

2026 Annual Plan

18 Feb 2025 Workshop – Activity Financial Information



Tauranga City

Overview

This slide pack provides, for each activity of Council:

- (i) a description of the activity and business outlook
- (ii) operating revenue and expenditure

- 2025/26 Annual plan budgets are included alongside the LTP budget for 2025/26 and two years of actuals (2023 and 2024), current year adopted LTP budget (2025).
- FTE information is provided for each activity. This information reflects permanent and fixed term staff and excludes casual staff. Any vacancies in 2023 and 2024 have also been included in the FTE figures but actual expenditure will be lower by the amount of vacancies.
- Reset impacts have been reflected at a high level in the budget figures but not in the FTE figures. The 2026 Annual Plan FTE shown are based on
- establishment at the time.
- Please note that the charts in this presentation show both revenue and expenditure as cumulative.
- The order of activities is by Groups of Activity per the structure of the LTP. This is outlined in the next slide with a page index, along with the GM currently responsible.

Groups of Activities (GOA)

| 2024-2034 Long Term Plan Group of Activities Structure | | | | | |
|--|-----------|---|-----------|------------------------------------|------|
| | | Community, People & Relationships | | Spaces & Places | |
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| Community Development | 26 | Regulation Monitoring | 60 | Legal | 92 |
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| Historic Village | 30 | | | Commercial Advisory Group | 96 |
| Libraries & Community Hubs | 32 | | | Strategy & Corporate Planning | 98 |
| City Centre Development & Partnerships | 34 | | | | |
| General Manager Responsibility | | Christine Jones | | Paul Davidson | |
| Gareth Wallis | | Barbara Dempsey | | Alastair McNeil | |
| Nic Johansson | | Sarah Omundsen | | | |

Transportation (38)

What we do:

- Operate, maintain and improve Tauranga's current and future networks including roading, footpaths, streetlights and bus infrastructure.
- Using technology, models and forecasting to support local and regional growth through the development of transport analysis, modelling and systems planning.
- Improving transport safety and ensuring people have easy access to different modes of transport.
- Providing traffic control activities including traffic signals, CCTV installation and monitoring and incident management.
- Optimise increase efficiency of the transport network to allow the community to move, be connected to others, provide access to key activities as well as maintaining the economic vitality in Tauranga through the movements of good and services.

Business Outlook

- Transportation makes up 20% of the rates budget and is subsidized by \$14m in Operational Grants & Subsidies
- Interest and Depreciation make up 50% of total operational costs (excluding Tauriko West) and is the prime driver of expenditure increase in 2026.
- NZTA capital subsidies are not shown on the following table. Cuts in NZTA funding for safety and smaller capital projects have substantially reduced the community delivery landscape.
- Reset impacts are yet to be confirmed, however we are proposing a reduction in operational costs including consultancy expenditure in resource consents and design.
- A new operating model has been developed and implemented to align with the new government funding requirements.

Business Outlook cont

- A continuous improvement plan with a heavy focus on 'delivering better, with strong value for money' has been developed with 45 initiatives currently identified.
- Continue to work with partners to co-deliver transport infrastructure aligned with Smartgrowth and UFTI through TSP.

Key Capital Projects:

- Papamoa East Interchange (PEI)
- SH29 Tauriko Enabling Works
- Fifteenth Ave to Welcome Bay
- Arterial route review (Cameron, Fraser, Hewletts)

Planning and delivery of key projects is run through the Major Projects team which has been established to provide project management capability and capacity appropriate to the scale, complexity and risk for that portfolio.

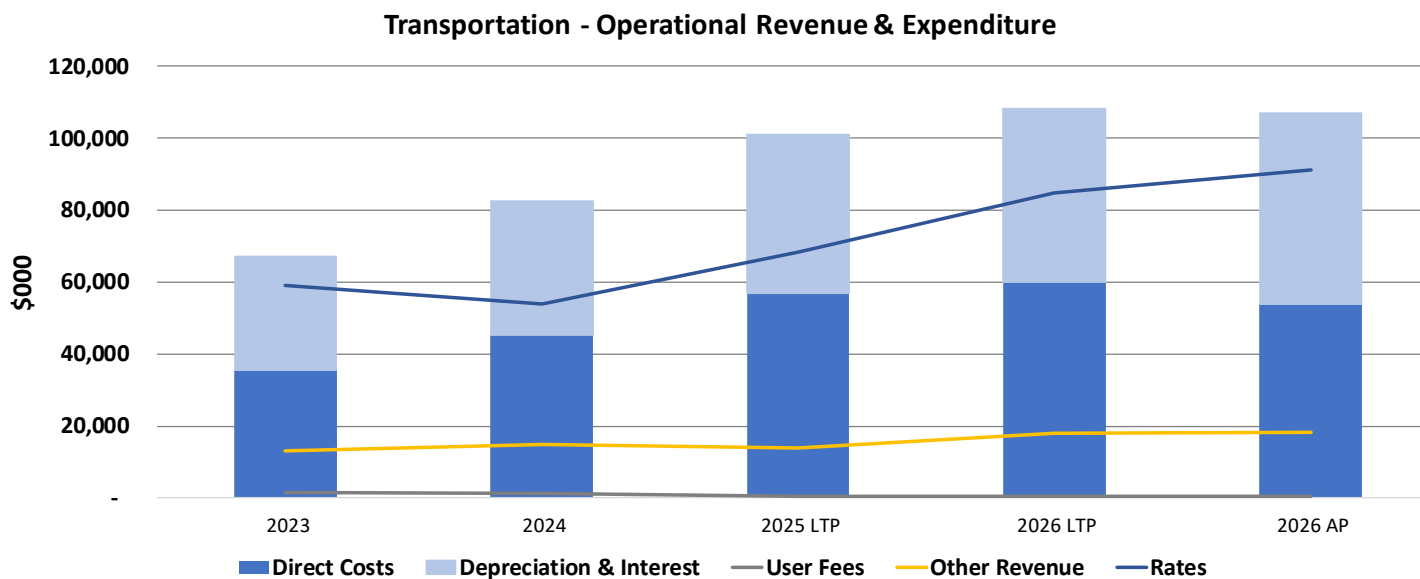
2023 Est 2024 Est 2025 LTP 2026 LTP 2026 AP

| | | | | | |
|---|-----|-----|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 112 | 121 | 106 | 108 | 120 |
| Vacancies included in Establishment | 37 | 27 | n/a | n/a | n/a |

Transportation (38)

| \$000 | | | | | |
|--|----------------|-----------------|-----------------|-----------------|-----------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 45,986 | 39,245 | 54,677 | 66,836 | 72,952 |
| User Fees | 1,377 | 1,196 | 528 | 541 | 566 |
| Grants & Subsidies | 18,816 | 30,036 | 58,933 | 84,859 | 73,429 |
| Less Tauriko West Grants & Subsidies Adjustment | (7,176) | (16,274) | (45,171) | (66,555) | (55,761) |
| Finance Revenue | (35) | (151) | (574) | (949) | (68) |
| Overheads | - | - | - | - | - |
| Total Revenue | 58,968 | 54,052 | 68,393 | 84,731 | 91,118 |
| Employee Related Costs | 5,028 | 4,440 | 7,437 | 7,619 | 7,521 |
| Depreciation | 26,253 | 30,436 | 36,090 | 39,082 | 42,266 |
| Finance Costs | 5,490 | 6,841 | 8,105 | 9,202 | 10,786 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 5,135 | 6,699 | 5,392 | 6,497 | 4,344 |
| <i>Administration Costs</i> | 145 | 281 | 258 | 266 | 314 |
| <i>Grants, Contributions and Sponsorship Expense</i> | 10,591 | 23,266 | 60,327 | 66,555 | 60,761 |
| Less Tauriko West Operating Expenditure | (10,591) | (23,266) | (60,327) | (66,555) | (60,761) |
| <i>Other Operating Expense including recoveries</i> | 8,138 | 8,614 | 10,850 | 11,044 | 7,156 |
| <i>Repairs & Maintenance</i> | 5,694 | 7,914 | 9,834 | 10,632 | 10,724 |
| <i>Utilities & Occupancy Expenses</i> | 2,150 | 1,893 | 1,944 | 1,991 | 2,151 |
| Allocations | 9,149 | 15,354 | 21,132 | 21,995 | 21,715 |
| Total Expenses | 67,182 | 82,473 | 101,041 | 108,328 | 106,977 |
| Surplus / (Deficit) | (8,214) | (28,420) | (32,648) | (23,597) | (15,860) |

The deficit is primarily non funded depreciation this is partially offset by reserve interest and rate funded debt retirement



Parking Management (85)

What we do:

- Provides a lever to manage transport network usage as significant commuter trips end at facilities managed by this activity
- Develops the parking strategy to support the wider transport network
- Implements parking strategy through area specific parking plans
- Manages Tauranga's parking network.
- Maintains parking buildings and parking machines
- Supports efficient parking enforcement
- Works with stakeholders to manage competing usage demands

Business Outlook

- Midway through 2024 the management of paid parking was brought in house, providing a higher level of service at a reduced cost to the business.
- LTP assumes that parking revenue from city centre contributes to costs of city centre development (TMOTP loan)
- Current city centre parking plan (on hold pending March Council meeting) extends paid parking zone, better managing commuter and resident demands
- Consulting on a Mount parking plan is on hold pending a March Council meeting, extending paid parking to here could have significant revenue benefits

Business Outlook cont

- Once city centre and mount parking plans are implemented/ developed it is expected others will be developed (Greerton, Papamoa)
- Business efficiency initiatives include further alignment with regulation monitoring (activity 74) as costs and activities are interlinked
- Managing demand of city centre offstreet carparks is expected to become an issue 25/26 as demand is centred on Spring St rather than Elizabeth St
- Parking is a cash balance activity so is required to cover its own costs with user fee revenue.

Key Capital Projects:

- Carpark renewals

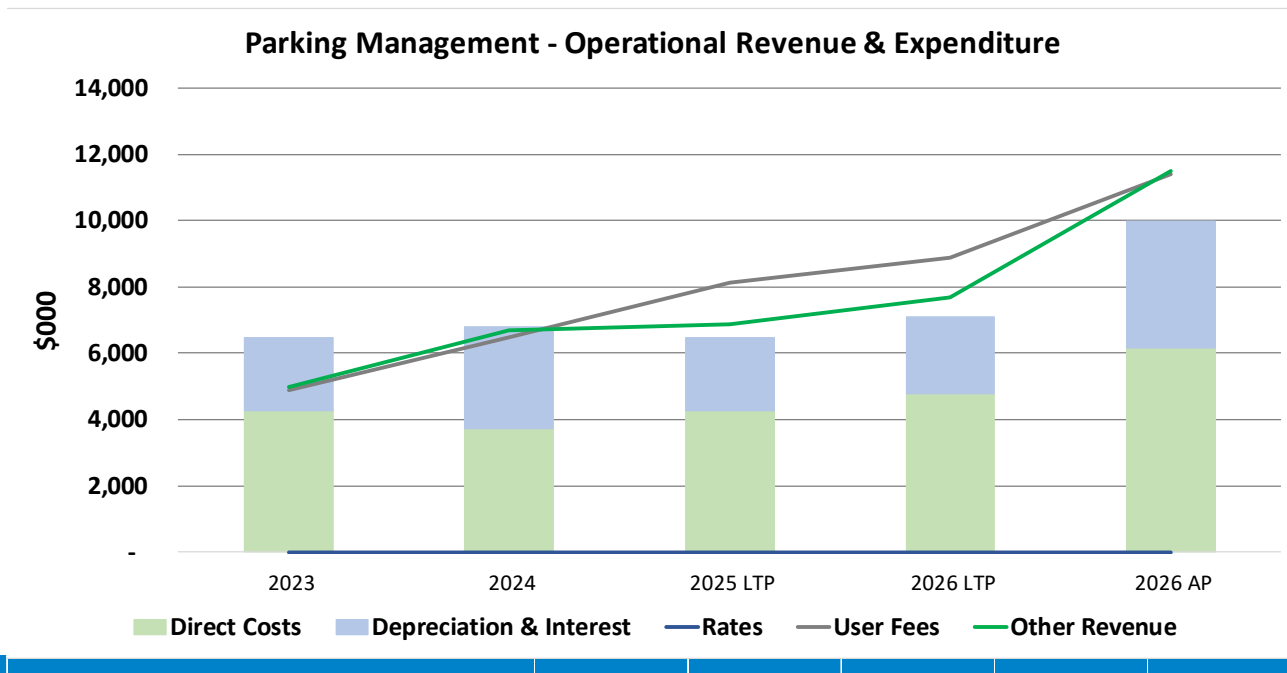
2023 Est 2024 Est 2025 LTP 2026 LTP 2026 AP

| | | | | | |
|---|---|---|-----|-----|-----|
| FTEs (Establishment includes vacancies) | - | - | 0 | 0 | 1 |
| Vacancies included in Establishment | - | - | n/a | n/a | n/a |

Parking Management (85)

| \$000 | | | | | |
|--|----------------|--------------|--------------|--------------|---------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | 4,877 | 6,466 | 8,117 | 8,894 | 11,391 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 97 | 219 | (1,245) | (1,207) | 94 |
| Overheads | - | - | - | - | - |
| Total Revenue | 4,974 | 6,685 | 6,873 | 7,687 | 11,485 |
| Employee Related Costs | 55 | 54 | 87 | 89 | 124 |
| Depreciation | 923 | 1,019 | 1,337 | 1,417 | 1,304 |
| Finance Costs | 1,263 | 2,048 | 863 | 881 | 2,523 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 127 | 36 | - | 256 | 256 |
| <i>Administration Costs</i> | 2 | 15 | - | - | - |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 2,434 | 2,402 | 2,558 | 2,607 | 3,569 |
| <i>Repairs & Maintenance</i> | 466 | 100 | 558 | 701 | 705 |
| <i>Utilities & Occupancy Expenses</i> | 564 | 539 | 446 | 457 | 835 |
| Allocations | 623 | 585 | 624 | 675 | 671 |
| Total Expenses | 6,457 | 6,799 | 6,473 | 7,083 | 9,987 |
| Surplus / (Deficit) | (1,483) | (114) | 400 | 604 | 1,498 |

Surplus reflects surplus user fees and is held in reserve for future investment



Water Supply (29)

What we do:

- Plan, construct, operate, maintain and renew water assets to ensure residents and businesses receive a quality service 24/7
- Ensure water quality meets all requirements
- Create, operate and maintain water distribution networks
- Plan for growth and deliver timely infrastructure to meet requirements
- Educate the community about water conservation and ecosystems
- Manage the joint Operations and Maintenance (O&M) contract with Downer for TCC and WBOPDC.
- Interface with operations teams for management support and customer response.
- We work with developers to ensure vested assets meet requirements and have suitable life expectancy

Business Outlook

- Funded by water meter charges
- Future delivery mechanism dependent on Central Government waters reform bill and TCC decision on creation of CCO for sustainable services
- Water pricing requires review to meet increasing cost pressures and reductions in water consumption
- Sustaining growth investment and associated roading projects of affected water lines is major Capex driver
- Major trunk main upgrades are essential for growth
- Assumed the joint O&M contract is novated to CCO
- We are presently consenting water takes for the Tautau and Wairorohi Streams

Business Outlook cont

- Water revenue split sits at 65% residential vs 35% Commercial, against 91% customer split vs 9% respectively.
- There is a separate proposal to increase fixed rate charges to offset the impact of decreasing volumes.
- YTD Repairs & Maintenance costs have been high in 2024/25 due to an ongoing high number of reactive issues.

Key Capital Projects:

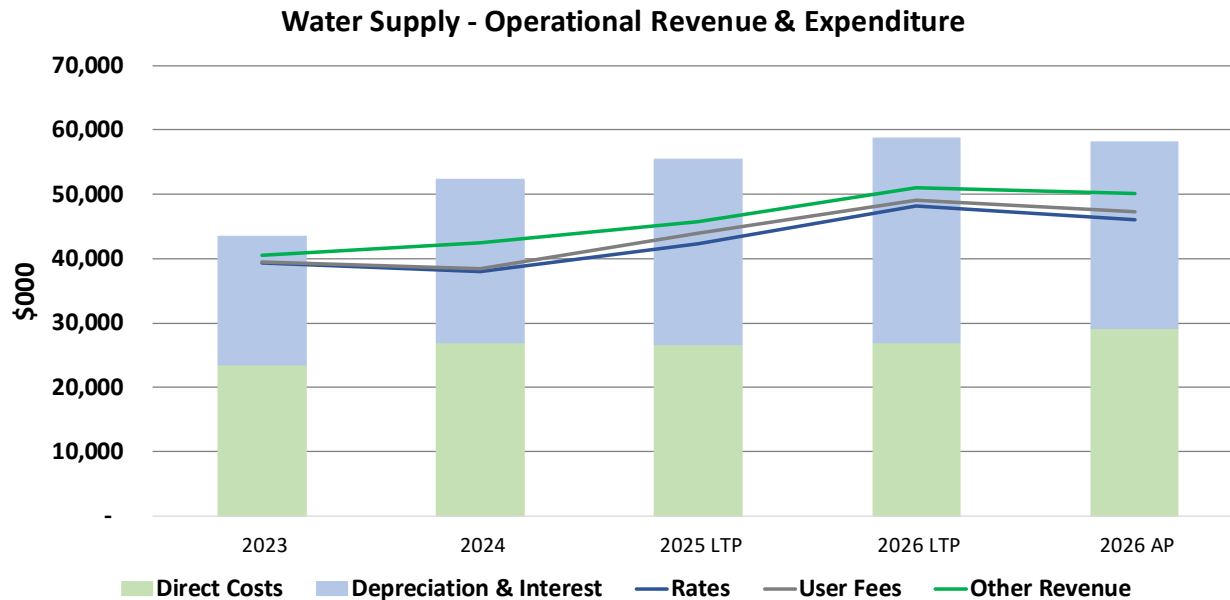
- Water pipe renewals
- Tauriko West water main
- Cambridge Rd trunk main
- Reservoir Seismic upgrades
- Coastal water trunk mains

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 21 | 28 | 26 | 26 | 26 |
| Vacancies included in Establishment | 3 | 7 | n/a | n/a | n/a |

Water Supply (29)

| \$000 | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 39,243 | 38,017 | 42,310 | 48,196 | 46,102 |
| User Fees | 206 | 391 | 1,688 | 913 | - |
| Grants & Subsidies | 57 | 2,386 | - | - | 1,209 |
| Finance Revenue | 939 | 1,647 | 1,813 | 1,952 | 1,622 |
| Overheads | - | - | - | - | - |
| Total Revenue | 40,445 | 42,442 | 45,810 | 51,061 | 48,932 |
| Employee Related Costs | 1,751 | 2,305 | 1,692 | 1,717 | 2,901 |
| Depreciation | 10,411 | 14,026 | 15,080 | 16,736 | 15,736 |
| Finance Costs | 9,485 | 11,216 | 13,602 | 15,051 | 13,078 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 1,968 | 1,742 | 2,141 | 1,977 | 1,583 |
| <i>Administration Costs</i> | 686 | 95 | 148 | 154 | 134 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | () | - | - | - |
| <i>Other Operating Expense</i> | 6,097 | 8,797 | 10,026 | 9,898 | 11,301 |
| <i>Repairs & Maintenance</i> | 5,209 | 6,681 | 4,830 | 4,925 | 5,145 |
| <i>Utilities & Occupancy Expenses</i> | 2,232 | 2,345 | 2,303 | 2,370 | 2,450 |
| Allocations | 5,557 | 5,010 | 5,532 | 5,857 | 5,720 |
| Total Expenses | 43,395 | 52,216 | 55,353 | 58,686 | 58,048 |
| Surplus / (Deficit) | (2,950) | (9,774) | (9,543) | (7,626) | (9,116) |

Deficit is largely growth interest not funded by operational revenue.



Wastewater (27)

What we do:

- Plan, construct, operate, maintain and renew wastewater assets to ensure residents and businesses receive a quality service 24/7
- Ensure wastewater quality meets all requirements
- Create, operate and maintain wastewater distribution networks
- Plan for growth and deliver timely infrastructure to meet requirements
- Protect public health and the environment
- Educate the community about conservation and ecosystems
- Manage the joint O&M contract with Downer for TCC and WBOPDC.
- Interface with operations teams for management support and customer response.
- We work with developers to ensure vested assets meet requirements and have suitable life expectancy

Business Outlook

- Funded by targeted UAC rates. Residential sector cross subsidises commercial sector, based on volumetric usage.
- This activity is part of waters reform initiatives.
- There are currently challenges regarding capacity at treatment plants and the networks' ability to cope with growth
- Sustaining growth investment for wastewater assets is the major Capex driver
- Continued investment in treatment facilities is essential for current and predicted growth
- Assumed the joint O&M contract is novated to CCO.

Business Outlook cont

Key Capital Projects:

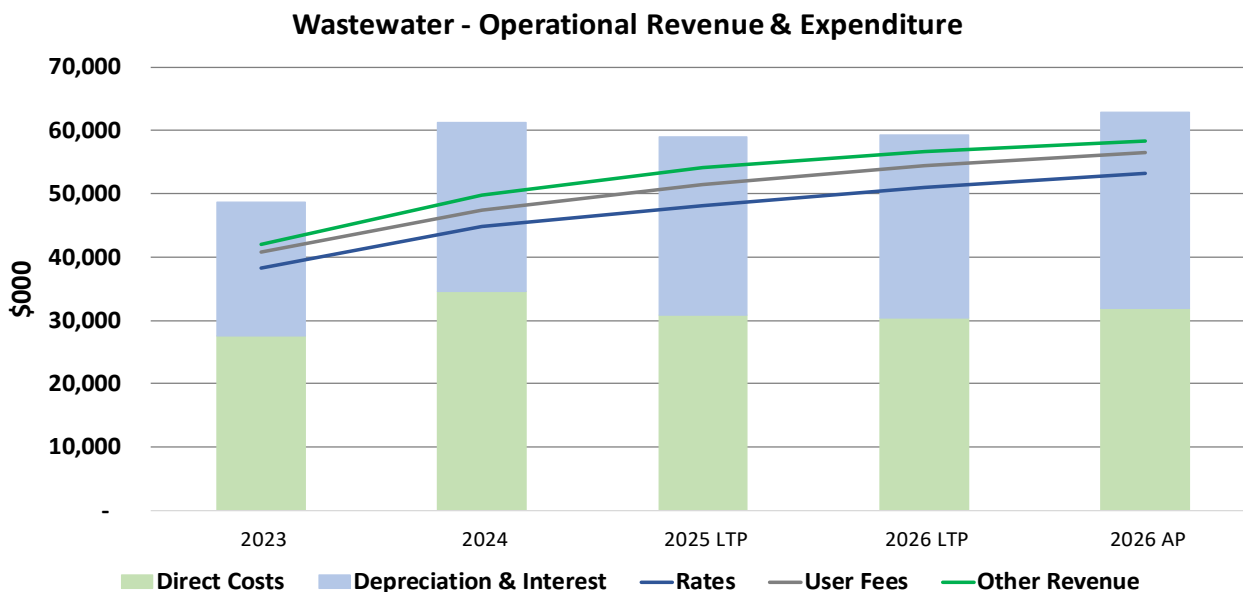
- Opal Dr Pump station
- Te Maunga Wastewater Treatment Plant upgrades
- Wastewater reticulation renewals
- Wastewater pump station renewals
- Mansels Rd wastewater construction and renewals

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 17 | 17 | 19 | 19 | 17 |
| Vacancies included in Establishment | 1 | 2 | n/a | n/a | n/a |

Wastewater (27)

| \$000 | | | | | |
|--|----------------|-----------------|----------------|----------------|----------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 38,273 | 44,788 | 48,200 | 50,974 | 53,258 |
| User Fees | 2,563 | 2,641 | 3,234 | 3,446 | 3,215 |
| Grants & Subsidies | - | - | - | - | () |
| Finance Revenue | 1,244 | 2,297 | 2,638 | 2,271 | 1,353 |
| Overheads | - | - | - | - | - |
| Total Revenue | 42,080 | 49,726 | 54,072 | 56,691 | 57,825 |
| Employee Related Costs | 1,782 | 1,868 | 1,989 | 2,037 | 1,689 |
| Depreciation | 14,301 | 18,104 | 18,827 | 19,320 | 19,958 |
| Finance Costs | 6,886 | 8,548 | 9,425 | 9,686 | 11,021 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 2,178 | 1,658 | 2,375 | 2,563 | 3,062 |
| <i>Administration Costs</i> | 90 | 80 | 78 | 79 | 76 |
| <i>Grants, Contributions and Sponsorship Expense</i> | 48 | 45 | 91 | 93 | - |
| <i>Other Operating Expense</i> | 9,869 | 17,077 | 12,146 | 10,786 | 10,988 |
| <i>Repairs & Maintenance</i> | 4,458 | 3,787 | 3,566 | 3,751 | 3,984 |
| <i>Utilities & Occupancy Expenses</i> | 3,188 | 3,642 | 3,170 | 3,312 | 4,427 |
| Allocations | 5,876 | 6,487 | 7,403 | 7,724 | 7,643 |
| Total Expenses | 48,675 | 61,296 | 59,070 | 59,351 | 62,849 |
| Surplus / (Deficit) | (6,595) | (11,570) | (4,998) | (2,660) | (5,024) |

Deficit is largely growth interest not funded by operational revenue



Stormwater (26)

What we do:

- Plan, construct, operate, maintain and renew stormwater assets to ensure residents and businesses receive a quality service 24/7
- Ensure stormwater quality meets all requirements
- Create, operate and maintain stormwater collection networks
- Plan for growth and deliver timely infrastructure to meet requirements
- Protect public health and the environment
- Educate the community about conservation and ecosystems
- Manage the joint O&M contract with Downer for TCC and WBOPDC.
- Interface with operations teams for management support and customer response.
- We work with developers to ensure vested assets meet requirements and have suitable life expectancy

Business Outlook

- Funded by general and targeted rates
- Future delivery mechanism dependent on Central Government waters reform bill and TCC decision on creation of CCO for sustainable services
- There are currently challenges with managing the cost of compliance to meet resource consent conditions
- Changing weather patterns and compliance requires adaptive operational responses and stormwater management plans
- Assume the joint O&M contract is novated to CCO.

Business Outlook cont

Key Capital Projects:

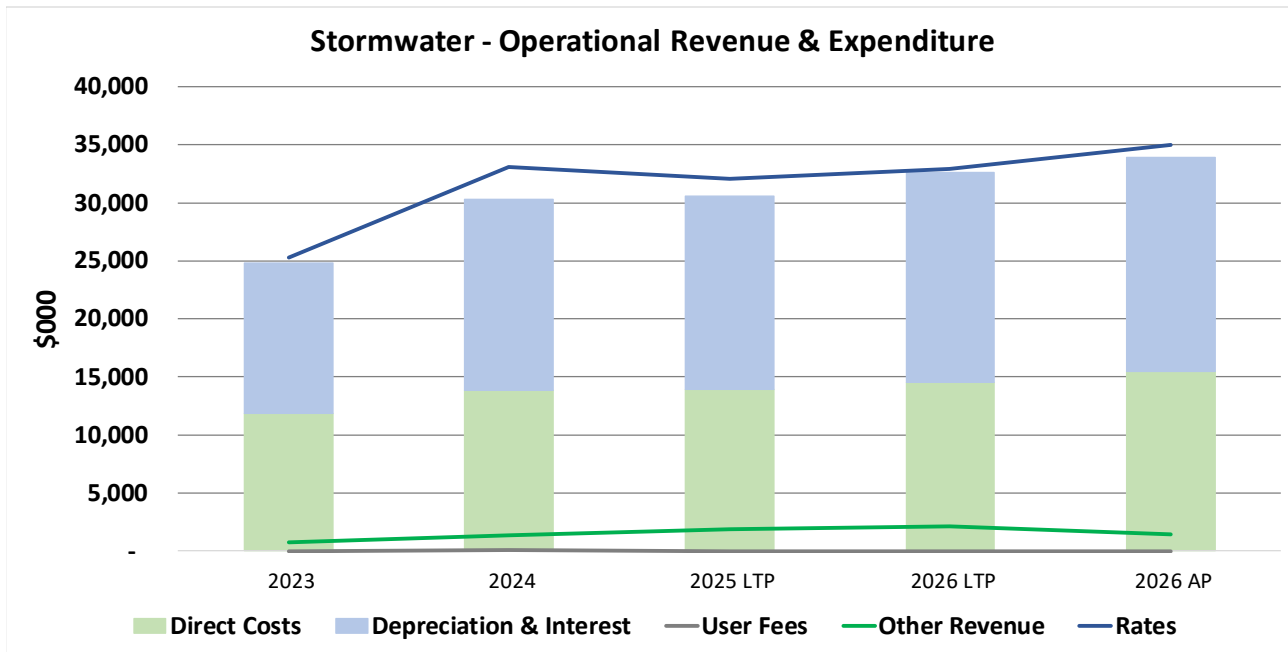
- Pyes Pa West dam and wetland
- Stormwater reticulation renewals
- Tauriko Dr reticulation

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 7 | 6 | 7 | 7 | 8 |
| Vacancies included in Establishment | 1 | 2 | n/a | n/a | n/a |

Stormwater (26)

| \$'000 | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 24,468 | 31,670 | 30,222 | 30,793 | 33,562 |
| User Fees | 21 | 48 | 4 | 4 | 4 |
| Grants & Subsidies | 156 | 61 | - | - | - |
| Finance Revenue | 610 | 1,283 | 1,855 | 2,115 | 1,408 |
| Overheads | - | - | - | - | - |
| Total Revenue | 25,256 | 33,062 | 32,081 | 32,912 | 34,975 |
| Employee Related Costs | 536 | 663 | 889 | 911 | 930 |
| Depreciation | 6,790 | 8,722 | 8,793 | 9,703 | 10,180 |
| Finance Costs | 6,221 | 7,788 | 7,864 | 8,452 | 8,291 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 1,778 | 2,912 | 1,523 | 1,506 | 1,406 |
| <i>Administration Costs</i> | 8 | 13 | 8 | 8 | 8 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 1,864 | 2,545 | 4,238 | 4,457 | 4,954 |
| <i>Repairs & Maintenance</i> | 4,006 | 4,455 | 3,831 | 4,065 | 4,677 |
| <i>Utilities & Occupancy Expenses</i> | 190 | 224 | 208 | 213 | 204 |
| Allocations | 3,463 | 3,002 | 3,186 | 3,320 | 3,285 |
| Total Expenses | 24,856 | 30,323 | 30,540 | 32,635 | 33,936 |
| Surplus / (Deficit) | 400 | 2,740 | 1,542 | 277 | 1,039 |

Surplus is due to stormwater levy targeted rate which is collected each year and used to fund stormwater capital projects. There is also interest on DCs and depreciation reserves.



Sustainability & Waste (32)

What we do:

- We educate, engage, collaborate & innovate to drive sustainable behaviour, reduce waste, lower emissions & build climate resilience for Tauranga's future.
- Climate resilience: manage risks, engage communities & protect biodiversity.
- Climate mitigation: cut emissions, boost efficiency & adopt renewables.
- Sustainable leadership: lead as kaitiaki, fostering equity, resilience & strong governance.
- Circular economy: reduce waste, improve recycling & invest in resource recovery.
- Waste services: optimise operations, reduce illegal dumping & maintain waste infrastructure.
- Risk & Vulnerability Study for Tauranga – adaptation actions.
- This activity also covers kerbside collection and transfer stations.

Business Outlook:

- Majority of funding derived from targeted & general rates.
- Waste levy funding from the MfE also received as well as some user fees.
- Potential impact of legislative & system reforms (RMA, National Policy Statements, LGA, Climate Change Response Act, CDEM Act, Waste Management Act & Building Act).
- Focus on engagement & behaviour change to deliver approved plans on community-wide scale reducing waste & impact on climate.
- Proposed partnerships (JV) to deliver waste infrastructure & revenue.
- High level of community engagement at transfer stations, 60,000 homes kerbside service & through 3,000 CCMs a year.

Business Outlook cont:

- Strong value for money focus identifying cross-council saving opportunities & for the community through a change to targeted waste rates.
- Proposed change to operating model despite growing resource requirements.
- Increasing population with more stringent regulatory frameworks driving resource & infrastructure needs.

