



SUPPLEMENTARY AGENDA

Ordinary Council meeting Monday, 28 April 2025

Date: Monday, 28 April 2025

Time: 9.30am

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

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

**Marty Grenfell
Chief Executive**

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11 BUSINESS

11.6 Council and Standing Committees' Terms of Reference

File Number: A17902601

Author: Mahé Drysdale, Mayor

Authoriser: Mahé Drysdale, Mayor

PURPOSE OF THE REPORT

1. To present revised terms of reference for Council, the City Future Committee, and the City Delivery Committee.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Council and Standing Committees' Terms of Reference".
- (b) Acknowledges that the Mayor has exercised his powers under section 41A(3)(b) of the Local Government Act 2002 to review the standing committees of Council.
- (c) Adopts the amended terms of reference for, and makes the delegations to, the City Future Committee and City Delivery Committee, and the amended definition of scope for Council, as detailed in Attachment 1.

BACKGROUND

2. Council adopted a governance structure on 15 August 2024. That structure was amended by Council on 9 December 2024, principally to replace four standing committees with two new ones. This report does not propose any change to the overall structure.
3. As noted in my report to Council on 9 December 2024, *"we need to continue to evolve and will continue to look for efficiencies and make changes if we feel things can be improved."* As such, I have identified some changes to the specific role and scope of Council, the City Delivery Committee, and the City Future Committee that I believe will improve the operation of Council and those committees.
4. The key changes are:
 - Transferring Council-controlled organisation ("CCO") monitoring from Council to the City Delivery Committee (while retaining the consideration of CCOs' statements of intent, other than that of the Local Government Funding Agency, in Council's scope).
 - Similarly transferring Priority One monitoring from Council to the City Delivery Committee.
 - Transferring responsibility for the development, review, and consultation on bylaws from Council to the City Future Committee (noting that Council retains responsibility for the final adoption of bylaws, as required by legislation).
 - Transferring responsibility for monitoring major growth, transport and waters projects from the City Future Committee to the City Delivery Committee, once those projects have moved into the implementation phase. The development of such projects to a

stage where the project purpose definition, business case, and funding are all in place remains with the City Future Committee.

- Within the City Development Committee role and scope, providing separate recognition of financial reporting and monitoring, and non-financial reporting and monitoring.
- Formally recognising the ability of the City Delivery Committee to determine the frequency of reporting to it of performance against financial measures and, separately, non-financial measures.
- Clarifying a number of existing elements of the role and scope of the City Delivery Committee, including merging existing elements under more succinct descriptions where possible.
- Recognising that the City Delivery Committee will undertake a review of financial reporting targets to inform the development by Council of the next Long-term Plan.

5. The full amended terms of reference and delegations for Council and the two committees are included as **Attachment 1** to this report. **Attachment 2** to this report shows all of the changes annotated in red.
6. There are no other changes proposed to the governance structure.

STATUTORY CONTEXT

7. Section 41A(3)(b) of the Local Government Act 2002 provides for the Mayor to establish committees of Council. This report is formal notification that I have exercised that power to amend the scope of the existing committees.
8. Clause 32(1)(b) of Schedule 7 to the Local Government Act 2002 specifies that Council can not delegate the adoption (or 'making') of a bylaw to a committee or other subordinate decision-making body.

STRATEGIC ALIGNMENT

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

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

FINANCIAL CONSIDERATIONS

10. There are no financial implications of changing the scope of Council and the two committees.

LEGAL IMPLICATIONS / RISKS

11. The new committee structure comes into effect immediately, though I note that the agenda for the 5 May 2025 City Future Committee may be published before the changes can be given effect to in the formal document.

TE AO MĀORI APPROACH

12. The specific changes proposed have minimal implications for Council's Te Ao Maori Approach. The delegation of some scope matters (council-controlled organisation reporting and bylaw development) from Council to the City Delivery Committee and City Future Committee respectively mean that these matters will now be considered by committees

which include tangata whenua representatives as voting members (as well as the Te Awanui ward councillor).

CLIMATE IMPACT

13. The specific changes proposed have no impact on Council's approach to climate matters.

SIGNIFICANCE

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



ENGAGEMENT

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

NEXT STEPS

18. The revised terms of reference take effect immediately, and will be updated and published on council's website as soon as practicable.

ATTACHMENTS

1. **Amended Governance Structure Terms of Reference 2024-2028 - clean copy - A17954775** [!\[\]\(4695f05050b0d393767d0512587d4e50_img.jpg\)](#) 
2. **Amended Governance Structure Terms of Reference 2024-2028 - changes highlighted - A17954694** [!\[\]\(7528551b00a221bf92619f04e9b6fdc4_img.jpg\)](#) 

Council

Membership

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

Role

- To ensure the effective and efficient governance of the City.
- To enable leadership of the City including advocacy and facilitation on behalf of the community.
- To review and monitor the performance of the Chief Executive.

Scope

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

- Make appointments of members to the council-controlled organisation Boards of Directors/Trustees and representatives of Council to external organisations.
- Undertake statutory duties in regard to Council-controlled organisations, including reviewing statements of intent, with the exception of the Local Government Funding Agency where such roles are delegated to the City Delivery Committee. (Note that monitoring of all Council-controlled organisations' performance is undertaken by the City Delivery Committee. This also includes Priority One reporting.)
- Consider all matters related to Local Water Done Well.
- Consider any matters referred from any of the Standing or Special Committees, Joint Committees, Chief Executive or General Managers.
- Review and monitor the Chief Executive's performance.
- Develop Long Term Plans and Annual Plans including hearings, deliberations and adoption.

Procedural matters

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

Regulatory matters

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

City Future Committee

Membership

Chair	Cr Marten Rozeboom
Deputy chair	Cr Rod Taylor
Members	Deputy Mayor Jen Scoular Cr Hautapu Baker Cr Glen Crowther Cr Rick Curach Cr Steve Morris Cr Kevin Schuler <i>Mayor Mahé Drysdale (ex officio)</i> <i>Arthur Flintoff, Tangata Whenua Representative</i>
Non-voting members	(if any)
Quorum	<u>Half</u> of the members present, where the number of members (including vacancies) is <u>even</u> ; and a <u>majority</u> of the members present, where the number of members (including vacancies) is <u>odd</u> .
Meeting frequency	Six-weekly

Role

The role of the City Future Committee is:

- To consider strategic issues and opportunities facing the city and develop a pathway for the future.
- To consider Tauranga's strategic responses at a sub-regional, regional, and national level as appropriate.
- To ensure there is sufficient land supply for housing and for commercial and industrial purposes.
- To ensure there is sufficient and appropriate housing supply and choice in existing and new urban areas to meet current and future needs.
- To ensure that Tauranga's urban form and transport system enables, supports and shapes current and future sustainable, vibrant and connected communities.
- To ensure there is a clear and agreed approach to achieve measurable improvement in transport outcomes in the medium to long-term including transport system safety, predictability of travel times, accessibility, travel choice, mode shift and improved environmental outcomes.
- To enable Tauranga's urban centres to thrive and provide a sense of place.
- To ensure that council and partner investments in Tauranga's build environment are economically and environmentally resilient.
- To work with all key partners to enhance, protect and restore (where necessary) the wellbeing of our natural environment and harbour to ensure the people of Tauranga can thrive and enjoy the lifestyle this city provides.
- To review and determine the policy framework that will assist in achieving the desired strategic and operational priorities and outcomes for the city.

Scope

- Development and ongoing monitoring and update of the Western Bay of Plenty Transport System Plan and associated programmes and network operating plans.
- Development and ongoing monitoring and update of the Future Development Strategy and urban settlement patterns, including structure plans as required.
- Development and oversight of urban centres strategies, neighbourhood plans and master-plans.
- Development and oversight of the Compact City programme in support of higher development densities and the provision of a greater range of housing options.
- Development of City Plan changes and related matters for adoption by Council.
- Contribution to matters related to the SmartGrowth Strategy and input to the SmartGrowth Leadership Group.
- Regular monitoring of future strategic and growth-related projects including future strategic transport projects (i.e. projects where the project purpose definition, business case, and funding are yet to be in place).
- Development of strategies, policies, plans and programmes for the medium to long term delivery of social, environmental, economic, cultural and resilience outcomes.
- Ensuring that social, environmental, economic and cultural wellbeings are promoted through all strategic work considered by the Committee.
- Consideration of significant natural hazards risks across the city, as they apply to current and future land-form and built environment.
- Develop, review and approve policies, including as appropriate the development of community consultation material, the undertaking of community consultation, and the hearing of and deliberating on community submissions.
- Develop, review and approve bylaws to be publicly consulted on, hear and deliberate on any submissions and recommend to Council the adoption of the final bylaw. (The Committee will recommend the adoption of a bylaw to the Council as the Council cannot delegate the adoption of a bylaw to a committee.)

Power to act

- To make all decisions necessary to fulfil the role, scope and responsibilities of the Committee subject to the limitations imposed.
- To establish sub-committees, working parties and forums as required.

Power to recommend

- To Council and/or any standing committee as it deems appropriate.

Chair and Deputy Chair acting as Co-Chairs

- While the Chair and Deputy Chair of the Committee roles are separately appointed it is the intention that they act as co-chairs.
 - Only one person can chair a meeting at any one time. The person chairing the meeting has the powers of the chair as set out in standing orders and has the option to use the casting vote in the case of an equality of votes.
 - The rotation of the meeting chairs is at the discretion of the Chair and Deputy Chair and subject to their availability, however it is expected that they will alternate chairing meetings when possible.
 - When the Deputy Chair is chairing the meeting, the Chair will vacate the chair and enable the Deputy Chair to chair the meeting. The Chair will be able to stay and participate in the meeting unless they declare a conflict of interest in an item, in which case they will not participate or vote on that item.
 - The Chair and Deputy Chair will attend pre-agenda briefings and split any other duties outside of meetings, e.g. spokesperson for the Committee.

- The Chair and Deputy Chair will jointly oversee and co-ordinate all activities of the Committee within their specific terms of reference and delegated authority, providing guidance and direction to all members and liaising with Council staff in setting the content and priorities of meeting agendas.
- The Chair and Deputy Chair will be accountable for ensuring that any recommendations from the Committee are considered by the Tauranga City Council.

City Delivery Committee

Membership

Chair	Deputy Mayor Jen Scoular
Deputy chair	Cr Kevin Schuler
Members	Cr Hautapu Baker Cr Glen Crowther Cr Rick Curach Cr Steve Morris Cr Marten Rozeboom Cr Rod Taylor <i>Mayor Mahé Drysdale (ex officio)</i> <i>Jacqui Rolleston-Steed, Tangata Whenua Representative</i>
Non-voting members	(if any)
Quorum	Half of the members present, where the number of members (including vacancies) is <u>even</u> ; and a <u>majority</u> of the members present, where the number of members (including vacancies) is <u>odd</u> .
Meeting frequency	Six weekly

Role

The role of the City Delivery Committee is:

- To ensure and report delivery against agreed targets and benchmarks across capital investment, operating activity, and engagement.
- To ensure community involvement in, and support for, Council projects, proposals, initiatives and services.
- To monitor delivery of activity by community-led organisations receiving Council funding, partnering with, or otherwise contracted to, Council.
- To determine the reporting frequency for financial performance targets across the organisation, and to measure and regularly report on delivery against those.
- To review and improve public confidence and participation in Council decision making processes.
- To measure delivery of projects by ensuring that approved projects are effectively planned and delivered in full, on time, in scope, and within budget.
- To determine the reporting frequency for performance measures for non-financial activity and regularly report against those measures.
- To ensure the Annual Report provides relevant, transparent and accurate information.

Scope

- All projects, both capital and operating, where the business case has been approved are included in the scope of the Delivery Committee.
- Develop and monitor delivery of a council-wide engagement and communications strategy.
- Lead the development of relationships with community organisations, schools, businesses and other groups to broaden Council's reach into the community and use of available resources.
- Receive and consider feedback from the community including, but not limited to, the annual residents' survey.
- Review statements of intent and receive reporting of the Local Government Funding Agency.

