### Strengthened civics education requirements in the New Zealand Curriculum

While some civics education objectives are built into the New Zealand Curriculum (as part of social studies in Years 9 and 10), the next step is including more year groups, with more specific content and a dedicated component focused on local government.

#### Partnering with community organisations to better engage people who aren't participating

Councils, or organisations with a stewardship role for local government, could work with representatives from communities who are less likely to participate in local government or vote in local government elections. The focus of this engagement could be to understand barriers to participation and voting – and work together on actions to address them.

### Councils have an opportunity to better promote their role, work and value

Councils have many touch points with their communities. They also have a range of statutory requirements to inform communities about current and proposed work. This presents many opportunities for councils to demonstrate their value and promote their importance, at the same time as building wider understanding of local government.

### Options for better promotion of councils' role, work and value

#### Nationwide promotion of local government's work and value

This could take many forms and be led by a range of different organisations (or as a joint project by councils). One example is local government week in New South Wales, which is designed to showcase the work councils do in their communities. Local Government NSW provides councils with a digital toolkit that includes key messages, templates, event suggestions, and social media posts, to help them make the most of the week.

#### Greater use of localism approaches by councils

Councils could commit to undertaking more localism approaches in the ways they engage with, partner with, and devolve to the community. For example, participatory tools, such as participatory budgeting, citizens' assemblies and collaborative community planning.

#### Enhancing how councils communicate their value

Councils could look at the current ways they communicate their value, and how people engaged with them. This could be supported by more flexible legislation around Long-term Plan consultation documents or annual reports. Councils could also look to programmes like Te



Korowai (formerly CouncilMARK) to support how they communicate their performance to their communities.

#### **Introduce a stewardship function that includes a role of promoting the role of councils**

The Panel for the Review into the Future for Local Government recommended the establishment of a new local government stewardship institution, with roles that should include overseeing the health of local democracy. If a new stewardship institution is created, its role could also consist of promoting local government's value, fostering public confidence in councils, and building professionalism in councils.

#### **Decline of local media**

Changes to the media landscape, including fewer local media outlets, mean declining coverage of both the work councils do and council decision making. This affects communities' ability to understand and engage in the work of councils. There is also an increasing focus on sensational, negative news stories, as 'clicks' drive revenue for media outlets and social media firms. This negativity can deter people from engaging with local government.

Local Democracy Reporting is one initiative which has sought to address this in part. It acts as a small wire service of local body news managed by Radio New Zealand. Reporters are hosted by newsrooms but funded publicly. It started with eight reporters in 2019, and presently has 16 fulltime roles from Northland to Southland. Their overarching aim is to address local democracy issues – predominantly council reporting, but it can include other areas such as local iwi or health agencies.

#### **Out of scope factors**

These factors also contribute to a low interest in, and understanding of, the role and value of local government but are out of direct scope of this work:

- // Growing distrust of, and disillusionment with, government and democratic institutions.
- // The role and scope of local government. Local government overseas with wider responsibilities in education, health, and policing can have higher levels of voting.
- // The number of councils, and their representation arrangements. Generally, smaller councils tend to attract higher voter turnout.

#### **Issue 1 consultation questions**

1. What should be done to improve understanding of local government and its value, and who should hold responsibility for this?
2. What should be done, given the decline in local media, to increase visibility of local government work and local elections?



## Issue 2: Understanding candidates and their policies

One of the primary reasons that people cite for not voting is they don't know enough about the candidates. Voters receive very little information to help them get to know candidates in local elections and to understand their policy positions. The Report of the Justice Committee on the Inquiry into the 2022 Local Elections (the Select Committee Report) referred to three post-election surveys that identified lack of sufficient information about candidates as one of the main reasons people gave for not voting in the 2022 local elections.

Currently the primary mechanism for providing candidate information is through *candidate profile statements*, which are distributed in a booklet with voting papers. First used at the 2002 local elections, the 150-word statements must be limited to information about the candidate (including any group or organisation the candidate is affiliated with) and their policies and intentions if elected. Electoral Officers may include a disclaimer alongside a candidate profile statement if they are concerned about the accuracy of the statement but are not required to verify or investigate any information in candidate statements.

Other current mechanisms for conveying information about candidates and their political positions include: direct promotion by candidates and tickets (where these exist) through pamphlets, billboards, and advertisements; public meetings organised by candidates, councils, or third parties such as business associations or residents groups; and reporting by media organisations.

The more informed the voting public is on policy issues, the more the public is likely to demand information and clarity from candidates on their policy positions. In turn candidates having clarity on their own policy positions, informed by an understanding of the role they're standing for, contributes to a more informed voting public.