Key Capital Projects:

- Investigate, purchase & develop a plan for a regional waste infrastructure.
- Energy Strategy to reduce costs & emissions.
- Waste infrastructure through stringent consenting processing

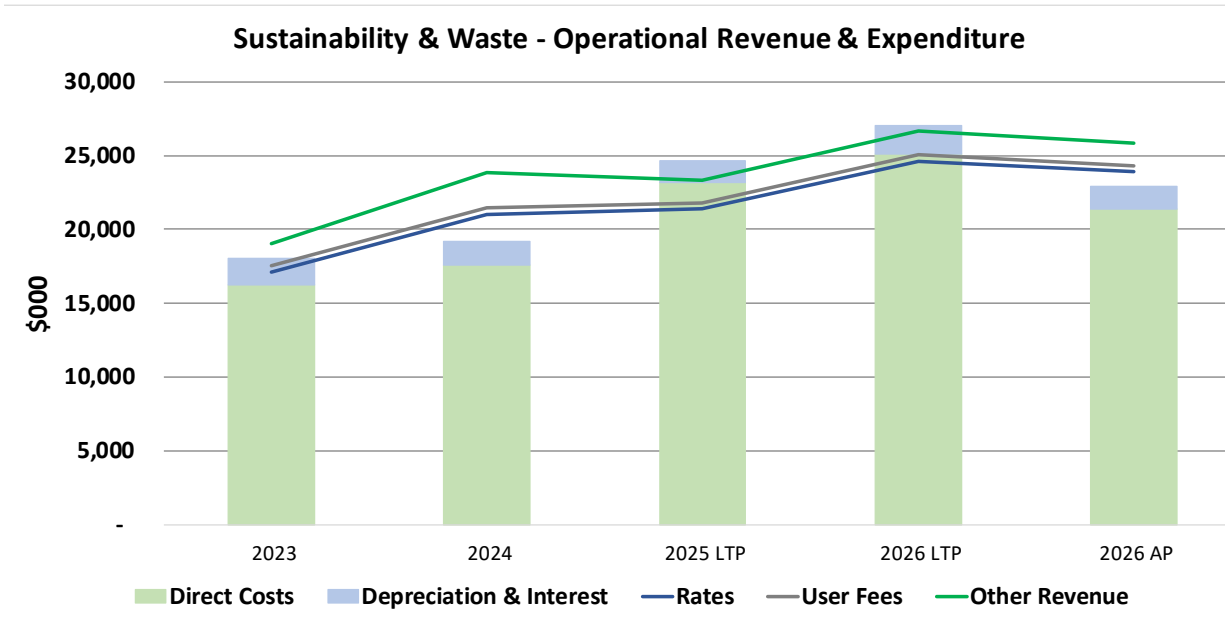
2023 Est 2024 Est 2025 LTP 2026 LTP 2026 AP

| | | | | | |
|---|----|----|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 22 | 25 | 26 | 26 | 26 |
| Vacancies included in Establishment | 2 | 3 | n/a | n/a | n/a |

Sustainability & Waste (32)

| \$000 | | | | | |
|--|---------------|---------------|----------------|---------------|---------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 17,130 | 21,037 | 21,403 | 24,647 | 23,890 |
| User Fees | 400 | 403 | 408 | 432 | 434 |
| Grants & Subsidies | 1,442 | 2,317 | 1,380 | 1,414 | 1,380 |
| Finance Revenue | 27 | 87 | 144 | 182 | 118 |
| Overheads | - | - | - | - | - |
| Total Revenue | 18,999 | 23,845 | 23,335 | 26,674 | 25,823 |
| Employee Related Costs | 1,818 | 2,322 | 2,632 | 3,041 | 2,179 |
| Depreciation | 1,260 | 1,278 | 1,269 | 1,387 | 1,434 |
| Finance Costs | 563 | 358 | 243 | 594 | 126 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 171 | 461 | 1,443 | 1,149 | 342 |
| <i>Administration Costs</i> | 106 | 208 | 528 | 417 | 260 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 10,094 | 10,011 | 13,664 | 15,237 | 13,073 |
| <i>Repairs & Maintenance</i> | 68 | 72 | 42 | 167 | 105 |
| <i>Utilities & Occupancy Expenses</i> | 1,180 | 1,372 | 1,164 | 1,192 | 1,733 |
| Allocations | 2,795 | 3,109 | 3,692 | 3,872 | 3,678 |
| Total Expenses | 18,056 | 19,193 | 24,676 | 27,056 | 22,929 |
| Surplus / (Deficit) | 944 | 4,652 | (1,341) | (382) | 2,893 |

Surplus relates to waste levy funding from central government and surplus revenue from operating kerbside collection.



City & Infrastructure Planning (51)

What we do:

- Responsible for the preparation of City Plan, plan changes, urban growth planning plus technical input into the SmartGrowth partnership.
- Ensure that land use and infrastructure planning is undertaken in an integrated manner and within requirements of the RMA 1991
- Also responsible for growth funding through DC's, agreements with developers and other funding sources such as IFF

Business Outlook

- Increase in rates funding due to a reduction in the use of loans to fund plan changes.
- Plan Change 27 (Managing the effects of flooding in intense rainfall events) & Plan change 33 (Increasing intensification of development) both now largely completed. Starting work on plan change 38 (better management of commercial and industrial land)
- Tauriko West, Keenan Rd and Te Tumu are the key Greenfield growth area currently in the planning stages.
- Increase in expenditure is from new operational projects and ramp up of Greenfield projects.

Business Outlook cont

- Significant upcoming legislative and policy changes signalled by Government in high impact areas of RMA and growth financing/funding

Key Operational Projects:

- Plan Changes 27, 33 & 38
- Tauriko West & Tauriko Business Estate
- Keenan Road
- Te Tumu Growth Area
- Upper Ohauti Growth Area

2023 Est 2024 Est 2025 LTP 2026 LTP 2026 AP

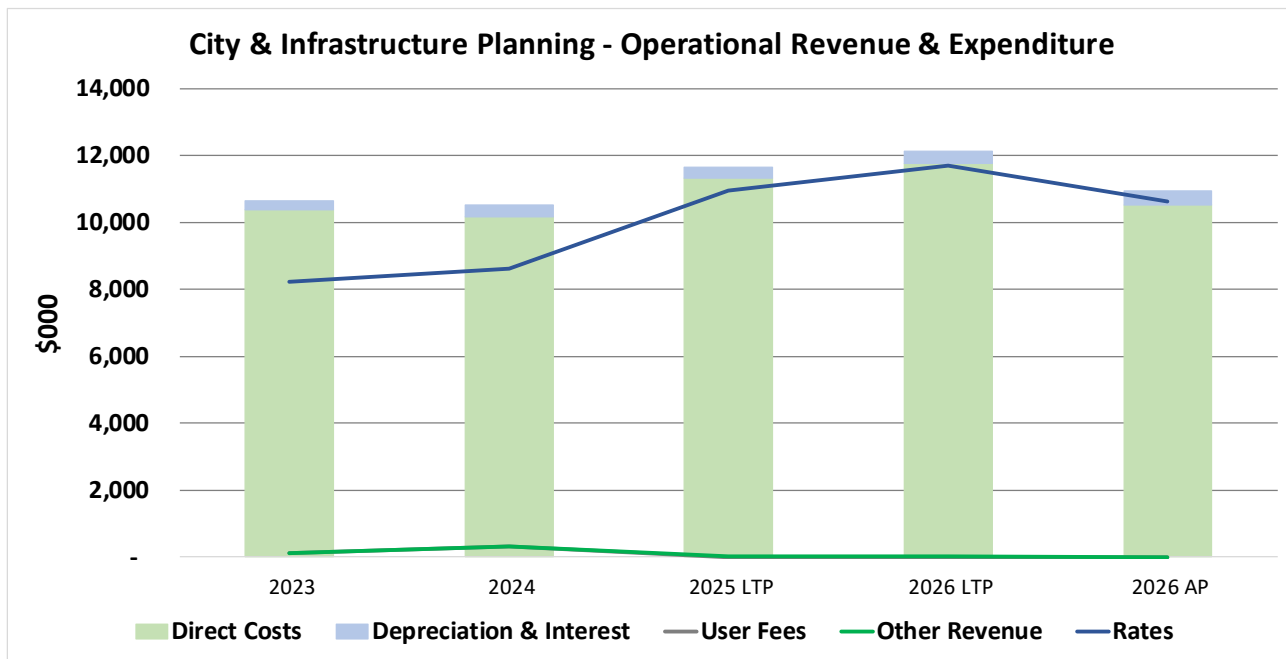
| | | | | | |
|---|----|----|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 36 | 36 | 37 | 37 | 34 |
| Vacancies included in Establishment | 5 | 5 | n/a | n/a | n/a |

City & Infrastructure Planning (51)

| \$000 | | | | | |
|--|----------------|----------------|---------------|---------------|---------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 8,119 | 8,293 | 10,930 | 11,677 | 10,608 |
| User Fees | 117 | 318 | - | - | - |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 3 | 7 | 12 | 14 | 6 |
| Overheads | - | - | - | - | - |
| Total Revenue | 8,239 | 8,618 | 10,942 | 11,691 | 10,614 |
| Employee Related Costs | 3,724 | 4,277 | 4,900 | 5,020 | 4,764 |
| Depreciation | 40 | 17 | 38 | 38 | - |
| Finance Costs | 220 | 320 | 290 | 319 | 391 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 3,645 | 4,238 | 4,469 | 4,523 | 4,570 |
| <i>Administration Costs</i> | 45 | 57 | 137 | 138 | 92 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 347 | (104) | 14 | 119 | (857) |
| <i>Repairs & Maintenance</i> | - | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | 2,609 | 1,708 | 1,804 | 1,970 | 1,968 |
| Total Expenses | 10,629 | 10,512 | 11,651 | 12,127 | 10,929 |
| Surplus / (Deficit) | (2,390) | (1,895) | (709) | (436) | (314) |

Deficit related to planning projects which are loan funded.

Negative values presented in Other Operating Expenditure are a result of recovery of costs to transportation, parks and waters activities.



Smartgrowth Implementation (72)

What we do:

- Partnership between Tauranga City Council, Bay of Plenty Regional Council, Western Bay of Plenty District Council, tāngata whenua, central government and other key organisations.
- Provide leadership on the sub-region spatial planning, growth, infrastructure planning and development.
- Formed in 2001 comprising representatives from each local authority and tangata whenua with the purpose of working in partnership and drafting sub-regional growth management plan.
- Smartgrowth implementation committee was formed in 2004.
- In 2020 Central Government joined the Smartgrowth partnership as part of the Urban Growth agenda.

- Currently governed by a Smartgrowth Leadership group
- Develop and implement plans and strategies to Smartgrowth Partners.
- Focusing on the needs of housing, land, infrastructure, transport, community development, tāngata whenua values and aspirations, and the natural environment
- Priority Development areas are:
 - Tauriko West
 - Omokoroa
 - Te Papa including Tauranga City Centre
 - Wairakei-Te Tumu
 - Rangiruru Business Park
 - Te Kāinga
 - Papakāinga

- TCC has an agency relationship with Smartgrowth. The Activity is funded by the council partners SmartGrowth with revenues equaling expenses
- Partnership shares: The % splits from 2001 to 2024 was TCC 42%, BOPRC 42% and WBOPDC 42%. From 24/25 this changed to TCC 45%, BOPRC 40% and WBOPDC 15%.

TCC contributions to Smartgrowth

| | | |
|------|----------|--------|
| 2024 | Actual | \$465k |
| 2025 | Budget | \$465k |
| 2026 | Forecast | \$465k |
| 2027 | Forecast | \$465k |

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 1 | 1 | - | - | - |
| Vacancies included in Establishment | - | - | n/a | n/a | n/a |

Arts & Culture (65)

What we do:

- Lead the development of the new Tauranga Museum;
- Manage the Tauranga Heritage Collection of approx. 35,000 objects and taonga;
- Provide education services through the Hands-on Tauranga and Outreach programmes;
- Manage the Civic and public art collection;
- Manage the Public Art Framework, including the funding and commissioning of new public art in the city;
- Provide financial support to events and organisations through the Creative Communities fund and through Community Grants;
- Support the arts, culture and heritage sectors in the community through building and maintaining effective relationships;
- Be the relationship manager for Creative Bay of Plenty and the Elms

Business Outlook

- Interest and Depreciation make up 17% of total operational costs with Interest being the prime driver of expenditure increase in 2026.
- Grants to the community make up 37% (\$2.5m) of the operational budget including the operational grant to the Tauranga Art Gallery Trust (CCO)
- Arts and Culture is in a growth phase leading up to the opening of the new museum in 2028.
- Development of tourism products based on the museum has begun with the aim of attending TRENZ in 2026 and gaining inclusion in cruise and in-bound brochures for Summer 2028.

Business Outlook cont

Key Capital Projects:

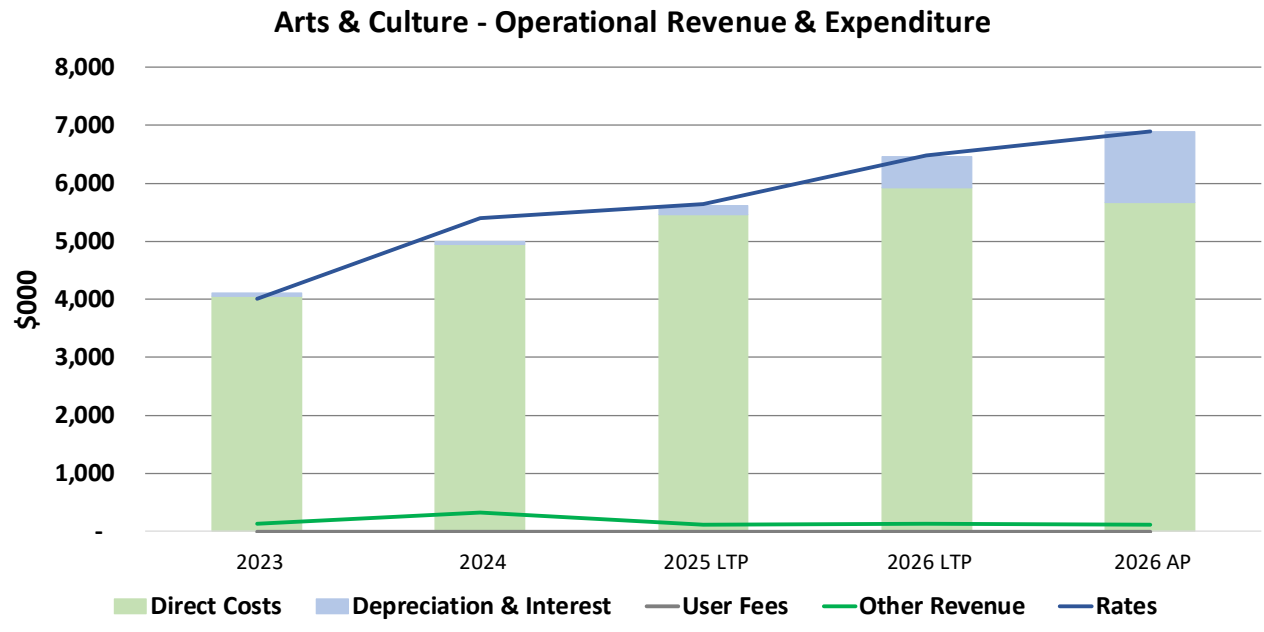
- The new Tauranga Museum is a cornerstone facility of Te Manawataki o te Papa and is currently scheduled to open in mid-2028.

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 8 | 7 | 10 | 10 | 10 |
| Vacancies included in Establishment | 2 | - | 1 | n/a | n/a |

Arts & Culture (65)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 3,868 | 5,066 | 5,517 | 6,350 | 6,774 |
| User Fees | - | - | - | - | - |
| Grants & Subsidies | 129 | 314 | 102 | 105 | 102 |
| Finance Revenue | 8 | 16 | 23 | 27 | 10 |
| Overheads | - | - | - | - | - |
| Total Revenue | 4,005 | 5,396 | 5,643 | 6,481 | 6,886 |
| Employee Related Costs | 559 | 911 | 1,200 | 1,479 | 1,391 |
| Depreciation | 36 | 28 | 86 | 277 | 421 |
| Finance Costs | 9 | 31 | 72 | 256 | 782 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 138 | 16 | 28 | 41 | 98 |
| <i>Administration Costs</i> | 18 | 58 | 42 | 48 | 122 |
| <i>Grants, Contributions and Sponsorship Expense</i> | 2,227 | 2,412 | 2,675 | 2,740 | 2,462 |
| <i>Other Operating Expense</i> | 731 | 561 | 552 | 592 | 659 |
| <i>Repairs & Maintenance</i> | 59 | 26 | 95 | 98 | 42 |
| <i>Utilities & Occupancy Expenses</i> | 91 | 46 | 98 | 101 | 78 |
| Allocations | 231 | 914 | 771 | 823 | 820 |
| Total Expenses | 4,098 | 5,003 | 5,619 | 6,454 | 6,876 |
| Surplus / (Deficit) | (93) | 393 | 23 | 27 | 10 |

Small surplus is interest on reserves.



Tauranga Art Gallery Trust (CCO)

What we do:

Manages and operates the Art Gallery ensuring sound governance and financial management.

The aim of the Art Gallery is to create exceptional art experiences that engage, inspire, challenge and educate through exhibitions, public programmes and events.

Redevelopment of the Art Gallery is currently being undertaken as part of the Te Manawataki o Te Papa (TMOTP) civic development. The Art Gallery is scheduled to re-open in 2025 with an interior fit-out that will match international standards.

Business Outlook:

FTE currently scheduled to grow from 6 to 14 when the gallery re-opens later in 2025.

Working through how to stay within the limits of current operational grant funding provided by TCC despite the planned increase in FTE.

Looking at approaches to increasing revenue, opportunities to work smarter across the wider council activities including potential shared resources with the Museum, Baycourt and Libraries.

Grants to Tauranga Art Gallery

| | | |
|------|---------|---------|
| 2023 | \$1.32m | Actuals |
| 2024 | \$1.26m | Actuals |
| 2025 | \$1.51m | Budget |
| 2026 | \$1.51m | Budget |
| 2027 | \$1.54m | Budget |

Baycourt Community & Arts Centre (64)

What we do:

- Enable and create memorable arts and event experiences for our community.
- Providing a professional and premier performing arts venue for use by the community, and to attract high-quality performing arts to our city, featuring:
 - 582 seat auditorium
 - 200 seat intimate black-box theatre
 - Terrace room meeting space
- Provide a licensed bar and snack service for performance events
- Provide all theatrical services in-house (e.g. lighting and sound equipment, ticketing, marketing), positioning Baycourt as the only 'full service' performing arts facility in Tauranga
- Manage The Cargo Shed as a venue for hire, focusing on a balance of community, cultural and commercial usage
- Marketing and promotion to drive attendance and hireage of venue spaces.

Business Outlook

- Continue to grow Baycourt's profile locally and nationally as a trusted and inclusive creative space.
- Future bookings appear strong with high utilisation rates.
- Continue to grow community awareness of The Cargo Shed to increase venue utilisation, in particular for cultural and community events.
- Competition to host commercial touring shows is expected to increase when the 1,300 seat Waikato Regional Theatre opens in 2025, along with the 950 seat Sir Howard Morrison Centre in Rotorua increasing their focus on commercial shows, so our focus is on driving attendance to events through strong audience development programs and quality services to ensure we remain a desirable venue for hirers and their commercial shows.

Business Outlook cont

- Funded by a mix of user fees and rates funding
- Support and contribute to the establishment and success of TMOTP
- A Baycourt refresh/upgrade will be necessary to remain a desirable venue of choice for touring/shows and also provide increased opportunity to generate revenue from the bar and snack services, and function hire.

Key Capital Projects:

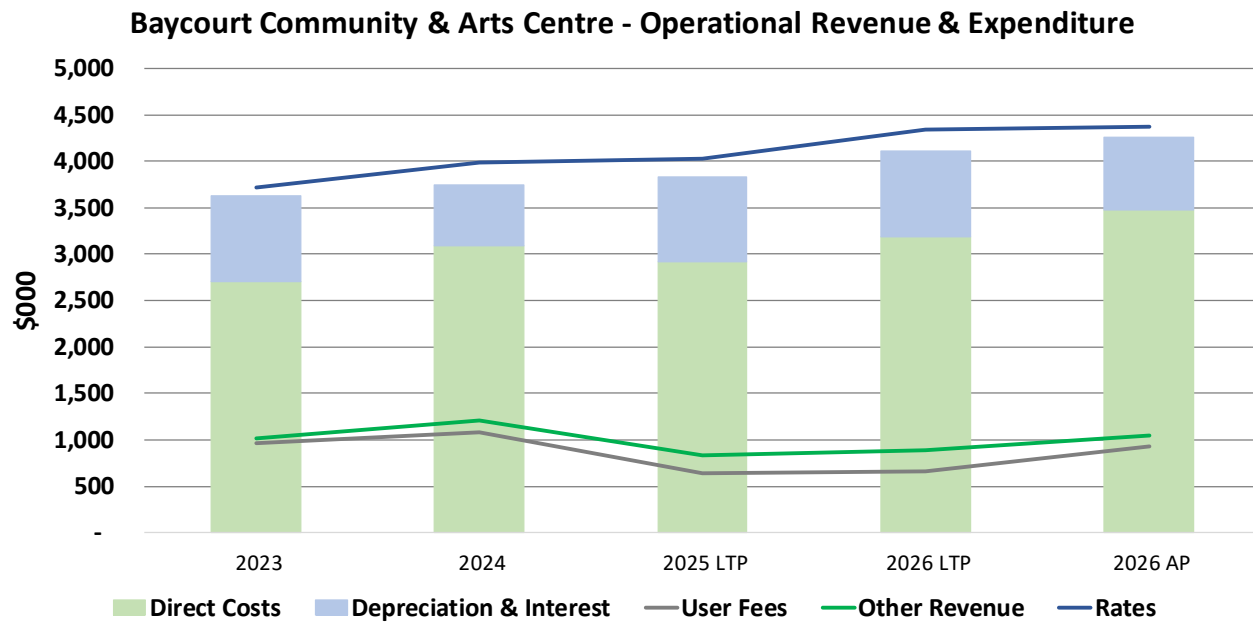
- Baycourt upgrades as part of TMOTP precinct developments - \$15.7m budgeted over the next four years

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 12 | 13 | 12 | 12 | 13 |
| Vacancies included in Establishment | 1 | 1 | n/a | n/a | n/a |

Baycourt Community & Arts Centre (64)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 2,703 | 2,782 | 3,191 | 3,451 | 3,327 |
| User Fees | 962 | 1,084 | 643 | 658 | 930 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 55 | 122 | 194 | 231 | 114 |
| Overheads | - | - | - | - | - |
| Total Revenue | 3,721 | 3,988 | 4,028 | 4,341 | 4,371 |
| Employee Related Costs | 1,124 | 1,362 | 1,180 | 1,212 | 1,435 |
| Depreciation | 871 | 598 | 854 | 857 | 679 |
| Finance Costs | 47 | 63 | 64 | 69 | 105 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 22 | 7 | 107 | 229 | 282 |
| <i>Administration Costs</i> | 47 | 146 | 161 | 165 | 193 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 540 | 679 | 636 | 683 | 623 |
| <i>Repairs & Maintenance</i> | 101 | 154 | 88 | 91 | 88 |
| <i>Utilities & Occupancy Expenses</i> | 167 | 156 | 150 | 156 | 197 |
| Allocations | 709 | 583 | 594 | 649 | 653 |
| Total Expenses | 3,627 | 3,748 | 3,833 | 4,110 | 4,257 |
| Surplus / (Deficit) | 94 | 240 | 194 | 231 | 114 |

Small surplus is interest on reserves.



City Events (54)

What we do:

- Drives tangible economic and social benefits for our community to grow Tauranga's reputation through our manaakitanga as Aotearoa's premier event host city.
- Attract and develop events that align with our city strategies
- Manage the event approval process for all events on Council's public open spaces, facilitating internal and external stakeholders ensure operationally sound, safe and successful events while minimising the negative impact.
- Facilitates all filming activity in Council's public open spaces by granting film approvals
- Manage the Event Funding Framework
- Support and deliver event leverage activities
- Deliver events on behalf of Council including New Year's Eve community events, Anzac Day, Childrens Day and the Manu Bomb Competitions.
- Deliver marketing and communications to inform the community about venues and events in Tauranga

Business Outlook

- Funded almost 100% by rates
- Event organisers are struggling to deliver successful events with increased costs and lower tickets sales so are seeking more support from council.
- Increased competition from other regions to attract and secure events, means greater emphasis on working with our city partners, our industry relationships and facilitation reputation to retain or secure events that align with our city strategies.
- Currently exploring potential bids for Major Events for the next 2 – 5 years.

Business Outlook cont

Key Capital Projects:

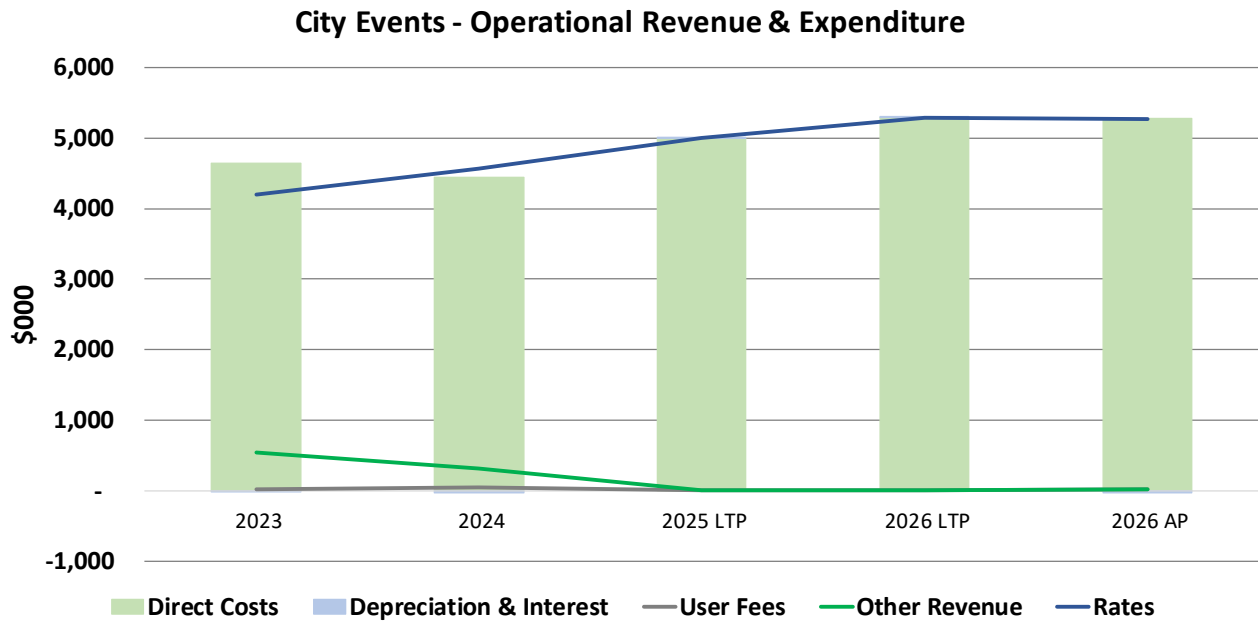
No capital projects

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 16 | 17 | 17 | 17 | 18 |
| Vacancies included in Establishment | - | 1 | n/a | n/a | n/a |

City Events (54)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 3,652 | 4,252 | 4,993 | 5,281 | 5,251 |
| User Fees | 20 | 50 | 5 | 10 | 23 |
| Grants & Subsidies | 529 | 269 | - | - | - |
| Finance Revenue | - | - | - | - | - |
| Overheads | - | - | - | - | - |
| Total Revenue | 4,202 | 4,571 | 4,998 | 5,291 | 5,274 |
| Employee Related Costs | 1,348 | 1,821 | 1,857 | 1,905 | 1,981 |
| Depreciation | | | | | |
| Finance Costs | (11) | (26) | 1 | 1 | (23) |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 222 | 152 | 297 | 291 | 270 |
| <i>Administration Costs</i> | 150 | 211 | 294 | 340 | 263 |
| <i>Grants, Contributions and Sponsorship Expense</i> | 142 | 161 | 235 | 264 | - |
| <i>Other Operating Expense</i> | 2,095 | 1,366 | 1,522 | 1,625 | 1,891 |
| <i>Repairs & Maintenance</i> | - | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | 14 | - | - | - |
| Allocations | 684 | 723 | 792 | 865 | 869 |
| Total Expenses | 4,630 | 4,421 | 4,997 | 5,290 | 5,250 |
| Surplus / (Deficit) | (428) | 150 | | | 24 |

Small surplus is interest on reserves.



Community Development (56)

What we do:

- Deliver improved social outcomes, by working as conduit between community and Council, facilitating collaboration, building capacity and connecting people.
- Work across the social sector to establish opportunities along with delivering a work programmes that focus on needs and aspirations of priority communities (disabled people, older people, youth, Māori, ethnic and Pasifika, children and whānau, rainbow community and people experiencing homelessness).
- We manage programmes on community safety.
- Facilitate Special Interest Groups to create platform for advocacy, networking and engagement and increase representation of community voice in decision making.
- Coordinate Partnership Agreements, Community Grants Fund, Creative Communities Scheme, Grants for DC contributions on Community Housing.
- Facilitate over \$2.5m of community grant payments annually

What we do cont:

- Facilitate Vital Update to better understand our communities and what their needs and aspirations are for their neighbourhoods and city.

Business Outlook

- Grants for Development Contribution on Community Housing Policy included in FY26
- Intentional focus on building skills and capacity of community organisations to operate more efficiently and effectively and respond to community needs, particularly in current funding climate.
- Delivery of Vital Update 2026 to ensure organisations understand community demographics, needs, and trends via reports and data dashboards. Intending to partner with local stakeholders to reduce financial commitment.

Business Outlook cont:

- Implementation of priority actions from Safer Communities AIP with focus on neighborhood safety, water safety and strengthening relationships with ambassador groups (Māori Wardens, Community Patrols, Neighborhood Support).
- Implementation of Accessible Tauranga AIP, including develop Universal Design Toolkit, upskilling staff in accessible design principles and delivery of technology and equipment that increases accessibility of places and spaces .
- Review of Youth Action Plan to align with emerging needs and priorities of young people in our community.
- Engagement with Marae to understand their unique accessibility needs and emergency preparedness concerns, support assessment of existing facilities and identify funding streams for implementing improvements.

Key Capital Projects:

- No capital projects

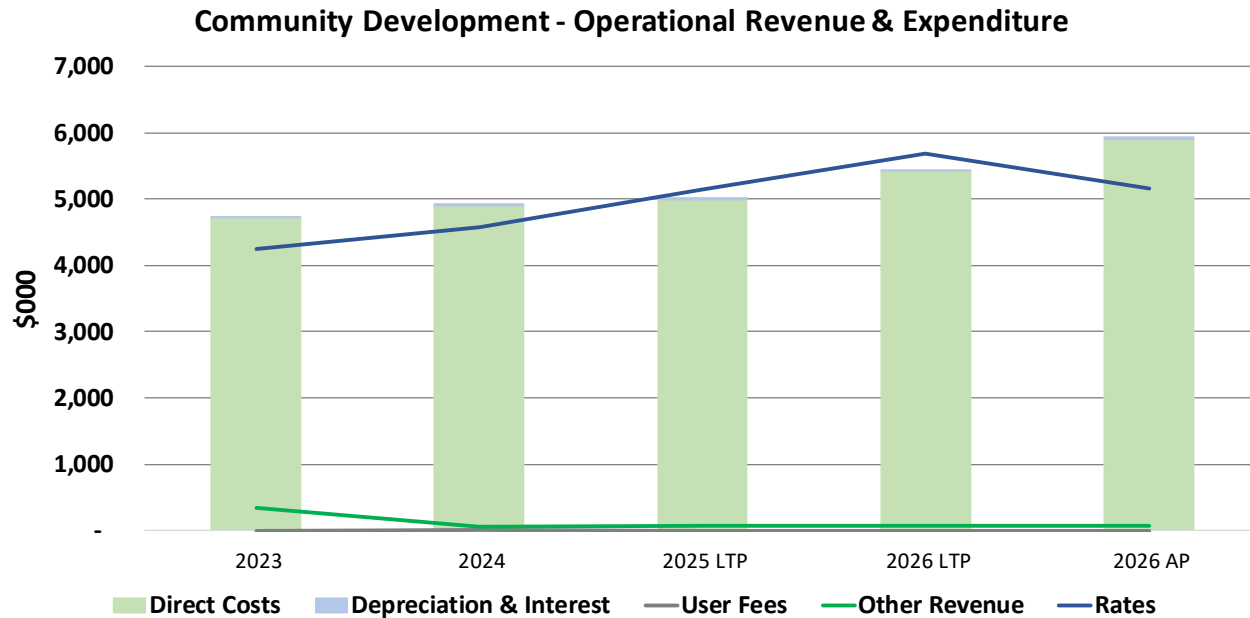
2023 Est 2024 Est 2025 LTP 2026 LTP 2026 AP

| | | | | | |
|---|----|----|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 16 | 18 | 15 | 15 | 16 |
| Vacancies included in Establishment | 3 | 1 | n/a | n/a | n/a |

Community Development (56)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 3,905 | 4,524 | 5,071 | 5,615 | 5,092 |
| User Fees | 4 | 6 | - | - | - |
| Grants & Subsidies | 339 | 40 | 70 | 72 | 72 |
| Finance Revenue | 3 | 6 | (3) | (3) | (2) |
| Overheads | - | - | - | - | - |
| Total Revenue | 4,251 | 4,575 | 5,138 | 5,684 | 5,163 |
| Employee Related Costs | 1,204 | 1,487 | 1,564 | 1,602 | 1,440 |
| Depreciation | | | | | |
| Finance Costs | 19 | 32 | 27 | 18 | 18 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 64 | 83 | 71 | 72 | 71 |
| <i>Administration Costs</i> | 23 | 41 | 83 | 85 | 79 |
| <i>Grants, Contributions and Sponsorship Expense</i> | 1,817 | 1,974 | 1,570 | 1,558 | 2,457 |
| <i>Other Operating Expense</i> | 897 | 754 | 1,052 | 1,394 | 1,150 |
| <i>Repairs & Maintenance</i> | - | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | 708 | 555 | 646 | 711 | 713 |
| Total Expenses | 4,733 | 4,927 | 5,014 | 5,440 | 5,928 |
| Surplus / (Deficit) | (482) | (351) | 125 | 244 | (765) |

Deficits reflect grants paid to the community which are loan and reserve funded.



| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|

Elder Housing (94)

What we do:

Divestment of all Elder Housing Villages expect for Hinau has now occurred.