- Receive reporting from all other Council-controlled organisations.
- Receive reporting from Priority One.
- Receive reporting by Mainstreet organisations as appropriate.
- Receive reporting against partnership agreements with key cornerstone organisations (as per the Community Funding Policy) and from other community-led organisations as appropriate.
- Assess the organisation's processes to ensure these are not constraining the organisation in delivering value for money.
- Review the proposed approach and options for procurement processes that the Committee considers significant having taken into account value, risk, and public interest.
- Take necessary steps to ensure that procurement processes provide value-for-money.
- Approval of tenders and contracts that are outside of approved staff delegations.
- Ensure that where projects have a potential negative environmental impact, appropriate mitigation is considered in design, delivery, and eventual operations.
- Monitor the delivery of projects. (Note that the development of future strategic and growth-related projects, including future strategic transport projects, will be monitored by the City Future Committee until the project purpose definition, business case, and funding are in place).
- Review regular financial performance reporting, including reporting against strategic outcomes, the Long-term Plan, the Annual Plan, and other strategic and implementation documents.
- Review non-financial performance reporting.
- Provide oversight on the preparation of the Annual Report and other external financial reporting required by legislation to ensure it not only meets legislative requirements, but that it provides transparent, relevant and accurate information.
- To reassess financial reporting targets for the next Long-term Plan process, and make recommendations to Council accordingly.

Power to act

- To make all decisions necessary to fulfil the role, scope and responsibilities of the Committee subject to the limitations imposed.
- To establish sub-committees, working parties and forums as required.

Power to recommend

- To Council and/or any standing committee as it deems appropriate.

Chair and Deputy Chair acting as Co-Chairs

- While the Chair and Deputy Chair of the Committee roles are separately appointed it is the intention that they act as co-chairs.
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 - The rotation of the meeting chairs is at the discretion of the Chair and Deputy Chair and subject to their availability, however it is expected that they will alternate chairing meetings when possible.
 - When the Deputy Chair is chairing the meeting, the Chair will vacate the chair and enable the Deputy Chair to chair the meeting. The Chair will be able to stay and participate in the meeting unless they declare a conflict of interest in an item, in which case they will not participate or vote on that item.
 - The Chair and Deputy Chair will attend pre-agenda briefings and split any other duties outside of meetings, e.g. spokesperson for the Committee.
 - The Chair and Deputy Chair will jointly oversee and co-ordinate all activities of the Committee within their specific terms of reference and delegated authority, providing guidance and direction to all members and liaising with Council staff in setting the content and priorities of meeting agendas.

- The Chair and Deputy Chair will be accountable for ensuring that any recommendations from the Committee are considered by the Tauranga City Council.

Council

Membership

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

Role

- To ensure the effective and efficient governance of the City.
- To enable leadership of the City including advocacy and facilitation on behalf of the community.
- To review and monitor the performance of the Chief Executive.

Scope

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

- Make appointments of members to the council-controlled organisation Boards of Directors/Trustees and representatives of Council to external organisations.
- Undertake ~~all~~ statutory duties in regard to Council-controlled organisations, including reviewing statements of intent ~~and receiving reporting~~, with the exception of the Local Government Funding Agency where such roles are delegated to the City Delivery Committee. (Note that monitoring of all Council-controlled organisations' performance is undertaken by the City Delivery Committee. This also includes Priority One reporting.)
- Consider all matters related to Local Water Done Well.
- Consider any matters referred from any of the Standing or Special Committees, Joint Committees, Chief Executive or General Managers.
- Review and monitor the Chief Executive's performance.
- Develop Long Term Plans and Annual Plans including hearings, deliberations and adoption.
- ~~For clarity the Council will develop, review, undertake hearings of and deliberations on community submissions to bylaws as well as the adoption of the final bylaw.~~

Procedural matters

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

Regulatory matters

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

City Future Committee

Membership

Chairperson	Cr Marten Rozeboom
Deputy chairperson	Cr Rod Taylor
Members	Deputy Mayor Jen Scoular Cr Hautapu Baker Cr Glen Crowther Cr Rick Curach Cr Steve Morris Cr Kevin Schuler <i>Mayor Mahé Drysdale (ex officio)</i> <i>Arthur Flintoff, Tangata Whenua Representative</i>
Non-voting members	(if any)
Quorum	<u>Half</u> of the members present, where the number of members (including vacancies) is <u>even</u> ; and a <u>majority</u> of the members present, where the number of members (including vacancies) is <u>odd</u> .
Meeting frequency	Six-weekly

Role

The role of the City Future Committee is:

- To consider strategic issues and opportunities facing the city and develop a pathway for the future.
- To consider Tauranga's strategic responses at a sub-regional, regional, and national level as appropriate.
- To ensure there is sufficient land supply for housing and for commercial and industrial purposes.
- To ensure there is sufficient and appropriate housing supply and choice in existing and new urban areas to meet current and future needs.
- To ensure that Tauranga's urban form and transport system enables, supports and shapes current and future sustainable, vibrant and connected communities.
- To ensure there is a clear and agreed approach to achieve measurable improvement in transport outcomes in the medium to long-term including transport system safety, predictability of travel times, accessibility, travel choice, mode shift and improved environmental outcomes.
- To enable Tauranga's urban centres to thrive and provide a sense of place.
- To ensure that council and partner investments in Tauranga's build environment are economically and environmentally resilient.
- To work with all key partners to enhance, protect and restore (where necessary) the wellbeing of our natural environment and harbour to ensure the people of Tauranga can thrive and enjoy the lifestyle this city provides.
- To review and determine the policy framework that will assist in achieving the desired strategic and operational priorities and outcomes for the city.

Scope

- Development and ongoing monitoring and update of the Western Bay of Plenty Transport System Plan and associated programmes and network operating plans.
- Development and ongoing monitoring and update of the Future Development Strategy and urban settlement patterns, including structure plans as required.
- Development and oversight of urban centres strategies, neighbourhood plans and master-plans.
- Development and oversight of the Compact City programme in support of higher development densities and the provision of a greater range of housing options.
- Development of City Plan changes and related matters for adoption by Council.
- Contribution to matters related to the SmartGrowth Strategy and input to the SmartGrowth Leadership Group.
- Regular monitoring of **future strategic and growth-related projects and including future strategic transport projects (i.e. projects where the project purpose definition, business case, and funding are yet to be in place).**
- Development of strategies, policies, plans and programmes for the medium to long term delivery of social, environmental, economic, cultural and resilience outcomes.
- Ensuring that social, environmental, economic and cultural wellbeings are promoted through all strategic work considered by the Committee.
- Consideration of significant natural hazards risks across the city, as they apply to current and future land-form and built environment.
- Develop, review and approve policies, including as appropriate the development of community consultation material, the undertaking of community consultation, and the hearing of and deliberating on community submissions.
- **Develop, review and approve bylaws to be publicly consulted on, hear and deliberate on any submissions and recommend to Council the adoption of the final bylaw. (The Committee will recommend the adoption of a bylaw to the Council as the Council cannot delegate the adoption of a bylaw to a committee.)**

Power to act

- To make all decisions necessary to fulfil the role, scope and responsibilities of the Committee subject to the limitations imposed.
- To establish sub-committees, working parties and forums as required.

Power to recommend

- To Council and/or any standing committee as it deems appropriate.

Chairperson and Deputy Chairperson acting as Co-Chairs

- While the Chairperson and Deputy Chairperson of the Committee roles are separately appointed it is the intention that they act as co-chairs.
 - Only one person can chair a meeting at any one time. The person chairing the meeting has the powers of the chairperson as set out in standing orders and has the option to use the casting vote in the case of an equality of votes.
 - The rotation of the meeting chairs is at the discretion of the Chairperson and Deputy Chairperson and subject to their availability, however it is expected that they will alternate chairing meetings when possible.
 - When the Deputy Chairperson is chairing the meeting, the Chairperson will vacate the chair and enable the Deputy Chairperson to chair the meeting. The Chairperson will be able to stay and participate in the meeting unless they declare a conflict of interest in an item, in which case they will not participate or vote on that item.
 - The Chairperson and Deputy Chairperson will attend pre-agenda briefings and split any other duties outside of meetings, e.g. spokesperson for the Committee.

- The Chair~~person~~ and Deputy Chair~~person~~ will jointly oversee and co-ordinate all activities of the Committee within their specific terms of reference and delegated authority, providing guidance and direction to all members and liaising with Council staff in setting the content and priorities of meeting agendas.
- The Chair~~person~~ and Deputy Chair~~person~~ will be accountable for ensuring that any recommendations from the Committee are considered by the Tauranga City Council.

City Delivery Committee

Membership

Chairperson	Deputy Mayor Jen Scoular
Deputy chairperson	Cr Kevin Schuler
Members	Cr Hautapu Baker Cr Glen Crowther Cr Rick Curach Cr Steve Morris Cr Marten Rozeboom Cr Rod Taylor <i>Mayor Mahé Drysdale (ex officio)</i> <i>Jacqui Rolleston-Steed, Tangata Whenua Representative</i>
Non-voting members	(if any)
Quorum	Half of the members present, where the number of members (including vacancies) is <u>even</u> ; and a <u>majority</u> of the members present, where the number of members (including vacancies) is <u>odd</u> .
Meeting frequency	Six weekly

Role

The role of the ~~Community and Performance~~ City Delivery Committee is:

- To ensure and report delivery against agreed targets and benchmarks across capital investment, operating activity, and engagement.
- To ensure community involvement in, and support for, Council projects, proposals, initiatives and services.
- To monitor delivery of ~~Council-funded delivery activity~~ by community-led organisations ~~receiving Council funding~~, partnering with, or otherwise contracted to, Council.
- To determine the reporting frequency for financial performance targets across the organisation, and to measure and regularly report on delivery against those.
- To review and improve public confidence and participation in Council decision making processes.
- To ~~measure delivery of projects by ensuring~~ ~~ensure~~ that approved projects are effectively planned and delivered in full, on time, in scope, and within budget. ~~on a timely basis and in a way that provides good social, economic and environmental outcomes, including value for money, for the community.~~
- To determine the reporting frequency for performance measures for non-financial activity and regularly report against those measures.
- ~~To monitor the financial and non-financial performance of Council.~~
- To ~~provide oversight of~~ ensure the Annual Report provides relevant, transparent and accurate information.

Scope

- All projects, both capital and operating, where the business case has been approved are included in the scope of the Delivery Committee.
- Develop and monitor delivery of a council-wide engagement and communications strategy ~~and monitor, including via community feedback, its implementation and success.~~

- ~~• Develop and review engagement plans for projects, proposals, initiatives and services that the Committee considers significant from a community interest perspective.~~
- ~~• Ensure appropriate and accessible information is available to the community on current and upcoming projects.~~
- ~~• Receive and consider the community's views on public transport and provide that information to relevant Committees.~~
- ~~• Develop and consider opportunities for Council to partner with the community, organisations, and other agencies to enable good outcomes for the city.~~
- Lead the development of relationships with community organisations, schools, businesses and other groups to broaden Council's reach into the community and use of available resources.
- ~~• Ensure promotion of the community's trust and confidence in Council is embedded in Council's projects, proposals, initiatives and services.~~
- ~~• Where gaps are identified, develop proposals for new projects or services for recommendation to Council for inclusion in future Annual Plan or Long-term Plan processes.~~
- Receive and consider feedback ~~that is fully representative of~~ from the community including, but not limited to, the annual residents' survey ~~(undertaken in waves).~~
- Review statements of intent and receive reporting of the Local Government Funding Agency.
- Receive reporting from all other Council-controlled organisations.
- Receive reporting from Priority One.
- Receive reporting by Mainstreet organisations as appropriate.
- Receive reporting against partnership agreements with key cornerstone organisations (as per the Community Funding Policy) and from other community-led organisations as appropriate.
- ~~• Assess options for improving public participation in decision making and make recommendations to Council that will strengthen democratic processes at all levels of the organisation.~~
- ~~• Provide input to operational proposals, options, and costs of projects as considered appropriate by the Committee having taken into account value, risk, and public interest (within scope and budgets approved through the Annual Plan or Long-term Plan process or separately by Council).~~
- Assess the organisation's processes to ensure these are not constraining the organisation in delivering value for money.
- ~~Provide input to~~ Review the proposed approach and options for procurement processes that the Committee considers significant having taken into account value, risk, and public interest.
- Take necessary steps to ensure that procurement processes provide value-for-money.
- Approval of tenders and contracts that are outside of approved staff delegations.
- ~~• Ensure that the design and delivery of projects reflect Council's strategic framework ("Our Direction") as appropriate including, but not limited to, the adopted community outcomes and Council's four lead strategies (Tauranga Taurikura – Environment Strategy; Tauranga Matarauuni – Inclusive City Strategy; Connected Centres Programme; Western Bay Economic Strategy).~~
- Ensure that where projects have a potential negative environmental impact, appropriate mitigation is considered in design, delivery, and eventual operations.
- Monitor the delivery of projects. (Note that the development of future strategic and growth-related projects, including future strategic transport projects, will be monitored by the City Future Committee until the project purpose definition, business case, and funding are in place). ~~(Note that the 'Five Transportation Projects' will be reported to the City Future Committee, and the projects managed by Te Manawataki o Te Papa Ltd will be reported, alongside other council-controlled organisation reporting, to Council).~~
- Review regular financial ~~and non-financial~~ performance reporting, including reporting against strategic outcomes, the Long-term Plan, the Annual Plan, and other strategic and implementation documents ~~(including, for instance, action and investment plans adopted as part of Council's strategic framework, Our Direction).~~
- Review non-financial performance reporting.