### What do people say would increase turnout?

**37%** - more information about candidates

**32%** - require candidates to include policy positions in profile statements

**19%** - more events to get to know the candidates

(2022 LGNZ post-election survey)

### Key elements of this issue

#### There is insufficient information provided to voters on candidates and their positions

With a maximum of 150 words and very little in the way of content requirements, it's challenging for candidate profile statements to provide sufficient information for voters to make informed decisions. Statements are often bland and tend to focus on the background and experience of the candidate, often with little detail about their policy platform.

To bridge this gap, various websites have been established during different election years that have profiled candidates and enabled comparison of their policy positions. These websites have been developed by a range of organisations, from councils to media organisations, advocacy groups, and others (including LGNZ and Taituarā). Because providing information to these websites has been

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voluntary, they rely on a meaningful number of candidates participating (for example, by answering policy questions), to make them effective.

Political neutrality in the running of elections is an important touchstone in New Zealand's democratic tradition, and is essential to maintain trust in election outcomes. This means that although councils facilitate elector participation, there is some caution as to the extent to which councils should be involved with facilitating information about candidates' (including incumbents') political positions and views, or in ensuring that this is accurate.

#### Recent examples of candidate profiling

- **The Policy NZ website** operated during the 2022 local elections and was funded through a mix of commercial sponsorship, advertising and donations, and published in partnership with *The Spinoff*.

Candidates were given the opportunity to provide some basic information about themselves, their top three priorities if elected, and statements on key policy areas.

The website also allowed you to 'like' policy statements within a policy area without seeing first who made them – before toggling to see whose positions you agreed with.

During the 2022 campaign, it had 143,000 unique users (as many as 1 in 10 voters), and 1.6 million page views. Average session duration was over six minutes.

- **Tauranga City Council** at their 2024 elections offered all candidates the opportunity to film a 90-second video in which each candidate answered the same set policy questions. These sat alongside the candidate's statement on the council's webpage. The majority took up this opportunity, and the videos generated nearly 50,000 views. Turnout for this election remained in line with previous elections, at 39%.

#### Options to address insufficient information on candidates and their policy positions

##### A centralised digital platform providing candidate information to voters

One possibility is to move candidate profile statements to a centralised digital platform, sortable by region, city or district, and supplement them with additional information on candidates and their policy positions. This online platform could be a new one, or could build on previous websites. It could also be overseen by a public body such as Taituarā, DIA, LGNZ, the Local Government Commission or the Electoral Commission – particularly if the same public body were to take on a wider stewardship or oversight role for local government elections.

##### Require candidates to provide an explanation of their policies

If candidate profile statements were moved to a centralised digital platform, it may be worth considering whether there are benefits to requiring candidates to answer standard policy questions and/or explain their key policies – or whether it would be more appropriate to keep this as an optional exercise. Any public body involved would need to be mindful of maintaining political neutrality, particularly when designing candidate questions and any decisions around moderating or editing candidate statements.



### The decline in civil organisations and local media

We know the ways in which voters get their information are changing. This is part of a wider shift away from traditional media towards digital and social media.

Civic organisations (such as Rotary, Grey Power, business associations and resident associations) have also previously played an important role in local democracy, through holding 'meet the candidate' events, which provide a setting for local citizens to discuss policy issues. However, both the membership and reach of many civic organisations is declining, resulting in fewer third-party hosted 'meet the candidate' events.

In a similar vein, as mentioned in issue 1, we're also seeing a decline in the presence and size of local media, and less funding for 'public good' journalism. This has meant less in-depth media coverage of local politics, local decision-making (including reporting on the voting records of current councillors and board members) and local elections.

#### Where did you get your information about candidates from?

	2004	2022
Radio	27%	14%
Newspapers	67%	22%
Facebook	0%	20%

(2022 LGNZ post-election survey)

### The role of candidate campaigning and candidate knowledge

As well as voters receiving information through candidate profile statements, digital platforms, and local organisations and media, candidates also play a role in helping voters understand who they are and what they stand for. Ensuring candidates are well informed about the role of elected members, and about the key issues facing their council, is likely to enhance their ability to develop informed perspectives on a range of policy areas – and to communicate their positions to voters.

The VoteLocal.co.nz website provides information to improve the knowledge of candidates, including a Candidate's Guide, Inclusive Campaigning Guidelines, and a Guide to Local Government. Some councils have also provided events for prospective candidates to give them an opportunity to gain a better understanding of the role. In some Australian states, there are mandatory candidate training requirements aimed at helping candidates understand the role and responsibilities of being an elected member.