Hinau village currently under a lease arrangement to provide accommodation to out of town workers for a construction company.

Business Outlook

The Annual Plan assumes Hinau village is divested by June 2025.

Sale is currently on hold awaiting a favourable market environment.

This activity currently holds the proceeds from the sale of Elder Housing Villages in a reserve which is funding the investment in Housing Equity Fund and other housing initiatives.

Business Outlook cont

Key Capital Projects:

Sale of Hinau village in FY25

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|--|----------|----------|----------|----------|---------|
|--|----------|----------|----------|----------|---------|

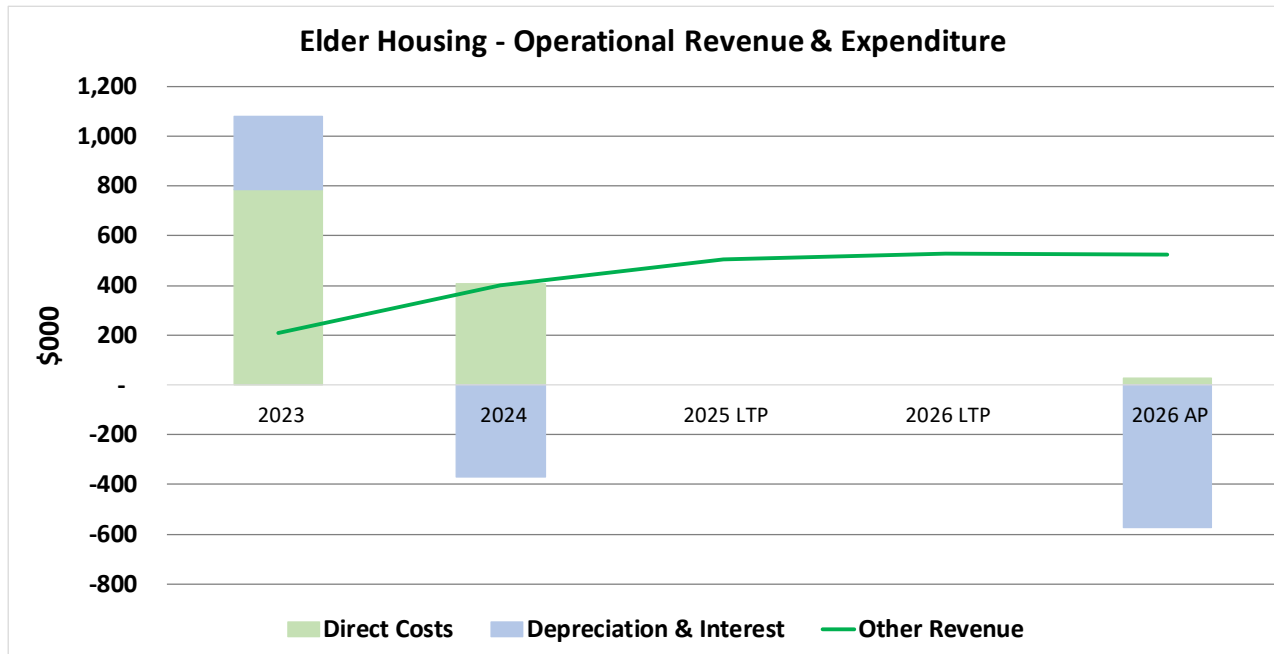
| | | | | | |
|---|---|---|---|---|---|
| FTEs (Establishment includes vacancies) | 1 | - | - | - | - |
|---|---|---|---|---|---|

| | | | | | |
|-------------------------------------|---|---|-----|-----|-----|
| Vacancies included in Establishment | - | - | n/a | n/a | n/a |
|-------------------------------------|---|---|-----|-----|-----|

Elder Housing (94)

| \$000 | | | | | |
|--|--------------|--------------|------------|------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | 575 | 75 | - | - | - |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 210 | 398 | 503 | 528 | 523 |
| Overheads | - | - | - | - | - |
| Total Revenue | 785 | 473 | 503 | 528 | 523 |
| Employee Related Costs | 142 | () | - | - | - |
| Depreciation | 21 | () | - | - | - |
| Finance Costs | 276 | (371) | - | - | (575) |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 27 | (1) | - | - | - |
| <i>Administration Costs</i> | - | - | - | - | - |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 10 | 12 | - | - | - |
| <i>Repairs & Maintenance</i> | 346 | 336 | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | 256 | 61 | - | - | 28 |
| Allocations | - | - | - | - | - |
| Total Expenses | 1,080 | 37 | - | - | (548) |
| Surplus / (Deficit) | (295) | 436 | 503 | 528 | 1,071 |

Current surpluses relate interest on reserves which currently hold a high balance due to the proceeds of the Elder Housing disposal.



Historic Village (92)

What we do:

- Operates as a unique, inspired and diverse community hub through:
 - Strong occupancy of the 69 tenanted spaces balancing the mix of commercial and community use with a wide range of offerings in the appropriate zones
 - venue space hire for functions and events
 - a destination for visitors providing a multitude of experiences
- Deliver on the 2020 The Historic Village Strategic Plan
- Managing the assets to ensure buildings and facilities are fit for purpose, maintained and integrate historic attributes where practical
- Delivering on the Grounds Masterplan to develop and maintain the natural environment, grounds and gardens
- Marketing and promotion to drive visitation and hireage of venue spaces.

Business Outlook

- Focus on increasing visitation, making it an attractive and vibrant community hub for visitors and tenants.
- Strive for 95% occupancy of tenanted spaces with a balance between community and commercial tenants to ensure revenue targets are achieved. The current economic climate is making it harder to attract commercial tenants.
- Focus on higher utilisation of venue hire spaces with the 'C2 Complex' Balcony Room coming online in March 2025 targeting revenue generation. The industry nationally is currently seeing a decline in the main revenue earner of business events but having the Balcony Room as a new space we hope to have strong interest.
- Improving car parking as part of the grounds development to make the Village more accessible.

Business Outlook cont

- Development of a natural playground as part of the Grounds Masterplan to drive visitation.
- Funded largely through rates with a contribution from user fees

Key Capital Projects:

- Complex 2 upgrade due to finish this financial year FY25 - \$2.68M , that includes our destination café, kitchen and Balcony Room
- Ongoing grounds development project starting in FY26 - \$655k

2023 Est 2024 Est 2025 LTP 2026 LTP 2026 AP

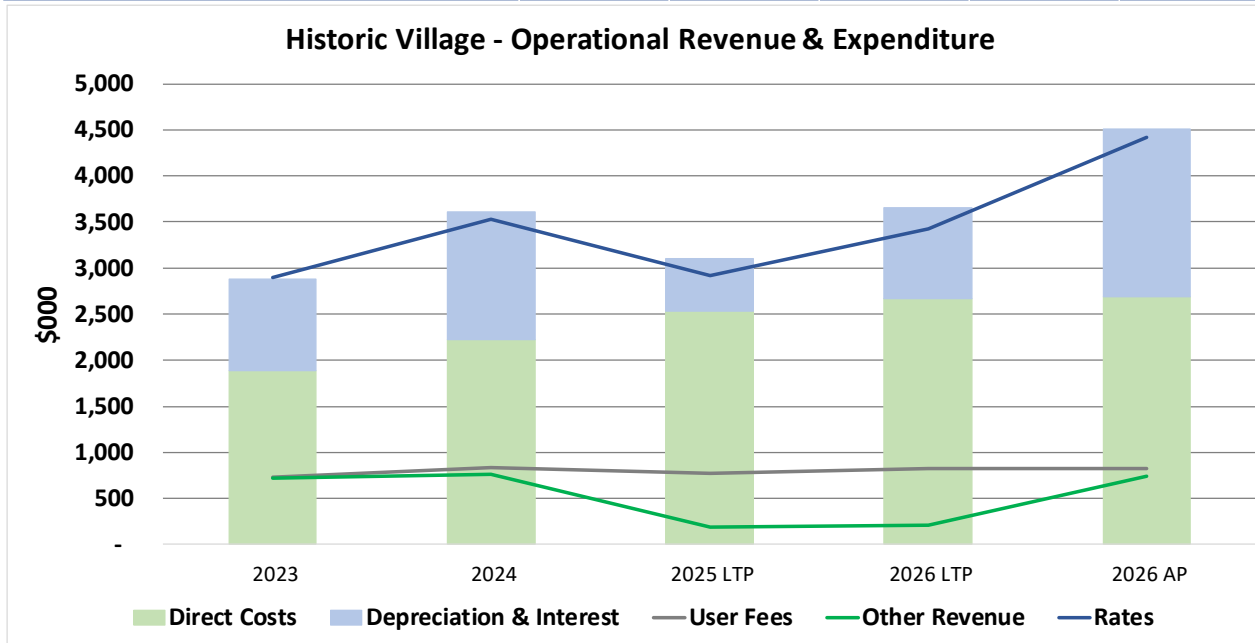
| | | | | | |
|---|---|---|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 4 | 4 | 4 | 4 | 4 |
| Vacancies included in Establishment | - | - | n/a | n/a | n/a |

Historic Village (92)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 2,180 | 2,772 | 2,720 | 3,218 | 3,677 |
| User Fees | 731 | 837 | 769 | 824 | 828 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | (14) | (79) | (577) | (618) | (90) |
| Overheads | - | - | - | - | - |
| Total Revenue | 2,897 | 3,530 | 2,913 | 3,424 | 4,416 |
| Employee Related Costs | 333 | 397 | 400 | 413 | 432 |
| Depreciation | 564 | 684 | 89 | 359 | 914 |
| Finance Costs | 436 | 701 | 480 | 627 | 906 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 36 | 97 | 96 | 76 | 65 |
| <i>Administration Costs</i> | 112 | 86 | 108 | 162 | 208 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 270 | 430 | 591 | 601 | 485 |
| <i>Repairs & Maintenance</i> | 402 | 536 | 633 | 680 | 715 |
| <i>Utilities & Occupancy Expenses</i> | 303 | 295 | 321 | 329 | 376 |
| Allocations | 431 | 385 | 383 | 407 | 405 |
| Total Expenses | 2,885 | 3,609 | 3,101 | 3,654 | 4,505 |
| Surplus / (Deficit) | 11 | (79) | (189) | (230) | (90) |

Historic Village is now largely funded by rates rather than user fees.

Deficit relates to interest on reserves which is not funded from operations.



Libraries & Community Hubs (77)

What we do:

- **Community Interface** -Provide information, answer enquiries, and manage payment transactions over the phone, email, social media and Face to Face. (Contact Centre is 24/7). The team plays a key role in promoting and enabling consultation on projects.
- **Knowledge Provider** -Offers front facing Library services in our 4 library community hubs plus the Mobile Library. This includes a wide range of services such as book lending, internet access, activities, events, education sessions and community services such as JPs.
- Preserves and provides Tauranga Archives for the community to search, discover and contribute to our shared history of Tauranga.
- Digital library and Pae Korokī Archives online.

Note: Increase in FTE is due to the contact centre and customer service merging with the library and community hub

Business Outlook

- Interest and Depreciation make up 22% of total operational costs with Interest being the prime driver of expenditure increase in 2026.
- The key focus for next 18 months is the transition to the new library community hub at Te Manawataki o te Papa.
- The new library is scheduled to open in late 2026 and will provide an increased level of service to the community and includes a sensory room, an innovation space, a community hub and meeting rooms. Activation of library spaces and attracting visitors to these new spaces is the main driver to create the vision of a vibrant city centre in 2026. Revenue opportunities from the new hub are café operations and bookable community rooms.

Business Outlook cont

Over the next 18 months the migration to SAP of our core customer services modules is a key focus project for our teams to ensure that responsive service to our community through our TCC teams and contractors is maintained.

Key Capital Projects:

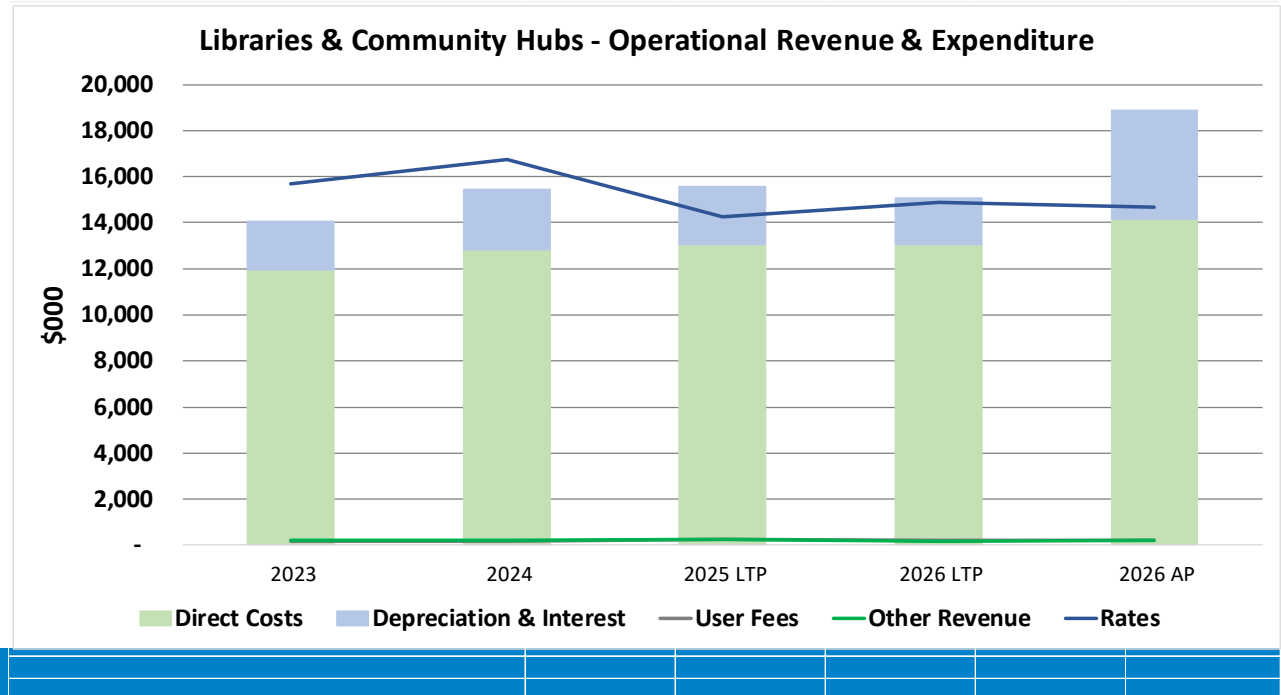
TMOTP Library Community Hub due to open late 2026.
Mount Maunganui Library roof replacement and renovation (on hold until July 2025.)

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 71 | 111 | 107 | 107 | 108 |
| Vacancies included in Establishment | 4 | 12 | n/a | n/a | n/a |

Libraries & Community Hubs (77)

| \$'000 | | | | | |
|--|---------------|---------------|----------------|---------------|----------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 15,510 | 16,537 | 13,990 | 14,731 | 14,508 |
| User Fees | 158 | 166 | 234 | 224 | 225 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 40 | 42 | 17 | (53) | (39) |
| Overheads | - | - | - | - | - |
| Total Revenue | 15,708 | 16,745 | 14,242 | 14,902 | 14,694 |
| Employee Related Costs | 5,176 | 6,107 | 9,093 | 9,316 | 9,497 |
| Depreciation | 1,584 | 1,665 | 1,735 | 1,102 | 1,719 |
| Finance Costs | 541 | 956 | 816 | 907 | 2,992 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 9 | 2 | 150 | 128 | 52 |
| <i>Administration Costs</i> | 216 | 150 | 243 | 249 | 600 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | 1 | - | - | - |
| <i>Other Operating Expense</i> | 2,280 | 2,267 | (1,011) | (1,297) | (615) |
| <i>Repairs & Maintenance</i> | 92 | 92 | 71 | 35 | 78 |
| <i>Utilities & Occupancy Expenses</i> | 347 | 548 | 615 | 630 | 625 |
| Allocations | 3,822 | 3,677 | 3,868 | 3,989 | 3,926 |
| Total Expenses | 14,068 | 15,465 | 15,582 | 15,059 | 18,874 |
| Surplus / (Deficit) | 1,640 | 1,280 | (1,341) | (157) | (4,180) |

Deficit relates Customer Service Centre activity which is allocated out across the wider business (\$2.9m) and reserve funding from a no longer collected targeted rate. There is also an element of non funded interest on reserves



Negative values presented in Other Operating Expenditure are a result of recovering costs incurred in this activity to the customer services activity.

City Centre Development & Partnerships (61)

What we do:

- The City Development and Partnerships Team collaborates to ensure quality decisions and investments for both present and future city needs.
- We oversee the delivery of major projects such as the Te Manawataki o Te Papa civic precinct and Tauranga Moana Waterfront developments, along with various other community amenities.
- We lead the transformation and activation of public amenities and spaces in the city centre, implementing the City Centre Action and Investment Plan, alongside other plans.
- We manage relationships with our key funders to secure support for community projects right across the council.
- We administer the City Centre Development Incentive fund.
- We handle the council's relationships with CCOs, the four mainstreet organisations, and other key partners, serving as the main point of contact for city centre businesses.
- We work with the retail and hospitality sectors, agencies, and community organisations, to address safety and security concerns, particularly in the city centre.

Business Outlook

- Decrease in FTE from LTP26 to AP26 reflecting the team required to deliver the capital projects vs anticipated.
- Mixed model of funding the activity with CCDIF, general costs, Civic Development Team, Communications Team, City Development Team, TMOTP Board all 100% loan funded, representative of being a stand-alone business unit for duration of delivering these projects.
- Strategic Partnerships Team is 50% rates 50% loan funded to reflect the delivery of services directly for ratepayers.

Business Outlook cont

Key Capital Projects:

- Library and Community Hub
- Civic Whare, Exhibition Gallery and Museum
- 90 Devonport Toad
- Tauranga Art Gallery
- Baycourt refurbishment
- Masonic Park
- Waterfront development
- Cameron Road indoor courts
- Red Square refresh
- Grey/Durham Laneway

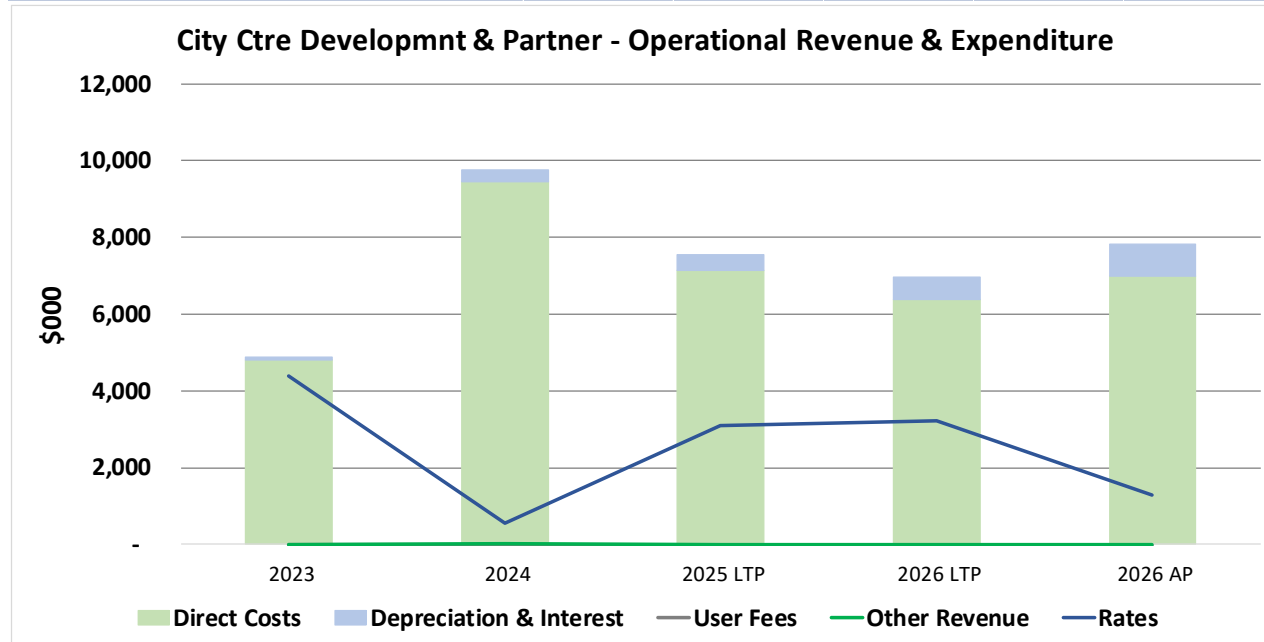
| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 34 | 38 | 44 | 46 | 39 |
| Vacancies included in Establishment | 4 | 3 | n/a | n/a | n/a |

City Centre Development & Partnerships

(61)

| \$000 | | | | | |
|--|--------------|----------------|----------------|----------------|----------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 4,391 | 553 | 3,105 | 3,230 | 1,296 |
| User Fees | 4 | 1 | - | - | - |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | - | 13 | 1 | 1 | 1 |
| Overheads | - | - | - | - | - |
| Total Revenue | 4,395 | 567 | 3,105 | 3,232 | 1,297 |
| Employee Related Costs | 2,026 | 2,211 | 1,427 | 1,462 | 2,157 |
| Depreciation | 4 | 10 | 10 | 10 | 10 |
| Finance Costs | 68 | 318 | 385 | 590 | 827 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 1,575 | 3,873 | 1,226 | 675 | 756 |
| <i>Administration Costs</i> | 147 | 164 | 323 | 331 | 296 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | 779 | - | - | - |
| <i>Other Operating Expense</i> | 1,048 | 1,088 | 2,319 | 1,867 | 1,741 |
| <i>Repairs & Maintenance</i> | - | 4 | - | - | (10) |
| <i>Utilities & Occupancy Expenses</i> | 6 | 15 | 8 | 8 | 8 |
| Allocations | - | 1,307 | 1,845 | 2,035 | 2,050 |
| Total Expenses | 4,875 | 9,769 | 7,543 | 6,977 | 7,836 |
| Surplus / (Deficit) | (480) | (9,203) | (4,437) | (3,745) | (6,539) |

Deficits reflect loan funded project costs associated with City Centre Development.



Communications & Engagement (20)

What we do:

- Facilitating effective communication between Tauranga City Council and the community.
- Share updates on council projects, policies, and services via social media, press releases, paid advertising, newsletters, and the website.
- Oversee media relations, stakeholder engagement, and promotion of council initiatives.
- Facilitate public engagement through consultations, surveys, and community meetings.
- Support informed decision-making by incorporating community feedback when and where appropriate.
- Manage crisis communication during emergencies, providing accurate and timely updates.
- Handle media enquiries and address issues affecting public confidence and brand reputation of TCC.
- Co-ordinate internal communications to keep staff informed about key projects and changes.
- Centralised C&E support for the wider organisation including teams with embedded C&E because of comms volume e.g. Community Services, Regulatory & Compliance, Transport, Sustainability & Waste and the City Centre.
- In-house creative and digital team – creating content including videography, managing social media channels, designing collateral for projects organisation wide.
- Media planning and buying for advertising campaigns.

Business Outlook

- This activity allocates its cost out across the business
- Continued emphasis on building confidence and trust in the council.
- The Annual Residents Survey is an indicator of public perception of Councils engagement with the community. There has been a recent uplift in results, but still a long way to go.
- Between 2020/21 and 2024/25 YTD;
 - The efforts of Council in consulting and engaging directly with the community increased from 20% to 27% and the ways in which Council involves the public in decision making increased from 18% to 30%
 - The amount of influence the public have on the decisions Council makes increased from 11% to 20% and decisions that Council makes "being in the best interests of my city" increased from 16% to 36%
- The 2020/21 period was reflective of a full 12 month period of the last elected council, while the 2024 results reflects August to December 2024.
- Although direct comparisons are not available, Auckland City Council reports state that 18% agree that they trust ACC’s decision making compared with 26% having trust and confidence in TCC.
- The upcoming consultations on Local Water Done Well and the Annual Plan will give us the opportunity to build further community relationships.
- We have recently launched 4 new channels (Newsbeat, Instagram, TikTok and utilising the rates database), tailoring content to these different channels will be a key focus.

Business Outlook cont.

- Forward focus on reducing external spend on contractors across TCC when we have internal resource to cover this work, with the expectation that the Community Relations workload will increase significantly.
- We plan to reduce the Public Information and Engagement expense in this activity and rely on project teams to fund the communication requirements of the project from within project budgets.
- The priority under the Commission led Council was to move at pace with capital projects, which sometimes meant less time available for engagement with the community, with the change in governance there will be a greater focus on engagement.

Key Capital Projects:

A number of major projects across org require significant C&E support;

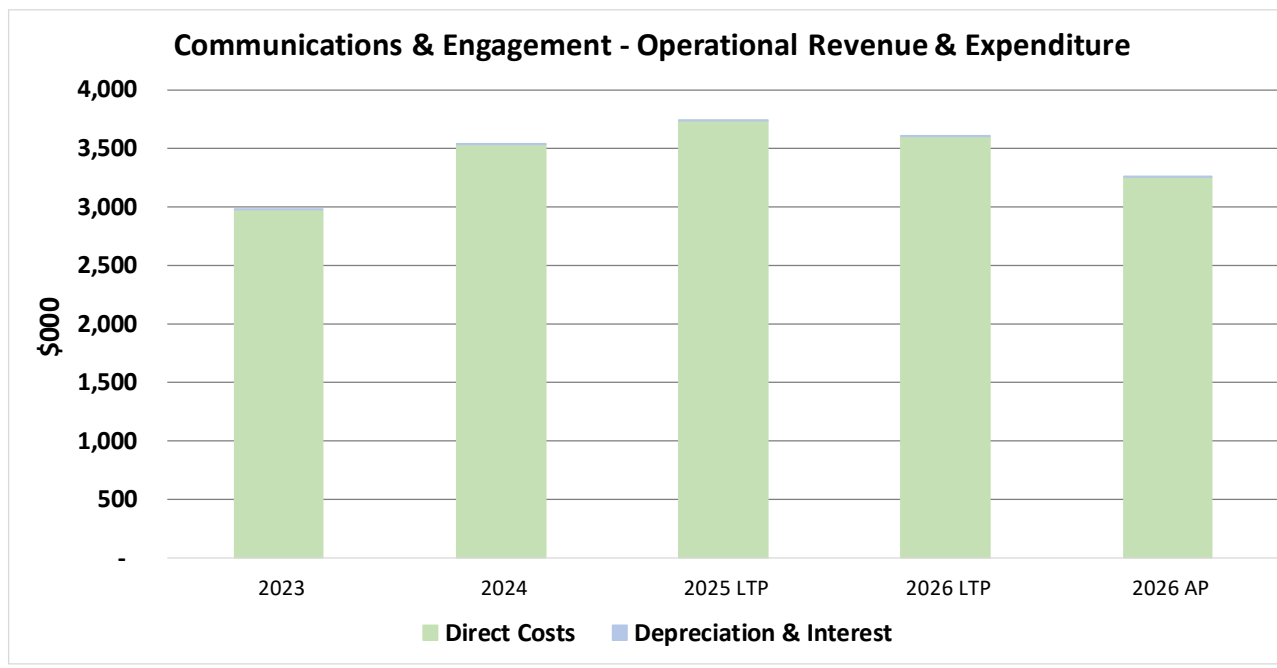
- Annual Plan
- Te Manawataki O Te Papa
- Local Waters Done Well
- SH29 Enabling Works

(we currently have around 60 projects in our calendar so far for 2025 that have some sort of comms and engagement support required)

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 31 | 32 | 31 | 31 | 31 |
| Vacancies included in Establishment | 8 | 5 | n/a | n/a | n/a |

Communications & Engagement (20)³⁷

| \$'000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | - | - | - | - | - |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 1 | 2 | 2 | 2 | 2 |
| Overheads | 2,974 | 3,535 | 3,734 | 3,604 | 3,262 |
| Total Revenue | 2,975 | 3,537 | 3,736 | 3,606 | 3,263 |
| Employee Related Costs | 2,647 | 3,079 | 3,360 | 3,442 | 3,320 |
| Depreciation | 1 | 3 | 1 | 1 | 4 |
| Finance Costs | 1 | 2 | 2 | 2 | 2 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 2 | 63 | 21 | 22 | 22 |
| <i>Administration Costs</i> | 64 | 138 | 107 | 109 | 80 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 260 | 250 | 243 | 28 | (166) |
| <i>Repairs & Maintenance</i> | - | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | - | - | - | - | - |
| Total Expenses | 2,974 | 3,535 | 3,734 | 3,604 | 3,262 |
| Surplus / (Deficit) | 1 | 2 | 2 | 2 | 2 |



Expenditure from this activity to allocated across the business based direct costs and capex.

Democracy Services (16)

What we do:

- Supports mayor and councillors to be effective, responsible and accountable decision-makers.
- Provide governance advice, and ensuring meetings are smooth and efficient.
- Improving opportunities for Māori to participate in Council decision-making processes.
- Provide opportunities for all residents to participate in decision-making processes and public forum.
- Run local elections, carry out representation reviews.
- Support induction, training, and professional development for the mayor and councillors, and appointed representatives to our committees.
- LGOIMA's - respond to citizens' official information and privacy requests.

Business Outlook

- Council recently reinstated iwi representatives to each committee. Representatives are yet to be appointed.
- Proactive release of public excluded information into open
- Facilitate report writing training for staff and support quality advice processes.
- Allocator activity.
- Limited operational cost recoveries. e.g citizen ceremony subsidy from DIA and charging for LGOIMA requests under policy.