- Provide oversight on the preparation of the Annual Report and other external financial reporting required by legislation to ensure it not only meets legislative requirements, but that it provides transparent, relevant and accurate information.
- To reassess financial reporting targets for the next Long-term Plan process, and make recommendations to Council accordingly.

Power to act

- To make all decisions necessary to fulfil the role, scope and responsibilities of the Committee subject to the limitations imposed.
- To establish sub-committees, working parties and forums as required.

Power to recommend

- To Council and/or any standing committee as it deems appropriate.

Chairperson and Deputy Chairperson acting as Co-Chairs

- While the Chairperson and Deputy Chairperson of the Committee roles are separately appointed it is the intention that they act as co-chairs.
 - Only one person can chair a meeting at any one time. The person chairing the meeting has the powers of the chairperson as set out in standing orders and has the option to use the casting vote in the case of an equality of votes.
 - The rotation of the meeting chairs is at the discretion of the Chairperson and Deputy Chairperson and subject to their availability, however it is expected that they will alternate chairing meetings when possible.
 - When the Deputy Chairperson is chairing the meeting, the Chairperson will vacate the chair and enable the Deputy Chairperson to chair the meeting. The Chairperson will be able to stay and participate in the meeting unless they declare a conflict of interest in an item, in which case they will not participate or vote on that item.
 - The Chairperson and Deputy Chairperson will attend pre-agenda briefings and split any other duties outside of meetings, e.g. spokesperson for the Committee.
 - The Chairperson and Deputy Chairperson will jointly oversee and co-ordinate all activities of the Committee within their specific terms of reference and delegated authority, providing guidance and direction to all members and liaising with Council staff in setting the content and priorities of meeting agendas.
 - The Chairperson and Deputy Chairperson will be accountable for ensuring that any recommendations from the Committee are considered by the Tauranga City Council.

11.7 Tauranga Parking Management Plan Implementation

File Number: A17125546

Author: Reece Wilkinson, Parking Strategy Manager
Shawn Geard, City Centre Infrastructure Lead

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

1. Two parking management plans are paused, these being City Centre (implementation), and Mount Maunganui (community engagement), a decision on the future of these plans is now required. Alternatively, council can opt for a change of focus, and review parking management plans for urban centres across the city. This report sets out the background, purposes, and next steps for parking management in Tauranga.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Tauranga Parking Management Plan Implementation".
- (b) Approves implementation of the City Centre Parking Management Plan including paid parking in the city centre fringe and time restrictions, conditional on approval of appropriate bylaw updates and the agreement of a resident parking permit.
- (c) Paid Parking within a city centre fringe zone between Arundel Street and Park Street excluding the existing city centre paid parking zone,
- (d) Additional P120 time restrictions between Eleventh Avenue and Marsh Street (inclusive), excluding areas covered by a paid parking zone,
- (e) Approves undertaking community engagement on the development of a Mount Maunganui Parking Management Plan, including provision for a Salisbury Avenue Cruise Ship Management Plan, reporting back to Council to enable implementation for the 2025/ 2026 summer period

Alternatively;

- (f) Staff are to initiate a city-wide Urban Centres Parking Management Plan, reporting back to the City Futures Committee with a city-wide engagement plan. Approving \$75,000 of additional spend for this activity in the 2025/ 2026 Financial Year.
- (g) Undertake development of a Salisbury Avenue Cruise Ship Management Plan, reporting back to Council to enable implementation for the 2025/ 2026 Cruise Season.

EXECUTIVE SUMMARY

2. The existing Tauranga Parking Strategy (refer to Attachment 2 of this report) defines the need for parking management across the Tauranga, subsequently to the adoption of this strategy the City Centre Parking Management Plan was approved for implementation, and the Mount Maunganui Parking Management Plan required a first community engagement step however these steps were paused pending a future decision in March 2024,
3. As the strategy is considered city wide the need for area specific implementation plans are required to define an area's required parking management approach.

4. Two priority areas being City Centre and Mount Maunganui have parking management plans in varying stages of development (although currently paused), it is the intention of the strategy to have other areas requiring parking management assessed for their needs.
5. Both the Urban Form and Transport Initiative (UFTI) and Western Bay of Plenty Transport System Plan (TSP) identify parking management as a key component of delivering and realising the benefits of the Connected Centres growth model.
6. The need for parking management stems from an increased demand on the transportation infrastructure through increased demand from a variety of users. Parking management plans look to balance competing users demands of space.
7. The carparking finance activity is envisioned to be self-sufficient finance activity and has historically been focused on the city centre as the predominant source of parking revenue, owing to an understanding that carparking comes at a cost and should be a user pays activity.

City Centre

8. The City Centre Parking Management Plan (paid parking and time limit expansion) is approved however implementation is on hold to allow for further consideration of more information on the city centre, it is recommended this is restarted with some amendments as outlined in this report,
9. Tauranga City Council regularly receives complaints from residents within the city centre fringe regarding the lack of on-street parking for themselves and their guests due to commuters parking in this fringe area, while the city centre parking infrastructure has adequate parking capacity for these commuters. It is forecast that pressure on the city fringe parking will continue to increase. Often parking management is introduced after an issue has reached breaking point, rather than the proposed proactive approach to parking management where all users are informed of the approach and able to adjust to their behaviour accordingly.
10. It is recommended to recommence an expansion of parking management in the city centre, including a city centre fringe paid parking zone, time restricted parking, however also to include a residents permit scheme. This option will allow a means of managing demand of user groups, providing for efficient use of existing infrastructure, preparing the City Centre fringe for future growth.
11. The recommendation is expected to result in an increased net operational income of \$261,875 (excluding CAPEX costs) in the first financial year and over \$200,000 in the following years (including depreciation).

Mount Maunganui

12. The Mount Maunganui Parking Management Plan has not yet started development as engagement is currently on hold as the previous initial discussions was poorly received by some in the community,
13. It is also recommended that engagement occurs on parking management for Mount Maunganui, including gaining an understanding of community desires, and their input into potential solutions to challenges they experience. This will enable staff to develop a parking management plan that aims to address challenges experienced by the community. The plan will be presented to Council and aims to start addressing these challenges by end of 2025 as it is understood these challenges present predominantly over the summer months.
14. It is known that a number of other areas also experience parking related tension. These areas will be considered for a Parking Management Plan as a second tranche and when parking occupancy begins to regularly exceed 85% or increased development or a requirement from the community for more investment in the local parking network becomes apparent.
15. Engagement of a Mount Maunganui Parking Management Plan is expected to cost approximately \$20,000.

Urban Centre Parking Management Plan

16. While Mount Maunganui and City Centre face the highest parking demand other areas of the district also suffer from increased parking pressure. The Urban Centre Parking Management Plan would give council the opportunity to engage publicly with all urban centres discussing what works best for them.
 - (a) It is envisioned that parking management will include options including charging, time limits, and special uses (loading or mobility bays),
17. Undertaking city wide engagement would require resource allocation and time that could be a detriment to areas that are currently facing parking pressures. It is currently expected to cost approximately \$75,000 to undertake this city-wide community engagement, this expenditure is currently not budgeted.
18. A potential solution to this could be allowing for some 'quick fixes' to be implemented in tandem with the creation of the engagement plan.

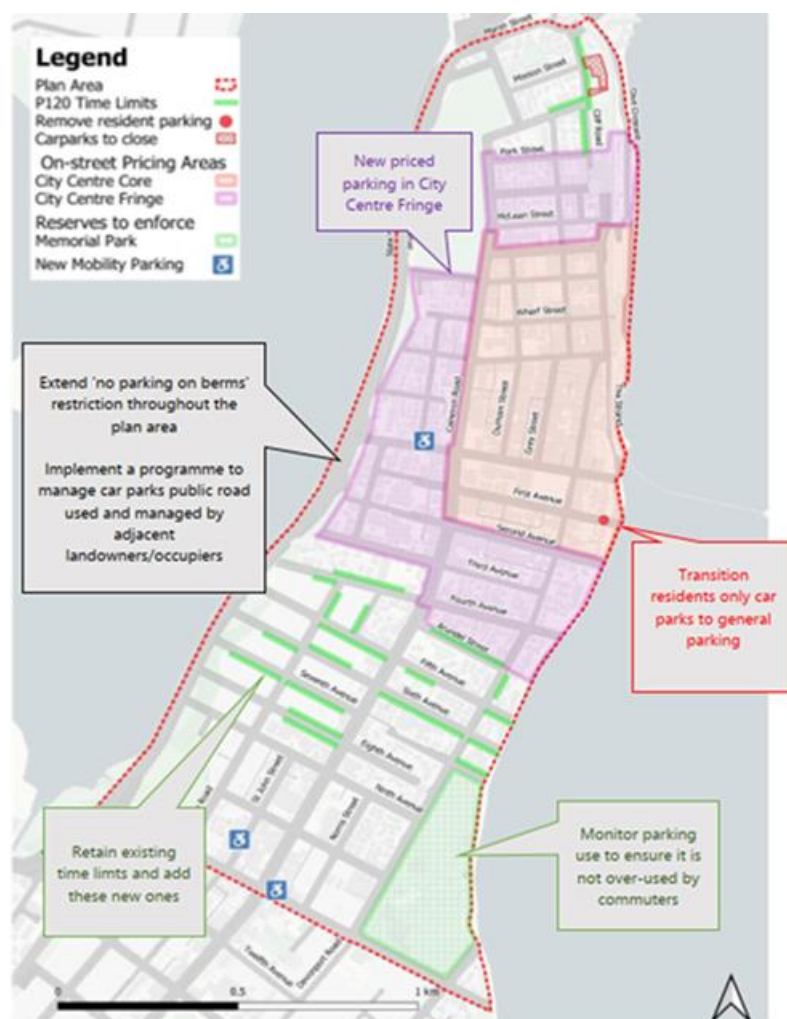
BACKGROUND

19. The Tauranga Parking Strategy was adopted by Council on 15 November 2021 as is included in Attachment 1.
20. Parking Management Plans (PMP's) are developed to provide a focus to parking in local areas. Each local area has its own challenges and expectation from customers, the Parking Management Plans are to be designed reflecting that.
21. Parking Management Plans are required to provide an environment where different parking users are able to coexist within boundaries set by Council.
22. The parking strategy outlines five key outcomes for parking strategy to support the wider UFTI direction:
 - (a) Improving vibrant centres and access to centres,
 - (b) Enable a multi-modal transport system,
 - (c) Enable a more attractive and compact urban form,
 - (d) Supporting access for all,
 - (e) Ensuring value for money and best use of resources.
23. Currently paid parking is available in the below locations:
 - (a) On Street – City Centre from Second Ave to Harrington Street (\$2ph for the first two hours and \$5ph afterwards).
 - (b) Off Street:
 - (i) Cliff Road – daily charge \$6.50
 - (ii) Dive Crescent – daily charge \$8.00
 - (iii) TV3 – daily charge \$12.50
 - (iv) Devonport Rd – daily charge \$12.50
24. The Cameron Road Warehouse site is also expected to come online in the new financial year offering a cheaper all day parking option for both workers in the area and those wanting to park then use other travel modes for the final 1.5km trip into the city centre.
25. In line with typical parking business practice, each parking area is priced individually to focus on achieving an 85% occupancy rate. Each carpark has individual catchment areas that result in valuations being slightly different much like the private rental market. The goal of which is to ensure carparks are well used while also always ensuring a space is available. In the event a carpark is not hitting 85% staff will be recommending a price reduction.

26. The 85% occupancy rate is typically the target in parking management as shows efficient use of the space however a parking space is always available to those that require it. Any less and the land isn't being efficiently used and at 100% people are missing out on carparks and are less likely to travel.
27. It is also important to note that Tauranga is unique in having minimal private parking facilities off street. The private parking market has been unable to develop to the same extent as similar sized city elsewhere as council has historically been heavily involved in significantly undercutting a potential private city centre parking market e.g. trialling free parking. This has resulted in some hesitance for the private sector to invest in private carparks.
28. In the city centre conflicting pressures on parking is expected to increase as 600 new dwellings are expected in the next 10 years, supporting an increase of 15,000 people living in the Te Papa peninsula over the next 30 years, in addition to an additional 25% in workers traveling into the city centre in 30 years.
29. The Mount to Arataki Spatial Plan identifies significant growth over the next 20 to 30 years, equating to a 18% increase in population supported by 2,600 more dwellings with 29% additional jobs within the commercial and business areas. This growth, along with the increase demand from other Tauranga residents is expected to increase pressure on the limited parking infrastructure.