#### Case study: Queensland's mandatory candidate training

In Queensland, all local government candidates must complete training about the role and responsibilities of councillors within six months of the election. Mandatory training was a recommendation that came out of the Queensland Crime and Corruption Commission's 'Operation Belcarra' Report (2017).

The mandatory training provides information on obligations as a candidate and councillor, accountability, decision-making and other responsibilities to help ensure councillors and council employees can deliver on the needs of our communities. The training takes approximately 90 minutes. See more at: <https://www.localgovernment.qld.gov.au/for-the-community/so-you-want-to-be-a-councillor>



### Out of scope factors

These factors also contribute to ensuring voters have sufficient understanding of candidates and their policy positions but are out of direct scope of this work.

- // Unlike many similar countries, in New Zealand candidates do not generally stand under the banner of a central government party. Party affiliation can give greater clarity to electors about what policies candidates stand for.
- // The nature of representation arrangements (including wards/constituencies and Māori wards). This can reduce the number of candidates a voter needs to choose from, and smaller wards enable greater engagement with voters.
- // How councils report decisions, particularly over how elected members vote on particular issues.

### Issue 2 consultation questions

3. How should voters receive better information on candidates and their policy positions and whose role should it be?
4. Is it important to improve candidate knowledge of local government, and if so, how should this be done?



### Issue 3: Voting methods

Local elections can be more complicated for voters than parliamentary elections with the number of elected positions and candidates, and (in some cases) a mix of voting systems (i.e. FPP and STV elections).

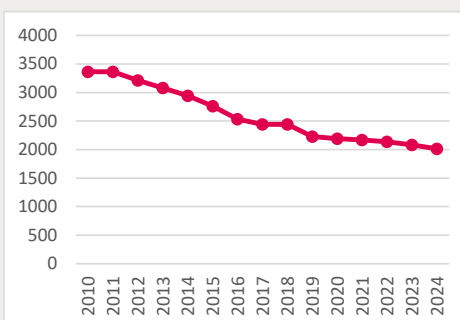
Currently, the Local Electoral Act 2001 provides for local authorities to use one or more voting methods, and lists postal voting, booth voting and electronic voting. This is subject to the method being explicitly allowed for in regulations, and currently the Local Electoral Regulations 2001 only enables postal voting, booth voting, or a combination of both. All local elections have been conducted by postal voting since 1995.

Postal voting can present a barrier to voting given challenges with reliability and access. This is compounded by the decline of the postal system, which significantly threatens the future viability of postal voting in New Zealand.

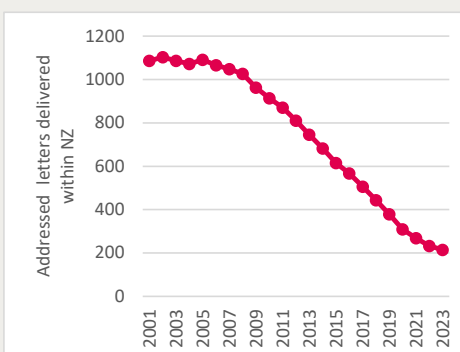
The Cabinet Paper on the Government response to the Inquiry on the 2022 Local Elections stated, “*Postal voting is becoming increasingly untenable for local elections*” and noted that further work needs to be undertaken to ensure future local elections can be delivered. The potential that NZ Post could not meet the statutory timeframes for the 2025 local elections saw the delivery period for voting papers extended. This is a short-term solution given the continuing decline of post.

To counter the reduction of post boxes many councils now provide drop-off points for completed voting papers at supermarkets, malls and libraries. The recent 2024 Tauranga City Council elections had 45 locations drop off locations including major supermarkets. The results were marked: 86% of voting papers were returned via the orange bins, 10% through NZ Post, and 4% through DX Mail.

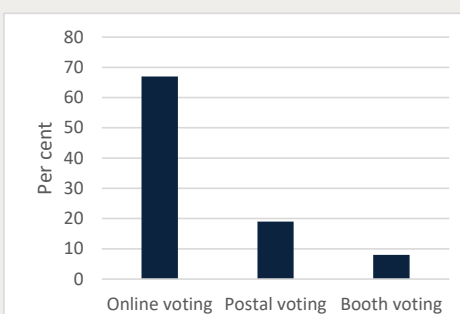
**Figure 6** Number of NZ Post boxes 2010 - 2023



**Figure 7** NZ Post mail volumes 2001-2023



**Figure 8** Preferred method of voting (2022 LGNZ post-election survey)





The Panel for the Review into the Future for Local Government stated that the postal voting system *"is not adequate for the next 30 years"*. It encouraged decision-makers to explore alternative options for distributing and receiving voting papers that are fit-for-purpose and accessible. The Panel specifically suggested exploring electronic and online voting systems, while noting risks associated with online voting would need to be managed to retain the integrity of the voting system.