Business Outlook cont

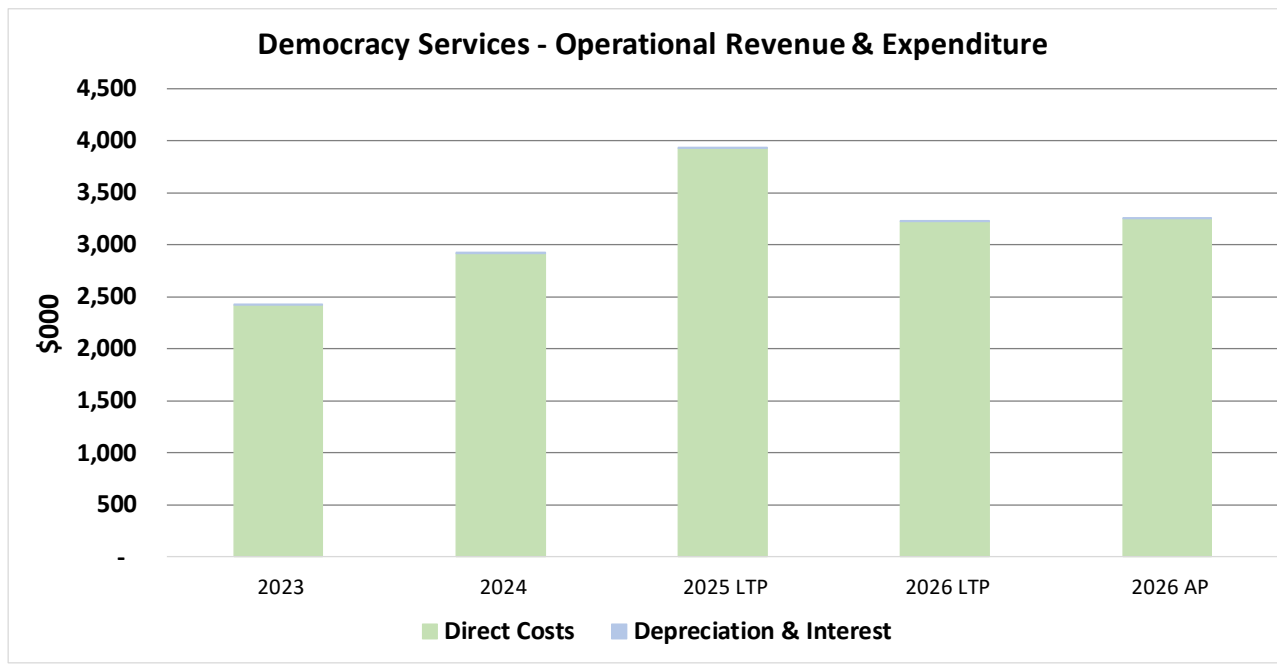
Key Capital Projects:

No capital projects

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 9 | 10 | 9 | 9 | 9 |
| Vacancies included in Establishment | 1 | 1 | n/a | n/a | n/a |

Democracy Services (16)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | () | () | - | - | - |
| User Fees | 35 | 91 | 10 | 10 | 36 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | - | - | - | - | - |
| Overheads | 2,631 | 2,592 | 3,912 | 3,210 | 3,218 |
| Total Revenue | 2,666 | 2,682 | 3,922 | 3,221 | 3,254 |
| Employee Related Costs | 2,030 | 2,150 | 2,703 | 2,631 | 2,625 |
| Depreciation | - | - | - | - | - |
| Finance Costs | 5 | - | - | - | - |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 101 | 98 | 124 | 120 | 128 |
| <i>Administration Costs</i> | 232 | 488 | 385 | 281 | 313 |
| <i>Grants, Contributions and Sponsorship Expense</i> | 23 | 1 | 40 | 41 | 40 |
| <i>Other Operating Expense</i> | 40 | 181 | 669 | 148 | 148 |
| <i>Repairs & Maintenance</i> | - | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | - | - | - | - | - |
| Total Expenses | 2,431 | 2,918 | 3,922 | 3,220 | 3,254 |
| Surplus / (Deficit) | 236 | (235) | | | |



Expenditure from this activity to allocated across the business based direct costs and capex.

Te Pou Takawaenga Māori Unit (21)

What we do:

- Works across the organisation and is responsible for maintaining and improving high level strategic relationships between Council, Tangata Whenua and the wider Māori Community.
- Provides Māori leadership throughout the organisation and in particular to lead support to the elected members, the executive leadership group and senior management.
- Provides guidance and tools to develop organisation wide Māori responsiveness.
- Works to support and improve opportunities for Māori engagement and participation in decision making processes based on legislation and longstanding protocol agreements with Mana Whenua.
- Provides advice and advocacy on Mana Whenua priorities.

Business Outlook

- Continue to develop a partnership between local government and tangata whenua
- Continue to develop organisation wide Māori capability and responsiveness.
- Key role in supporting and advancing CCO's relationships with Tangata Whenua and the wider Māori community.
- Allocator activity.
- Limited cost recoveries from external cultural connection courses.

Business Outlook cont

Key Capital Projects:

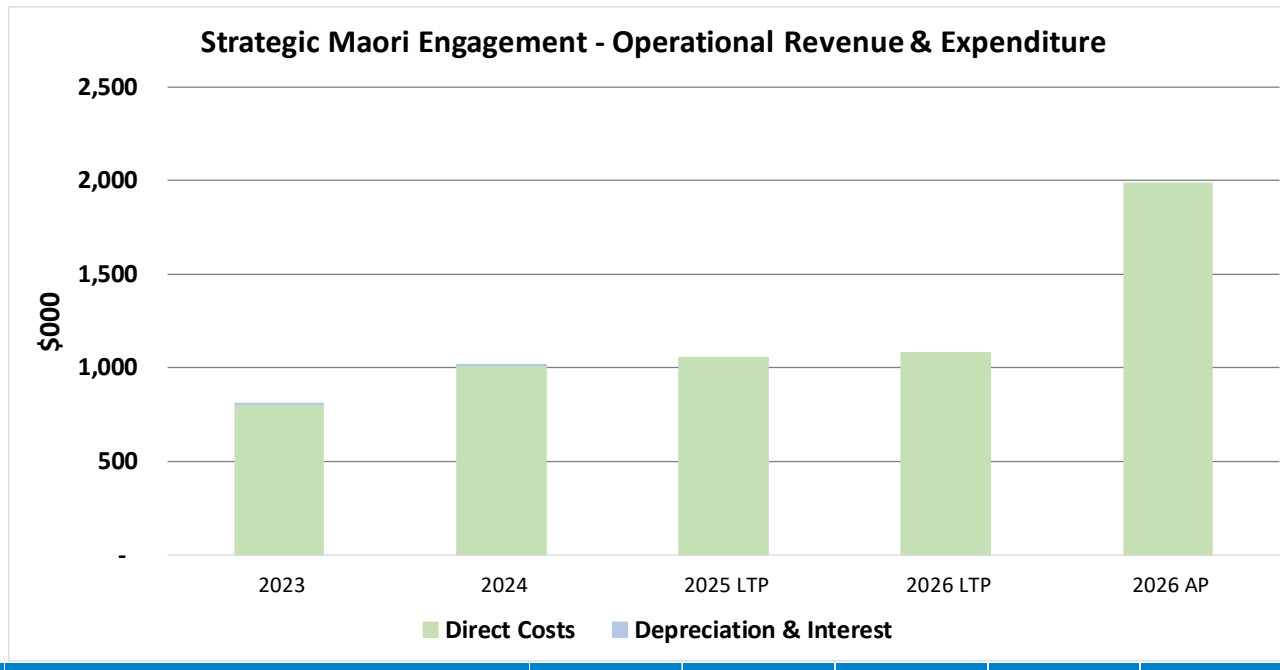
No capital projects

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 7 | 8 | 7 | 7 | 7 |
| Vacancies included in Establishment | - | - | n/a | n/a | n/a |

Te Pou Takawaenga Māori Unit (21)

| \$'000 | | | | | |
|--|--------------|--------------|--------------|--------------|----------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | - | 21 | - | - | - |
| Grants & Subsidies | 15 | 9 | 3 | 3 | 3 |
| Finance Revenue | - | - | - | - | - |
| Overheads | 721 | 885 | 1,052 | 1,077 | 983 |
| Total Revenue | 736 | 915 | 1,054 | 1,080 | 986 |
| Employee Related Costs | 539 | 687 | 852 | 873 | 869 |
| Depreciation | - | - | - | - | - |
| Finance Costs | - | - | - | - | - |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 95 | 154 | 134 | 137 | 51 |
| <i>Administration Costs</i> | 12 | 22 | 7 | 7 | 7 |
| <i>Grants, Contributions and Sponsorship Expense</i> | 124 | 100 | 40 | 41 | 1,040 |
| <i>Other Operating Expense</i> | 34 | 51 | 22 | 22 | 18 |
| <i>Repairs & Maintenance</i> | - | 1 | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | - | - | - | - | - |
| Total Expenses | 804 | 1,013 | 1,054 | 1,080 | 1,986 |
| Surplus / (Deficit) | (68) | (99) | (0) | (0) | (1,000) |

Deficit in 2026 relates to reserve funded Papakainga DCs. These are funded from the proceeds of Elder Housing Village.



Expenditure from this activity to allocated across the business based direct costs and capex.

Airport (81)

What we do:

- Successfully operate a high quality and fully compliant commercially viable Airport which is recognised as a centre of excellence for Airport and related facilities and operations.
- Meets Tauranga's air connectivity needs both domestically and internationally.
- Keep airlines abreast of the commercial aviation requirements of Tauranga
- Meets the recreational and commercial aviation training needs of the community.
- Manage a commercial property portfolio on airport land

Business Outlook

- Totally user fee and commercial activity funded.
- Revenue coming from airlines, car parking, commercial and hangarland leases
- Expecting passenger numbers to flat line for next 2 years due to capacity constraints, slight fall in public sector demand and airline engineering challenges.
- Any reduction in revenue from passenger activity will be compensated for in the annual passenger fee review.
- Expecting lease revenue to grow at least at the rate of inflation

Business Outlook cont

Key Capital Projects:

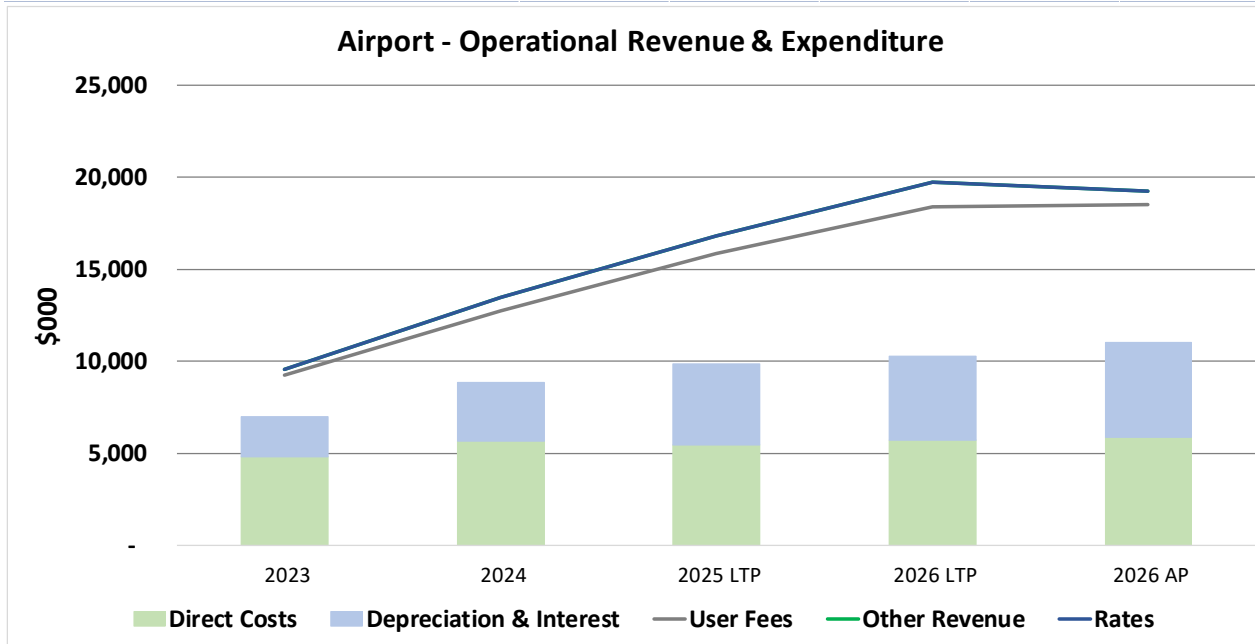
- Additional Aircraft parking
- Fire Truck Replacement

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 2 | 2 | 2 | 2 | 2 |
| Vacancies included in Establishment | - | - | n/a | n/a | n/a |

Airport (81)

| \$000 | | | | | |
|--|--------------|---------------|---------------|---------------|---------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | 9,259 | 12,758 | 15,857 | 18,406 | 18,480 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 324 | 721 | 928 | 1,299 | 769 |
| Overheads | - | - | - | - | - |
| Total Revenue | 9,583 | 13,479 | 16,785 | 19,705 | 19,249 |
| Employee Related Costs | 260 | 413 | 379 | 388 | 322 |
| Depreciation | 2,063 | 2,858 | 3,667 | 4,092 | 4,082 |
| Finance Costs | 127 | 354 | 721 | 448 | 1,055 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 114 | 185 | 67 | 69 | 67 |
| <i>Administration Costs</i> | 22 | 49 | 30 | 30 | 30 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 1,829 | 2,069 | 2,182 | 2,363 | 2,438 |
| <i>Repairs & Maintenance</i> | 558 | 840 | 950 | 978 | 1,107 |
| <i>Utilities & Occupancy Expenses</i> | 1,212 | 1,084 | 1,237 | 1,267 | 1,272 |
| Allocations | 839 | 1,016 | 629 | 651 | 636 |
| Total Expenses | 7,024 | 8,868 | 9,861 | 10,287 | 11,009 |
| Surplus / (Deficit) | 2,559 | 4,612 | 6,923 | 9,418 | 8,240 |

Surpluses are landing and parking fees exceeding operating expenses. There is also c\$2m of funding from an airport reserve.



Economic Development (76)

What we do:

- We work to drive economic progress through funding partnerships with Priority One, Tourism Bay of Plenty, Education Tauranga, Tauranga Business Chamber, Tauranga Māori Business Association, and Mainstreet organisations.
- Our efforts are aimed at enhancing the economic value for Tauranga's community, ensuring future economic resilience and sustainability.
- We manage the relationship with our four Mainstreet organisations (Tauranga, Mount, Papamoa, and Greerton), acting as their first point of contact with Council. We support their queries and ensure they meet their compliance obligations under their funding agreements.
- We support and manage the relationship with Tourism Bay of Plenty to grow the Western Bay economy through tourism and hospitality.

Business Outlook

- Funded through a targeted commercial rate, which will increase as development in the city increases.
- Key activities include visitor, investor, business and skills attraction, skills development and supporting emerging innovation.
- For the Mainstreets there is the opportunity to expand the rating areas for these organisations or create new Mainstreet organisations as the city grows e.g. Tauriko
- A further opportunity is a bed levy like in Auckland or one specifically targeted to Air BnB and similar.
- Work is being done to connect with other parts of our region to improve tourism and other business opportunities.

Funding to CCOs

Tourism Bay of Plenty

| | 2024 | 2025 | 2026 | 2027 |
|------|---------|--------|--------|--------|
| | \$m | \$m | \$m | \$m |
| TBOP | \$1.63* | \$1.51 | \$1.46 | \$1.49 |

Visitor Information centre

| | 2024 | 2025 | 2026 | 2027 |
|-----|-------|-------|-------|-------|
| | \$000 | \$000 | \$000 | \$000 |
| VIC | \$527 | \$543 | \$503 | \$519 |

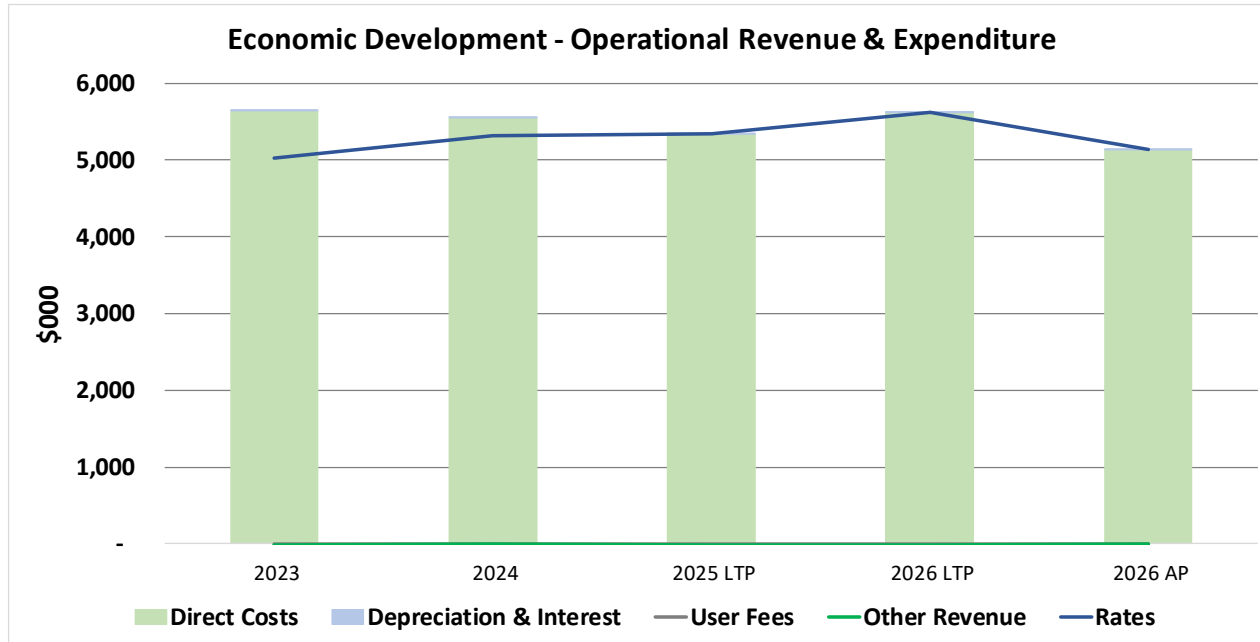
- Opex (\$246k) funded from Airport reserve
- In the draft Annual Plan, grant funding to CCOs and other organisations have been reduced

2023 Act 2024 Act 2025 LTP 2026 LTP 2026 AP

FTEs (Actuals include vacancies) 0 0 0 0 0

Economic Development (76)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 5,021 | 5,318 | 5,347 | 5,616 | 5,138 |
| User Fees | - | - | - | - | - |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | - | - | - | - | - |
| Overheads | - | - | - | - | - |
| Total Revenue | 5,021 | 5,318 | 5,347 | 5,616 | 5,138 |
| Employee Related Costs | - | - | - | - | - |
| Depreciation | - | - | - | - | - |
| Finance Costs | 4 | 5 | 5 | 5 | 4 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | - | - | - | - | - |
| <i>Administration Costs</i> | - | - | - | - | - |
| <i>Grants, Contributions and Sponsorship Expense</i> | 4,951 | 4,804 | 4,947 | 5,215 | 4,779 |
| <i>Other Operating Expense</i> | 656 | 753 | 393 | 394 | 352 |
| <i>Repairs & Maintenance</i> | - | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | 30 | - | - | - | - |
| Total Expenses | 5,640 | 5,562 | 5,345 | 5,614 | 5,136 |
| Surplus / (Deficit) | (619) | (244) | 2 | 2 | 2 |



| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|

Tourism Bay of Plenty (CCO)

What we do

The Western Bay of Plenty Tourism and Visitor Trust, trading as Tourism Bay of Plenty (TBOP), is jointly owned by Tauranga City Council and Western Bay of Plenty District Council with a service level agreement with Whakatane District Council

As a CCO, Tourism Bay of Plenty supports the community and environmental goals of both councils.

Tourism Bay of Plenty has the lead role in ensuring the sustainable growth of the Western Bay of Plenty visitor economy and the management of the region as a visitor destination

Business Outlook

TBOP strives to ensure its activities contribute to TCC's community outcomes and City Vision.

Significant areas of activity include:

- Marketing
- Cycle trails & walkways
- Public relations & story telling
- Support Tourism Operators
- Elevate Maori Cultural Tourism offering
- Cruise sector opportunities
- Digital wayfinding network
- Brand Tauranga.

Grants to Tourism Bay of Plenty

| | TBOP | VIC |
|------|----------|--------|
| 2024 | \$1.63m* | \$528k |
| 2025 | \$1.51m | \$543k |
| 2026 | \$1.46m | \$503k |
| 2027 | \$1.49m | \$519k |

- *2024 last year of funding from Airport reserve
- As well as the above operational grants, TCC signed an agreement with TBOP to provide funding for the *Place Brand Development Tauranga/Western Bay of Plenty Region* agreement.
- 2025 \$250,000
- 2026 \$300,000

BOP Local Authority Shared Services (BOPLASS) (CCO)

What we do

BOPLASS consists of nine local authorities in the BOP and Gisborne areas regions to foster collaboration in the delivery of services, particularly back-office or support services.

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

Since inception, estimated financial savings of over \$30 million have been achieved by the participating councils through undertaking joint initiatives.

Business Outlook

Many of the BOPLASS Joint Procurement projects have supported the development of standard products, services or solutions across the councils.

Examples of Joint Procurement and Shared Service projects are:

- Infrastructure Insurance
- Collective Training
- Aerial Imagery and LiDAR
- Print Media Licencing
- Solid Waste Management
- Collaboration Portal
- CCTV and monitoring
- Video Conferencing Services
- GIS software
- FME Server
- IPWEA library
- N3/GSB membership

Contributions to BOPLASS

Each year TCC provides a contribution to the operating costs for BOPLASS Ltd

| | TCC Operational |
|------|-----------------|
| 2024 | \$63k |
| 2025 | \$64k |
| 2026 | \$66k |
| 2027 | \$68k |

In addition to the operational contributions TCC contributes to the many projects highlighted on this slide which provide services to various activities throughout out Council.

| | Shared Services |
|------|-----------------|
| 2023 | \$242k |
| 2024 | \$201k |

Marine Precinct (57)

What we do:

The Marine Precinct facilities service the Bay and wider New Zealand and create a 'one-stop shop' for the servicing needs of the marine industry.

Business Outlook

- Vessel Works business and assets have been sold, pending a judicial review
- Capex commitment for a new Alongside wharf and replacement of Bridge wharf (both are required as conditions of the sale agreement)
- Options for providing facilities for black boat fleet continue to be investigated

Business Outlook cont

Key Capital Projects:

- Alongside Wharf
- Bridge Wharf replacement
- Fishermans wharf is referred to in the Marine Facilities activity.

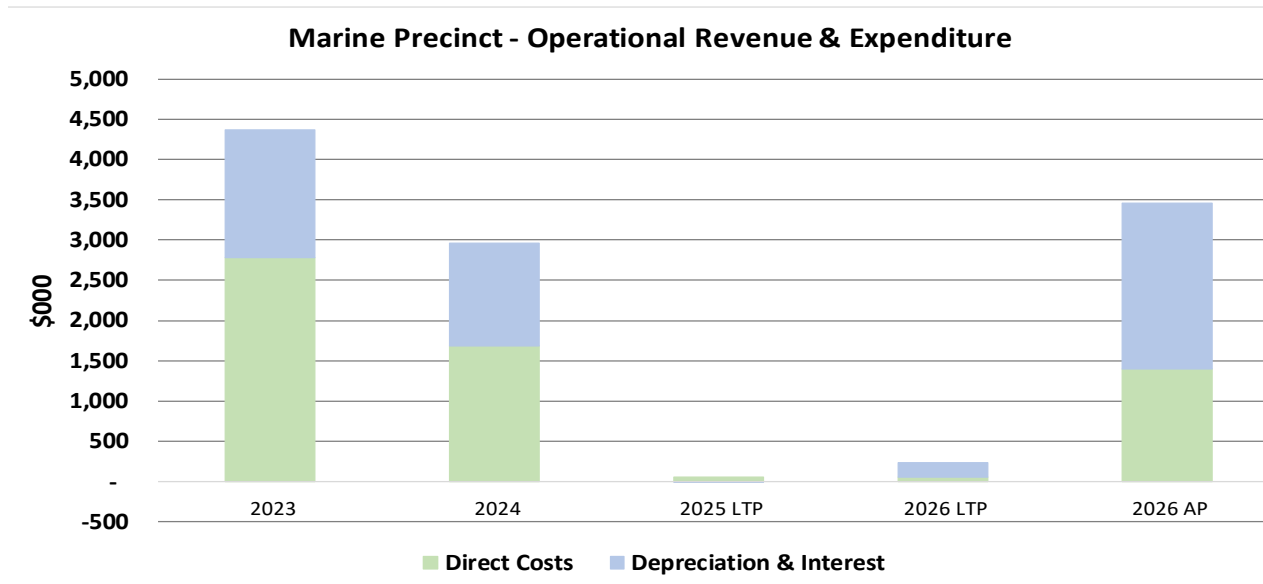
| | 2023 Act | 2024 Act | 2025 LTP | 2026 LTP | 2026 AP |
|-----------------------------------|----------|----------|----------|----------|---------|
| FTEs (Actuals include vacancies) | 0 | 0 | 0 | 0 | 0 |

Marine Precinct (57)

| \$'000 | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | 1,986 | 1,250 | 349 | 357 | 1,234 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 17 | 55 | (1,729) | (2,045) | 12 |
| Overheads | - | - | - | - | - |
| Total Revenue | 2,003 | 1,305 | (1,380) | (1,688) | 1,246 |
| Employee Related Costs | 17 | 6 | - | - | - |
| Depreciation | 688 | () | (3) | (2) | 9 |
| Finance Costs | 896 | 1,282 | (6) | 180 | 2,048 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 1,792 | 667 | 50 | 51 | 750 |
| <i>Administration Costs</i> | 53 | 32 | - | - | - |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 329 | 270 | - | - | 182 |
| <i>Repairs & Maintenance</i> | 211 | 179 | 42 | 43 | 277 |
| <i>Utilities & Occupancy Expenses</i> | 123 | 147 | 58 | 60 | 289 |
| Allocations | 257 | 380 | (96) | (98) | (98) |
| Total Expenses | 4,367 | 2,962 | 46 | 234 | 3,456 |
| Surplus / (Deficit) | (2,364) | (1,657) | (1,427) | (1,922) | (2,211) |

Deficits reflect expenditure exceeding expenses.

Finances will be updated as part of the final AP once a decision has been received on the pending judicial review and injunction proceedings



Emergency Management (44)

What we do:

- Tauranga City Council has a legislative responsibility to effectively manage the reduction of, readiness for, response to and recovery from emergency situations whether natural or otherwise, that may cause loss of life, injury or illness.
- We are a member of the Emergency Management Bay of Plenty (EMBOP) Civil Defence Group which includes six other local authorities within the Bay of Plenty Region.

Our 'business as usual' activities include:

- Community engagement and education about emergency preparedness. Enhancing community resilience.
- Working relationships with emergency services and welfare partners.
- Assessment and communication about hazards and risks (natural and built).
- Maintain TCC staff training & capability levels for emergency activation/response/recovery.
- Maintain a 24/7 duty on-call roster.

Business Outlook

- Rates funded activity
- Ongoing development and delivery of virtual reality educational tools. Earthquake/Tsunami and Flooding. Community Education & engagement.
- Roll-out of Community Emergency Hub Project. Empowering local communities to become more self-reliant and self-supportive during the initial stages of an emergency. Building community resilience.
- Ongoing review and study of existing tsunami evacuation routes & safe zones across the city. Collaboration with community groups and subject matter experts.

Business Outlook cont

- Ongoing engagement and relationship building with local iwi/marae to enhance response and support activities. Connections with local multi-cultural and ethnic groups is also a priority.
- Establishment of Local Recovery structure including identification and training of recovery managers and navigators (link between Council and Community during recovery).

Key Capital Projects:

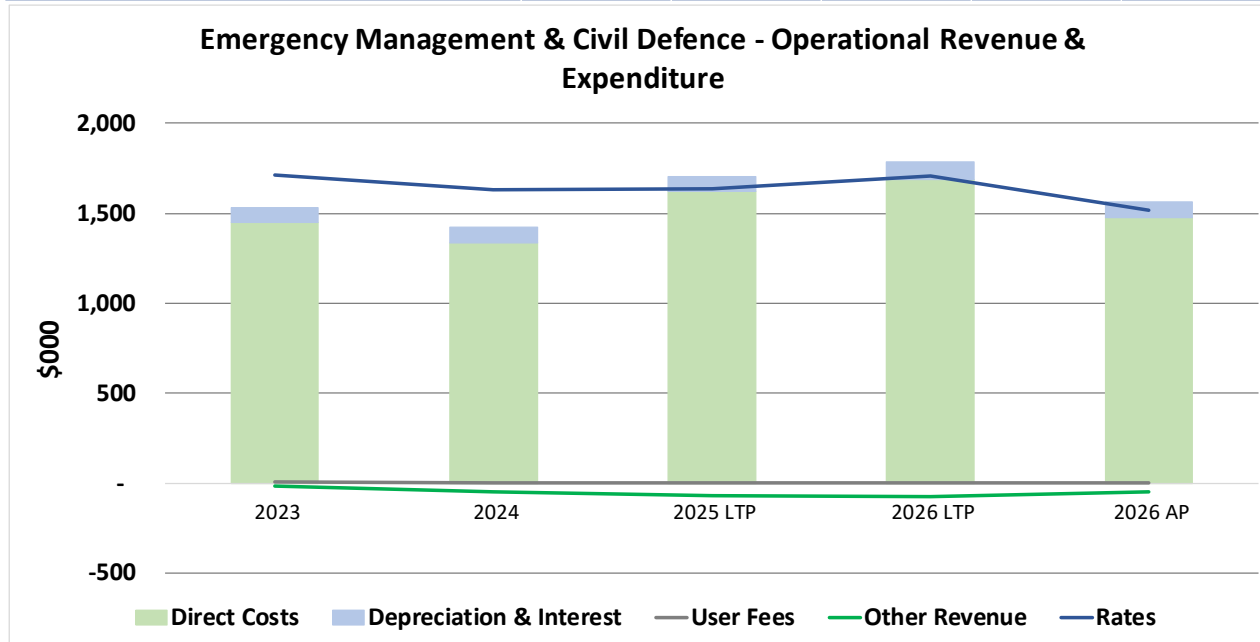
- Tsunami bridges \$498k in FY26 (will likely cover costs of 1 bridge, hence priority to have insight into future infrastructure plans).
- EOC Build at 483 Devonport Rd (as part of civic precinct works).

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 5 | 5 | 6 | 6 | 6 |
| Vacancies included in Establishment | 1 | - | n/a | n/a | n/a |

Emergency Management (44)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 1,732 | 1,684 | 1,706 | 1,783 | 1,563 |
| User Fees | 6 | - | - | - | - |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | (25) | (51) | (71) | (78) | (47) |
| Overheads | - | - | - | - | - |
| Total Revenue | 1,713 | 1,633 | 1,635 | 1,705 | 1,516 |
| Employee Related Costs | 637 | 733 | 735 | 753 | 624 |
| Depreciation | 12 | 5 | 5 | 5 | 5 |
| Finance Costs | 71 | 86 | 79 | 92 | 83 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 80 | 106 | 191 | 195 | 207 |
| <i>Administration Costs</i> | 21 | 30 | 7 | 7 | 10 |
| <i>Grants, Contributions and Sponsorship Expense</i> | 17 | - | 36 | 37 | 32 |
| <i>Other Operating Expense</i> | 113 | 192 | 361 | 373 | 280 |
| <i>Repairs & Maintenance</i> | - | - | 4 | 4 | 4 |
| <i>Utilities & Occupancy Expenses</i> | 141 | - | - | - | - |
| Allocations | 437 | 273 | 289 | 317 | 318 |
| Total Expenses | 1,530 | 1,425 | 1,706 | 1,783 | 1,563 |
| Surplus / (Deficit) | 183 | 208 | (71) | (78) | (47) |

Deficits relate to interest on reserves which is not funded from operations.



Animal Services (50)

What we do:

- Collect dog registration fees
- Enforce relevant legislation and bylaws
- Investigate dog related complaints
- Operate Tauranga Pound
- Dog adoption and microchipping service
- Respond to dog attacks, roaming dogs, unregistered dogs, nuisance dogs and other concerns.
- Provide education to dog owners and bite prevention programs to School groups and businesses.
- Manage non-dog complaints relating to Bees, poultry, stock, pigs and goats.

Business Outlook

Key KPIs

- 95% of Complainants contacted within 60 minutes where person has been attacked or rushed at and dog poses ongoing risk.
- 95% of known dogs are registered or compliance action has been taken.

User Fees

Registration fees in the Annual Plan have remained unchanged awaiting an annual review which cannot occur until April under the Dog Control Act.

Business Outlook cont

Stock control and 10% of other costs are rate funded to reflect the public good component of this activity.