CITY CENTRE PARKING MANAGEMENT PLAN

30. The Tauranga City Centre Parking Management Plan was adopted in October 2022 which was followed by the re-introduction of paid parking in December 2022.
31. The reasons for implementation of the City Centre Parking Management Plan are:
 - (i) being prepared for future growth in demand for parking on the Te Papa Peninsula. Current projections are 2300 homes from 2024-2034 with an approximate of 2 cars per household: and,
 - (ii) ensuring the cost of parking is covered by its users limiting the burden to the rate payer.
32. An expansion of time limits and paid parking was planned for November 2023 however this was deferred until March 2024, and again deferred until March 2025.
33. Prior to adoption of the parking management plan, several initiatives to manage parking within the city centre had been trialled, most recently making most spaces in the city P120 time limited.
34. A two-hour free parking trial was introduced during covid in an attempt to revitalise the city centre. The result was spaces being taken up early in the morning by city centre staff and they rotated around spaces throughout the day. This resulted in a shortage of carparks with many potential customers finding themselves unable to find a carpark when coming into the city to shop. The city centre saw no benefit to retail spend outside of what was matching wider covid trends.
35. From 1 December 2022, the two-hour free parking trial ended and paid on-street parking in the city centre was re-introduced. The initial area for charges to be applied was from Harington Street to Second Ave, with a planned expansion to city fringe areas in November 2023.



36. At the 16 October 2023 Council meeting, Council decided to pause the planned expansion of paid parking.
37. Challenges with parking were expected to continue to early 2024 (covered in the November 2023 report) and in the March 2024 report. Parking demand was expected to be impacted by a number of factors in the city centre for the remainder of 2024, including:
 - a) completion of the Harrington Street Parking Building,
 - b) 160-176 Devonport Rd completion
 - c) Te Manawataki o Te Papa
 - d) completion of TCC offices at 90 Devonport Road.
 - e) Private developments.
38. Parking demand and constraints continue to develop due to housing intensification within the city centre fringe (along with the wider Te Papa Peninsula). As well as increased pressure on parking from commuters with increased numbers expected as the city centre development is completed. The Parking Management Plan is seeking to strike a balance between the pressure caused by the three major competitors for parking space in the city centre;
 - (i) Residents
 - (ii) Commuters
 - (iii) Customers
39. Commuters often utilise parking within Memorial Park and further restrictions on parking in the city centre is likely to exacerbate existing issues at Memorial Park. Commuters and

tradespeople are using parking all day in the park resulting in no parking for genuine reserve users. The Reserves Act states that parking on recreation reserves is only provided “where necessary for the convenience of reserve users”. Upon a decision providing for expanded city centre parking restrictions, staff will submit a report requesting an amendment to the Traffic and Parking Bylaw to introduce time-limited car parking in Memorial Park, addressing this issue.

40. Multiple residents have over the past year requested extra time limits in certain areas or residents permit programmes to guarantee parking access, these requests come from both residential addresses where kerbside parking has been historically used, and those who occupy newer higher density housing without carparking sufficient for the residents.
41. When the parking management plan is implemented, staff recommend the introduction of a residents permit programme in conjunction with the continuation for one for the below options:
 - i. Time Limits with no paid expansion.
 - ii. Paid parking with no time limit expansion.
 - iii. Expanding paid parking and time limits. (recommended)
42. It is noted that details around a resident’s permit will be the subject of a further decision however the recommendation stands that these permits should be to help manage current use rather than offset higher density developments providing less parking spaces for their residents.

MOUNT MAUNGANUI PARKING MANAGEMENT PLAN

43. On 11 of September 2023 Council approved the development of the Mount Parking Management Plan with engagement due to take place from the 13th of November to December 15th. The Mount Parking Management Plan was deferred before the completion of consultation to be discussed with council March 2024.
44. On November 27 Staff recommended that the parking management plan was deferred to allow staff to consider how best to implement the Parking Management Strategy in response to community concerns about the wider infrastructure challenges in the city.
45. This additional time allowed for a more holistic examination of how several parking initiatives happening at once may compound issues and cause concern in the community. It also allowed time to prepare and adjust to changes in a more realistic manner.
46. On 18th of March 2024 staff provided a Parking Management Plan update to council requesting an extension of the deferrals to allow time for staff to gather information and continue to discuss option with stakeholders. Key points of focus for staff during the last 12 months have been:
 - (i) Monitoring user demand and activity in the city centre.
 - (ii) Monitoring compliance in the Mount Town Centre with more proactive time limit enforcement, continued monitoring of parking occupancy.
47. At the 11 September 2023 Council meeting, Council approved engagement for the development of the Mount Maunganui Parking Management Plan. Initial engagement was due to be undertaken with the affected community from 13 November – 15 December 2023.
48. The purpose of this was to begin initial discussions about how a Parking Management Plan could be implemented within the Mt Maunganui area. No specific plans or details were proposed, and it was simply a request to begin conversations with affected parties, especially

local businesses, and residents. A draft plan would then have been presented to Council in March 2024.

49. This engagement was put on hold as some stakeholders believed this consultation was a way for council to introduce paid parking in Mount Maunganui, leading to a difficult conversation that revolved solely around paid parking, rather than the challenges experienced and what solutions the community would like to see. This delay has also allowed the current scenario to be tested with enforcement of the time limits and the impact of this enforcement of the status quo.
50. Staff received approval from council to enforce time limits more proactively in the Mount Town Centre and monitor compliance in the area.
51. Initially compliance improved steadily throughout the year but has been sliding back as the summer tourist season starts to get busier. Numbers remain lower than initially seen when enforcement started with a peak of around 100 per day (over the time limit), in comparison to 150 last year.
52. While compliance has improved across the Town Centre, we have not seen a decrease in overall occupancy and development like the Pitau Rd retirement village continues to put pressure on parking supply. Marine Parade also has occupancy issues during peak times with vehicles parking over night or all day.
53. This last year has also seen a number of conflicts between spaces required by the public and our cruise ship traffic management plans. The Mount Parking Management Plan will give us the opportunity to discuss and update our bylaws to better accommodate mixed use of the Salisbury Wharf space.
54. An example of options able to be discussed during an engagement process based on issues currently identified:
 - i. Possible time limits along Marine Parade eg P240 (4 hours).
 - ii. Possible bylaw adjustments to facilitate cruise ship season, limit reliance on traffic management and make more spaces available.
 - iii. Potential residents permit system in conjunction with expanded time limits and/or paid parking to ensure peak season demand management and locals still retain access.
55. Staff are requesting approval to engage on the Mount Maunganui Parking Management Plan again and provide a draft Parking Management Plan to Council to discuss in the new financial year.

URBAN CENTRE PARKING MANAGEMENT PLAN

56. Multiple areas are expected to face parking pressure in the future as the city develops with some facing them already. The definition of an 'Urban Centre' in relation to parking management could be defined through the initial engagement process, with the starting point being an area where parking supports a commercial benefit or subject to utilisation by medium – high density residential users. Outlined below are some examples of areas we would be discussing in the case of city-wide engagement for an Urban Centre Management Plan.
 - (a) Mt Maunganui
 - (b) Papamoa
 - (c) Greerton
 - (d) Historic village/hospital
 - (e) Brookfield
 - (f) Cherrywood

- (g) Bethlehem
- (h) Bayfair/Arataki
- 57. Implementation of an Urban Centres Parking Management Plan would likely not be until mid 2026. For some communities facing challenges today we may be required to implement some quick fixes. Despite impending economic headwinds parking demand is not expected to decrease, in some residential neighbourhoods we may find pressure increases as we see more adults per dwelling. Quick fixes could include:
- 58. Edgecumbe Rd yellow line removal.
- 59. Cruise Ship parking bylaw update in Mount Maunganui (reducing need for TMP).
- 60. An advantage of the citywide discussion is it would allow a public discussion about areas not often considered in Parking Management Plans. New housing developments in areas like Papamoa face increased parking pressure as many don't have sufficient off-street parking for the vehicles of the residents in the house. Staff are also aware of the impacts single large employers could have on the surrounding parking such as the Historic Village area and the Hospital. The ability to discuss this city wide will allow us to restart conversations with organisations with a larger impact.

STATUTORY CONTEXT

- 61. The Tauranga Parking Strategy was approved in 2021. The Tauranga Parking Strategy remains a necessary tool for managing increasing parking demand in Tauranga.
- 62. On 27th June 2024, the Government released the Government Policy statement (GPS) on Land Transport. The GPS includes four strategic priorities:
- 63. Economic Growth and Productivity
- 64. Increased maintenance and resilience
- 65. Safety
- 66. Value for money
- 67. The current outcomes of the Parking Strategy have natural alignment to the strategic priorities in the draft GPS.
- 68. Council is also required to be actively involved in parking management due to the removal of minimum parking requirements nationwide for new development.

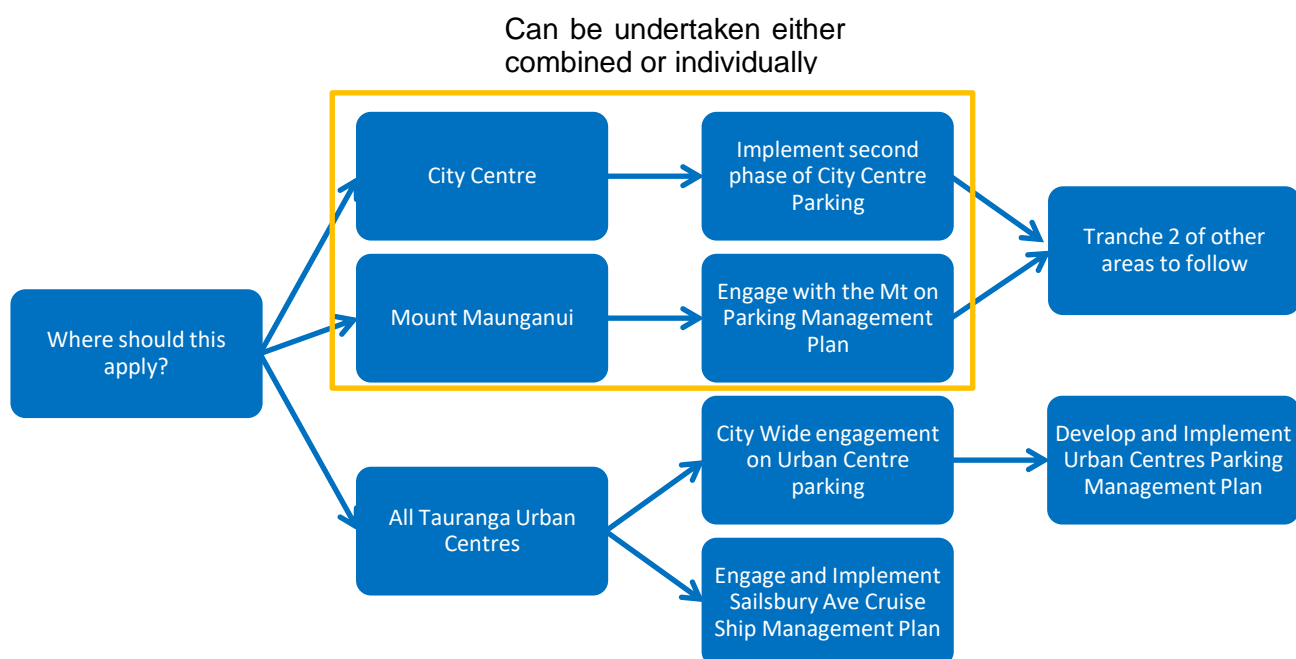
STRATEGIC ALIGNMENT

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

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

OPTIONS ANALYSIS

70. Parking Management Plans for the City Centre and Mount Maunganui where the first to be discussed by council (under the commission) this was due to the high parking use in both areas. City Centre was approved first as paid parking had existed in the area previously with engagement for the Mount Maunganui area set to begin afterwards. The expectation was for other town centres and sub regions facing parking pressure to follow.
71. Council has the option of either continuing with City Centre/ Mount Maunganui plans with the option of discussing further areas to receive Parking Management Plans after implementation such as industrial zones with parking issues or areas affected by a major employer like around the hospital. Or,
72. Abandoning the remaining work on the two current planned Parking Management Plans and reviewing a city-wide Urban Centres Plan. This would allow for city wide engagement on the use of the space on the side of the road, this option however is expected to defer implementation negatively effecting areas suffering from parking pressure being put aside until engagement is complete.
73. All options have financial considerations which will be outlined in the next section of the report below.



Options for Tauranga City Centre Parking Management Plan.