While online voting is often suggested as a viable alternative to postal voting, all attempts since the mid-1990s to trial it for local elections have been unsuccessful, largely due to security or cost issues. The recent investigation by the NSW Electoral Commission investigated whether internet voting was feasible for the 2027 state and local elections and concluded *"there is no sound basis on which to contemplate a large-scale programme [internet voting] in New South Wales in the short term."* This was largely due to concerns about security and voter understanding of the process.

#### History of online voting in local elections in New Zealand

- 2013** The Online Voting Working Party was established on 4 September 2013 to consider the feasibility of online voting and proposed trialling online voting at the 2016 election
- 2014** In response to the Online Voting Working Party's report, the Government agreed to work to enable a small number of local authorities to trial online voting in the 2016 local elections
- 2016** The Government decided not to enable a trial of online voting in the 2016 local elections as the trial requirements and the requirements of the Local Electoral Act 2001 could not be met in time.
- 2018** Nine councils (Auckland, Gisborne District, Hamilton City, Marlborough District, Matamata-Piako District, Palmerston North City, Selwyn District, Tauranga City Council and Wellington City) jointly sought to trial online voting at the 2019 election. This did not proceed due to funding and other constraints.
- 2023** The Justice Committee inquiry into the 2022 local elections recommended the Government consider funding a trial of online voting in local elections. Cabinet did not agree with this recommendation, stating *"The Government does not consider a trial of online voting as an effective use of public resources and time when there are significant concerns"*

The Electoral Commission provided this perspective to the working group:

*"The search for online voting solutions that are robust, cost effective and that meet internationally accepted standards around security and voter verification continues and has not reached a point where the move could be taken without putting trust and confidence in the electoral system at risk."*

Andrew Clark, Director General of the Government Communications Security Bureau, offered this view to the working group:

*"The GCSB recognises the legitimate democratic interest in online voting and the potential accessibility advantages it may bring. However, a move to online voting would expose our local body elections to greater risk from malicious cyber actors with a range of motivations."*

*Implementation of online voting for local elections would require significant uplift in cyber security measures across the local government sector to ensure there was sufficient cyber security resilience to protect both local democracy and confidence in our democratic systems."*

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### Key elements of this issue

#### Postal system decline means voting methods must be reconsidered

There are three broad options for the voting methods that can be used for local elections, outlined below. Each of these options could be implemented in combination with others or as a single approach. There could be a standard national approach across all councils, or it could be left to individual councils to make their own decisions (as is currently the case). There are strong advantages in having a single system nationwide, in terms of voter understanding and the ability to pool investment.

#### Options for voting methods

	Advantages	Disadvantages
<b>Postal voting</b>	<p>Relatively inexpensive voting method and relatively straightforward to administer.</p> <p>Convenient for voters because they can vote in their own time in their own home without having to stand in line at a polling booth.</p>	<p>Declining capacity of NZ Post to deliver voting papers within timeframes and fewer post boxes available to receive completed voting papers.</p> <p>Concerns with the integrity of postal voting, specifically the inability to be certain that all voting papers are completed by the correct voter.</p> <p>Requires up-to-date voter registration to receive voting papers.</p>
<b>In-person/booth voting</b>	<p>Not affected by the issues of a declining postal system, or other barriers the postal system creates.</p> <p>Enables booths to be located at key locations for people to promote voting.</p>	<p>Delivery of in-person/booth voting is significantly more expensive than postal voting.</p> <p>Could be inconvenient for voters (who would have to go to a voting location), particularly those in remote areas or who cannot easily travel.</p>
<b>Online voting</b>	<p>Convenient method of voting for most people, which may lead to greater participation.</p>	<p>Particular concerns with the security risks posed by online voting.</p> <p>Significant establishment costs.</p> <p>Creates barriers for those without access or the ability to access the online platform.</p> <p>Cost and disruption if election is declared void due to an irregularity.</p>

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### Potential enhancements could improve postal voting in the short term

There are other options to improve the current system of postal voting, although these would not address the long-term, significant challenge of a declining postal system.

#### Options to improve the existing postal system

##### Delivering voting papers

- Offering the option of emailing voting papers or providing the option of downloading voting papers. This would be similar to overseas voters in parliamentary elections, who can download (and upload) their voting papers. This option could be limited to overseas voters (which the Government has recently agreed to consider, as resources allow) or extended more widely.
- Simplifying the legislative requirements for re-issuing voting papers, so they can be ordinary votes rather than special votes.
- Enable physical locations that can re-issue voting papers to those who have not received their voting papers in the mail (either due to a failure by NZ Post or a change of address).