Key Capital Projects:

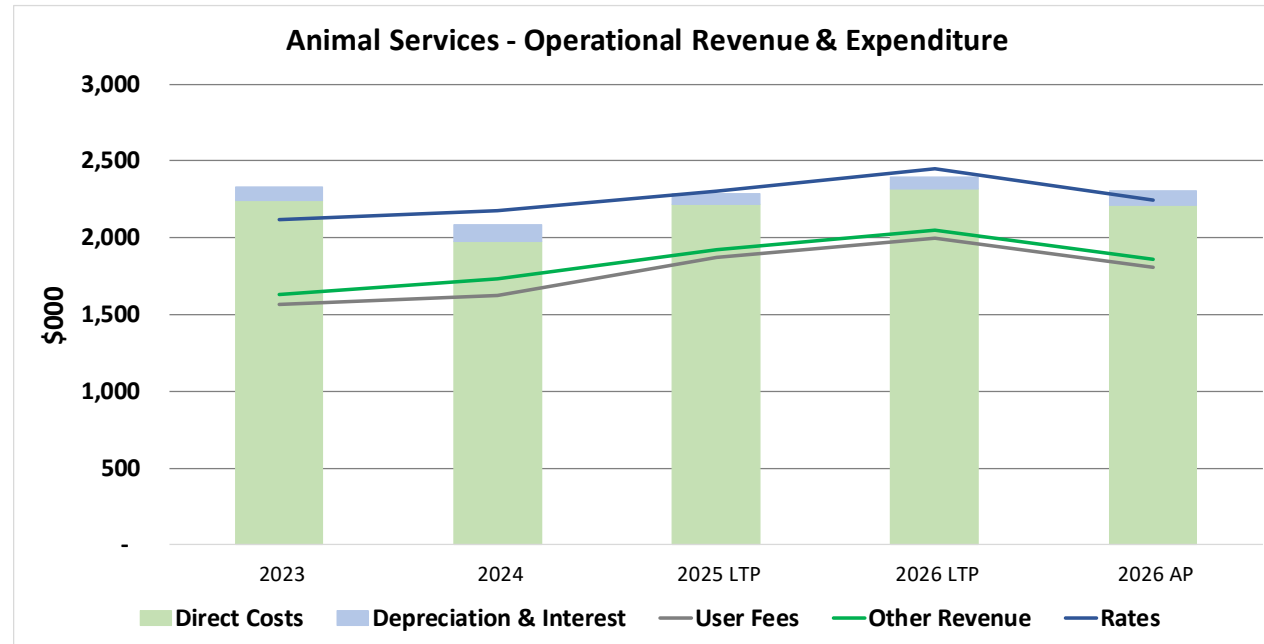
No capital projects

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 9 | 10 | 10 | 10 | 10 |
| Vacancies included in Establishment | - | - | n/a | n/a | n/a |

Animal Services (50)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 491 | 442 | 380 | 397 | 392 |
| User Fees | 1,564 | 1,624 | 1,873 | 2,000 | 1,809 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 65 | 109 | 49 | 50 | 47 |
| Overheads | - | - | - | - | - |
| Total Revenue | 2,120 | 2,175 | 2,302 | 2,446 | 2,248 |
| Employee Related Costs | 772 | 756 | 835 | 857 | 890 |
| Depreciation | 9 | 9 | 27 | 28 | 49 |
| Finance Costs | 78 | 100 | 46 | 46 | 42 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 71 | 32 | 84 | 86 | 34 |
| <i>Administration Costs</i> | 20 | 24 | 17 | 18 | 18 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 363 | 429 | 343 | 366 | 390 |
| <i>Repairs & Maintenance</i> | 14 | 24 | 16 | 16 | 14 |
| <i>Utilities & Occupancy Expenses</i> | 23 | 23 | 24 | 25 | 31 |
| Allocations | 982 | 687 | 895 | 952 | 836 |
| Total Expenses | 2,331 | 2,084 | 2,287 | 2,394 | 2,304 |
| Surplus / (Deficit) | (211) | 91 | 16 | 52 | (56) |

Deficits reflects revenue levels not sufficient to cover expenditure. To be raised during user fee discussions.



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Building Services (52)

What we do:

- Process Building Consents
- Assess plans and specifications in a consent application
- Building inspections throughout construction, in order to ensure compliance with building consents
- Ensure work carried out has been built to the approved building consent
- Provide specialist advice where required, including engineering advice to members of public
- Assist in investigations and complaints for non compliance

Business Outlook

A 5% increase plus inflation has been applied to user fees in 2026.

Building compliance function is rate funded (c6% rates), user fees cover all other functions but are currently insufficient to cover all costs.

Building Consent applications are expected to increase in coming years as the construction industry recovers from current conditions.

Business Outlook cont

Key Capital Projects:

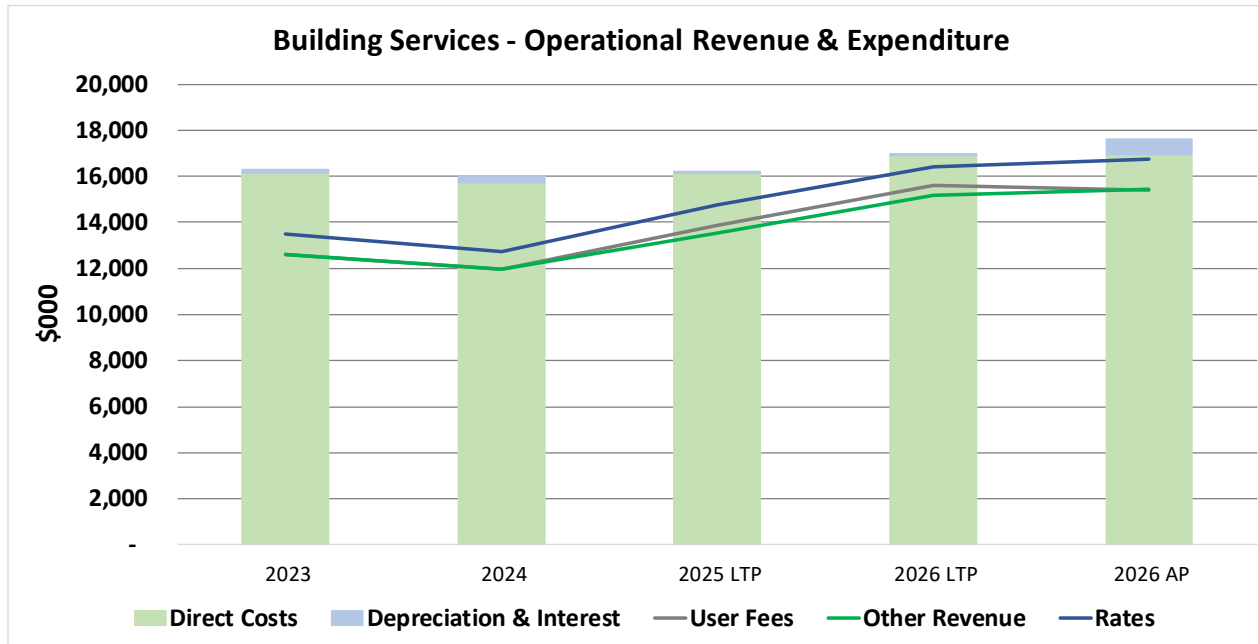
No capital projects

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 91 | 93 | 91 | 91 | 91 |
| Vacancies included in Establishment | 12 | 15 | n/a | n/a | n/a |

Building Services (52)

| \$000 | | | | | |
|--|----------------|----------------|----------------|---------------|---------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 889 | 772 | 1,202 | 1,245 | 1,304 |
| User Fees | 12,588 | 11,952 | 13,875 | 15,601 | 15,415 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 6 | 4 | (326) | (416) | 30 |
| Overheads | - | - | - | - | - |
| Total Revenue | 13,483 | 12,728 | 14,750 | 16,431 | 16,749 |
| Employee Related Costs | 8,145 | 8,314 | 9,553 | 9,787 | 9,928 |
| Depreciation | 21 | 10 | 15 | 16 | 5 |
| Finance Costs | 140 | 302 | 71 | 72 | 659 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 1,833 | 2,278 | 1,158 | 1,186 | 1,158 |
| <i>Administration Costs</i> | 111 | 95 | 108 | 112 | 61 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 1,088 | 1,402 | 1,119 | 1,179 | 1,234 |
| <i>Repairs & Maintenance</i> | - | 1 | 20 | 20 | 20 |
| <i>Utilities & Occupancy Expenses</i> | | | | | |
| Allocations | 4,957 | 3,607 | 4,187 | 4,607 | 4,541 |
| Total Expenses | 16,296 | 16,008 | 16,229 | 16,979 | 17,606 |
| Surplus / (Deficit) | (2,812) | (3,280) | (1,479) | (548) | (858) |

Deficits reflects revenue levels not sufficient to cover expenditure. To be raised during user fee discussions.



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Environmental Planning (46)

What we do:

- Provide recommendations and make decisions on resource consent applications
- Coordination and administration of the resource consent process and s223/s224 certification process
- Determine the development contribution necessary for subdividing or altering a building
- Monitor compliance with resource consents
- Respond to complaints in relation to noise and other potential breaches of the City Plan
- Undertake enforcement in response to offences of the RMA

Business Outlook

Resource consent applications have been subdued over the past 12 months; it is anticipated that applications will gradually improve in the coming year as market and other operating conditions improve

Key KPIs:

- Compliance with statutory timeframes for consent processing
- Timely response to noise complaints

Reset impacts:

An increase to funding through cost-recovery will likely result in higher average fees for applicants. Staff have also recommended some changes in order to improve service delivery

Business Outlook cont

Environmental Planning is currently 40% funded by user fees, with the remaining 60% through ratepayer funding.

User fees have not increased with inflation in 2026 due to higher anticipated revenue from volume and average charge increase.

Significant increase in staff and numbers, partly due to six new graduate roles in 2025 plus additional recruitment.

Key Capital Projects:

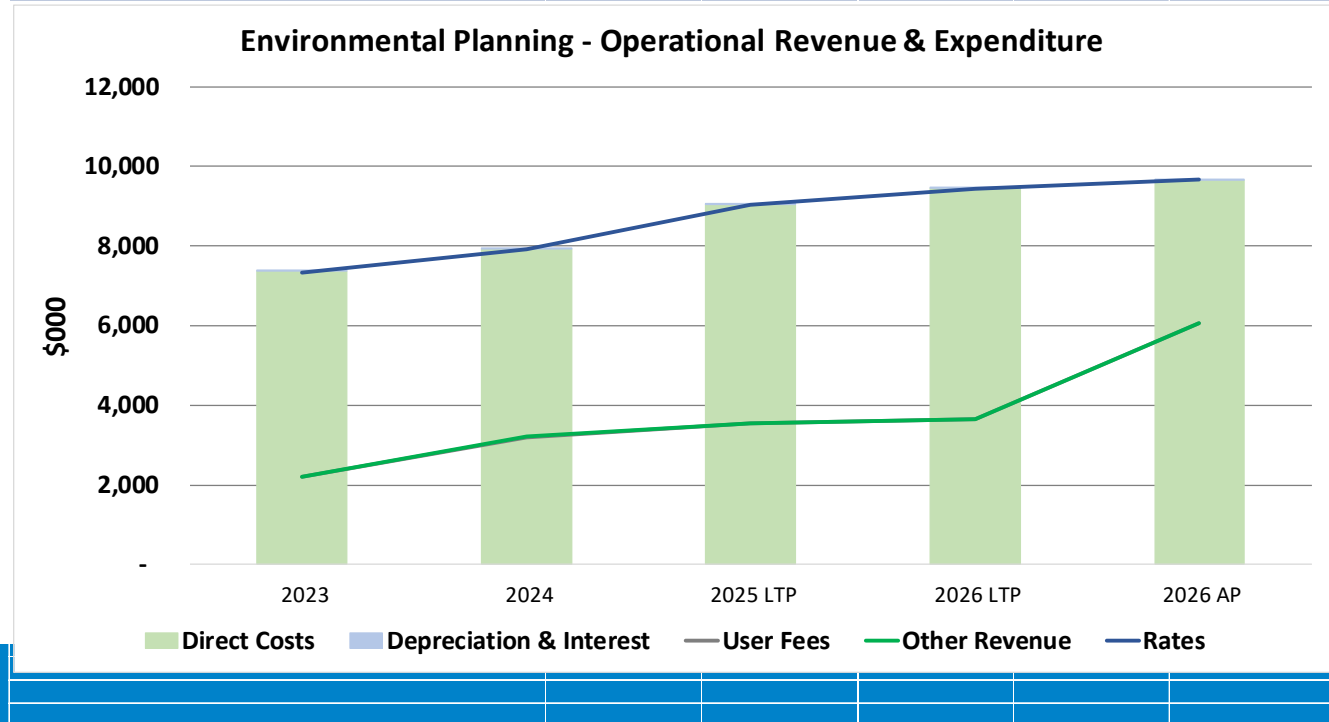
No capital projects

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 47 | 51 | 50 | 50 | 52 |
| Vacancies included in Establishment | 10 | 11 | n/a | n/a | n/a |

Environmental Planning (46)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 5,129 | 4,711 | 5,502 | 5,801 | 3,596 |
| User Fees | 2,196 | 3,183 | 3,539 | 3,649 | 6,073 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 13 | 25 | () | () | () |
| Overheads | - | - | - | - | - |
| Total Revenue | 7,338 | 7,920 | 9,041 | 9,450 | 9,669 |
| Employee Related Costs | 3,797 | 4,200 | 5,300 | 5,430 | 5,748 |
| Depreciation | 1 | 1 | 1 | 1 | 1 |
| Finance Costs | 6 | (1) | 1 | 1 | |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 1,140 | 1,335 | 1,073 | 1,099 | 1,023 |
| <i>Administration Costs</i> | 42 | 41 | 60 | 62 | 59 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 274 | 362 | 289 | 308 | 318 |
| <i>Repairs & Maintenance</i> | 1 | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | 2,107 | 1,981 | 2,317 | 2,550 | 2,519 |
| Total Expenses | 7,368 | 7,920 | 9,041 | 9,450 | 9,669 |
| Surplus / (Deficit) | (30) | () | () | () | () |

Rates are calculated to fully fund residual cost after user fees.



Environmental Health and Licensing (48)

What we do:

Environmental Health

- Register food businesses
- Verify food businesses
- Conduct food safety investigations
- Register and inspect Health Registered premises
- Public health complaints or investigations

Alcohol Licensing

- Process alcohol licence and manager certificate applications.
- Inspect & monitor licensed premises to ensure compliance with the Sale and Supply of Alcohol Act 2012
- Collaborate with Police, Medical Officer of Health to minimise alcohol related harm.
- Provide guidance to licensees by holding seminars for ON / OFF & CLUB licensed premises.
- Holding regular New Duty Manager sessions
- Manage District Licensing Hearings for applications that are either opposed or have public objections.

Environmental Health - Business Outlook

Key KPIs

Percentage of TCC verified food premises that have been verified and had appropriate enforcement action taken.

User Fees

It is proposed to significantly increase fees for verification of food businesses to ensure an improved user pays system. Simple food businesses may see a small reduction in fees however the average food business will be charged more.

Rates funding covers any deficits after user fees.

Currently 60% Rates / 40% User Fees

Reset impacts

Increased income intended to offset operating costs and reduce ratepayer funding

Alcohol Licensing - Business Outlook

Key KPIs

Process applications within acceptable timeframes (on/off/club licences = 35 working days and manager certificates 25 working days)

User Fees

Currently under review as there is a Alcohol Fees Bylaw out for consultation that if implemented will increase a majority of the alcohol licensing application fees

Rates funding covers any deficits after user fees.

Currently 60% Rates / 40% User Fees

Reset impacts

Increased income intended to reduce operating costs and reduce ratepayer funding

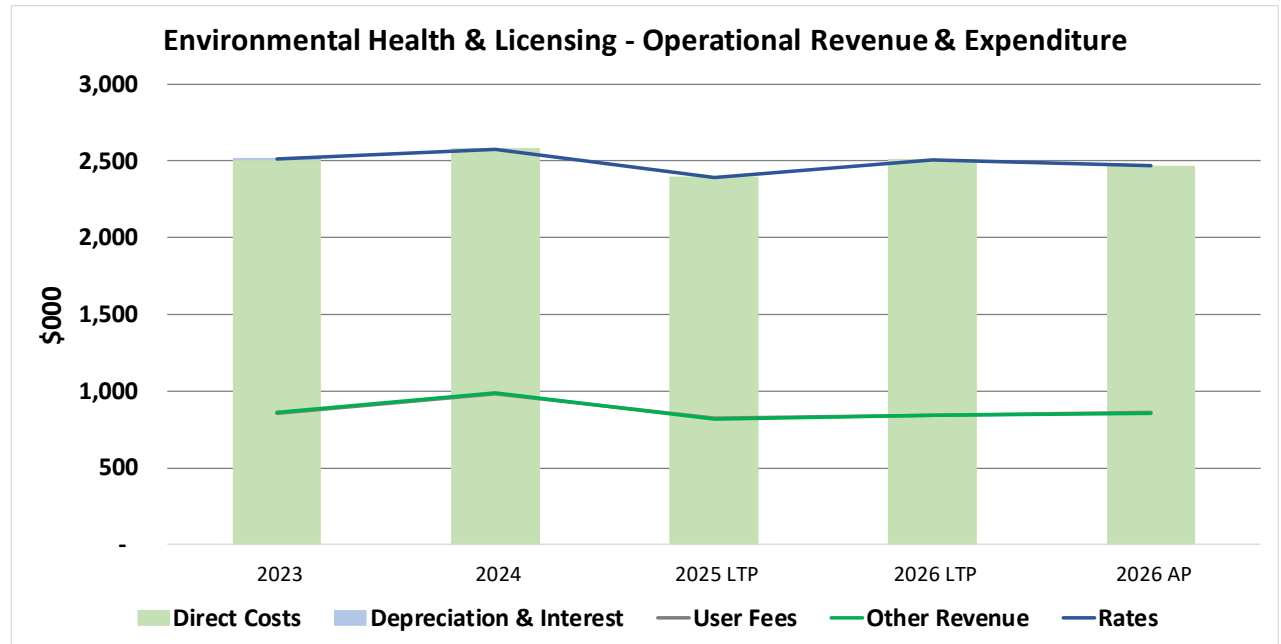
2023 Est 2024 Est 2025 LTP 2026 LTP 2026 AP

| | | | | | |
|---|----|----|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 15 | 15 | 14 | 14 | 14 |
| Vacancies included in Establishment | 1 | 1 | n/a | n/a | n/a |

Environmental Health and Licensing(48)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 1,651 | 1,584 | 1,573 | 1,666 | 1,607 |
| User Fees | 857 | 985 | 821 | 842 | 859 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 3 | 6 | (1) | (1) | (1) |
| Overheads | - | - | - | - | - |
| Total Revenue | 2,511 | 2,576 | 2,393 | 2,506 | 2,466 |
| Employee Related Costs | 1,148 | 1,256 | 1,270 | 1,301 | 1,358 |
| Depreciation | - | - | - | - | - |
| Finance Costs | - | - | - | - | - |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 212 | 352 | 167 | 171 | 97 |
| <i>Administration Costs</i> | 38 | 61 | 43 | 45 | 31 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 253 | 343 | 219 | 229 | 243 |
| <i>Repairs & Maintenance</i> | 1 | 1 | 1 | 1 | 1 |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | 860 | 564 | 695 | 761 | 736 |
| Total Expenses | 2,511 | 2,577 | 2,394 | 2,508 | 2,467 |
| Surplus / (Deficit) | (0) | (1) | (1) | (1) | (1) |

Rates are calculated to fully fund residual cost after user fees.



| | | | | | |
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Regulation Monitoring (74)

What we do:

Enforce stationary vehicle and special vehicle lane offences.

Provide education and enforcement around city bylaws

Monitor activities in public places for compliance

Manage Freedom camping complaints and compliance

Investigate and enforce illegal dumping

Business Outlook

Key KPIs

- Identify % of compliance in CBD paid parking area;
- Daily/weekly patrols of all relevant parking areas and 'hot spots';
- Response to parking 'complaints' within 24 hours
- # of daily patrols of key designated (and prohibited) FC areas (# depends on time of year)
- % of illegal dumping complaints are actioned within 72 hours

Reset impacts

User Fees increasing with inflation. Costs recovered from Parking activity for Parking related costs. The recoveries show as negative expenses.

Business Outlook cont:

Rates funding covers any deficits after user fees and recoveries.

Increase in Court filing fees for unpaid infringements (up from \$30/lodgment to \$55 from October 2024).

Assessment of whether to send infringements <\$55 to court if unpaid (neutral benefit)

Key Capital Projects:

No capital projects

2023 Est 2024 Est 2025 LTP 2026 LTP 2026 AP

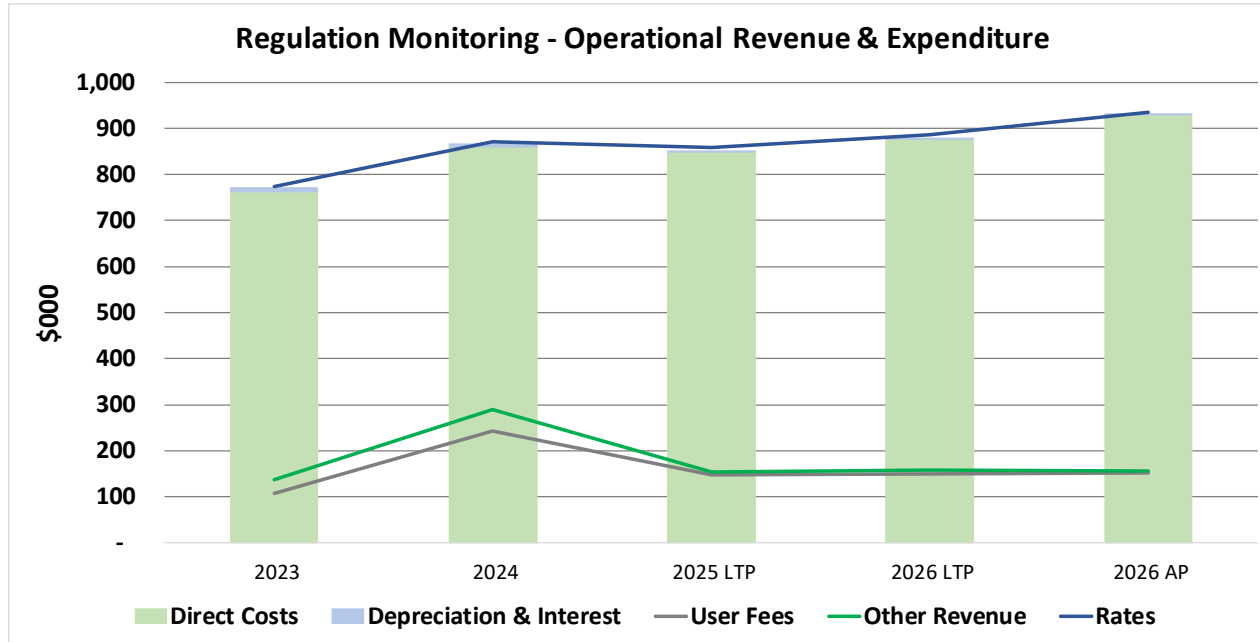
| | | | | | |
|---|----|----|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 21 | 20 | 20 | 20 | 20 |
| Vacancies included in Establishment | 2 | - | n/a | n/a | n/a |

Regulation Monitoring (74)

| \$000 | | | | | | |
|--|--------------|--------------|------------|------------|------------|------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP | |
| Rates Funding | 637 | 582 | 703 | 728 | 778 | 778 |
| User Fees | 109 | 242 | 147 | 151 | 152 | 152 |
| Grants & Subsidies | 25 | 41 | - | - | - | - |
| Finance Revenue | 3 | 6 | 7 | 8 | 5 | 5 |
| Overheads | - | - | - | - | - | - |
| Total Revenue | 773 | 871 | 858 | 886 | 935 | 935 |
| Employee Related Costs | 1,554 | 1,800 | 1,580 | 1,618 | 1,741 | 1,741 |
| Depreciation | 4 | - | - | - | - | - |
| Finance Costs | 3 | 5 | 1 | 1 | 1 | 1 |
| Other Operating Expense | | | | | | |
| <i>Consultants</i> | 10 | - | 10 | 10 | 10 | 10 |
| <i>Administration Costs</i> | 30 | 121 | 29 | 29 | 97 | 97 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - | - |
| <i>Other Operating Expense</i> | (1,659) | (1,799) | (1,692) | (1,762) | (1,793) | (1,793) |
| <i>Repairs & Maintenance</i> | - | 1 | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - | - |
| Allocations | 827 | 738 | 923 | 981 | 875 | 875 |
| Total Expenses | 770 | 866 | 850 | 879 | 930 | 930 |
| Surplus / (Deficit) | 3 | 6 | 7 | 8 | 5 | 5 |

Rates are calculated to fully fund residual cost after user fees.

Negative values presented in Other Operating Expenditure are a result of recovering costs incurred in this activity to the parking activity.



Regulatory Services (43)

What we do:

Compile Land Information Memorandums (LIM) for the public and real estate agents looking to sell or purchase property.

Navigate the building and resource consent application processes and work across various Council groups.

Work closely with developers on significant planning and building projects, and on council capital projects requiring regulatory consent.

Initiate and enable engagement and education to Regulatory and Compliance industry.

Business Outlook

No increase in user fees.

Rates funding covers any deficits after user fees.

This activity was created in 2025 following a restructure.

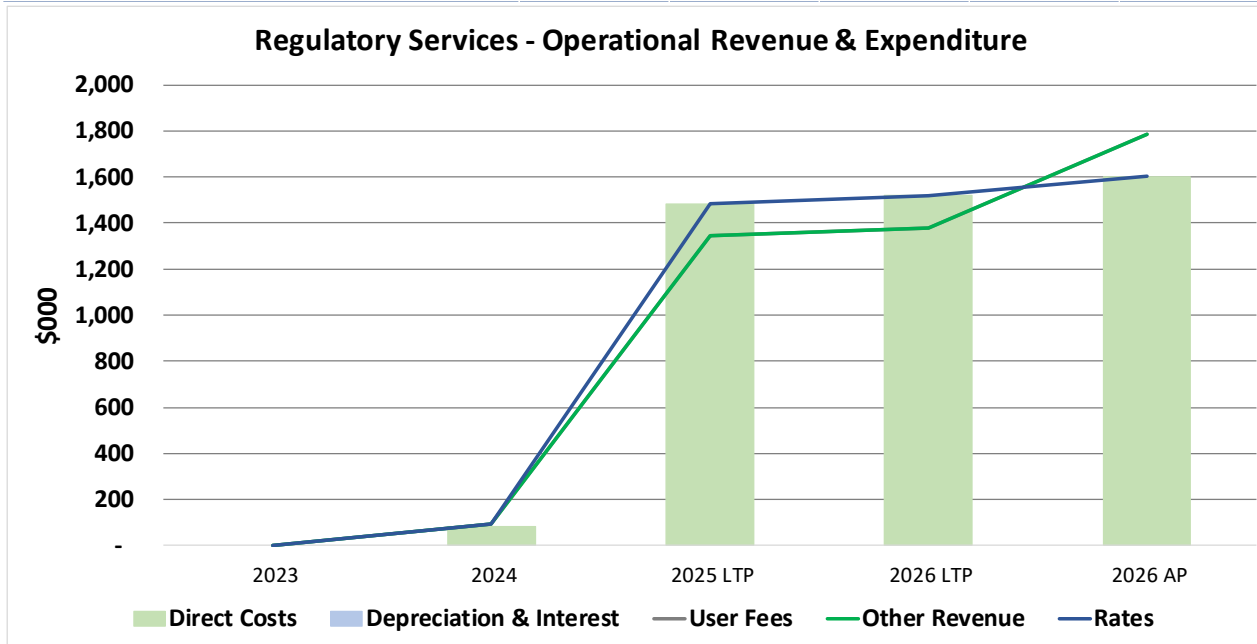
Business Outlook cont

Key Capital Projects:

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | - | 9 | 15 | 15 | 15 |
| Vacancies included in Establishment | - | - | n/a | n/a | n/a |

Regulatory Services (43)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | 136 | 139 | (185) |
| User Fees | - | 94 | 1,347 | 1,380 | 1,786 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | - | - | - | - | - |
| Overheads | - | - | - | - | - |
| Total Revenue | - | 94 | 1,482 | 1,519 | 1,601 |
| Employee Related Costs | - | 80 | 1,303 | 1,335 | 1,365 |
| Depreciation | - | - | - | - | - |
| Finance Costs | - | - | - | - | - |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | - | - | - | - | - |
| <i>Administration Costs</i> | - | - | 12 | 13 | 12 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | - | - | 168 | 172 | 224 |
| <i>Repairs & Maintenance</i> | - | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | - | - | - | - | - |
| Total Expenses | - | 80 | 1,482 | 1,519 | 1,601 |
| Surplus / (Deficit) | - | 14 | - | - | - |



Bay Venues Ltd (58)

What we do:

- Bay Venues is the kaitiaki of 23 community facilities across Tauranga, including aquatic facilities, community centres and halls, sports and fitness facilities, and key event venues such as Mercury Baypark.
- Bay Venues offers a broad range of sport and leisure activities across the community including recreation programmes, event services, and high-performance sport services that enhance the lives of our residents.
- Bay Venues also contributes to the local economy through attracting visitors to events and sports tournaments at our venues, as well to the iconic Mount Hot Pools.

Business Outlook

- Grant funding is paid to Bay Venues each quarter to help cover operational costs and interest costs on debt related to the funded network.
- Profit generated by Bay Venues' commercial businesses reduces the rates funding required to operate community facilities, making them more affordable and accessible for the whole community.
- The depreciation reserve associated with Bay Venues-owned facilities is held by TCC and renewals funding is paid out to Bay Venues each quarter from this reserve to cover the cost of programmed renewals.
- The Covid pandemic, exacerbated by a period of significant inflation (e.g. insurance, energy, maintenance costs and wages), had a significant impact on Bay Venues' financial performance. Losses incurred from 2019 to 2023 were debt funded via Bay Venues intragroup loan with Council.
- In 2023, with the support of Council, user fees and charges were re-set against a national benchmark to increase revenue.
- Bay Venues' ability to grow revenue is limited as venues are operating at or very near full capacity.

Business Outlook cont

- Through the 2024-34 LTP, operational grant funding was increased to allow Bay Venues to return to a break-even position from FY25. Debt forgiveness of \$15m was also actioned to offset Covid losses and correct previous significant under-funding of asset renewals at Mercury Baypark and Adams High Performance Centre.
- Existing facilities are all ageing. Several facilities (including four of five aquatic venues) are more than 50 years old and require significant ongoing maintenance and renewals.
- New community facilities planned for the city will provide some relief from historic under-investment across the network, but these developments often take years to plan, fund and deliver.
- The expectation is BVL will identify and implement at least 7% operational expenditure savings in its 2025/26 budget. This will be partly offset by additional grant funding of \$338k required to keep QEYC/Memorial Hall open next FY (per request to Council on 24 Feb 25 as part of Annual Plan decision-making).

Key Capital Projects:

- Fitout of Cameron Road courts (Haumaruru)
- Renewals programme

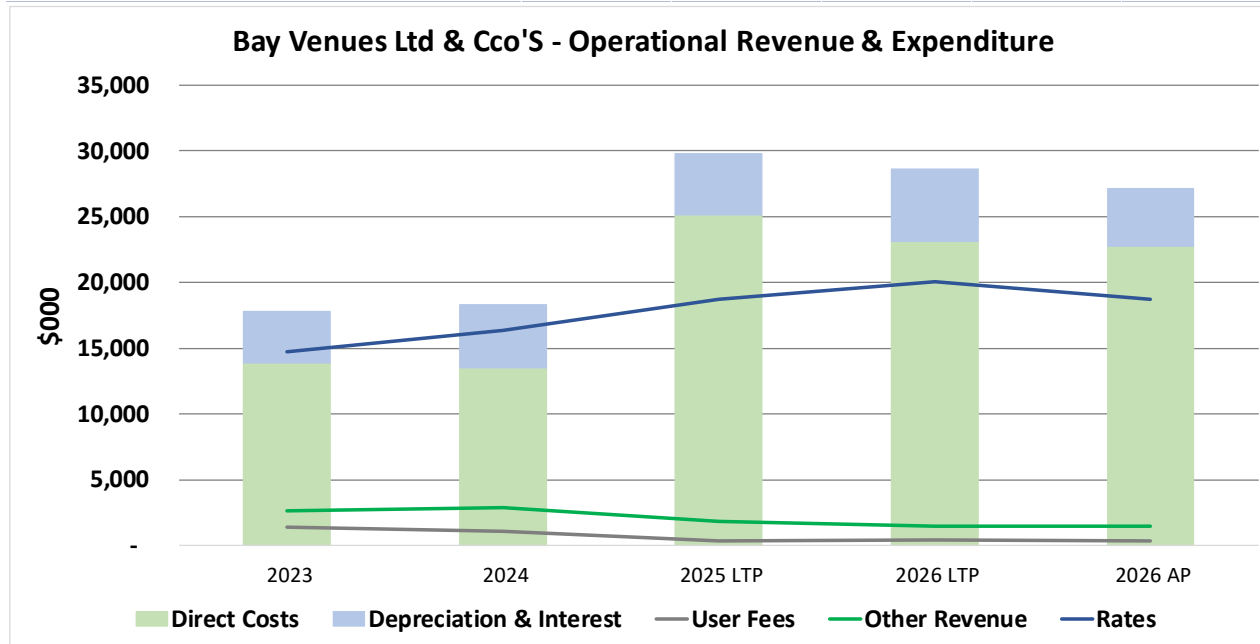
| | 2023 Act | 2024 Act | 2025 LTP | 2026 LTP | 2026 AP |
|-----------------------------------|----------|----------|----------|----------|---------|
| FTEs (Actuals include vacancies) | 0 | 0 | 0 | 0 | 0 |

Bay Venues Ltd & CCOs (58)

| \$000 | | | | | |
|--|----------------|----------------|-----------------|----------------|----------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 12,010 | 13,458 | 16,918 | 18,614 | 17,224 |
| User Fees | 1,391 | 1,109 | 372 | 409 | 382 |
| Grants & Subsidies | 35 | 25 | - | - | - |
| Finance Revenue | 1,252 | 1,757 | 1,447 | 1,047 | 1,119 |
| Overheads | - | - | - | - | - |
| Total Revenue | 14,688 | 16,349 | 18,736 | 20,070 | 18,725 |
| Employee Related Costs | 2 | 3 | - | - | - |
| Depreciation | - | - | - | 754 | 507 |
| Finance Costs | 3,911 | 4,820 | 4,672 | 4,752 | 3,873 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 249 | 26 | 99 | 102 | 99 |
| <i>Administration Costs</i> | 6 | 12 | 32 | 33 | 32 |
| <i>Grants, Contributions and Sponsorship Expense</i> | 13,289 | 13,145 | 24,553 | 22,556 | 22,129 |
| <i>Other Operating Expense</i> | 24 | 31 | 27 | 28 | 31 |
| <i>Repairs & Maintenance</i> | 96 | 44 | 133 | 136 | 133 |
| <i>Utilities & Occupancy Expenses</i> | 235 | 246 | 247 | 253 | 356 |
| Allocations | - | - | - | - | - |
| Total Expenses | 17,812 | 18,326 | 29,763 | 28,614 | 27,160 |
| Surplus / (Deficit) | (3,125) | (1,977) | (11,026) | (8,544) | (8,434) |

Deficit primarily reflects reserve funding of renewals grant.