Option 1: Time Limits with no paid parking expansion

Advantages	Disadvantages
<ul style="list-style-type: none"> • Frees up space in city fringe for those visiting residents. • Provides certainty to residents and businesses. 	<ul style="list-style-type: none"> • Will negatively impact the parking activity's contribution to financing arrangements. • Limits availability for all day parking for city fringe businesses. • Requires increased enforcement to ensure compliance, potentially requiring increased parking warden headcount. • Apprehension from residents over not being able to park on their street all day during the day.

Option 2 **(Recommended)**: Time Limits and paid parking expansion

Advantages	Disadvantages
<ul style="list-style-type: none"> • Potential revenue can be used to implement further projects in the City Centre. • Paid Parking could be used to provide all day parking locations in certain areas. • Provides certainty to residents and businesses. 	<ul style="list-style-type: none"> • Paid parking is unpopular. • Apprehension from residents over not being able to park on their street all day during the day.

Option 3: Status Quo.

Advantages	Disadvantages
<ul style="list-style-type: none"> • No costs to the organisation. 	<ul style="list-style-type: none"> • Will negatively impact the parking activity's contribution to financing arrangements. • Current parking pressures remain. • Residents find it increasingly difficult to access streets they live on as Te Papa develops.

Options 1&2 can be augmented with a residents parking permit system to be agreed upon with council to help mitigate negative impacts to those currently living within these areas.

Options for Mount Maunganui Parking Management Plan

Option 1 **(Recommended)**: Continue with consultation, providing a draft Parking Management Plan to council for discussion at the end of the financial year, allowing for implementation of decisions to occur for summer 2025/ 2026.

Advantages	Disadvantages
<ul style="list-style-type: none"> • Allows council staff to discuss options for improving parking availability in Mount Maunganui. 	<ul style="list-style-type: none"> • Proposed Parking Management Plan draft will need to be a compromise and will not ensure 100% approval.

<ul style="list-style-type: none"> • Gives residents and stakeholders the opportunity to discuss the pressures faced in Mount Maunganui. 	
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7. Option 2: Status Quo

Advantages	Disadvantages
<ul style="list-style-type: none"> • Easy to implement. 	<ul style="list-style-type: none"> • No changes to parking issues in Mount Maunganui. • No management of increased parking demand by private development and increased visitor numbers.

Option for Urban Centre Parking Management Plan

Advantages	Disadvantages
<ul style="list-style-type: none"> • Allows for each urban centre to be reviewed at the same time. • Opportunity for district wide public engagement on parking. 	<ul style="list-style-type: none"> • A delay to city centre parking expansion is likely to impact the parking activity's contribution to financing arrangements. • Process will be long while parking demand continues to change.

FINANCIAL CONSIDERATIONS

74. High-level operating surplus/ deficit forecast over the ten-year period and total debt position of the Parking Management activity has been assessed from the LTP to recognise more debt and higher rates expense associated with commercial properties.
75. The 2024-34 LTP and Draft 2026 Annual Plan included net revenue from parking expansion. If these expansions are not approved, the surplus would be less and the debt would be higher, which may negatively impact the parking activity's contribution to financing arrangements for investment that the activity is intended to support. Once decisions are made, further work will be undertaken to inform financial modelling.

76. City Centre Parking Management Plan

Options	Costs	Potential Revenue
Option 1 – Time Limits with no paid parking expansion.	Approximately \$100k This includes the potential cost of signage	Enforcement revenue dependant on noncompliance.

	and any required extra line marking + Staff time and enforcement resource (1xFTE) which is cost neutral due to enforcement revenue.	Enforcement revenue dependant on noncompliance however is assumed to cover the cost of enforcement.
Option 2 – Time Limits and paid parking expansion.	Approximately \$215k This includes the same as above but with extra cost added for the machines. Will also include and enforcement officer (1xFTE) witch will be cost neutral due to enforcement revenue.	Revenue from paid parking \$400k pa. Enforcement revenue dependant on noncompliance however is assumed to cover the cost of enforcement.
Option 3 – Status Quo	No change	No change

77. A residents permit system if required could be cost neutral as the Land Transport Act gives us the ability to recover costs for the permits.
78. Restarting the Mount Maunganui Parking Management Plan will cost staff time and any printing required for public notification. A more accurate picture of costs will be covered in the draft Parking Management Plan.
79. Current Parking Revenue Overview (with ongoing costs) – costs are approximate due to being influenced by total transaction numbers and potential vandalism etc.
 - (i) On Street revenue for the last 12 months - \$1,493,557
 - (ii) On Street costs per year (approx). \$280,000. Yearly cost per pay machine (approx) - \$2,400
 - (iii) Expected increase of 20 machines **if approved** (approx) \$50,000 per annum in upkeep added.
 - (iv) Enforcement costs not included as it is cost neutral.

1.

80. Expanded city centre paid parking is expected to provide a net positive income to TCC during it's establishment year with a higher return in future years.

Proposal for expansion of CBD Paid Parking Zone											
Type	Description	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	
Existing parking income		\$ 4,468,023	\$ 4,859,674	\$ 5,648,012	\$ 5,904,973	\$ 5,997,218	\$ 6,235,211	\$ 6,609,594	\$ 6,811,721	\$ 7,161,128	
Additional revenue from proposal		\$ 332,555	\$ 339,871	\$ 347,021	\$ 354,304	\$ 361,720	\$ 369,336	\$ 377,084	\$ 384,999	\$ 393,080	
Income from Expanding CBD Paid Parking		\$ 232,555	\$ 237,671	\$ 242,671	\$ 247,764	\$ 252,950	\$ 258,276	\$ 263,694	\$ 269,229	\$ 274,880	
Increased City Centre Demand		\$ 100,000	\$ 102,200	\$ 104,350	\$ 106,540	\$ 108,770	\$ 111,060	\$ 113,390	\$ 115,770	\$ 118,200	
Additional operational expenses from proposal		\$ 70,680	\$ 108,592	\$ 109,937	\$ 111,308	\$ 112,705	\$ 114,138	\$ 118,702	\$ 120,193	\$ 121,715	
Ongoing Machine Fees	Software licencing, Cash clearance and transaction fees.	\$ 50,000	\$ 51,100	\$ 52,175	\$ 53,270	\$ 54,385	\$ 55,530	\$ 56,695	\$ 57,885	\$ 59,100	
Estimated Maintenance (eg vandalism repair)	Approx \$1,000 per month.	\$ 12,000	\$ 12,264	\$ 12,534	\$ 12,810	\$ 13,091	\$ 13,379	\$ 13,674	\$ 13,975	\$ 14,282	
Depreciation (5 year useful life)		\$ -	\$ 36,548	\$ 36,548	\$ 36,548	\$ 36,548	\$ 36,548	\$ 39,653	\$ 39,653	\$ 39,653	
Interest Expense (4.75%)		\$ 8,680	\$ 8,680	\$ 8,680	\$ 8,680	\$ 8,680	\$ 8,680	\$ 8,680	\$ 8,680	\$ 8,680	
1xFTE For Enforcement	Expected to be cost neutral with enforcement revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Additional income (net) from expanded CBD parking zone		\$ 261,875	\$ 231,279	\$ 237,084	\$ 242,996	\$ 249,016	\$ 255,198	\$ 258,382	\$ 264,806	\$ 271,365	
Capital expenses from proposal											
Machine Set-up cost	Including installation costs	\$ 152,740	\$ -	\$ -	\$ -	\$ -	\$ 165,716	\$ -	\$ -	\$ -	
Signage Install	Signage applies with time limited parking also.	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 32,549	\$ -	\$ -	\$ -	

SIGNIFICANCE

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

ENGAGEMENT

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

NEXT STEPS

85. If staff recommendations are approved:
 - (a) Staff will begin work on implementation of the City Centre Management Plan. Aiming for implementation Q1 financial year 2025/26. The expectation is the changes should take 3 months to implement not including any required adjustments to enforcement coverage.
 - (b) Staff will begin developing an engagement plan for Mount Maunganui in collaboration with interested councillors, with a desire to undertake the engagement in May 2025. A draft Parking Management Plan developed out of the engagement is to be provided to council by the end of the financial year with an aim to have implementation of agreed changes to help address challenges for the 2025/26 summer period.
86. If Urban Centre Parking Management Plan Approved
 - (a) Staff begin working on quickfire interventions while preparing for engagement district wide.
 - (b) An engagement plan is provided to council by end of August 2025.

ATTACHMENTS

1. **Parking Management Plan City Centre - A17517239 (Separate Attachments 1)** 
2. **Parking Strategy - A17517204 (Separate Attachments 1)** 
3. **Parking Data 17.02.25 - A17520436 (Separate Attachments 1)** 
4. **Operating Surplus/(Deficit) Forecast and Total Debt Position of the Parking Management Activity - A17933308 (Separate Attachments 1)** 

11.8 Shareholder Feedback on Council-Controlled Organisations' Draft Statements of Intent 2025/26

File Number: A17123292

Author: Sam Fellows, **Manager:** City Partnerships

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

PURPOSE OF THE REPORT

1. The purpose of this report is to provide shareholder feedback on the draft Statements of Intent (SOI) for Tauranga City Council's (TCC or Council) six council-controlled organisations (CCOs) by 1 May 2025, as required by the Local Government Act (2002).

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Shareholder Feedback on Council-Controlled Organisations' Draft Statements of Intent 2025/26".
- (b) Receives the draft SOI 2025/28 for Bay Venues Limited (Bay Venues), Tauranga Art Gallery Trust (TAGT), Tourism Bay of Plenty (TBOP), Te Manawataki o Te Papa Limited (TMOTPL), Te Manawataki o Te Papa Charitable Trust (The Charitable Trust) and Bay of Plenty Local Authority Shared Services Limited (BOPLASS) (**Attachments 1 to 6**).
- (c) Approves the shareholder feedback on the substantive CCOs' draft SOIs of Bay Venues, TAGT, TBOP and TMOTPL, outlined in this report.
- (d) Notes that as joint shareholder of TBOP, Western Bay of Plenty District Council (WBOPDC) will be asked to approve their separate shareholder comments on the draft SOI for TBOP at their upcoming Council meeting.

EXECUTIVE SUMMARY

2. Council has a total of seven CCOs. These CCOs are required by the Local Government Act (2002) to prepare a draft SOI consisting of information about the organisation's activities, performance measures and financials over a three-year financial period, and is prepared and adopted by the CCO board annually.
3. The draft SOI must be provided to their shareholder, TCC, by 1 March each year, and Council has an opportunity to comment on the draft SOIs before they are finalised and adopted by the CCO boards by 30 June 2025. Shareholder comments must be provided by 1 May 2025.
4. Council's 28 April 2025 meeting is the first suitable meeting for the draft SOIs to be formally received and shareholder feedback to be approved. Note, the Local Government Funding Agency's draft SOI was received at the City Delivery Committee on 7 April 2025.
5. Each CCO's draft SOI is provided as **Attachments 1 to 6**. All six SOIs have met the statutory requirements as outlined in the Local Government Act (Part 5, Section 64, Schedule 8).
6. This report includes Council's feedback and suggested amendments on the substantive CCOs' draft SOIs, and have been assessed against the Letters of Expectation (LOEs) 2025/26.

7. Any issues raised during this meeting and from the feedback, will be discussed with the Chairs to ensure changes to the draft SOIs are made and that the CCOs continue to operate efficiently, and be accountable to the residents of Tauranga.
8. Next steps will be to formally receive the final SOIs at the Council meeting on 15 July 2025, following adoption of the final documents by the CCO boards.

BACKGROUND

Summary of shareholder feedback on the draft statements

Bay Venues Limited

9. Overall, the Bay Venues' Draft Statement of Intent (**Attachment 1**) shows alignment with our Letter of Expectation, with an emphasis on community, collaboration, partnership and value for money. It also shows commitment to achieving Council's outcomes for the wider community and people's wellbeing in Tauranga Moana, through the use of its facilities.
10. Suggested amendments:
 - (a) Consider a greater emphasis on using tangible examples to describe how the ratepayer is receiving value for money from Bay Venues.
 - (b) Provide specific examples of how Bay Venues has improved systems or processes to reduce operating costs, including providing information on how Bay Venues will achieve a minimum 7% operational grant saving in the upcoming financial year.
 - (c) Include a note that Bay Venues will have regular reporting and bi-monthly meetings with the Mayor, Deputy Mayor, and Councilors.
 - (d) Provide more information about the Bay Venues asset renewals project(s).
 - (e) Consider updating information to clearly illustrate the number of responses that are received when reporting on KPIs and relevant benchmarking.
 - (f) Consider including information about what good looks like and how Bay Venues is measuring and working towards achieving that i.e. qualitative benchmarking.