##### Receiving completed voting papers

- Offering the ability to upload completed voting papers electronically (again, similar to process for overseas voters in parliamentary elections) or emailing a scan of completed voting papers. As with the electronic delivery of voting papers, this option could be limited to overseas voters, or extended more widely.
- Expanding the number of drop-off points for completed voting papers (for example, at supermarkets, malls and libraries), to make up for the reduced number of post boxes.

#### Out of scope factors

These factors also contribute to ease or access to voting but are out of direct scope of this work. This is in part because there is not a common view across local government on these issues.

// The voting system used (STV and FPP). This can particularly complicate or confuse when elections on the same voting utilise different systems.

// Lowering the voting age. This could help encourage young people's involvement and interest in local government, noting the participation of younger voters is lower than average participation of all voters. Research has indicated that the earlier people vote, the more likely they are to become regular voters.

#### Issue 3 consultation questions

5. Given the challenges outlined, what should be the future method (or methods) of voting in local elections, and why?
6. Should the voting method (or methods) be nationally consistent or decided locally, and why?
7. What short-term improvements should be made to the postal voting system, until a permanent solution can be implemented?



## Issue 4: Administration and promotion of elections

Local authorities are responsible for administering local elections in their areas. Administration includes conducting elections, preparing voting papers, counting votes, assessing special votes, and responding to information requests from candidates and the public.

Most councils outsource all or part of their role administering elections to private election service providers. Currently these are Independent Election Services Ltd and Electionz.com. This can include outsourcing the role of electoral officer under the Local Electoral Act 2021, and in the 2022 local elections, 70 of the 78 councils did this. While the other councils appointed a staff member to act as electoral officer, most of these contracted a private company to undertake aspects of the administration of the election.

The Local Government Act 2002 was amended in 2009 to explicitly make the promotion of elections a responsibility of council chief executives. This role involves “facilitating and fostering representative and substantial elector participation in elections and polls” s42(2)(da) Local Government Act 2002. Councils tend to have two stages to their promotion activity – stage one encourages people to stand as candidates, and stage two encourages people to vote. The Electoral Commission also undertakes a nationwide enrolment campaign as part of local elections.

Investment in promoting local elections is significantly less than investment by the Electoral Commission in promoting

### The roles different organisations play in the administration of local elections

*Department of Internal Affairs (DIA):* administers electoral legislation, approves format of voting papers, provides a vote-counting computer programme, and provides information and responds to queries.

*Local authorities:* conduct local elections via the electoral officer role (with functions often contracted out to private companies). Councils also facilitate and foster elector participation (a role given to council chief executives in 2019).

*Private election service providers:* perform administrative tasks as contracted by local authorities, often including the electoral officer role.

*Electoral Commission:* maintains the electoral roll (keeps voter details updated), promotes voter enrolment, and assesses some special vote declarations to determine eligibility to vote.

### Who invests what in promoting elections?

#### 2022 Local Elections

	Total spend	Per elector
<b>Electoral Commission.</b> (enrolment campaign)	\$1.7m	\$0.43
<i>Example councils</i>		
<b>Auckland Council</b>	\$600,000	\$0.53
<b>Nelson City Council</b>	\$20,000	\$0.51
<b>Tasman District Council</b>	\$23,000	\$0.49
<b>Marlborough District Council</b>	\$11,200	\$0.29
<b>Dunedin City Council</b>	\$45,000	\$0.47

#### 2023 General Election

<b>Electoral Commission</b> (includes enrolment and Māori Electoral Option campaign)	\$11.9m	\$4.13
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participation in national elections. In general elections, political parties also invest significantly in promotion. The parties inside the current parliament declared promotion expenses of over \$15m for the 2023 election. This includes public funding of \$3.5m through the broadcasting allocation. Individual candidates declared a further \$3.45m of local expenditure. While local elections in larger cities, particularly when competitive, can see high levels of declared expenditure, local elections generally see significantly lower campaign spending by candidates.

The Panel for the Review into the Future for Local Government suggested that the administration of local elections should be conducted by the Electoral Commission. It specifically noted the functions it felt the commission should undertake including design and oversight, standard setting, promotional activity, specific initiatives to promote diversity of candidates, determination of the election method, and the conduct of the election process.

The Justice Committee, in their [Inquiry into the 2022 Local Elections](#), also recommended the Government consider making the Electoral Commission responsible for administration of local elections. It suggested that (at a minimum) the Electoral Commission should be responsible for: oversight of local elections; regulation of election service providers; and management of complaint procedures. The Government has agreed to consider this but has indicated it would be a long-term project that would take place only when work programme priorities allow.