Note that this slide reflects the TCC funding of CCOs so will differ from the user fee presentation which reflects the entity.



Beachside Holiday Park (68)

What we do:

An iconic family holiday park with a variety of accommodation options for camping, campervans and cabins.

A variety of family cabins are offered; family, romantic, and ensuite.

On average we have 83,000 guest nights per year.

There are 31 cabins and 181 campsites (including 7 are non-power sites)

Business Outlook

Revenue consistently increasing over the LTP, this is a cash funded activity.

Depreciation and interest slowly increasing over the LTP as the upgrade/renewals of the Holiday Park

Continue to investigate ways for increasing revenue through what is offered. Additional revenue streams currently include revenue from laundry services and wifi, other ideas include:

- Conference room hire
- Consider offering last minute unsold sites at a reduced rate to create additional revenue
- Increase social media advertising

Business Outlook cont

Holiday park upgrade - \$1.3M which will address flooding issues, a new retaining wall, electrical upgrades, construction of a new access road on the Ocean Beach side of the park, a new playground and reconfiguration of the office/ work-station area. This project is scheduled to begin in FY27.

Key Capital Projects:

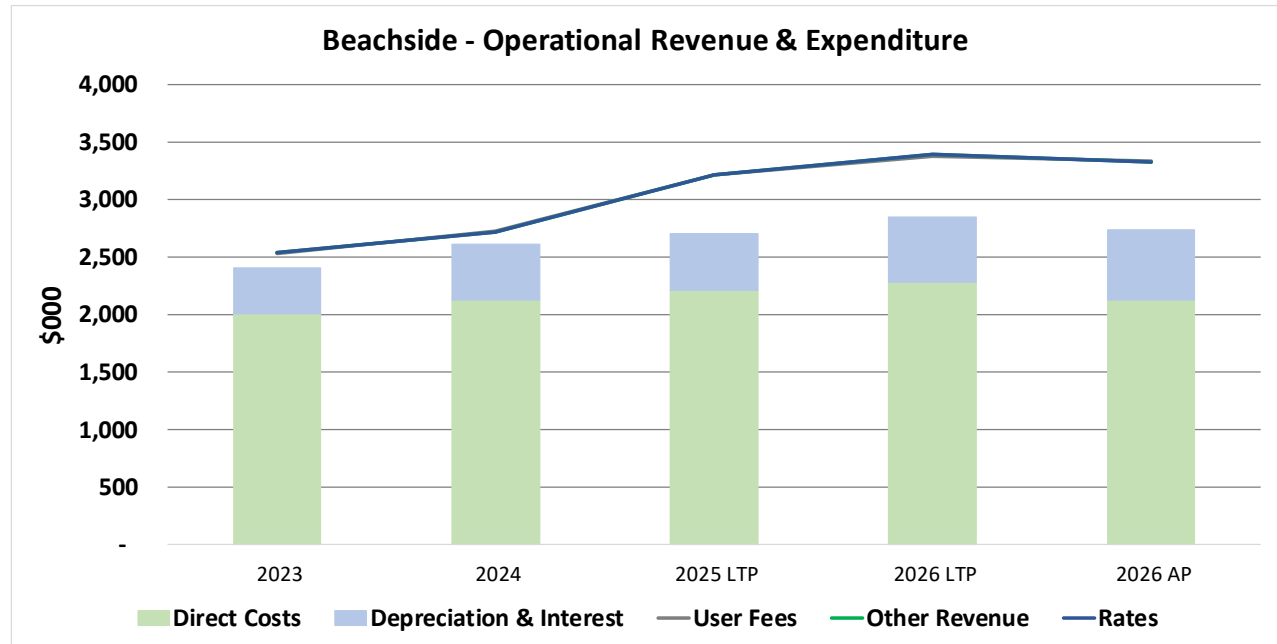
No capital projects budgeted for FY26 other than renewals

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 5 | 5 | 5 | 5 | 5 |
| Vacancies included in Establishment | 1 | 2 | n/a | n/a | n/a |

Beachside Holiday Park (68)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | 2,532 | 2,726 | 3,215 | 3,376 | 3,330 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 5 | (10) | 1 | 13 | (9) |
| Overheads | - | - | - | - | - |
| Total Revenue | 2,537 | 2,716 | 3,216 | 3,388 | 3,321 |
| Employee Related Costs | 480 | 507 | 471 | 483 | 471 |
| Depreciation | 217 | 209 | 254 | 258 | 356 |
| Finance Costs | 185 | 274 | 242 | 304 | 250 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 4 | - | - | - | - |
| <i>Administration Costs</i> | 10 | 16 | 51 | 53 | 25 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 195 | 231 | 255 | 262 | 251 |
| <i>Repairs & Maintenance</i> | 190 | 140 | 173 | 177 | 154 |
| <i>Utilities & Occupancy Expenses</i> | 792 | 921 | 933 | 956 | 876 |
| Allocations | 335 | 313 | 325 | 351 | 351 |
| Total Expenses | 2,409 | 2,611 | 2,704 | 2,844 | 2,734 |
| Surplus / (Deficit) | 128 | 104 | 512 | 544 | 587 |

Surpluses reflect user fee revenue exceeding expenditure. A dividend is paid from the surplus to the Mauao Trust.



Cemeteries (84)

What we do:

We provide respectful and appropriate services to help our community say goodbye to their loved ones

The services we provide are burials, cremations and chapel services including a lounge for functions after funerals

We work closely with funeral directors to ensure all funerals and cremations are managed in a respectful way

The main Cemetery is Memorial Park at Pyes Pa and four cemeteries on the Avenues in Tauranga. The Avenue cemeteries are only open for 2nd interments.

Business Outlook

Cemetery upgrades and development will be implemented FY26 to FY33. This includes: a new crematorium, Chapel upgrades, new shed, internal road upgrades and associated landscaping. This development is important as the current facilities are becoming aged and less efficient.

Revenue growth is relative to what is happening with competitors in the market and increasing population. An additional cremator (HD120) arrives in June 2025. This cremator enables a higher volume of cremations per day and larger size cremations. A new crematorium is being built to accommodate two cremators (HD 90 and HD 120). This will function better than the current Crematorium and will have a viewing area for when required.

Burial numbers have remained constant, cremation numbers are increasing due to cost and population growth within Tauranga

Business Outlook cont

- Cash balance activity
- Investigating the possibility of Natural Burials
- It is estimated that there is 50 years of capacity remaining at the Pyes Pa Cemetery

Key Capital Projects:

- New crematorium and cremator installation
- Demolish the existing office to create a closer link from the chapel to the new crematory facility
- Landscape and upgrade the chapel area

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|--|----------|----------|----------|----------|---------|
|--|----------|----------|----------|----------|---------|

| | | | | | |
|---|---|---|---|---|---|
| FTEs (Establishment includes vacancies) | 7 | 7 | 8 | 8 | 7 |
|---|---|---|---|---|---|

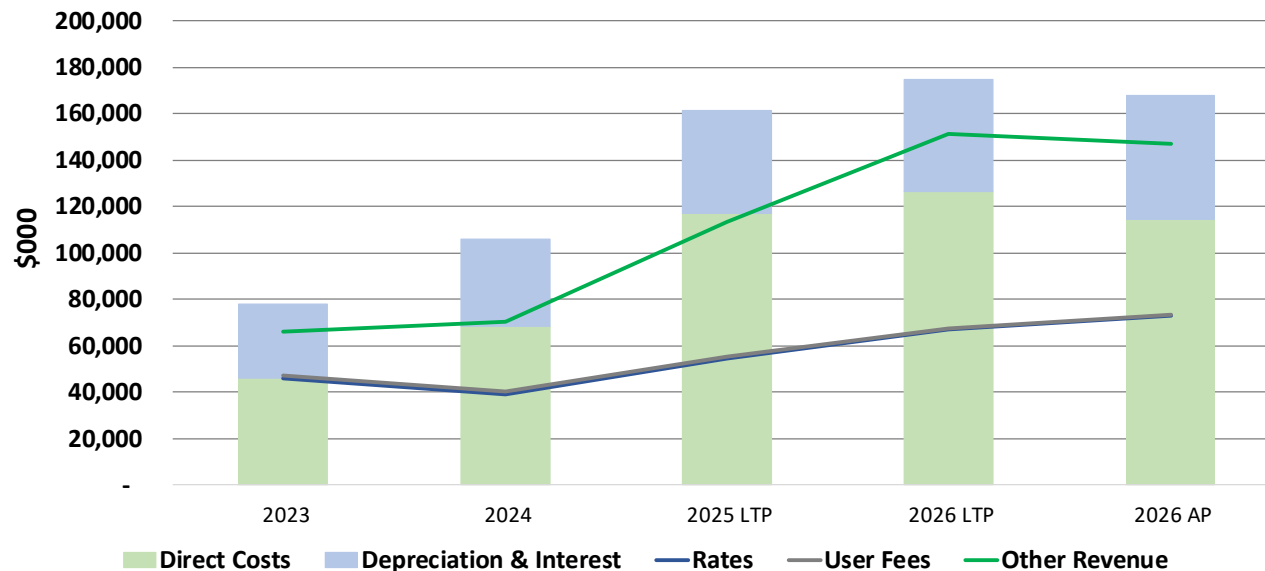
| | | | | | |
|-------------------------------------|---|---|-----|-----|-----|
| Vacancies included in Establishment | - | - | n/a | n/a | n/a |
|-------------------------------------|---|---|-----|-----|-----|

Cemeteries (84)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | 1,588 | 1,616 | 1,832 | 2,033 | 2,183 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 11 | (2) | (31) | (35) | 11 |
| Overheads | - | - | - | - | - |
| Total Revenue | 1,599 | 1,614 | 1,801 | 1,998 | 2,194 |
| Employee Related Costs | 433 | 589 | 590 | 604 | 532 |
| Depreciation | 258 | 268 | 380 | 443 | 328 |
| Finance Costs | 204 | 288 | 293 | 345 | 412 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | - | 2 | - | - | - |
| <i>Administration Costs</i> | 4 | 2 | - | - | - |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 157 | 136 | 162 | 168 | 215 |
| <i>Repairs & Maintenance</i> | 105 | 117 | 222 | 228 | 167 |
| <i>Utilities & Occupancy Expenses</i> | 140 | 127 | 81 | 83 | 155 |
| Allocations | 311 | 421 | 273 | 288 | 284 |
| Total Expenses | 1,613 | 1,951 | 2,001 | 2,159 | 2,094 |
| Surplus / (Deficit) | (15) | (337) | (200) | (160) | 101 |

Surplus reflects user fees exceeding expenditure.

Cemeteries - Operational Revenue & Expenditure



Marine Facilities (67)

What we do:

- Provide safe and well-maintained Marine Facilities (sea walls, boat ramps, jetties, pontoons and wharves) now and into the future.
- Provide land and commercial premises for lease in marine areas, such as Sulphur Point and Marine Park, i.e. boat park and Charthouse/Burnsco building.
- Deliver renewal projects for Marine Facilities owned by Council.
- Assist in planning for new Marine Facilities.
- Manage resource consents conditions in relation to Marine Facilities.

Business Outlook

- This activity runs at a deficit mainly due to low user fee revenue and the holding costs of marine assets (depreciation and interest expense on seawalls and wharves)
- Implementation of the Marine Facilities Framework (MFF); prepared as a guide on levels of service and workstreams that need to be considered in developing new facilities.
- Further work required to refine outcomes from MFF relating to levels of service and the form/function of new facilities.
- A number of Marine Facilities are reaching end of life and are no longer fit for purpose.
- Community engagement has highlighted increasing demand for improving access to the harbour.

Business Outlook cont

- Marine Facilities are expensive to develop and maintain with limited opportunities for increasing revenue on existing assets.

Key Capital Projects:

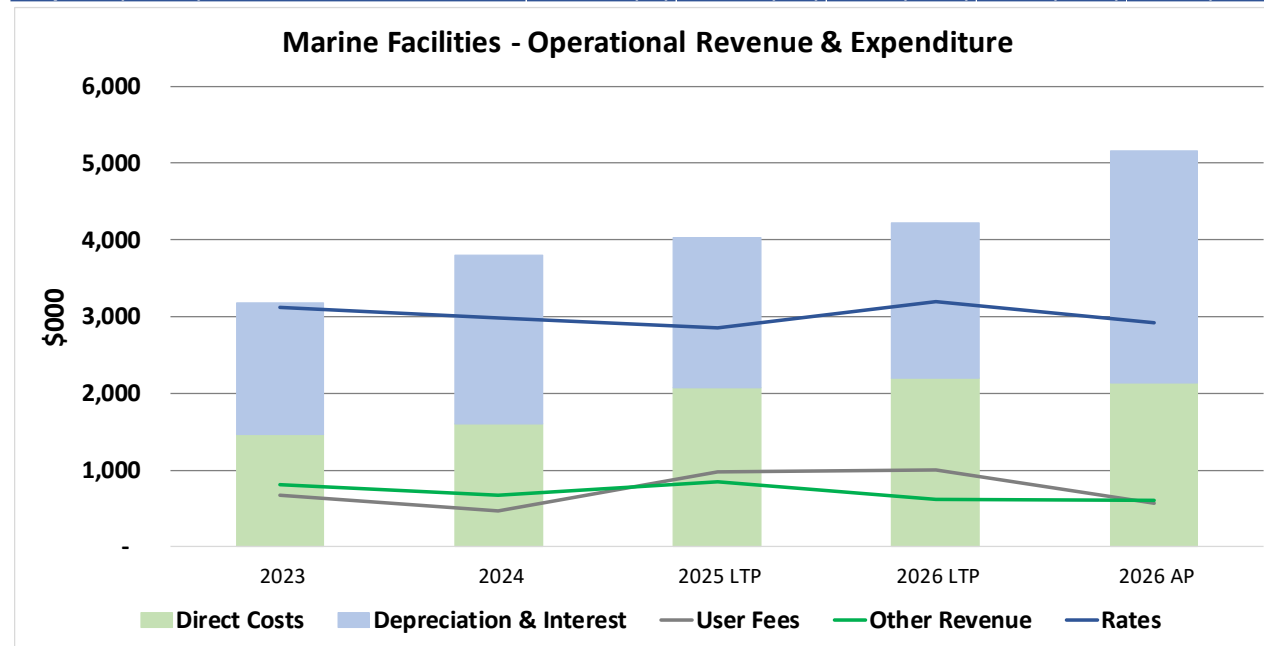
- Fisherman's Wharf replacement FY26 \$3.9m (\$8m total).
- Renew seawall Whareroa reserve FY26 \$500k

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 1 | 1 | 1 | 1 | 1 |
| Vacancies included in Establishment | - | - | n/a | n/a | n/a |

Marine Facilities (67)

| \$000 | | | | | |
|--|--------------|--------------|----------------|----------------|----------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 2,315 | 2,315 | 2,000 | 2,579 | 2,300 |
| User Fees | 666 | 473 | 975 | 999 | 572 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 141 | 195 | (124) | (384) | 40 |
| Overheads | - | - | - | - | - |
| Total Revenue | 3,123 | 2,984 | 2,852 | 3,194 | 2,912 |
| Employee Related Costs | 119 | 127 | 120 | 123 | 193 |
| Depreciation | 1,237 | 1,561 | 1,456 | 1,505 | 1,946 |
| Finance Costs | 482 | 641 | 510 | 515 | 1,075 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 66 | 224 | 16 | 109 | 108 |
| <i>Administration Costs</i> | 1 | 1 | 1 | 1 | 1 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 216 | 298 | 618 | 688 | 602 |
| <i>Repairs & Maintenance</i> | 491 | 368 | 517 | 457 | 488 |
| <i>Utilities & Occupancy Expenses</i> | 173 | 192 | 185 | 190 | 121 |
| Allocations | 395 | 392 | 609 | 628 | 621 |
| Total Expenses | 3,180 | 3,803 | 4,034 | 4,217 | 5,154 |
| Surplus / (Deficit) | (57) | (819) | (1,182) | (1,023) | (2,242) |

Deficit partly due to loss of boat ramp fees and inadequate rate funding to cover rising costs. This should be considered as part of the user fees discussions.



| | | | | | |
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Spaces & Places (59)

What we do:

- Plan for growth and deliver for development of Community Facilities, Parks and Reserves across the city
- Manage destination parks McLaren and Omanara.
- Asset management for all parks and reserves assets
- Environment and Biodiversity advocacy, planning and management
- Relationship management with users of council's reserves, in particular with sporting codes
- Manage network of Play-grounds, toilets and skateparks.
- Deliver capital projects for all of Community Services and other teams across Council
- Relationship management of a range of grants, i.e. Sport Bay of Plenty
- Arborist services on behalf of Council

Business Outlook

- Key investments in the active reserves network, play network and community centers (Merivale and Gate Pa)
- Future investment in our Eastern and Western Corridor growth areas with new community facilities
- Rising land costs and a constrained environment mean we need to make effective use of the spaces we already have as well as providing new additional spaces
- While direct costs are reducing, depreciation and interest are increasing due a large number of recently completed projects such as the destination stake park, Omanawa Falls, Marine Parade board walk
- Investigate options for increasing revenue at McLaren Falls through additional camping including cabins
- Investigate opportunity for Equestrian Park at McLaren Falls (long term) as considered in the Regional Equestrian Facilities Strategy

Business Outlook cont

- Ongoing 'on the ground' engagement with Active Reserves users and sports clubs
- Meaningful engagement with the community alongside design and delivery of key capital projects ie. Playground upgrades and development

FTE numbers have reduced due to City Operations being part of this team in the FY23 budget and the reduction of contract managers in the FY25 year to reflect in housing of work.

Key Capital Projects:

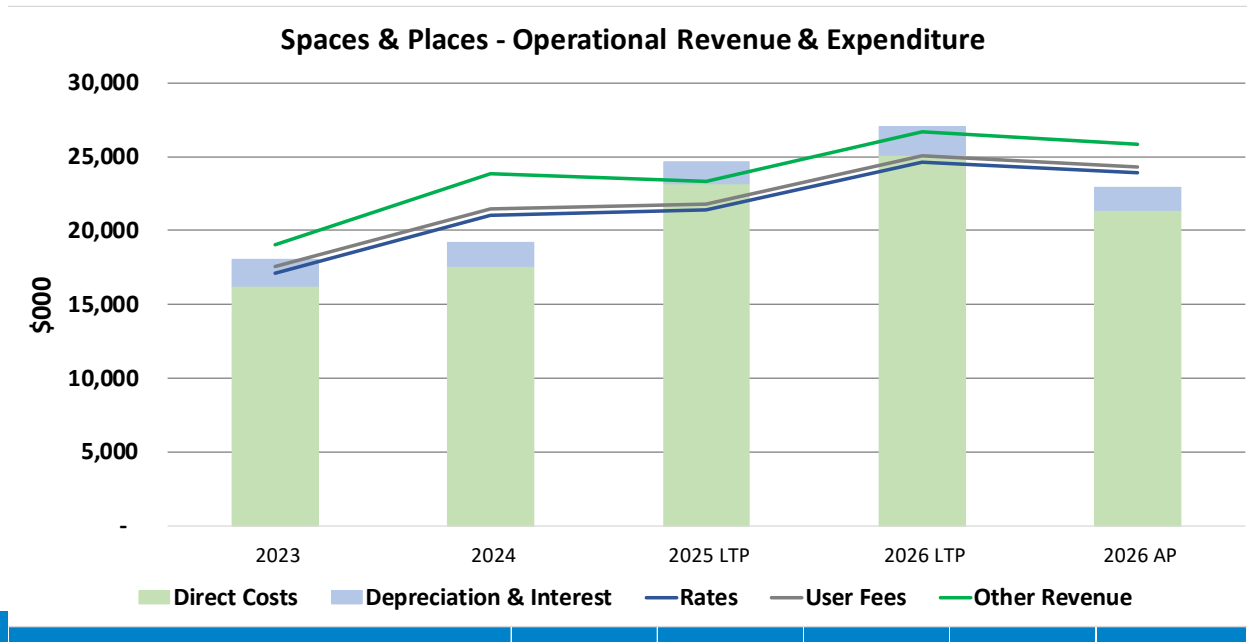
- Baypark development
- Gordon Spratt development
- Gate Pa community Centre
- Merivale Community Centre
- Upgrade/new sports fields
- Links Avenue artificial turf
- Playground and Reserve upgrades
- Oropi mountain biking trail rebuild
- Te Ranga Master Plan

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 79 | 62 | 60 | 60 | 56 |
| Vacancies included in Establishment | 10 | 5 | n/a | n/a | n/a |

Spaces & Places (59)

| \$000 | | | | | |
|--|----------------|---------------|----------------|----------------|---------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 35,475 | 45,325 | 37,898 | 48,703 | 48,813 |
| User Fees | 776 | 535 | 468 | 566 | 568 |
| Grants & Subsidies | - | 253 | 3 | 3 | 3 |
| Finance Revenue | 359 | 498 | (233) | (737) | (158) |
| Overheads | - | - | - | - | - |
| Total Revenue | 36,610 | 46,611 | 38,136 | 48,534 | 49,225 |
| Employee Related Costs | 4,908 | 4,186 | 4,080 | 4,180 | 4,172 |
| Depreciation | 3,143 | 6,436 | 6,904 | 9,314 | 11,554 |
| Finance Costs | 3,300 | 6,332 | 7,532 | 9,615 | 10,930 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 1,794 | 1,550 | 797 | 1,232 | 1,288 |
| <i>Administration Costs</i> | 99 | 148 | 113 | 116 | 67 |
| <i>Grants, Contributions and Sponsorship Expense</i> | 937 | 2,558 | 3,789 | 3,120 | 3,521 |
| <i>Other Operating Expense</i> | 5,527 | 5,345 | 5,957 | 6,037 | 3,480 |
| <i>Repairs & Maintenance</i> | 11,327 | 9,583 | 8,502 | 8,859 | 5,691 |
| <i>Utilities & Occupancy Expenses</i> | 1,044 | 1,176 | 1,089 | 1,115 | 1,170 |
| Allocations | 5,802 | 7,452 | 6,702 | 7,042 | 6,946 |
| Total Expenses | 37,882 | 44,765 | 45,463 | 50,631 | 48,819 |
| Surplus / (Deficit) | (1,272) | 1,846 | (7,327) | (2,097) | 406 |

Surplus indicates carry forward of operational projects and capital grants which are funded from prior years.



City Operations (31)

What we do:

City Operations provides an in-house maintenance team

We currently perform the maintenance across the whole city for

- Gardens
- Reserve mowing
- Playground and structures
- Natural Vegetation and Walkways.
- TCC Facilities unscheduled maintenance

We have a blue-collar work force of passionate people, who have great pride in their work and are providing positive outcomes for our City.

Business Outlook

- Direct costs increasing in the FY26 AP relates to employee costs, as 4 new contracts are brought in-house from 1 July 2025
- Depreciation and finance costs begin to ramp up as the Tauriko depot is now complete and previously purchased PP&E begins to depreciate
- Ensuring that the transition from contract to providing the service in house of 4 significant contract goes smoothly.
- Additional revenue opportunities available and additional TCC contracts being reviewed to come in-house in future years

Business Outlook cont

As a new business, continually looking for efficiencies and improvements to the level of service we provide.

Key Capital Projects:

Purchase of vehicles & equipment relating to new contracts

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|--|----------|----------|----------|----------|---------|
|--|----------|----------|----------|----------|---------|

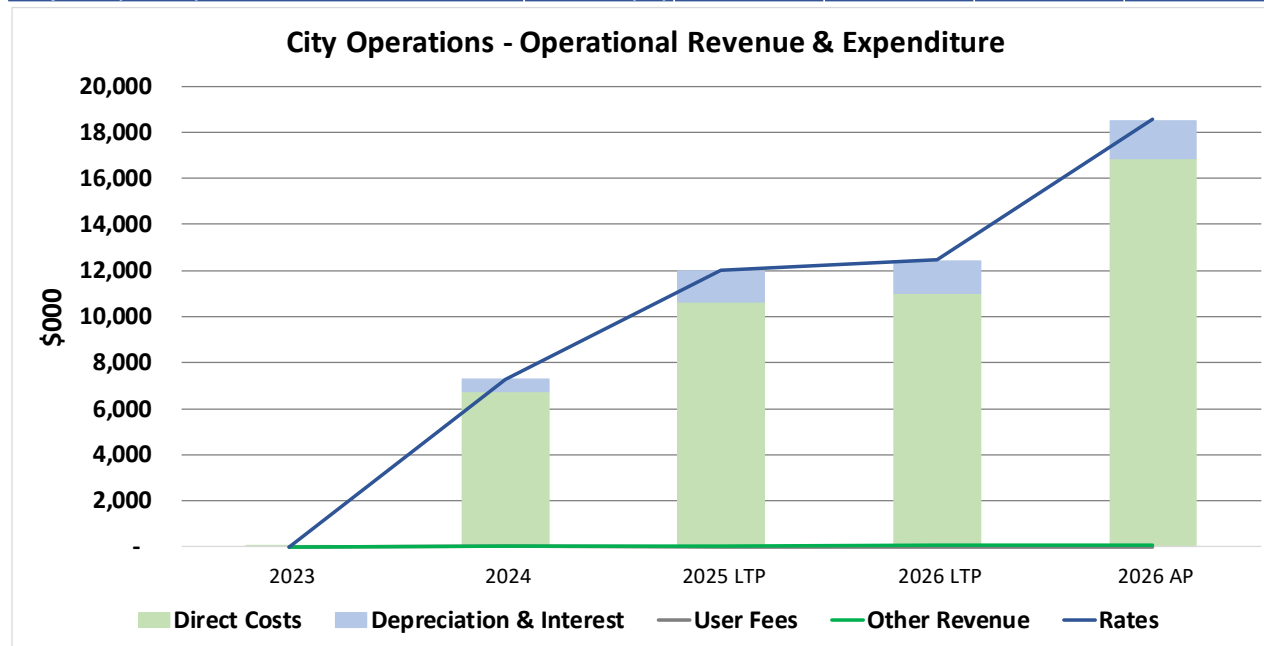
| | | | | | |
|---|----|-----|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 40 | 106 | 108 | 108 | 116 |
|---|----|-----|-----|-----|-----|

| | | | | | |
|-------------------------------------|----|----|-----|-----|-----|
| Vacancies included in Establishment | 18 | 27 | n/a | n/a | n/a |
|-------------------------------------|----|----|-----|-----|-----|

City Operations (31)

| \$000 | | | | | |
|--|--------------|--------------|---------------|---------------|---------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | 7,245 | 11,991 | 12,422 | 18,514 |
| User Fees | - | 30 | - | - | - |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | - | 1 | 22 | 63 | 63 |
| Overheads | - | - | - | - | - |
| Total Revenue | - | 7,277 | 12,013 | 12,485 | 18,577 |
| Employee Related Costs | 47 | 4,155 | 8,063 | 8,261 | 12,800 |
| Depreciation | - | 417 | 1,029 | 1,075 | 1,299 |
| Finance Costs | - | 114 | 313 | 344 | 370 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | - | 243 | - | - | 1,403 |
| <i>Administration Costs</i> | - | 78 | 15 | 16 | (247) |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | 1 | - | - | - |
| <i>Other Operating Expense</i> | 11 | 346 | (212) | (165) | (176) |
| <i>Repairs & Maintenance</i> | - | 309 | 258 | 265 | 379 |
| <i>Utilities & Occupancy Expenses</i> | - | 116 | 140 | 143 | 249 |
| Allocations | - | 1,497 | 2,386 | 2,483 | 2,437 |
| Total Expenses | 58 | 7,275 | 11,991 | 12,422 | 18,514 |
| Surplus / (Deficit) | (58) | 1 | 22 | 63 | 63 |

Deficits reflects interest on reserves which is not funded from operations.



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Asset Services (69)

What we do:

We support the delivery of public assets and asset management activities to make sure these are fit-for-purpose and enable a liveable, sustainable and resilient city for our community.

- Develop and update the Infrastructure Development Code (IDC). The IDC is the document that outlines the required standards for how infrastructure and land should be developed.
- Approve for construction, monitor construction and quality assurance of assets created within subdivisions and developments that will be vested to Council, as well as connections to our asset networks.
- Add and maintain asset data in Council's Asset information management systems Accela, Infor, Powerplan and GIS.

What we do cont.:

- Forecast renewals and update Asset Management Plans (AMPs). AMPs are documented information that outline the asset activities and programmes required to provide the levels of service and asset management objectives for each of the activities.
- Maintain natural hazard information and promote the resilient development of the city and the implementation of infrastructure resilience projects.

Key Initiatives:

- Identification of assets that are not achieving expected lives.
- Coastal Inundation data roll-out.
- Waters reform transition

Business Outlook cont.:

- Slow down in the delivery of large-scale subdivisions. Increase in in-fill subdivisions including in areas exposed to natural hazards.
- Change in 3-water asset information system
- Reduced upgrade programmes impact on associated renewals and resilience projects.
- Updates to legislation in response to recent natural hazard events.
- Local waters done well impacts on the team, including the introduction of the National Engineering Design Standards (NEDS) on the IDC.