TAGT

11. Overall TAGT's Statement of Intent (**Attachment 2**) is well presented and shows alignment with our Letter of Expectation, particularly in outlining their approach to financial prudence.
12. TAGT are an integral part of the Te Manawataki o Te Papa Civic Precinct development, and their document highlights their commitment and the key partnership role they play in the development of that project.
13. TAGT have clearly linked each of their strategic objectives and measures with TCC's community outcomes.
14. Suggest amendments:
 - (a) If TAGT is focused on being the best, consider demonstrating how this can be achieved and measured, both the current status, and ongoing year-on year improvements.
 - (b) Consider using industry-relevant benchmarking to demonstrate progress against TAGT goals, and illustrate how TAGT compares to galleries of a similar size, scale and offering throughout the country.
 - (c) Consider setting stretch targets (e.g. five years) and describe how TAGT will work towards achieving them.
 - (d) Collect more information about what visitors like and dislike, and how that information will feed into ongoing gallery improvements.

TBOP

15. TBOP's draft Statement of Intent (**Attachment 3**), is well presented, refers to TCC's community outcomes and others matters outlined in this year's Letter of Expectations.
16. Overall, the document demonstrates TBOP have been responsive to TCC's feedback, particularly in regard to value for money.
17. Suggested amendments:
 - (a) If TBOP is focused on being the best, consider demonstrating how this can be achieved and measured, both the current status, and ongoing year-on year improvements.
 - (b) Consider including information about what good looks like and how TBOP is measuring and working towards achieving that i.e. qualitative benchmarking.
 - (c) Consider demonstrating the economic impact of the work TBOP does and the return on investment the Tauranga ratepayers receive for TCC's investment.
 - (d) Include regular reporting on the Tauranga destination brand project.

TMOTPL

18. Overall, TMOTPL's Statement of Intent (**Attachment 4**) is well presented and aligned with our Letter of Expectation.
19. The document highlights the array of critical projects TMOTPL is and will be responsible for delivering, as part of its significant role governing the Te Manawataki o Te Papa Civic Precinct development.
20. Suggested amendments:
 - (a) Provide clearer KPIs and specific information on delivery in full, on time, in scope and on budget.

The Charitable Trust

21. As Council and the Otamataha Trust jointly govern the Charitable Trust, there was no LOE provided to this CCO.
22. **Attachment 5** is this CCO's SOI for 2024/27, however, the Charitable Trust's intentions and direction as a joint land ownership CCO, in partnership with the Otamataha Trust, remain very similar to the previous years and since its establishment in October 2022.
23. TCC staff are working with the Otamataha Trust on the drafting and finalising of the new Statement of Intent for 2025/28, following the recent half-yearly meeting, which took place on 8 April 2025.
24. Council encourages representatives of the Otamataha Trust to continue to act as the cultural advisor to the TMOTPL Civic Development Advisory Group, to ensure that the Te Manawataki o Te Papa Civic Precinct Development project respects and reflects the significant history and importance of the area to mana whenua.
25. Council encourages representatives of the Otamataha Trust to continue to meet regularly with Council and the TMOTPL Board.

BOPLASS

26. As Council one of nine shareholder members, there was no LOE provided to BOPLASS.
27. BOPLASS' draft SOI is provided as **Attachment 6**.
28. BOPLASS has six key performance targets in their draft SOI to maximise value for money, benefits, and best practice to BOPLASS councils.

- (a) Ensure supplier agreements are proactively managed.
 - (b) Investigate new joint procurement initiatives for goods and services.
 - (c) Identify opportunities to collaborate with other local authority shared services across the country.
 - (d) Implement shared services.
 - (e) Communicate with each shareholder council at appropriate levels.
 - (f) Ensure current funding model is appropriate.
29. BOPLASS manages a variety of joint procurement projects which require ongoing management for performance, renewal or replacement. These joint procurement projects will continue across the three financial years (page 14).
 30. Alongside these joint procurement projects, BOPLASS also manages a variety of shared services. These shared services will continue across the three financial years (page 15).
 31. BOPLASS has listed several projects for consideration by the shareholding councils across the three financial years (page 15), including archive services, consents processing, drug and alcohol testing, LGOIMA requests, and vehicle monitoring.
 32. The Collaboration Portal established by BOPLASS for the sharing of information on Shared Services or Joint Procurement opportunities, has been made available to the wider Local Government Sector to provide better visibility and to encourage cross-regional collaboration.
 33. BOPLASS recognises and is committed to the importance of environmental and social sustainability for a brighter and better future, by ensuring that integrated risk management, non-financial outcomes and Te Tiriti o Waitangi are considered in all joint procurement and shared services initiatives.
 34. BOPLASS is committed to regular and extensive stakeholder engagement at project, management and governance level, ensuring communication is clear and frequent, and that quality information from shareholding councils are used to guide decision making.

CCOs' core purpose and TCC OPEX Grant FY26:

CCO	Core purpose	OPEX grant forecast for FY2025/26 (based on Council's Long-term Plan 2024/34). <i>Notes Bay Venues, TAGT, TBOP and TMOTPL have been asked by Council to identify and implement 7% OPEX cost savings for FY26</i>
Bay Venues	Council's largest CCO and the kaitiaki of more than 20 community facilities. Connecting the community with exceptional experiences through hosting activities and events at community facilities across Tauranga including aquatic centres, indoor sport and fitness facilities, event venues, community centres and halls, and the Adams Centre for High Performance.	\$7,958,000
TAGT	Creating exceptional art experiences that engage, inspire, challenge and educate through exhibitions, public programmes and events.	\$1,534,540
TBOP	Leading the sustainable growth of the Western BOP visitor economy, the management of the region as a visitor destination, and the management of iSITE Visitor Information Centres at Tauranga, Mount Maunganui and the Port of Tauranga (during the cruise season only).	\$2,133,309 (includes iSITE Visitor Information Centres)
TMOTPL	Governing the effective delivery of a suite of projects across Tauranga city centre, to benefit the whole community.	\$778,625

<p>The Charitable Trust</p>	<p>Owning the land referred to as 'Site A' of the Te Manawataki o Te Papa civic precinct (the site bounded by Durham, Hamilton, Wharf and Willow streets and includes Masonic Park), and to provide certainty on how the land will be used in the future, so that everyone in the community benefits.</p> <p>Supporting and encouraging the development of Site A of the civic precinct, including (but not limited to) a library, civic whare, museum and exhibition centre and the beautification of surrounding areas.</p> <p>The Charitable Trust's Statement of Intent outlines the following to complement the purpose of this CCO:</p> <ul style="list-style-type: none"> • Formally recognise long-standing grievances associated with this land and provide certainty for how the land will be owned and used in the future, so that everyone in the community can benefit. • Ensure that Te Manawataki o Te Papa development respects and reflects the significant history and importance of the area to mana whenua. • Restore the original trust relationship to which our ancestors (both Māori and the Church Missionary Society) agreed. The relationship with mana whenua will be pivotal to the success of many of the outcomes to be achieved on the civic precinct site. 	<p>This CCO is a registered charity. Similar to the prior financial year's annual report, the accounts for the Charitable Trust are still at zero, with no transactions being processed as yet.</p>
<p>BOPLASS</p>	<p>Fostering collaboration in the delivery of shared services and joint procurement on behalf of the participating councils, maximising cost savings and developing opportunities for sharing of services. Council is one of nine shareholder councils.</p>	<p>No more than \$20,000</p>

STATUTORY CONTEXT

35. The SOI is one of the CCO's key governance and planning documents.
36. Engaging with the CCOs throughout the development of the annual SOIs is one of the main ways Council can influence its CCOs while ensuring they are aligned with Council's strategic outcomes.

STRATEGIC ALIGNMENT

37. The CCOs contribute to the promotion or achievement of the following strategic community outcome(s):

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

38. The CCOs actively work in partnership with Council, mana whenua and our community to achieve great outcomes, value for money, and delivering more with less resources. This is reflected in their SOIs and their performance against financial and non-financial measures.

OPTIONS ANALYSIS

Option 1: Receive the draft SOIs and approve the feedback to be provided to the CCOs – RECOMMENDED

39. Receive the draft SOIs 2025/28 from Bay Venues, TAGT, TBOP, TMOTPL, The Charitable Trust and BOPLASS. Agree with the suggested shareholder comments outlined in this report, noting that WBOPDC will confirm shareholder feedback to TBOP at their upcoming Council meeting.

Advantages	Disadvantages
<ul style="list-style-type: none"> Council meets its legislative requirements under the Local Government Act (2002) by formally receiving the draft SOIs and providing feedback within the required timeframe. Final SOIs are aligned with Council's strategic direction. 	<ul style="list-style-type: none"> The CCOs do not receive any useful information on Council's expectations about the content of their final SOIs.

Option 2: Receive the draft SOIs and do not approve the feedback to be provided to the CCOs – NOT RECOMMENDED

40. Receive draft SOIs 2025/28 from Bay Venues, TAGT, TBOP, TMOTPL, The Charitable Trust and BOPLASS. Do not agree with the suggested shareholder comments outlined in this report, noting that WBOPDC will confirm shareholder feedback to TBOP at their upcoming Council meeting.

Advantages	Disadvantages
<ul style="list-style-type: none"> Council meets its legislative requirements under the Local Government Act (2002) by formally receiving the draft SOIs and deciding not to provide feedback within the required timeframe. 	<ul style="list-style-type: none"> The CCOs do not receive any useful information on Council's expectations about the content of their final SOIs. The final SOIs may contain inaccurate information or be misaligned with Council's strategic direction and expectations.

FINANCIAL CONSIDERATIONS

41. Budgets for all CCOs, including Council's contributions, are included in the draft SOIs.

LEGAL IMPLICATIONS / RISKS

42. If Council does not approve the provision of the suggested feedback to the CCOs, the final SOIs may not be consistent with Council's strategic direction and may contain inaccuracies (financial and governance risk).

TE AO MĀORI APPROACH

43. While the Te Ao Māori approach is important, the matters addressed in this report are of a procedural nature.

CLIMATE IMPACT

44. While climate impact is important, the matters addressed in this report are of a procedural nature.

CONSULTATION / ENGAGEMENT

45. It is not required or expected to consult on an SOI under the Local Government Act (2002).

SIGNIFICANCE

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

ENGAGEMENT







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

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

NEXT STEPS

50. A copy of this report and the resolutions will be provided to each CCO by 1 May 2025. WBOPDC will do the same following their upcoming Council meeting.
51. Any feedback provided in this report should be given consideration by the CCO boards when producing their final SOIs.
52. The final SOIs are to be provided to Council by 30 June 2025, and will be formally received at 15 July 2025 Council meeting.

ATTACHMENTS

1. **Bay Venues - Draft Statement of Intent 2025-2028 - A17910529 (Separate Attachments 1)** 
2. **TAGT - Draft Statement of Intent 2025-2028 - A17910532 (Separate Attachments 1)** 
3. **TBOP - Draft Statement of Intent 2025-2028 - A17910535 (Separate Attachments 1)** 
4. **TMoTPL - Draft Statement of Intent 2025-2028 - A17910540 (Separate Attachments 1)** 
5. **TMOTP Charitable Trust - Draft Statement of Intent 2025-2028 - A17911163 (Separate Attachments 1)** 
6. **BOPLASS - Draft Statement of Intent 2025-2028 - A17910531 (Separate Attachments 1)** 

11.9 Council-Controlled Organisations - Half-Year Reports 2024/25

File Number: A17123306

Author: Caroline Lim, CCO Specialist
Sam Fellows, Manager: City Partnerships

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

PURPOSE OF THE REPORT

1. The purpose of this report is for Tauranga City Council (TCC or Council) to formally receive the Half-Year Reports 2024/25 from six of its Council Controlled Organisations (CCOs) as required by the Local Government Act (2002).

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Council-Controlled Organisations - Half-Year Reports 2024/25".
- (b) Receives Bay Venues Limited's (Bay Venues) Half-Year Report (**Attachment 1**).
- (c) Receives Tauranga Art Gallery Trust's (TAGT) Half-Year Report (**Attachment 2**).
- (d) Receives Tourism Bay of Plenty's (TBOP) Half-Year Report (**Attachment 3**).
- (e) Receives Te Manawataki o Te Papa Limited's (TMOTPL) Half-Year Report (**Attachment 4**).
- (f) Receives Te Manawataki o Te Papa Charitable Trust's (The Charitable Trust) Half-Year Report (**Attachment 5**).
- (g) Receives Bay of Plenty Local Authority Shared Services Limited's (BOPLASS) Half-Year Report (**Attachment 6**).