### Key elements of this issue

#### Who should administer local elections?

Councils' resource constraints play into decisions about how much is invested in the administration and promotion of local elections. These resource constraints limit how much councils can spend on election promotion in comparison to what is spent on parliamentary elections. They also lead councils to engage private election service providers to provide many of the administrative functions. Discomfort has been expressed about the bulk of local elections being run by private businesses.

The devolved system for local elections can also lead to inconsistency between councils in messaging, and interpretation of legislation and rules. There may be value in creating greater consistencies in the administration and promotion of elections between parliamentary elections and local elections. This could deliver financial efficiencies, more cohesive promotion, and greater voter turnout.



### Options for who is responsible for the administration of local elections

These options could stand alone or be combined. For example, some outsourcing combined with either council or electoral commission administration. The organisation charged with electoral administration could also deliver promotion or this function could be separate.

	Advantages	Disadvantages
<b>Councils administer elections in house</b>	<p>Election administration can be better tailored to local circumstances.</p> <p>The running of elections would be subject to all current accountability and oversight processes, e.g. LGOIMA information requests.</p>	<p>Electoral law may be interpreted and applied inconsistently nationally.</p> <p>High costs of technology and equipment to process votes.</p> <p>Level of investment in elections would vary from council to council, based on resource constraints.</p> <p>Many councils would struggle to carry out all the tasks currently performed by private election providers.</p>
<b>Councils outsource election administration to commercial third parties</b>	<p>An ability to tailor election administration to local circumstances, but with the benefits of scale and greater consistency.</p> <p>Lower cost to access equipment and technology.</p>	<p>Electoral law may be interpreted and applied inconsistently nationally.</p> <p>Level of investment in elections would vary from council to council, based on resource constraints.</p> <p>Not all aspects of election administration are subject to all current accountability and oversight processes.</p>
<b>The Electoral Commission administers elections</b>	<p>Access to the Commission's existing knowledge, expertise and resources in election administration as well as increased trust in local elections due to the Commission's reputation.</p> <p>National consistency in local investment and interpretation of the law.</p> <p>Central and local government elections could have a similar look and feel, which may support greater turnout for local elections.</p>	<p>Would require the Commission to have a greater local presence, which could increase costs, potentially requiring council funding.</p> <p>More challenging to understand and meet local needs and preferences.</p> <p>It may be less practical to retain elements of choice provided for in the Act, including voting methods and the voting system.</p>

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### Who should be responsible for the promotion of local elections?

Promotion of local elections is also impacted by councils' resource constraints. These resource constraints limit how much councils can spend on election promotion in comparison to what is spent on parliamentary elections.

#### Options for who could be responsible for promoting local elections

##### Councils (in house)

Councils could continue to be responsible for facilitating and fostering representative and substantial elector participation. The advantage of this is that councils have specific insight into what will engage local voters to participate. The disadvantage is that councils do not have the financial resources to invest substantively in the promotion of their local elections. Investment would likely remain inconsistent across the country, depending on each council's budget, and remain much lower in comparison to the promotion of parliamentary elections.

##### A national umbrella organisation (either funded by councils or centrally)

A national umbrella organisation could have responsibility for the promotion of all local elections. This could be an expansion of an existing organisation or a new one, and could be funded by councils, by government, or a combination of both. There would be similar advantages to that of the Electoral Commission, that come with centralisation, such as consistency and efficiencies from pooling resources, but it could have a specialist focus on the promotion of local elections. This would enable national consistency of the turnout campaign, and potential combination with other roles such as wider promotion of what local government does and why it is important. In the past Local Government New Zealand and Taituarā have collaborated to support councils to deliver promotional campaigns in elections.

##### The Electoral Commission

Having the Electoral Commission responsible for the promotion of both national and local elections may result in a greater level of promotional activity and a raised profile for local elections through nationwide coordinated events, and hopefully, greater voter participation. However, it may be difficult for the Electoral Commission to suitably promote individual elections across the country, where knowledge of local issues assists effective voter engagement.

#### Issue 4 consultation questions

8. Who should administer local elections, and why?
9. Who should be responsible for promoting local elections, and why?



## Issue 5: Four-year terms (including transition and implementation)

There is no optimum term length. Term length is a balancing act between maximising the productive period between elections which enables councils to deliver on agreed plans, and elections playing their role as a key accountability mechanism for elected members. Having a large overlap in productive windows between central government and local government can foster greater collaboration and increase joint delivery. It also decreases the impact of changes in direction after elections at either level.