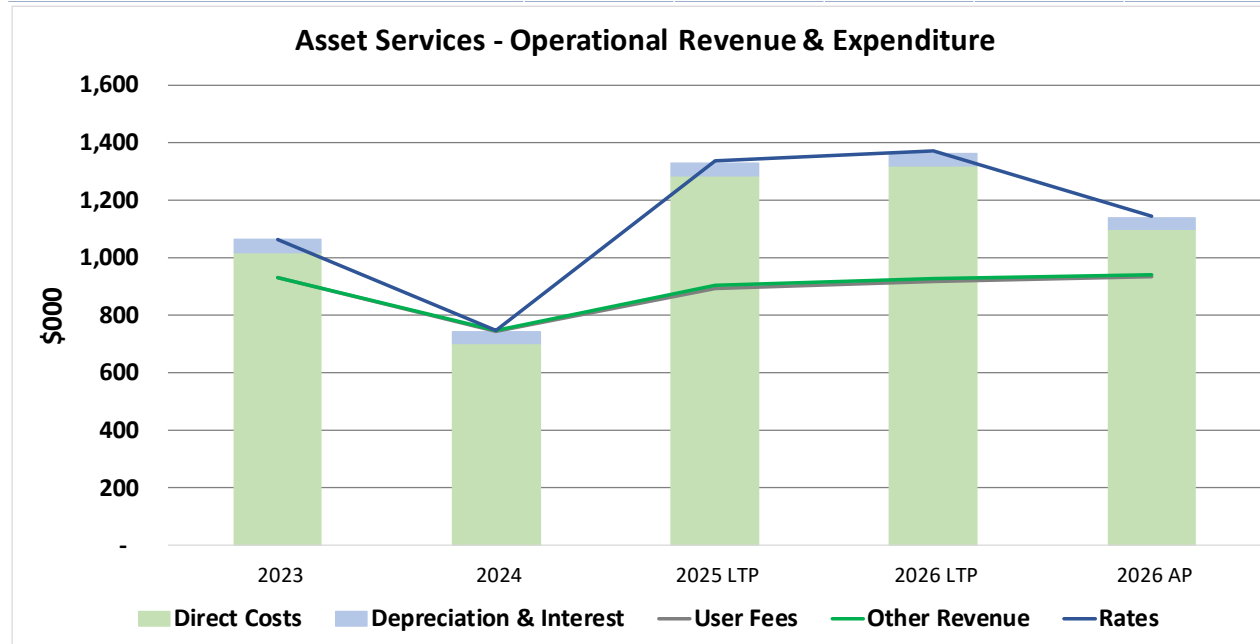
2023 Est 2024 Est 2025 LTP 2026 LTP 2026 AP

| | | | | | |
|---|----|----|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 35 | 31 | 34 | 34 | 33 |
| Vacancies included in Establishment | 6 | 2 | n/a | n/a | n/a |

Asset Services (69)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 133 | 1 | 434 | 444 | 205 |
| User Fees | 930 | 743 | 894 | 916 | 934 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 1 | 4 | 7 | 9 | 5 |
| Overheads | - | - | - | - | - |
| Total Revenue | 1,064 | 748 | 1,336 | 1,370 | 1,145 |
| Employee Related Costs | 2,793 | 3,310 | 3,416 | 3,500 | 3,139 |
| Depreciation | 38 | 33 | 33 | 33 | 32 |
| Finance Costs | 8 | 10 | 9 | 10 | 9 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 517 | 557 | 691 | 708 | 481 |
| <i>Administration Costs</i> | 55 | 55 | 1 | 1 | 1 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | (2,400) | (3,236) | (2,848) | (2,918) | (2,549) |
| <i>Repairs & Maintenance</i> | 52 | 15 | 25 | 26 | 25 |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | - | - | - | - | - |
| Total Expenses | 1,062 | 744 | 1,328 | 1,361 | 1,139 |
| Surplus / (Deficit) | 1 | 4 | 7 | 9 | 5 |

Negative values presented in Other Operating Expenditure are a result of recovery of costs to other activities, largely transportation, parks and waters activities.



| | | | | | |
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City Waters Support Services (30)

What we do:

Supports all three waters with project outcomes and operational and administrative functions.

Operates laboratory which provides testing for TCC and other councils.

Planning of water infrastructure to support growth.

Waters reform project group and interaction with Central Government and DIA.

Run engineering services division to support operational requirements of City Waters

Business Outlook

Most of the divisions within this activity allocates their costs to the three waters activities.

The uncertainty around new compliance requirements from environmental regulators as well as regional council means that, the workload of support divisions have increased considerably i.e. Laboratory, Engineering and Operational support divisions

Awaiting impacts of water reform.

FTE increases in 2025 reflect movement of resource from water activities to support services.

The budgets include \$7.7m of transitional funding for waters reform which will only be spent if a waters CCO is decided upon after consultation with the community. The expenditure would include SaaS and other expenditure associated with setting up a CCO. This expenditure is loan funded so shows as a deficit in the financials.

Business Outlook cont

Key Capital Projects:

No capital projects

2023 Est 2024 Est 2025 LTP 2026 LTP 2026 AP

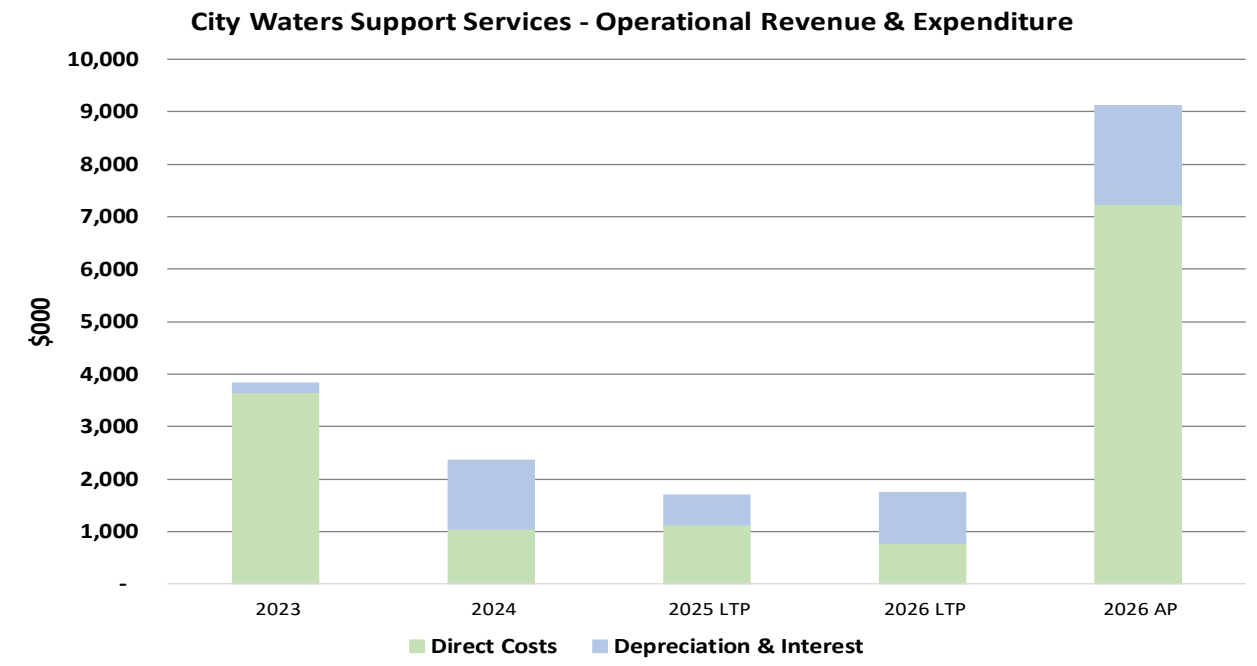
| | | | | | |
|---|----|----|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 62 | 60 | 68 | 68 | 65 |
| Vacancies included in Establishment | 10 | 8 | n/a | n/a | n/a |

City Waters Support Services (30)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|----------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | 1,708 | 1,472 | 1,703 | 1,745 | 1,354 |
| Grants & Subsidies | 2,098 | 893 | - | - | - |
| Finance Revenue | 4 | 11 | 25 | 46 | 87 |
| Overheads | - | - | - | - | - |
| Total Revenue | 3,809 | 2,377 | 1,728 | 1,791 | 1,441 |
| Employee Related Costs | 2,512 | 3,097 | 4,113 | 4,214 | 3,961 |
| Depreciation | 28 | 1,128 | 383 | 784 | 1,531 |
| Finance Costs | 144 | 184 | 186 | 188 | 342 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 859 | 417 | 1,778 | 1,245 | 7,724 |
| <i>Administration Costs</i> | 680 | 892 | 1,423 | 1,458 | 1,391 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | (425) | (3,387) | (6,224) | (6,188) | (5,863) |
| <i>Repairs & Maintenance</i> | 21 | 29 | 34 | 35 | 26 |
| <i>Utilities & Occupancy Expenses</i> | 8 | 6 | 9 | 9 | 8 |
| Allocations | - | - | - | - | - |
| Total Expenses | 3,826 | 2,366 | 1,703 | 1,745 | 9,119 |
| Surplus / (Deficit) | (16) | 11 | 25 | 46 | (7,678) |

Waters reform expenditure funded by loans \$7.7m which includes waters reform transition and SaaS

Negative values presented in Other Operating Expenditure are a result of recovering costs incurred in this activity to the three waters activities.



Civic Complex (15)

What we do:

Manage the Council buildings, which comprises Council Chambers, Library, Customer Services and all office accommodation for Council staff.

Manage the maintenance and upgrades of all Council building assets, which comprises Spaces & Places, Transportation, Water Supply, Wastewater, Stormwater, Sustainability and Waste.

Manage the cleaning, physical security, building safety and compliance for all Council owned buildings.

Ensure that the services are up and running in conjunction with the move 90Devonport Road

Continue monitoring the condition of council buildings and undertake unplanned and planned maintenance.

Research and implement technology to help in predictive maintenance, reducing unplanned downtime, and improving overall asset management.

Ensure building Warrant of Fitness are monitored and up to date at all time.

Business Outlook cont

Key Capital Projects:

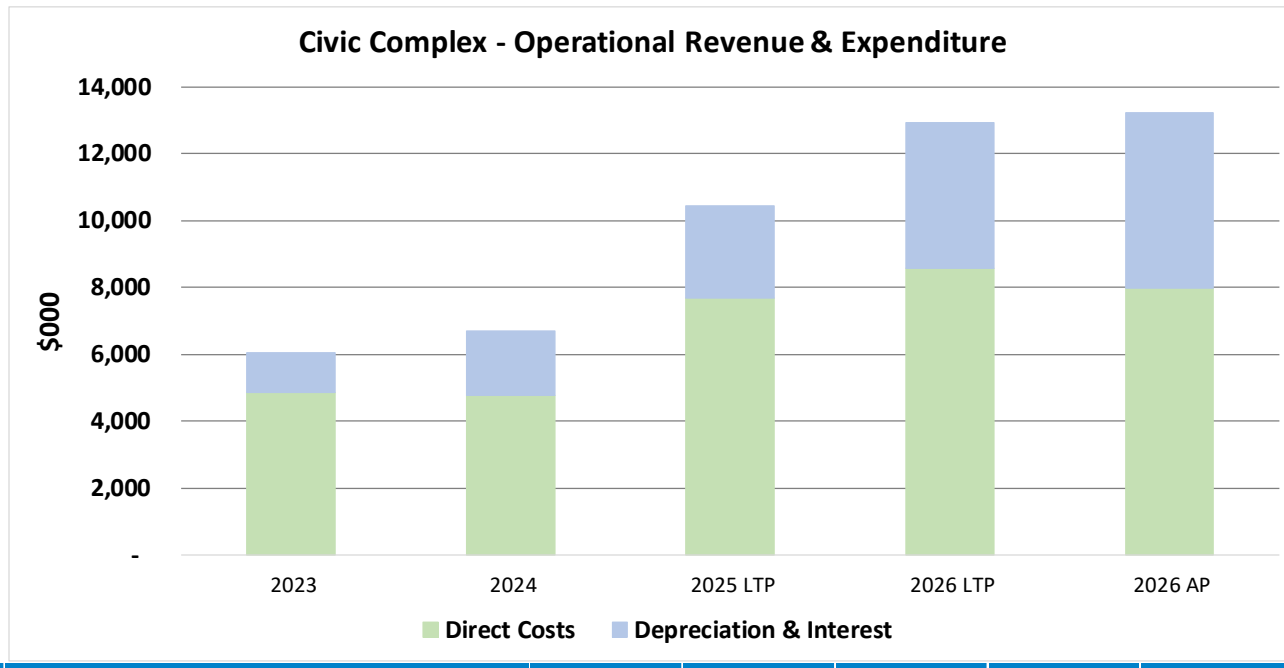
2023 Est 2024 Est 2025 LTP 2026 LTP 2026 AP

| | | | | | |
|---|---|----|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 9 | 10 | 11 | 11 | 10 |
| Vacancies included in Establishment | - | 2 | n/a | n/a | n/a |

Civic Complex (15)

| \$000 | | | | | |
|--|--------------|--------------|---------------|---------------|---------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 193 | 148 | - | - | - |
| User Fees | 12 | (1) | 10 | 318 | 135 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 19 | 33 | 38 | 48 | 60 |
| Overheads | 5,853 | 6,690 | 10,428 | 12,620 | 13,083 |
| Total Revenue | 6,078 | 6,870 | 10,476 | 12,986 | 13,278 |
| Employee Related Costs | 703 | 742 | 984 | 1,167 | 828 |
| Depreciation | 540 | 899 | 996 | 2,325 | 3,292 |
| Finance Costs | 654 | 1,024 | 1,751 | 2,028 | 1,962 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 13 | 129 | - | - | - |
| <i>Administration Costs</i> | 192 | 266 | 183 | 187 | 183 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 2,899 | 2,770 | 5,562 | 6,335 | 6,360 |
| <i>Repairs & Maintenance</i> | 228 | 110 | 51 | 52 | 51 |
| <i>Utilities & Occupancy Expenses</i> | 831 | 753 | 911 | 842 | 543 |
| Allocations | - | - | - | - | - |
| Total Expenses | 6,061 | 6,692 | 10,438 | 12,938 | 13,218 |
| Surplus / (Deficit) | 17 | 178 | 38 | 48 | 60 |

Deficits reflects interest on reserves which is not funded from operations.



Expenditure from this activity to allocated across the business based FTE.

Digital Services (13)

What we do:
Keeping TCC operationally safe and secure

- Cloud and infrastructure services
- Security operations
- Network engineering
- Service desk
- Application support
- Assets and purchasing
- Print services
- Incident management
- Operational governance

Solution Delivery

- Agile project delivery
- Product management
- Business analysis
- Software development
- Solution testing
- Application functional specialists.
- Solution architecture
- Content and user experience specialists

Digital Engagement, Enablement and Innovation

- Uplift engagement and collaboration
- Leverage and promote digital tools and capabilities
- Streamline the customers' digital services journey
- Digital education and communications
- Change management
- Human-centred design services
- Innovation/ideation frameworks

Commercial and Financial Services

- Bridge the gap between finance and digital
- Drive value for money into the Digital delivery programmes
- Empower TCC with digital/financial acumen
- Vendor panel management governance

Enterprise Data, Architecture and Security

- Information security risk management
- Security policy development
- Security governance and compliance
- Security training and awareness
- Artificial Intelligence (AI)
- Information Management/Records Management
- PRA compliance
- LGOIMA support
- Enterprise data and architecture governance
- Lead data stewardship
- Enterprise architecture frameworks and office modernisation blueprint (across the entire digital ecosystem).

Business Outlook

Digital Services will be able to contribute over \$3M of pure operational cost savings, which is well above the targeted 7%.

Those cost savings are achieved through:

- absorbing vacancies
- initiatives that increase efficiencies
- consolidation of tools
- optimised use of resources
- pausing programmes

Digital Services will be able to fulfill most requirements with minor, if any impact to the wider organisation. Reset budget constraints will impede any flexibility we have to be able to migrate any workloads into a cloud environment if they have not been specifically planned in, or growth within that environment, if there are changes in workloads or pricing.

Fluctuating exchange rates and the current economic climate create a volatile environment for software and hardware pricing with significant price rises and changes in licensing structures often appearing with very little notice. Reset constraints remove any flexibility we have, to account for these unexpected changes.

Driving efficiencies and cost savings in the mail and print services by driving sustainable practices across the organisation and rationalizing what is done in-house vs outsourced. Significant budget challenges in this space following the announcement from NZPost there will be 30% price increases year on year have prompted an evaluation of the provider.

Financial treatment and funding of digital projects has made it more complex to separate assets creating (capital) from Cloud based (SaaS) activities. The Reset 26 conversation did not include any Opex that is funding our projects as this was included in the project/capital discussion.

AP26 project figures for Digital Services' SaaS were reduced to \$10m and the capital asset renewal budget sits at \$1.8m.

Digital Services has not completed planning for the FY26 year as it needs to confirm budgets first. As it sits currently, little outside of operational safety and security will be possible.

Under these financial constraints Digital Services will not be able to complete the planned roadmap for exiting OZONE. The financial constraint will have a high impact on the ability to keep resources and therefore knowledge/IP. In addition, it puts huge risk on the organisation having to remain on un-supported, aging technology.

Key Projects:

****Please note that these projects are currently at high risk due to current funding shortfall in the Annual Plan FY26.**

- ***ERP Programme** – property rating, land management and revenue
- ***ERP – Non-rates revenue** - licensing, airports, fines etc. moving from Ozone
- ***LWDW** – impact on Digital Services' contributions are unclear at this stage. Losing resources endangers access to required skill sets.
- ***Regulatory and Compliance technology enablement** – continue to build on process management, automation and efficiency tools to support various functions of Regulatory and Compliance
- ***Web projects** e.g. Museum website (interactive and includes ability to handle financial transactions)
- ***Shared HR Platform** – Onboarding Hamilton City Council onto TCC's HR SuccessFactors platform
- ***Support and enhancement of current projects** – potential limitations of resourcing for Rates project which is going live in July 2025 e.g., post go-live support
- **Laptop fleet modernisation**– provided “As a Service”, and implementing a range of more sophisticated monitoring and security tools
- **Technology deployment at 90 Devonport Rd** – providing safe, secure and user-friendly technology to the new building including meeting room technology, end user setups, printing, network, Wi-Fi, and supporting access control, lockers etc.
- **Microsoft Security suite transition** – transitioning a set of disparate security tools into the Microsoft eco-system, providing better protection, easier support and better value for money.
- **Security enhancements** – continually improving the way we manage vulnerabilities to keep the organisation safe, onboarding a cyber threat intelligence platform to give us more timely and targeted information around threats that could impact TCC.
- **Backup System upgrade** – replacing end of life hardware, moving to a lease model and modernising the way we manage our backups, extending across our Microsoft Cloud data and improving disaster recovery practices.
- **Storage and Server Infrastructure upgrade** – replacing end of life hardware, moving to a lease model and right sizing our infrastructure. This platform is the basis for all on-premise systems to run outdated is an important foundational project.
- **Unified Communications** – replacing outdated and end of life tools with a more modern toolset. This enables the Contact Centre to better serve the community and provides resilience in our phone systems, as well as providing the platform to give our community multiple choices in how they can interact with us.
- **Server Operating system and database upgrades** – upgrading the base server software that is end of life across our application servers. This is an ongoing programme as Microsoft retire old servers across an estate of around 160 servers.

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 118 | 111 | 106 | 106 | 118 |
| Vacancies included in Establishment | 21 | 15 | n/a | n/a | n/a |

Digital Services (13)

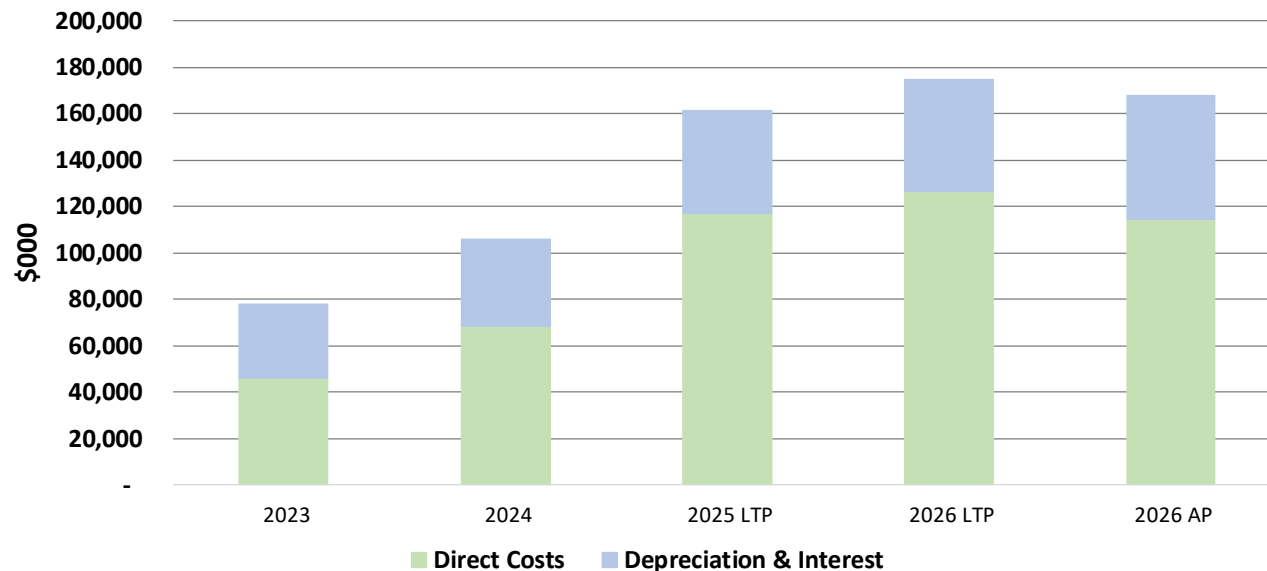
| \$'000 | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | 151 | 160 | 174 | 179 | 174 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | (124) | (341) | (518) | (555) | (214) |
| Overheads | 24,783 | 28,754 | 30,607 | 33,115 | 37,115 |
| Total Revenue | 24,810 | 28,573 | 30,263 | 32,738 | 37,075 |
| Employee Related Costs | 5,980 | 8,275 | 6,936 | 7,106 | 9,499 |
| Depreciation | 7,165 | 4,648 | 4,551 | 4,980 | 6,380 |
| Finance Costs | 1,455 | 2,228 | 3,102 | 3,725 | 3,657 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 1,750 | 17,550 | 18,421 | 17,249 | 10,778 |
| <i>Administration Costs</i> | 17,776 | 11,763 | 7,506 | 12,485 | 13,279 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 2,168 | 6,421 | 5,539 | 5,697 | 3,959 |
| <i>Repairs & Maintenance</i> | 101 | 71 | 81 | 83 | 82 |
| <i>Utilities & Occupancy Expenses</i> | 90 | 76 | 86 | 88 | 61 |
| Allocations | - | - | - | - | - |
| Total Expenses | 36,485 | 51,033 | 46,223 | 51,414 | 47,695 |
| Surplus / (Deficit) | (11,675) | (22,459) | (15,960) | (18,676) | (10,620) |

These figures include Software as a Service (SaaS) projects which were previously reported as capital and are now loan funded operational projects

Overheads show an increase although total expenses have gone down due to a decrease in non-allocated costs (SaaS) and an increase in other expense lines that are allocated out.

Deficit is loan funded OPEX related to SaaS associated development projects.

Digital Services - Operational Revenue & Expenditure



Expenditure from this activity to allocated across the business based FTE, Direct costs and CAPEX

Executive Offices (12)

What we do:

Executive Leadership Team and their immediate support staff, who provide the leadership and governance required to run TCC.

Details on individual groups and activities are reflected throughout this presentation.

Each GM and support staff costs are recovered from their respective areas.

Business Outlook

Business Outlook cont

Key Capital Projects:

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|--|----------|----------|----------|----------|---------|
|--|----------|----------|----------|----------|---------|

| | | | | | |
|---|----|----|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 41 | 43 | 32 | 32 | 36 |
| Vacancies included in Establishment | 4 | 5 | n/a | n/a | n/a |

Executive Offices (12)

| \$000 | | | | | |
|--|--------------|--------------|-----------|-----------|-----------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | (7) | | 8 | 8 | - |
| User Fees | 9 | 5 | - | - | - |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 5 | 10 | 3 | 3 | 2 |
| Overheads | - | - | - | - | - |
| Total Revenue | 7 | 15 | 11 | 11 | 2 |
| Employee Related Costs | 4,821 | 5,401 | 4,721 | 4,837 | 5,663 |
| Depreciation | 1 | | | | |
| Finance Costs | | | - | - | - |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 259 | 238 | 207 | 212 | 207 |
| <i>Administration Costs</i> | 157 | 195 | 120 | 123 | 115 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | (5,232) | (5,822) | (5,040) | (5,163) | (5,984) |
| <i>Repairs & Maintenance</i> | - | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | - | - | - | - | - |
| Total Expenses | 6 | 13 | 8 | 8 | () |
| Surplus / (Deficit) | 1 | 2 | 3 | 3 | 2 |



Finance (10)

What we do:

- Develop long term and annual plans and budgets
- Monitor Councils' financial performance and report to management and Council on performance and forecast position and risks
- Communicate to the community and public on financial performance through the Annual Report
- Advise council activity managers and executive on financial consideration in investment, expenditure prioritisation and business modelling
- Manage financial systems processes and controls.
- Meet financial compliance, reporting, public information requests and tax requirements
- Treasury management
- Capital programme financials budgeting monitoring & reporting
- Debt collection
- Revenue setting and collection (rates and other)
- Paying suppliers, managing retentions etc.

Business Outlook

- Expansion of SAP enterprise system into revenue/rates implemented from 2025/26 with transitional resourcing requirements and risks
- Need to improve and standardise purchasing processes corporately
- Reset budget reduction in resourcing, requires reprioritisation of work and standardisation and streamlining of some services/deliverables.
- Waters reform analysis and transitional workstreams as well as planning for shared and or reduced services
- Increasing statutory reporting and audit requirements including waters legislation/regulation
- Increasing treasury requirements.

Business Outlook cont

Key Projects:

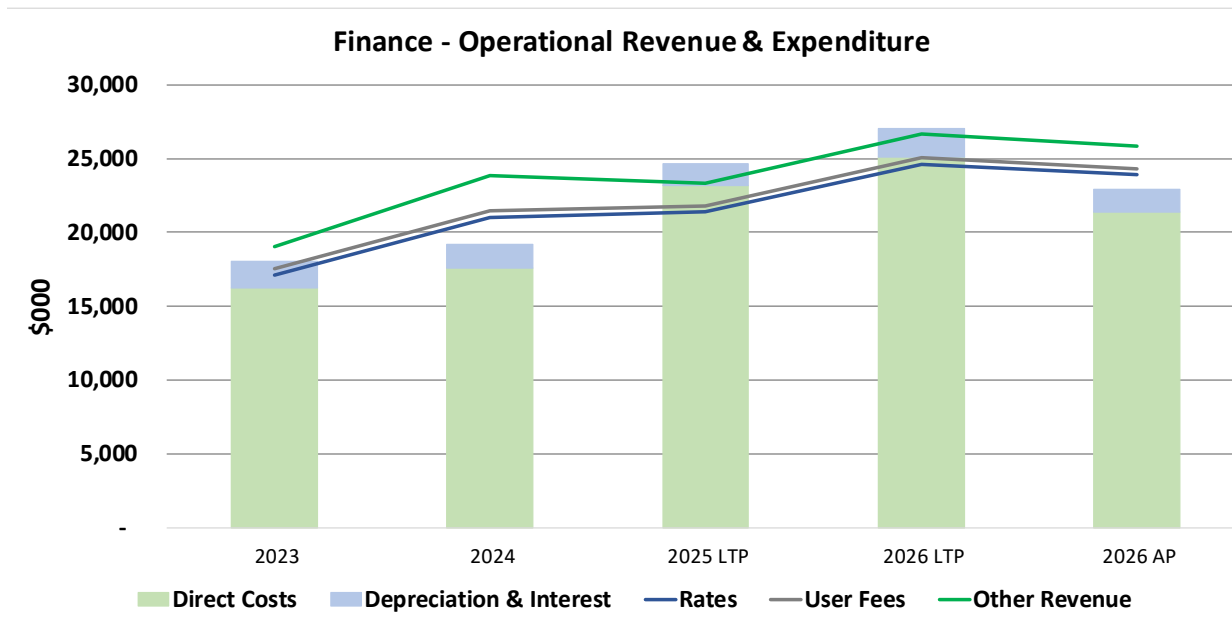
- Implementation of SAP system for rates collection
- Development of SAP system for other revenue collection
- Improvement of purchasing processes corporate-wide
- Waters transition
- Implement enhanced business case financials

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 58 | 60 | 59 | 59 | 60 |
| Vacancies included in Establishment | 3 | 3 | n/a | n/a | n/a |

Finance (10)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | 162 | 139 | 171 | 175 | 140 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | - | - | - | - | (38) |
| Overheads | 5,509 | 7,250 | 7,224 | 7,203 | 7,207 |
| Total Revenue | 5,671 | 7,389 | 7,395 | 7,378 | 7,309 |
| Employee Related Costs | 4,908 | 5,860 | 5,801 | 5,926 | 5,826 |
| Depreciation | 4 | 54 | 137 | 89 | 54 |
| Finance Costs | 182 | 98 | 196 | 195 | 188 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 719 | 1,515 | 835 | 741 | 921 |
| <i>Administration Costs</i> | 415 | 329 | 368 | 376 | 420 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | (521) | (570) | (525) | (539) | (488) |
| <i>Repairs & Maintenance</i> | 417 | 487 | 426 | 436 | 426 |
| <i>Utilities & Occupancy Expenses</i> | 1 | - | - | - | - |
| Allocations | - | - | - | - | - |
| Total Expenses | 6,125 | 7,772 | 7,238 | 7,223 | 7,347 |
| Surplus / (Deficit) | (454) | (383) | 157 | 156 | (38) |

Deficits reflects interest on reserves which is not funded from operations.



Expenditure from this activity to allocated across the business based on direct costs and capex.

Human Resources (11)

What we do:

- Provide employment and safety related support services.
- Drive culture and engagement related initiatives.
- Grow leadership capability and provide the tools and resources to elevate high performance and delivery for our community.
- Manage payroll and HR/H&S platforms for approx. 1300 staff and contractors.
- Maintain legislative compliance – injury/incident investigations, site audits, complex ER issues and collective bargaining.
- Provide in house learning and development; such as leadership, communication and presentation skills, and performance management.

Business Outlook

- Proposed reset impacts will impact ability to provide service to the organisation
- Managing staffing levels for right sizing of TCC, now and in the future.
- Increased in-housing of services such as City Operations requiring increased HR & H&S support.
- Support services for Council Controlled Organisations, i.e. Waters.
- Continuous improvement and ongoing development of systems, processes, and reporting.
- Expanding initiatives to support workforce safety, resilience and staff development.

Key Performance Indicators

- Engagement
- Turnover and sustainable workforce growth
- Health and Safety

Key Capital Projects:

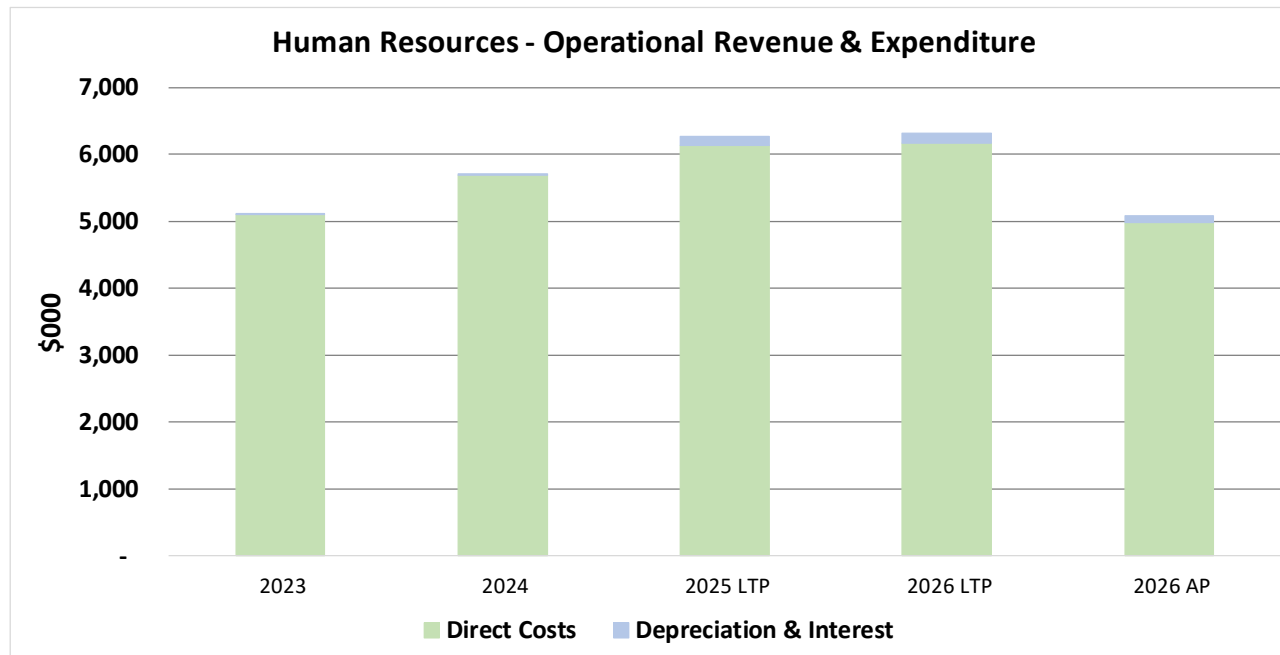
- H&S System development
- H&S Risk investigation/funding for control of unforeseen critical risks
- Oversee high-risk safety activities and monitoring including plant, equipment, and facility improvements
- Support business through waters reform and reset

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 37 | 40 | 41 | 41 | 36 |
| Vacancies included in Establishment | 1 | 4 | n/a | n/a | n/a |

Human Resources (11)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | 6 | 19 | - | - | - |
| Grants & Subsidies | 45 | 188 | 120 | 123 | 80 |
| Finance Revenue | (8) | (12) | (32) | (34) | (26) |
| Overheads | 5,053 | 5,488 | 6,144 | 6,187 | 5,004 |
| Total Revenue | 5,097 | 5,682 | 6,233 | 6,276 | 5,058 |
| Employee Related Costs | 4,317 | 4,890 | 5,323 | 5,301 | 4,705 |
| Depreciation | - | - | 98 | 106 | 85 |
| Finance Costs | 9 | 13 | 29 | 31 | 22 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 256 | 213 | 178 | 188 | 183 |
| <i>Administration Costs</i> | 105 | 69 | 81 | 85 | 69 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 421 | 515 | 556 | 599 | 20 |
| <i>Repairs & Maintenance</i> | - | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | - | - | - | - | - |
| Total Expenses | 5,108 | 5,701 | 6,264 | 6,310 | 5,084 |
| Surplus / (Deficit) | (11) | (18) | (32) | (34) | (26) |

Deficits reflects interest on reserves which is not funded from operations.