EXECUTIVE SUMMARY

2. Council has a total of seven CCOs. These CCOs are required by the Local Government Act (2002) to provide Half-Year Reports regarding their financial and non-financial performance, against the activities, performance measures and financials outlined in their Statements of Intent (SOIs).
3. Note: the Local Government Funding Agency's Half-Year Report was presented to the City Delivery Committee on 7 April 2025.
4. These reports must be submitted by 28 February each year and Council's 28 April 2025 meeting is the first suitable meeting for the Half-Year Reports 2024/25 to be formally received.
5. Each CCO's report is provided as Attachments 1 to 6, with a short summary included in this covering report.
6. These reports have all met the legislative and SOI requirements as outlined in the Local Government Act (2002).
7. A CCO's Half-Year Report is a key indicator of how well it is performing. Overall, Council's CCOs are meeting their KPIs and have worked hard to ensure they continue to meet the expectations of Council and the community, as well as operating in a financially prudent manner.

Key highlights of the Half-Year Report 2024/25**8. Bay Venues as of 31 December 2024:**

- *Financial performance:* EBITDA is at \$111k, slightly behind budget (\$50k) but on track to achieve budget by year end.
- *Visitor numbers:* Over 1.1 million visitors across aquatics, community halls, community centres, sports and fitness, and Mercury Baypark facilities.
- *Achievements:* High customer satisfaction (87%), new revenue streams, and sustainability initiatives.

9. TAGT as of 31 December 2024:

- *Financial performance:* Achieved a surplus of \$168,432.
- *Achievements:* Delivering a suite of educational programmes and art talks, and securing new commercial partnerships.

10. TBOP as of 31 December 2024:

- *Financial performance:* Achieved a surplus of \$199,991 which was better than budgeted.
- *Achievements:* Cruise sector hosting and operator support, domestic and event marketing, leading cultural and sustainability initiatives, digital kiosk installations, and winning the 2024 Tourism Award for Industry Collaboration and Alignment for Flavours of Plenty.

11. TMOTPL as of 31 December 2024:

- *Financial performance:* Broke even with total revenue and expenses at \$368,582. Total expense in FY25 was 15.5% less than in FY24.
- *Achievements:* Completion of key public spaces like Masonic Park, and successful ongoing delivery of major projects such as the Te Manawataki o Te Papa Library/Community Hub.

12. The Charitable Trust as of 31 December 2024:

- *Achievements:* Completion of the title amalgamation and transfer for 'Site A' of the civic precinct, ensuring future development benefits the community.

13. BOPLASS as of 31 December 2024:

- *Financial performance:* Half-year surplus of \$442. Forecast to deliver savings of \$2.5 million to councils by year end.
- *Achievements:* Significant cost savings through joint procurement and shared services projects, including CCTV monitoring and cyber risk management.

14. Challenges faced by CCOs: The following challenges are proactively monitored and addressed by the CCOs to ensure they continue to meet their performance targets, and deliver value to both Council and the residents of Tauranga:

- *Bay Venues:* Current economic conditions, increased costs, and anti-social behaviour.
- *TAGT:* Operating without a physical site due to the Art Gallery refurbishment project, and the specific challenges of the refurbishment project.
- *TBOP:* The expected net deficit of \$300,000 by June 2025, despite sufficient cash reserves, requires careful financial management.
- *TMOTPL:* Unforeseen delays with the Art Gallery refurbishment, may incur additional costs and impact timelines.

BACKGROUND

Summary of the Half-Year Reports 2024/25

15. Bay Venues:

- Bay Venues report for the six months to 31 December 2024 is included as **Attachment 1**.
- Bay Venues is in a sound financial situation and is on track to achieve budget.
- Challenging economic conditions have impacted on revenue in some areas for Bay Venues and it has driven cost savings to offset this, whilst minimising any impact on the community. This has included some roles being disestablished from the organisation.
- New revenue generating initiatives have also been a focus including commercial leases, a digital billboard, and a partnership with The University of Waikato. Along with cost savings, these initiatives are helping ensure that Bay Venues is financially on track.
- Bay Venues is tracking well against all KPIs, including customer satisfaction (2% ahead of target).
- The Board welcomed a new intern, Sam Hastings, as part of Council's CCO Board Internship Programme.

16. TAGT:

- TAGT report for the six months to 31 December 2024 is included as **Attachment 2**.
- TAGT is in a sound financial situation and achieved a surplus of \$168,432.
- Despite operating without a physical site due to the Art Gallery refurbishment, TAGT is tracking well to achieve 12 of its KPIs.
- TAGT is busy preparing behind the scenes on the reopening of the Art Gallery in late 2025. Significant work is underway including working with the TCC project team on the fit out, along with fit out of the new collection site, and resource development to enhance the visitor experience.
- TAGT has delivered a suite of educational programmes and art talks including Frances Hodgkins @ Waihirere Lane, Ans Westra Book Launch @ Tauranga City Libraries, Claudia Jarman Lecture @ University of Waikato, and Playback @ The Strand.
- TAGT has secured a three-year new partnership with Craig's Investment Partners for the reopening, and other funding channels including the Lottery Grants Board for accommodating and protecting the Art Collection.
- The Board welcomed a new trustee and Mana Whenua representative Allanah Winiata-Kelly, who replaced Sylvia Wilkinson, and a new board intern Grace Hakaria, as part of Council's CCO Board Internship Programme.

17. TBOP:

- TBOP report for the six months to 31 December 2024 is included as **Attachment 3**.
- TBOP is in a sound financial situation and achieved a surplus of \$199,991, better than budgeted of a surplus of \$127,238.
- TBOP is tracking well to achieve all of its 10 KPIs, and continues to deliver key outcomes and work collaboratively with Council on a number of significant projects, including Te Manawataki o Te Papa, digital kiosks and wayfinding, major events promotion, and business climate change adaption.
- TBOP's achievements include hosting the cruise ship season and facilitating the visitation of 28 ships, 25 ship days, 50,219 passengers and 22,109 crew. Sixty-eight ships are scheduled for the second half of the FY2024/25 season.

- TBOP continues to elevate our region's cultural tourism proposition through the Native Nations indigenous youth exchange between Australia, Canada and New Zealand, and supporting the Ōmanawa Falls project.
- TBOP won the coveted 2024 Tourism Award for Industry Collaboration and Alignment for Flavours of Plenty, and was also a finalist in the same category for the Green Room sustainability programme.

18. **TMOTPL:**

- TMOTPL report for the six months to 31 December 2024 is included as **Attachment 4**.
- TMOTPL is in a sound financial situation and broke even with total revenue and expenses at \$368,582.
- TMOTPL is tracking well to achieve all of its 14 KPIs. The one KPI not measured is about developing and maintaining with TCC, contractors and consultants, a comprehensive risk register. As this register is proactively managed by TCC, it is not necessary for TMOTPL to maintain a separate one.
- TMOTPL has achieved the completion of key public spaces such as Masonic Park, Te Hononga Ki Te Awanui Stage 1, Waterfront Park North, and the Waterfront Playground. These projects have been warmly welcomed by the community and local businesses.
- TMOTPL is overseeing the ongoing projects of the Library/Community Hub, Civic Whare, Exhibition and Museum (CWEM), Haumarū Indoor Sports Centre (Cameron Road), 90 Devonport Road Administration Building, and the Tauranga Art Gallery Refurbishment.
- CWEM is scheduled to begin construction in May 2025, Haumarū is scheduled for completion April 2025, TCC staff will be able to relocate to 90 Devonport Road in April/May 2025, and the Tauranga Art Gallery refurbishment is scheduled for completion in Quarter 3 2025.
- Projects in design overseen by TMOTPL include the Central Waterfront Plaza and Wharewaka projects.
- TMOTPL has worked hard to build trusted and collaborative relationships with Council, the Otamātaha Trust, wider Council teams such as Spaces and Places, Library and Museum teams, other CCOs such as TAGT, TBOP and Bay Venues, the media, local businesses, and the general public.

19. **The Charitable Trust:**

- The Charitable Trust's report for the six months to 31 December 2024 is included as **Attachment 5**.
- The biggest highlight has been the completion of the title amalgamation, transfer and ground lease for 'Site A' of the civic precinct development – or the land between Hamilton Street, Willow Street, Wharf Street and Durham Street – to Te Manawataki o Te Papa Charitable Trust. This has formally recognised long-standing grievances associated with the site and provides certainty for how the land will be owned and used in the future, so that everyone in the community can benefit.
- The Charitable Trust continues to meet regularly with TCC and TMOTPL Board.
- The Charitable Trust continues to act as the cultural advisor to the TMOTPL Civic Development Advisory Group, to ensure that the Te Manawataki o Te Papa Civic Precinct Development project respects and reflects the significant history and importance of the area to mana whenua.
- The Charitable Trust recently conducted its annual general meeting on 5 November 2024. The Trustees resolved to appoint Mayor Mahé Drysdale as Chair of the Charitable Trust for the ensuing year, and to institute a policy of rotating the Chair position between the Otamātaha Trust and Tauranga City Council appointed trustees each year, starting from 2025.

20. BOPLASS:

- BOPLASS report for the six months to 31 December 2024 is included as **Attachment 6**.
- BOPLASS's progress to date shows all six KPIs are on track to be met.
- BOPLASS is in a sound financial situation and is forecast to return in excess of \$2.5 million in savings by end of the FY.
- Of interest to Council are the following joint procurement and shared services:
 - (a) *CCTV monitoring/crime prevention* – working together with NZ Police, BOPLASS is investigating establishing three regional hubs for CCTV monitoring across BOPLASS councils.
 - (b) *Insurance renewals* – by renewing insurance collectively through BOPLASS, this has achieved significant savings for the shareholder councils e.g. reduced premium rates and improved insurance terms.
 - (c) *Aerial imagery* – tender awarded for urban and rural orthophotography covering Taupō, Rotorua, Western Bay of Plenty, Gisborne and Tauranga regions.
 - (d) *Waste Operator and Licensing Data System* – BOPLASS and Waikato councils are working on the centralisation of the management of waste contractor licensing, significantly reducing the workloads for councils and providing improvements in waste data.
 - (e) *Cyber risk management* – full cyber insurance achieved through BOPLASS for all shareholder councils.
 - (f) *Artificial Intelligence* – BOPLASS has facilitated workshops and seminars with BOPLASS councils to identify opportunities for shared learnings.
- BOPLASS welcomed a new director, Steven Perdia, from Whakatāne District Council.

21. CCO purpose and OPEX financials:

CCO	Core purpose	OPEX grant forecast for FY2025/26 (based on Council's Long-term Plan 2024/34). <i>Note: Bay Venues, TAGT, TBOP and TMOTPL have been asked by Council to identify and implement no less than 7% OPEX cost savings for FY26.</i>
Bay Venues	Council's largest CCO and the kaitiaki of more than 20 community facilities. Connecting the community with exceptional experiences through hosting activities and events at community facilities across Tauranga including aquatic centres, indoor sport and fitness facilities, event venues, community centres and halls, and the Adams Centre for High Performance.	\$7,958,000
TAGT	Creating exceptional art experiences that engage, inspire, challenge and educate through exhibitions, public programmes and events.	\$1,534,540
TBOP	Leading the sustainable growth of the Western BOP visitor economy, the management of the region as a visitor destination, and the management of iSITE Visitor Information Centres at Tauranga, Mount Maunganui and the Port of Tauranga (during the cruise season only).	\$2,133,309 (includes iSITE Visitor Information Centres).
TMOTPL	Governing the effective delivery of a suite of projects across Tauranga city centre, to benefit the whole community.	\$778,625.

The Charitable Trust	<p>Owning the land referred to as 'Site A' of the Te Manawataki o Te Papa civic precinct (the site bounded by Durham, Hamilton, Wharf and Willow streets and includes Masonic Park), and to provide certainty on how the land will be used in the future, so that everyone in the community benefits.</p> <p>Supporting and encouraging the development of Site A of the civic precinct, including (but not limited to) a library, civic whare, museum and exhibition centre and the beautification of surrounding areas.</p> <p>The Charitable Trust's Statement of Intent outlines the following to complement the purpose of this CCO:</p> <ul style="list-style-type: none"> Formally recognise long-standing grievances associated with this land and provide certainty for how the land will be owned and used in the future, so that everyone in the community can benefit. Ensure that Te Manawataki o Te Papa development respects and reflects the significant history and importance of the area to mana whenua. Restore the original trust relationship to which our ancestors (both Māori and the Church Missionary Society) agreed. The relationship with mana whenua will be pivotal to the success of many of the outcomes to be achieved on the civic precinct site. 	<p>This CCO is a registered charity.</p> <p>Similar to the prior financial year's annual report, the accounts for the Charitable Trust are still at zero, with no transactions being processed as yet.</p>
BOPLASS	<p>Fostering collaboration in the delivery of shared services and joint procurement on behalf of the participating councils, maximising cost savings and developing opportunities for sharing of services. Council is one of nine shareholder councils.</p>	<p>No more than \$20,000.</p>

STATUTORY CONTEXT

22. In accordance with the SOI and the Local Government Act (2002), CCOs are required to report to Council on their financial and non-financial performance six monthly and annually.
23. The Half-Year Reports are helpful with tracking how Council's CCOs are performing for the first six months of the financial year.
24. Council's partnerships with its CCOs help successfully deliver community outcomes and facilitate Tauranga becoming a vibrant city that attracts businesses, people and visitors, is well planned, connected and inclusive.