New Zealand's three-year term for local government is short by international standards. For instance, most OECD nations have a term length of four or more years for their local governments.

The Panel for the Review into the Future for Local Government recommended a move to a four-year term for local government as this would *"improve members' abilities to make decisions for the long term by providing a longer window to get things done."* LGNZ members agreed with the report's recommendation and called for the local government term to shift to four years from the 2025 elections. This echoed a remit adopted at LGNZ's 2020 AGM.

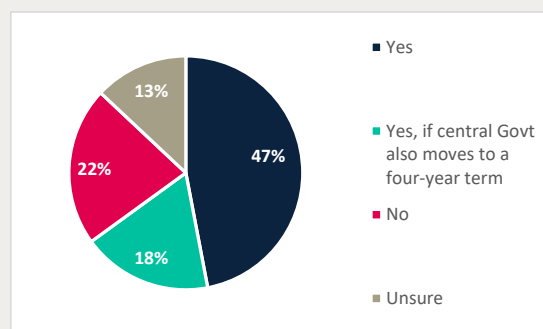
The longstanding practice for constitutional change would suggest a move to four-year terms requires broad support from both the community and across parliament. A poll testing public support for four-year terms was commissioned as part of this work in August 2024. This poll by Curia Market Research Ltd of 1,000 NZ adults aged 18+ found that 47% supported four-year terms, but 65% would support them if central government also had a four-year term.

The Act Coalition agreement requires the Government to introduce the Constitution (Enabling a 4-Year Term) Amendment Bill shortly and support this through its first reading. This presents an opportunity to move to a four-year term for both central and local government.

### Local government term lengths for a selection of countries, states or provinces

<b>Three years</b>	New Zealand
<b>Four years</b>	Australia, United Kingdom, Canada (most provinces and territories), Sweden, Denmark, Finland, Norway, Switzerland, Netherlands, Spain, United States (many states including New York, California, and Pennsylvania), Japan, South Korea
<b>Five years</b>	Ireland, Germany (all states except Bayern), Italy, Austria
<b>Six years</b>	Germany (Bayern), France

**Figure 9** Public views on four-year terms for New Zealand councils





## Key elements

### Alignment with central government elections

Different term lengths between local and central government would mean key events and processes (e.g. planning and budgeting cycles, and elections) would align differently every term. This makes it highly desirable that if central government moves to a four-year term, local government does too.

#### Options for aligning local and central government four-year terms

There are three main options for relative timing of elections:

	Advantages	Disadvantages
<b>Option 1:</b> Central government and local government elections one year apart - <i>status quo</i>	Enables an overlap of three years of councils' and central government's terms, reducing the shocks from a change in direction after an election.	The overlapping in preparation time for elections could make it more challenging for a single agency to deliver both central and local elections.
<b>Option 2:</b> Central government and local government elections two years apart	<p>Would give people certainty of when elections would occur as they would be evenly spaced.</p> <p>Local elections would be less likely to be dominated by central government issues.</p> <p>Midterm changes could exert a moderating influence</p>	Potential for significant change in relationships and policy every two years, which could undermine the relationship between central and local government and impact on the ability for joint delivery.
<b>Option 3:</b> Central government and local government elections at the same time (either concurrently or in the same year)	<p>The higher turnout of central elections could result in higher turnout in local elections.</p> <p>Organising elections at the same time, or close together, could reduce costs.</p> <p>Alignment between central government and local government terms would enable four years of stability, which could support increased delivery and partnership.</p>	<p>Local elections could be dominated by central government issues, crowding out focus on important local issues.</p> <p>The parliamentary term is not fixed, so it could be challenging to align all elections to the same date without changes to constitutional arrangements for central government elections.</p> <p>Filling out multiple voting papers could put people off voting in local elections or from voting at.</p>



### Transition

We need to consider how local government (and central government) could transition to a four-year term. This will depend on the relative timing chosen and the point at which a decision is made and may mean that a transition involves some longer or shorter interim terms.

### Implementation

Current council planning cycles (particularly the LTP) and other legal requirements are currently structured around a three-year term. There are three main options for councils' current recurring requirements: remain on current timeframes (adjusted to fit the new four-year cycle), modify the requirement in some other way, or remove it.

#### Ideas on transition

We're interested in views on how these (and other) recurring obligations for councils should be adjusted in the implementation of four-year terms.