Expenditure from this activity to allocated across the business based FTE.

Performance Monitoring & Assurance (47)⁹⁰

What we do:

- Give assurance that the organisation's capital programme is planned and executed effectively, consistently, and delivers on the agreed community outcomes.
- Risk identification and monitoring risk to ensure controls are in place
- Audit and assurance to verify how well our risks are being managed.
- Deliver geospatial insights and analytics to the organisation and the community.
- Management of councils datawarehouse, enabling the organisation to access data and produce insights to monitor performance across the organisation.

Business Outlook

- Continuous improvement of project management practices
- Increasing transparency of organisational performance
 - Operational
 - Project
 - Long Term Plan
- Working with Elected Members to develop a clear risk appetite across Councils strategic risks

Key Projects:

- Portfolio & Project Management Tool in place to replace existing system
- Enhancements to new risk management software
- Internal Audit programme
- Continued integration of data from core systems into datawarehouse to enable further analysis (SAP, Success Factors, IBIS)

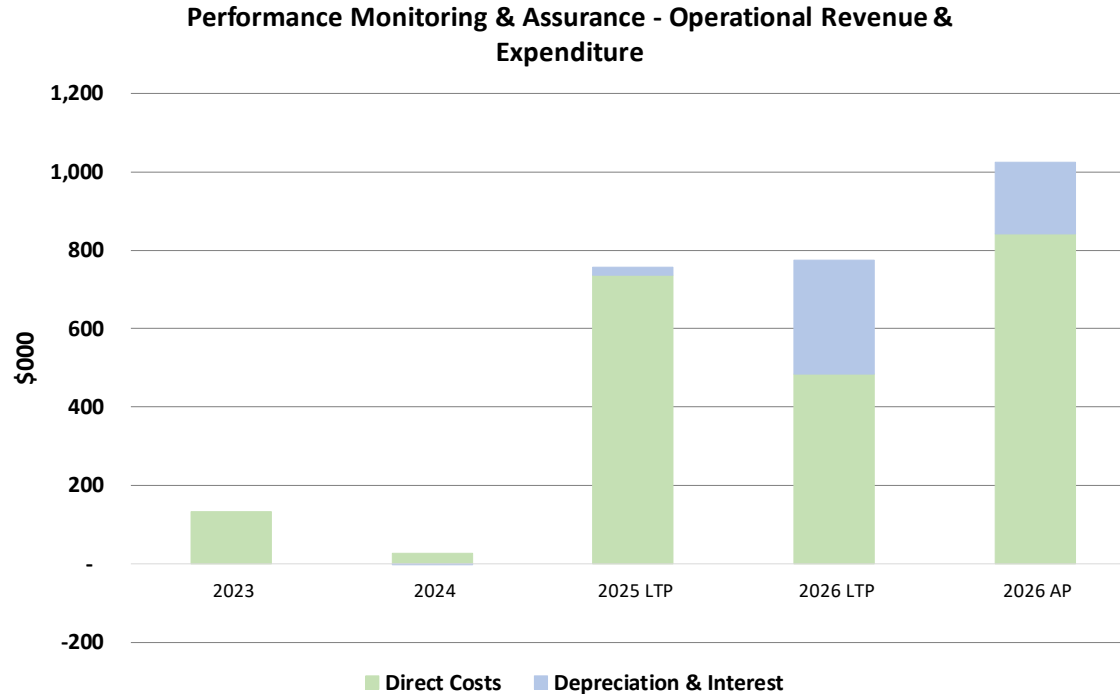
| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 6 | 29 | 22 | 22 | 29 |
| Vacancies included in Establishment | 1 | 2 | n/a | n/a | n/a |

Performance Monitoring & Assurance (47)⁹¹

| \$'000 | | | | | |
|--|--------------|--------------|--------------|--------------|----------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | - | - | - | - | - |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 14 | 29 | 4 | 9 | 4 |
| Overheads | - | - | - | - | - |
| Total Revenue | 14 | 29 | 4 | 9 | 4 |
| Employee Related Costs | 347 | 1,999 | 1,522 | 1,560 | 2,235 |
| Depreciation | - | - | - | 222 | 144 |
| Finance Costs | - | (1) | 22 | 68 | 39 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 136 | 32 | 875 | 895 | 1,128 |
| <i>Administration Costs</i> | 37 | 40 | 47 | 51 | 39 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | (387) | (2,043) | (1,713) | (2,024) | (2,564) |
| <i>Repairs & Maintenance</i> | - | - | 4 | 4 | 4 |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | - | - | - | - | - |
| Total Expenses | 133 | 26 | 757 | 775 | 1,025 |
| Surplus / (Deficit) | (119) | 3 | (753) | (766) | (1,021) |

Negative values presented in Other Operating Expenditure are a result of recovering costs incurred in this activity to transportation, parks and waters activities.

Deficit is loan funded software development projects.



Legal (55)

What we do:

The General Counsel Division is a full service in-house legal team and is the first port of call for all legal matters within the organisation.

The team provides advice on the day-to-day legal operations of Council and manages council's insurance and disputes, both minor and significant. It also manages Council's external legal panel and the delegation manual.

Common areas of practice include:

- Regulatory and Compliance (incl. RMA, Building, Health, Bylaws and enforcement)
- Local Government law
- Council liability
- Maori legal issues
- Trespass & NZBORA
- Execution of documents
- Law reform
- Information law incl. LGOIMA, Privacy and LIMs

Business Outlook

Disputes and Litigation: Recently, we have experienced a drastic increase in litigation and appetite to pursue proceedings against TCC. These claims are complicated, costly and high risk. It is anticipated that the Team will be focusing much of its resources, for the foreseeable future, on these claims.

Unreasonable Complainant Conduct:

We have had an increase in repeat complainants. The more difficult matters are referred to the legal team, as the complainants often make legal threats against Council and Council in turn must understand its obligations in responding.

Natural Hazards: Following certain weather events, and risks around flooding, natural hazards is a topic prompting legal engagement and response. This may be in the LIM, RMA / consenting, or liability / insurance space.

Business Outlook cont.

Day-to-day legal advice and Risk Management: all areas of council have a legal element. As the business becomes more complex, so do the legal needs of the organisation.

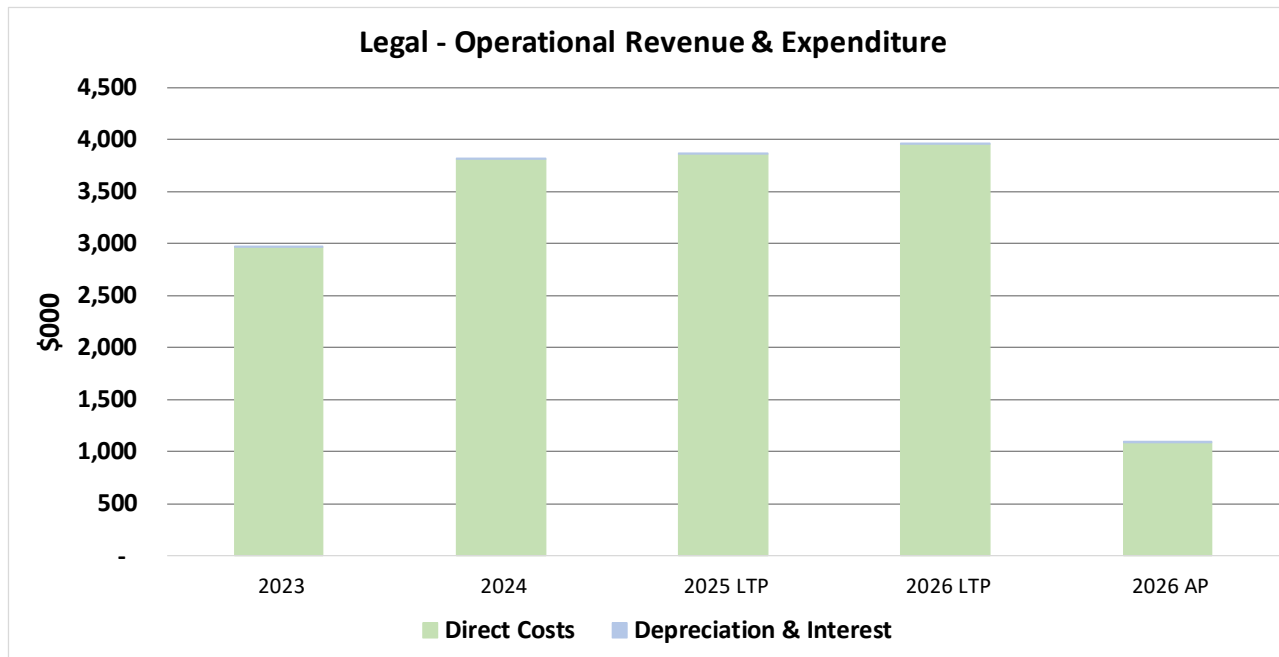
As a regulatory body, Council has governance, administrative, enforcement and quasi-judicial functions, governed by 100s of legal documents (legislation, regulations, rules, policy statements etc), much of which is going through change. The Legal team must be familiar with and provide advice on these, to ensure Council complies with its statutory obligations and in order to mitigate risk to the organisation.

FTE numbers and expenditure have reduced following a restructure. Most FTEs were redistributed into new areas of the organisation.

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 27 | 10 | 27 | 27 | 5 |
| Vacancies included in Establishment | 1 | 3 | n/a | n/a | n/a |

Legal (55)

| \$'000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 25 | 8 | - | - | - |
| User Fees | - | - | - | - | - |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | - | - | - | - | - |
| Overheads | 2,939 | 3,802 | 3,860 | 3,955 | 1,091 |
| Total Revenue | 2,964 | 3,811 | 3,861 | 3,955 | 1,091 |
| Employee Related Costs | 2,438 | 3,045 | 3,311 | 3,392 | 820 |
| Depreciation | | | | | - |
| Finance Costs | | | | | |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 476 | 582 | 415 | 425 | 128 |
| <i>Administration Costs</i> | 85 | 169 | 100 | 103 | 142 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | (31) | 15 | 34 | 34 | - |
| <i>Repairs & Maintenance</i> | - | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | - | () | - | - | - |
| Total Expenses | 2,969 | 3,810 | 3,860 | 3,955 | 1,091 |
| Surplus / (Deficit) | (5) | | | | |



Expenditure from this activity to be allocated across the business based direct costs and capex.

Property Management (90)

What we do:

Work with the community and internal asset owners to make sure that we lease and manage Council property to either generate revenue or provide a community benefit

The portfolio covers commercial, residential and community leases and licenses

Lease and license negotiation and management for all of Council property (leases on reserves are managed by the Spaces & Places team)

Property maintenance and asset management

Business Outlook

Increases to revenue from all leases and licenses through rent increases and improved capture of operational and administrative costs from external customers.

Increases to Community/Reserve rent levels through User Fees & Charges LTP 2024-34 will reduce operating deficit in this portfolio.

Currently this activity runs at a deficit due to not recovering the full cost of providing property services to other activities (internal asset owners).

Largely user funded via user fees with a small rates funding portion.

Business Outlook cont

Key Capital Projects:

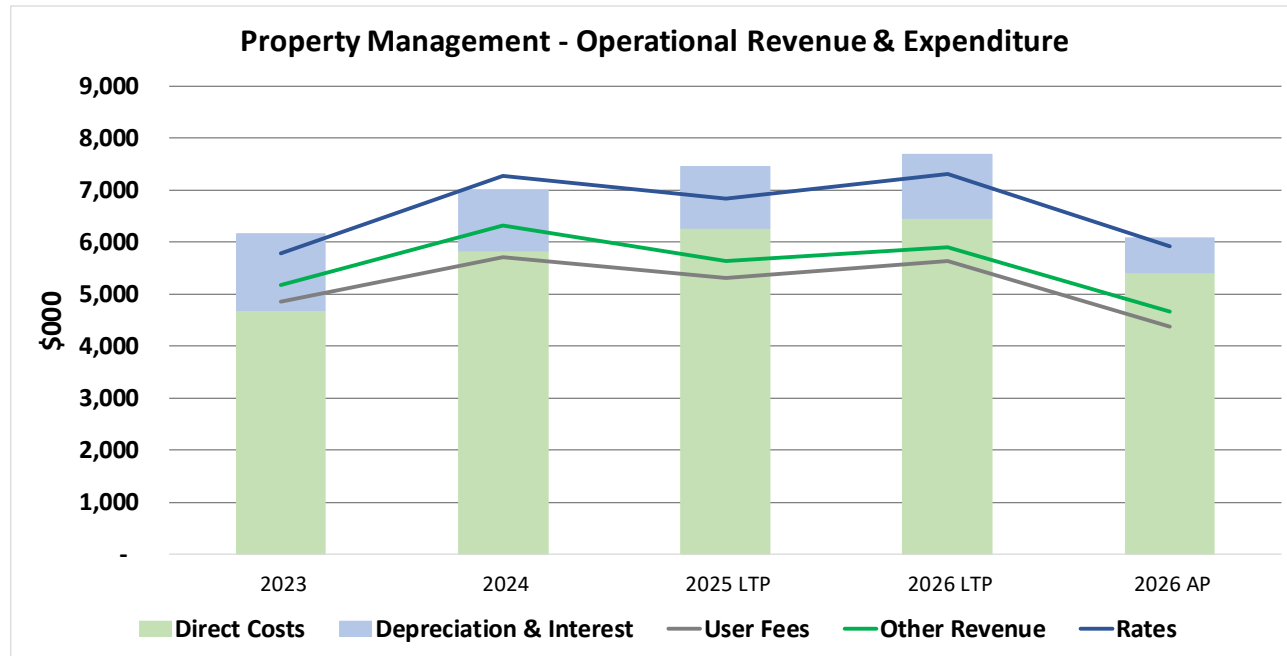
| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|--|----------|----------|----------|----------|---------|
|--|----------|----------|----------|----------|---------|

| | | | | | |
|---|---|---|-----|-----|-----|
| FTEs (Establishment includes vacancies) | 8 | 9 | 11 | 11 | 13 |
| Vacancies included in Establishment | 1 | - | n/a | n/a | n/a |

Property Management (90)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 617 | 953 | 1,200 | 1,401 | 1,250 |
| User Fees | 4,850 | 5,714 | 5,304 | 5,636 | 4,381 |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 327 | 605 | 322 | 269 | 284 |
| Overheads | - | - | - | - | - |
| Total Revenue | 5,794 | 7,272 | 6,825 | 7,307 | 5,915 |
| Employee Related Costs | 655 | 814 | 1,179 | 1,208 | 1,417 |
| Depreciation | 299 | 292 | 342 | 352 | 228 |
| Finance Costs | 1,169 | 870 | 847 | 855 | 433 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 86 | 178 | 234 | 240 | 129 |
| <i>Administration Costs</i> | 15 | 17 | 69 | 71 | 66 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 1,312 | 2,368 | 1,956 | 2,229 | 1,572 |
| <i>Repairs & Maintenance</i> | 1,700 | 1,578 | 1,773 | 1,647 | 1,316 |
| <i>Utilities & Occupancy Expenses</i> | 929 | 881 | 1,050 | 1,071 | 923 |
| Allocations | - | - | - | - | - |
| Total Expenses | 6,165 | 6,996 | 7,451 | 7,672 | 6,084 |
| Surplus / (Deficit) | (371) | 276 | (625) | (365) | (169) |

Deficits relate to self funding parts of this activity not fully recovering costs. This should be part of the user fee conversation.



Commercial Advisory Group (95)

What we do:

- Strategic property management - focusing on optimal use of current and future assets
- Commercial legal matters - advice on various commercial, contract, privacy and property issues.
- Procurement - ensure procurement processes are efficient and effective, focussing on value creation, risk management and beneficial supplier relationships.
- Commercial project advisory - manage contracts, insurance and risk mitigation. Support tendering, negotiations and dispute avoidance.

Business Outlook

- Team now includes legal (compliance team only), commercial and procurement teams – hence increase in FTE's for 2026 AP.
- Property team focus is now on divestments, in a difficult market.

Business Outlook cont

Key Capital Projects:

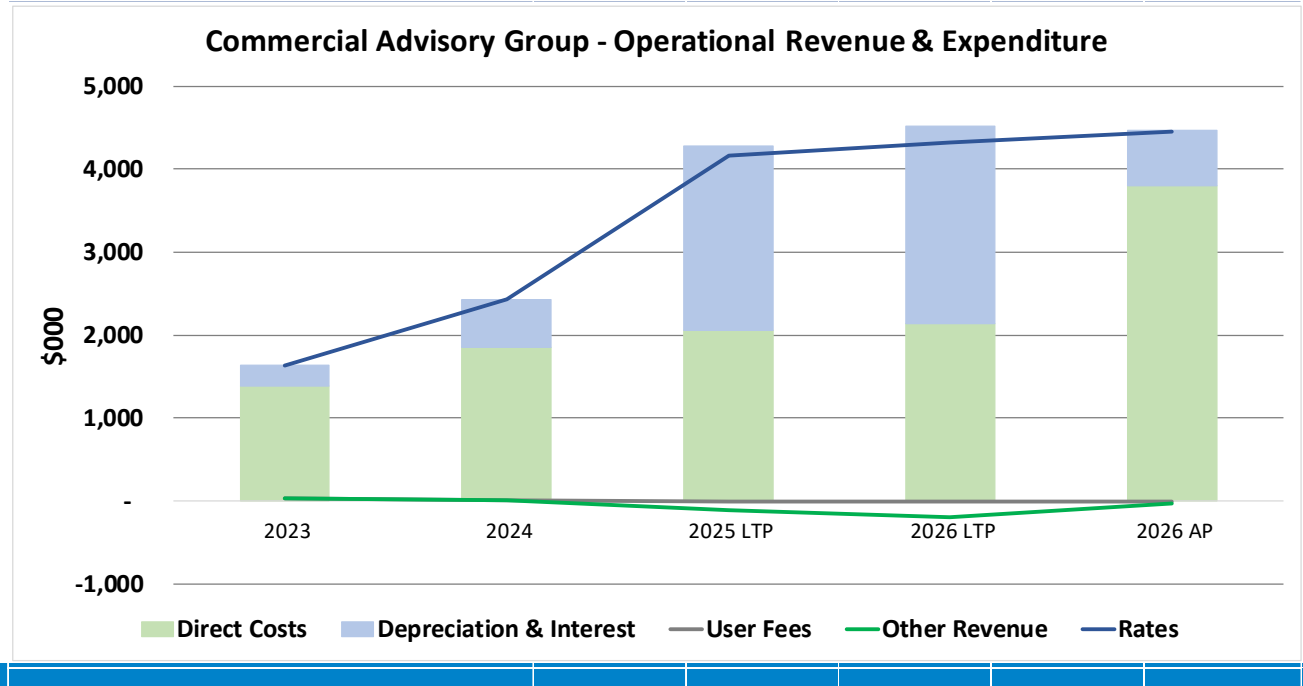
Strategic Acquisition Fund (\$5.5m), for strategic property purchases

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 11 | 25 | 13 | 13 | 26 |
| Vacancies included in Establishment | 3 | 4 | n/a | n/a | n/a |

Commercial Advisory Group (95)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | 1,611 | 2,426 | 4,274 | 4,518 | 4,474 |
| User Fees | 26 | 3 | - | - | - |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | - | - | (106) | (199) | (23) |
| Overheads | - | - | - | - | - |
| Total Revenue | 1,637 | 2,429 | 4,169 | 4,319 | 4,451 |
| Employee Related Costs | 490 | 773 | 850 | 871 | 2,450 |
| Depreciation | 2 | - | 21 | 21 | - |
| Finance Costs | 250 | 583 | 2,195 | 2,359 | 667 |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 206 | 102 | 144 | 136 | 227 |
| <i>Administration Costs</i> | 20 | 25 | 24 | 25 | 55 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | 201 | 183 | 207 | 212 | 242 |
| <i>Repairs & Maintenance</i> | - | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | 3 | 60 | 61 | 1 |
| Allocations | 473 | 762 | 773 | 832 | 831 |
| Total Expenses | 1,643 | 2,432 | 4,274 | 4,518 | 4,474 |
| Surplus / (Deficit) | (6) | (3) | (106) | (199) | (23) |

Deficits reflects interest on reserves which is not funded from operations.



Strategy & Corporate Planning (18)

What we do:

- Works to enable quality decisions and investment for community wellbeing now and in the future.
- Manages the strategic framework for the city, developing and implementing city and sub-regional strategies and action plans as required.
- Responsible for the development of long term and annual plans and annual reports, policies, and bylaws.
- Provide strategic input to a range of projects as required. This can be a leadership or contributory role depending on the circumstances.

Business Outlook

- Upcoming central government legislation changes.
- Role in ongoing impact of Waters CCO decision.
- Response to new council's strategic priorities.
- Impact of any organisational reset on key accountability documents (annual plans, reports, LTP).

Business Outlook cont

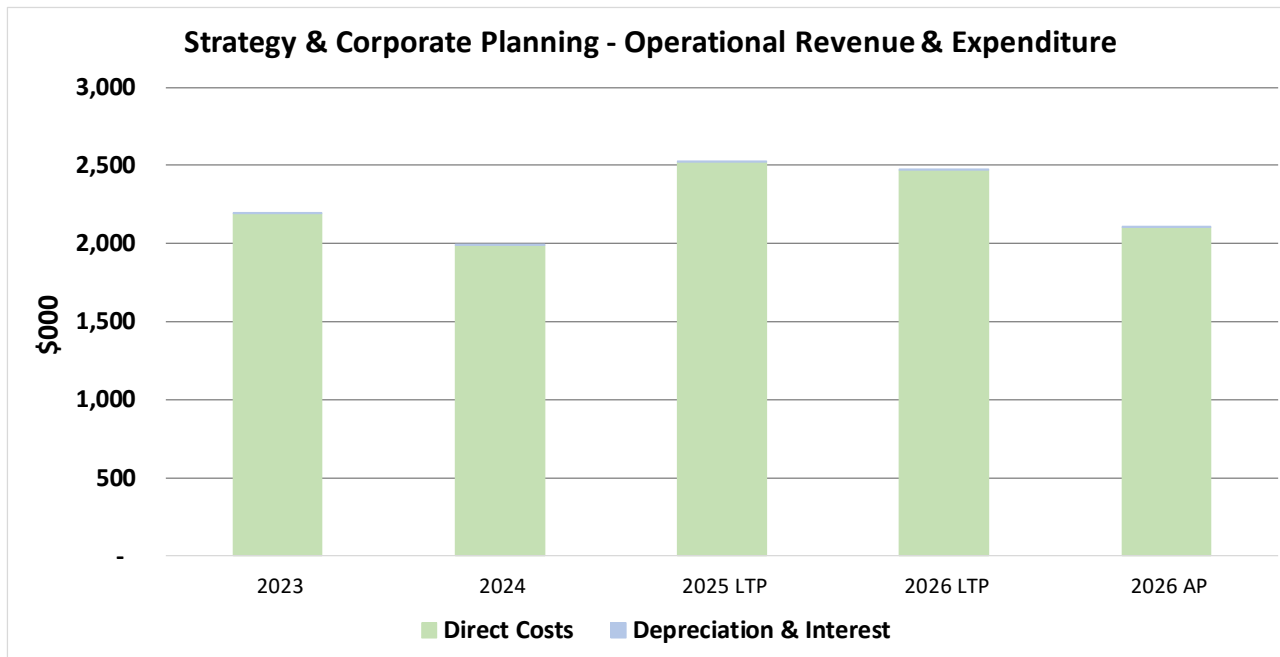
Key Capital Projects:

No capital projects

| | 2023 Est | 2024 Est | 2025 LTP | 2026 LTP | 2026 AP |
|---|----------|----------|----------|----------|---------|
| FTEs (Establishment includes vacancies) | 18 | 14 | 15 | 15 | 14 |
| Vacancies included in Establishment | 4 | 1 | n/a | n/a | n/a |

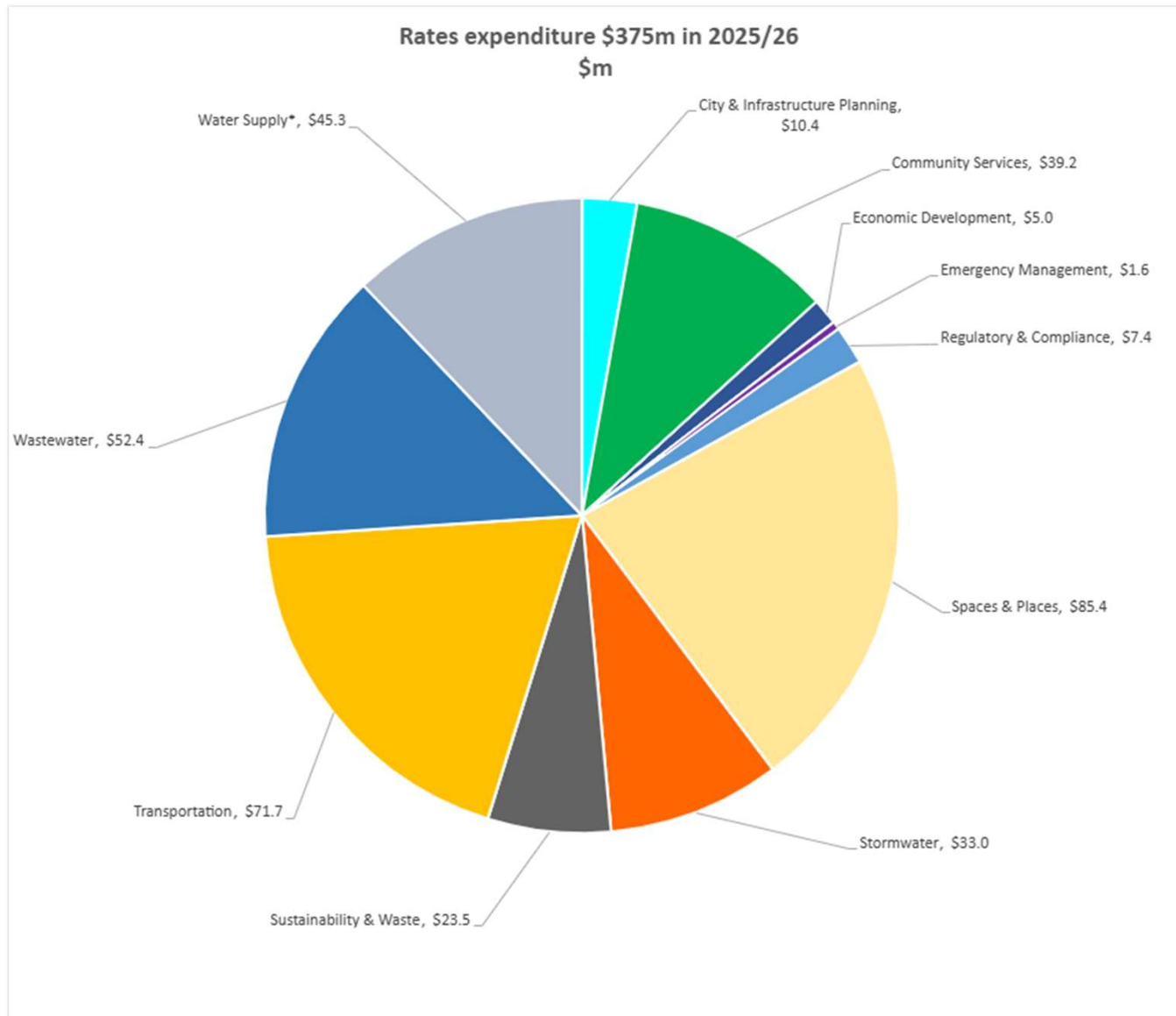
Strategy & Corporate Planning (18)

| \$000 | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| | 2023 Actuals | 2024 Actuals | 2025 LTP | 2026 LTP | 2026 AP |
| Rates Funding | - | - | - | - | - |
| User Fees | - | - | - | - | - |
| Grants & Subsidies | - | - | - | - | - |
| Finance Revenue | 2 | 4 | 6 | 6 | 4 |
| Overheads | 2,185 | 1,988 | 2,521 | 2,474 | 2,106 |
| Total Revenue | 2,188 | 1,993 | 2,527 | 2,480 | 2,110 |
| Employee Related Costs | 1,745 | 1,790 | 1,983 | 2,032 | 1,957 |
| Depreciation | | | | | - |
| Finance Costs | 1 | 1 | | | |
| Other Operating Expense | | | | | |
| <i>Consultants</i> | 528 | 227 | 415 | 369 | 140 |
| <i>Administration Costs</i> | 78 | 135 | 154 | 122 | 119 |
| <i>Grants, Contributions and Sponsorship Expense</i> | - | - | - | - | - |
| <i>Other Operating Expense</i> | (162) | (165) | (31) | (49) | (110) |
| <i>Repairs & Maintenance</i> | - | - | - | - | - |
| <i>Utilities & Occupancy Expenses</i> | - | - | - | - | - |
| Allocations | - | - | - | - | - |
| Total Expenses | 2,190 | 1,988 | 2,521 | 2,474 | 2,106 |
| Surplus / (Deficit) | (3) | 4 | 6 | 6 | 4 |



Expenditure from this activity to allocated across the business based direct costs and capex.

Rates Exp \$375m in 2025/26*



* Still a work in progress

Rates by Activity

| Activity Group | Activity | 2026 rates | |
|--------------------------------|--------------------------------------|------------|------|
| | | \$000 | % |
| City & Infrastructure Planning | 51 - City & Infrastructure Planning | 10,608 | 3% |
| Community Development | 56 - Community Development | 5,092 | 1% |
| Community Services | 54 - City Events | 5,251 | 1% |
| Community Services | 61 - City Development & Partnerships | 1,296 | 0.3% |
| Community Services | 64 - Baycourt | 3,327 | 1% |
| Community Services | 65 - Arts & Culture | 6,774 | 2% |
| Community Services | 77 - Libraries & Community Hubs | 14,508 | 4% |
| Community Services | 92 - Historic Village | 3,677 | 1% |
| Economic Development | 76 - Economic Development | 5,138 | 1% |
| Emergency Management | 44 - Emergency Management | 1,563 | 0% |
| Regulatory & Compliance | 43 - Regulatory Services | (185) | 0% |
| Regulatory & Compliance | 46 - Environmental Planning | 3,596 | 1% |
| Regulatory & Compliance | 48 - Environmental Health | 1,607 | 0.4% |
| Regulatory & Compliance | 50 - Animal Services | 392 | 0.1% |
| Regulatory & Compliance | 52 - Building Services | 1,304 | 0.3% |
| Regulatory & Compliance | 74 - Regulation Monitoring | 778 | 0.2% |
| Spaces & Places | 31 - City Operations | 18,514 | 5% |
| Spaces & Places | 58 - BVL & CCOs | 17,224 | 5% |
| Spaces & Places | 59 - Spaces & Places | 48,822 | 13% |
| Spaces & Places | 67 - Marine Facilities | 2,300 | 1% |
| Stormwater | 26 - Stormwater | 33,562 | 9% |
| Support Services | 101 - Corporate Treasury | (12,425) | -3% |
| Support Services | 69 - Asset Services | 205 | 0.1% |
| Support Services | 90 - Property Management | 1,250 | 0.3% |
| Support Services | 95 - Commercial Advisory | 4,474 | 1% |
| Sustainability & Waste | 32 - Sustainability and Waste | 23,893 | 6% |
| Transportation | 38 - Transport | 72,952 | 19% |
| Wastewater | 27 - Wastewater | 53,258 | 14% |
| Water Supply | 29 - Water Supply | 46,102 | 12% |
| | Grand Total | 374,858 | 100% |