	Current timings	External inputs/influences
<b>The Long-term Plan</b>	Every three years (with a 10-30-year horizon for key elements)	
<b>The Regional Land Transport Plan</b>	Every six years (with a 10-year horizon)	Government Policy Statement on Land Transport (updated every three years, with a 10-year horizon)
<b>The Regional Public Transport Plan</b>	Must be kept current for at least three years in advance (but not more than 10 years)	Government Policy Statement on Land Transport (updated every three years, with a 10-year horizon)
<b>District Plans and Regional Policy Statements</b>	Review every 10 years	National Direction, RMA amendments
<b>Future Development Strategies</b>	Review every three years, with a full update every six years	NPS-Urban Development, LTP, land use plans
<b>Representation reviews</b>	Every six years (with the option to review every three years)	The Census (every five years)



### Accountability

Elections are the key accountability mechanism between elected members and their communities. Other checks and balances on councils and elected members include: Ministerial Powers to Assist and Intervene; codes of conduct; standing orders; and the power and functions of the Ombudsman and the Auditor-General.

Moving to four-year terms reduces how often the community can exercise this accountability mechanism. It is therefore reasonable to consider other accountability mechanisms as part of a move to four-year terms. New or strengthened accountability mechanisms could increase public and central government support for this change. Central government is considering enhanced accountability mechanisms as part of the proposed Constitution (Enabling a 4-Year Term) Amendment Bill.

#### Options to address accountability

- Retain status quo measures, including ministerial powers to assist and intervene, and the codes of conduct.
- Strengthen status quo measures, including giving the Minister wider or stronger powers to assist and intervene, strengthening codes of conduct and the consequences for breaching them, and giving chairs of meetings stronger powers to maintain order.
- Enable recall elections. These elections are used overseas to remove elected representatives during their term and are triggered by a petition signed by a certain percentage of the electorate.
- Empower an external body or stewardship agency with stronger oversight functions and powers to hold elected members to account e.g. a new Parliamentary Commissioner, or changes to the role of the Ombudsman or Auditor-General.

#### Issue 5 consultation questions

10. Which of the three timing options, for a four-year term, do you prefer?
11. How should councils' budget and planning cycles be adjusted to a four-year term?
12. Do four-year terms for local councils require increased accountability mechanisms, and if so, which do you support?



## Consultation questions

### Issue 1: The public's understanding of local government and why it's important

1. What should be done to improve understanding of local government and its value, and who should hold responsibility for this?
2. What should be done, given the decline in local media, to increase visibility of local government work and local elections?

### Issue 2: Understanding candidates and their policies

3. How should voters receive better information on candidates and their policy positions and whose role should it be?
4. Is it important to improve candidate knowledge of local government, and if so, how should this be done?

### Issue 3: Voting methods

5. Given the challenges outlined, what should be the future voting method (or methods) of voting in local elections, and why?
6. Should the voting method (or methods) be nationally consistent or decided locally, and why?
7. What short-term improvements should be made to the postal voting system, until a permanent solution can be implemented?

### Issue 4: Administration and promotion of elections

8. Who should administer local elections, and why?
9. Who should be responsible for promoting local elections, and why?

### Issue 5: Four-year terms (including transition and implementation)

10. Which of the three timing options, for a four-year term, do you prefer?
11. How should councils' budget and planning cycles be adjusted to a four-year term?
12. Do four-year terms for local councils require increased accountability mechanisms, and if so, which do you support?

### Additional questions

13. Do you have any other ideas or options to improve participation in local elections?



**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 Council meeting held on 29 October 2024</b>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret</p> <p>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</p> <p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>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)</p>	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 Council meeting held on 12 November 2024</b>	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the</p>	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

	<p>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</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>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)</p>	withholding would exist under section 6 or section 7
<b>13.3 - Waste Infrastructure Programme Business Case Options</b>	<p>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</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>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)</p>	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>13.4 - Digital Services Funding Update</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.5 - Appointment of Independent Chairperson Audit and Risk Committee</b>	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>13.6 - Sale of Marine Precinct - Legal Update</b>	<p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out,</p>	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

	<p>without prejudice or disadvantage, commercial activities</p> <p>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)</p>	withholding would exist under section 6 or section 7
<b>Confidential Attachment 1 - 11.1 - Civic Whare, Exhibition and Museum (CWEM) Project Update and Next Steps</b>	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>Confidential Attachment 3 - 11.1 - Civic Whare, Exhibition and Museum (CWEM) Project Update and Next Steps</b>	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>Confidential Attachment 4 - 11.1 - Civic Whare, Exhibition and Museum (CWEM) Project Update and Next Steps</b>	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>Confidential Attachment 7 - 11.1 - Civic Whare, Exhibition and Museum (CWEM) Project Update and Next Steps</b>	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**14      CLOSING KARAKIA**