STRATEGIC ALIGNMENT

25. The CCOs contribute to the promotion or achievement of the following strategic community outcome(s):

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

26. The CCOs actively work in partnership with Council, mana whenua and our community to achieve great outcomes, value for money, and delivering more with less resources. This is reflected in their SOIs and their performance against financial and non-financial measures.

OPTIONS ANALYSIS

27. There are no options as Council is formally receiving the Half-Year Reports 2024/25 from these CCOs.

FINANCIAL CONSIDERATIONS

28. The financial implications are outlined in the main body of this report and attachments.

LEGAL IMPLICATIONS / RISKS

29. There are no legal implications.
30. The Half-Year Reports 2024/25 meet the legislative requirements for the CCOs to provide Council with an overview of performance for the first half of the year against their SOIs on both financial and non-financial measures.

TE AO MĀORI APPROACH

31. Partnership with Mana Whenua is integral to the ecosystem of Council's CCOs. Their achievements in this space are outlined in their Half Year Reports.

CLIMATE IMPACT

32. CCOs' Half Year Reports outline their achievements towards achieving sustainable best practice.

CONSULTATION / ENGAGEMENT

33. It is not required or expected to consult on the Half-Year Reports 2024/25 under the Local Government Act (2002).

SIGNIFICANCE

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

ENGAGEMENT







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

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

NEXT STEPS

38. The CCOs' Half-Year Reports to 31 December 2024 will be made available to the public via TCC's website.

ATTACHMENTS

1. **Attachment 1 - Bay Venues Half Year Report 2024-25 - A17635790 (Separate Attachments 1)** 
2. **Attachment 2 - TAGT Half Year Report 2024-2025 - A17638634 (Separate Attachments 1)** 
3. **Attachment 3 - TBOP Half Year Report 2024-25 - A17635781 (Separate Attachments 1)** 
4. **Attachment 4 - TMoTPL Half Year Report 2024-25 - A17844141 (Separate Attachments 1)** 
5. **Attachment 5 - TMOTP Charitable Trust Half Year Report 2024-25 - A17635793 (Separate Attachments 1)** 
6. **Attachment 6 - BOPLASS Half Year Report 2024-25 - A17635778 (Separate Attachments 1)** 

11.10 Haumaru (Cameron Road Courts) Ownership and Operation**File Number: A17800359****Author: Sam Fellows, Manager: City Partnerships
Susan Braid, Finance Lead Projects Assurance****Authoriser: Gareth Wallis, General Manager: City Development & Partnerships****PURPOSE OF THE REPORT**

1. To provide options for the ownership of the land and buildings at 483 Cameron Road, the new multi-sport indoor courts facility, Haumaru.
2. To outline the additional operational grant required to allow Bay Venues to run both Queen Elizabeth Youth Centre (QEYC) and Haumaru concurrently.

RECOMMENDATIONS

That the Council:

- (a) Receives the report “Haumaru (Cameron Road Courts) Ownership and Operation”.
- (b) Approves the transfer of ownership of the 483 Cameron Road Haumaru building to Bay Venues, excluding the car park components, retaining ownership of the land and delegating to the Chief Executive the authority to agree sale and purchase and ground lease agreements with Bay Venues (Option 1).
OR
- (c) Retains ownership of the 483 Cameron Road Haumaru building and delegates the Chief Executive authority to agree a lease with Bay Venues (Option 2).
AND
- (d) Approves an additional operational grant of \$156,465 to Bay Venues for FY26 to cover the net cost of keeping the QEYC open and available for public use (Option 3).
OR
- (e) Does not approve an additional operational grant to Bay Venues noting Bay Venues will incur a loss in operating QEYC that will likely result in its inter-entity loan with Council increasing (Option 4).

EXECUTIVE SUMMARY

3. This paper requests a decision regarding the ownership and operational structure of the 483 Cameron Road Haumaru building, due to open on 12 May 2025. This facility is intended to serve as a multi-sport indoor courts complex, an Emergency Operating Centre, and includes public car parks.
4. The purpose of this report is to determine the most effective Haumaru ownership structure, and secure necessary funding to ensure both Haumaru and QEYC can remain operational concurrently.
5. The recommended approach is to transfer ownership of the Haumaru building to Bay Venues while retaining ownership of the land.
6. This approach is consistent with the Enduring Statement of Expectations Funding Principles in regard to the management, maintenance and agreed ownership of building assets.
7. It is consistent with the long-held direction that to deliver the best possible return to ratepayers, the entity (Bay Venues in this case) should own, operate and be responsible for

delivering the best value-for-money from the asset, including ongoing maintenance and renewals.

8. This approach also optimises operational efficiency and community service delivery through having the facility operated consistently with other community venues.
9. The recommended approach is also to provide an additional operational grant of \$156,465 to ensure the QEYC remains open, supporting ongoing community needs.
10. Following the decisions, appropriate legal arrangements will be agreed with Bay Venues.

Financial summary

11. Ownership structure decision:

No net impact on debt or rates requirement at a consolidated level regardless of the decision made. To proceed with the transfer of the building to Bay Venues would ensure financial reporting consistency with other indoor courts assets, and would provide more transparency around the net cost of running these facilities to guide the setting of appropriate user fees and charges. Operational efficiencies can be gained by ensuring the assets are treated the same as all similar Council/Bay Venues assets.

12. Operational grant funding for QEYC decision:

If the additional operational grant funding of \$156k is agreed, this will have a direct impact on the rates requirement for the 2026 Annual Plan. Following recent Bay Venues conversations with QEYC users, there is a risk the net shortfall may be closer to \$203k. If the operational grant funding is not agreed and an offset cannot be found elsewhere within Bay Venues' operational budgets, this loss would need to be funded by increasing Bay Venues' inter-entity loan with Council.

BACKGROUND

13. On 11 December 2023, Council approved a project to develop the former Warehouse building at 483 Cameron Road into a multi-sport indoor court facility comprising of four full-sized basketball courts, along with a reception area, tournament control room, storage, new toilets and changing facilities, including accessible provisions as required for the expected occupancy, and to meet the building code.
14. Following this decision, on 20 May 2024, the Council approved that the Cameron Road building remain in Council ownership and a lease or heads of agreement be executed to ensure Bay Venues have the necessary ability to operate and maintain a community indoor court facility.
15. In this meeting, the Council also approved the conversion of a section of the mezzanine floor for the purpose of establishing an Emergency Operating Centre (EOC).
16. On 12 November 2024, the Council, in a separate but related matter, decided to delay construction of the Memorial Park Aquatic Centre project. This means that the QEYC, that was due to be demolished as part of the project, can be kept open resulting in the three community multi-sport courts being retained alongside the four new courts at Haumarū.
17. Haumarū is set to open on 12 May 2025. The work on the mezzanine is set to start once the main project on the multi-sport court space is complete.

OWNERSHIP STRUCTURE

18. Haumarū will host three distinct activities; community indoor sports use, an EOC, and public car parking.
19. In the 20 May 2024 report, two options for ownership were presented; Bay Venues owns the facility and Council have an agreement to use certain areas, or; Council retains ownership and Bay Venues leases the facility. We now propose Council retains ownership of the land and the building ownership is transferred to Bay Venues with an agreement in place for the EOC to be used as and when it is required. This would include the provision for Council to

take over the whole building in a major emergency (similar to current arrangements at the Arena at Baypark).

20. While there are requirements and regular use of the area designated to the EOC, the building will be used predominantly for community sport and recreation. By transferring it to Bay Venues it will ensure:
 - (a) Consistency with the ownership structure of other buildings already managed by Bay Venues.
 - (b) Operational efficiencies and consistency of community service delivery e.g. the ability for Bay Venues to respond to maintenance and renewals as they will have staff onsite to coordinate repairs and replacements.
 - (c) A better reflection of the net cost of service for Haumaru if Bay Venues accounts for revenues, as well as operational costs, debt servicing, and depreciation associated with this facility. This will also help ensure user fees are set at an appropriate level to cover a reasonable portion of the costs.
 - (d) Driving the best possible return to ratepayers through owning, operating and being responsible for delivering the best value-for-money from the asset, including ongoing maintenance and renewals.
21. For all facilities owned and managed by Bay Venues on behalf of Council, TCC has normally retained ownership of the land underneath the buildings. This helps minimise financial risk of losing land assets i.e. if land assets were transferred to Bay Venues and the company went into liquidation, these assets may be lost.
22. There is also a good opportunity for Council to manage the undercover car parking on the site as paid public parking on weekdays. Council currently has systems and processes in place to manage public car parking. Council would own and manage the parking area together with the ramps and be responsible for the ongoing maintenance of this aspect of the building. Bay Venues would be responsible for the aspects of the building that relate to the work they do, noting that they have significant expertise in running and maintaining indoor sports facilities.
23. The land (car park) component of this asset is proposed to remain with TCC (~\$12.5m) and the building transferred to Bay Venues (~\$14.3m). The debt associated with the building asset is proposed to remain 80% with Council and 20% with Bay Venues (in accordance with the Enduring Statement of Expectations Funding Principles).

OPERATIONAL GRANT FUNDING

24. When the project was approved on 11 December 2023, Haumaru was intended to replace the QEYC that was planned to be demolished to make way for the proposed Memorial Park Aquatic Centre. While it is beneficial that extra court space will be available, the additional cost to operate both Haumaru and QEYC concurrently was never budgeted for. Bay Venues is seeking additional operating subsidy to cover the cost of operating the facilities after user fees.
25. Under the assumption QEYC was closing, Bay Venues was going to transfer staff at QEYC to Haumaru along with some equipment. Renewal budgets were to be used to purchase equipment that could not transfer.
26. As this is no longer the case, staff will be required to operate both facilities and some additional equipment will be needed in each. While Bay Venues has worked to ensure that costs are minimised in doing this, there is still an additional cost associated with running an additional facility.
27. Bay Venues' community facilities do not make a profit as the cost to operate them is not fully covered by the user fees they generate. Ideally, user fees will cover a large proportion of the day-to-day operating costs of each facility. The difference is covered primarily by Council

providing an operating subsidy that recognises the wider public benefit of operating these community facilities. This is normal for Tauranga and all other Councils around the country.

28. Bay Venues works hard to deliver these community facilities as efficiently as possible and are constantly balancing how to maximise use, manage costs and increase revenue, all while trying to host a diverse programme of activity that reflects the needs of the wider community.
29. While some user groups have more capacity to accommodate short-term growth than others, they will all need to expand their staff/volunteer base to accommodate expanded operation. Many will also need to apply for additional funding, which takes time and is harder to secure due to the current economic environment. Further, without a long-term plan for indoor court facilities, sports codes are somewhat hesitant about committing to resourcing programmes if the future is uncertain. They are aware that funding is being requested for QEYC for FY26 only at this stage, and that the network plan for court facilities is yet to be confirmed.
30. Bay Venues has worked with sports and recreation users, and has agreed bookings for Terms 2 and 3 then extrapolated those into Terms 4 and 1 (an evidence-based approach for requesting the additional subsidy).
31. Bay Venues has changed the operating model, only opening the facilities when there are guaranteed bookings, meaning there are certain days when QEYC will not be open in the daytime. If this changes in the future, Bay Venues will open longer to accommodate requested community bookings. It is worth noting that both facilities (QEYC and Haumaru) are already fully booked at peak times.

STATUTORY CONTEXT

32. Council allocated funds to this project via the 11 December 2023 Council meeting.
33. Council approved that the building remained in Council ownership on 20 May 2024. This report revisits this decision and seeks confirmation of funding for operations of the QEYC.
34. With either option, contractual agreements will need to be agreed with Bay Venues, either a sale and purchase and ground lease, or a lease of the building.

STRATEGIC ALIGNMENT

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

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

36. The construction and operation of the facility (including the car parking portion) contributes to the successful delivery of Council's strategic and operational objectives. The development of carparking provides additional carparking in the area, and park and ride options. The development of the facility provides additional recreation space, and space for Emergency Management.

OPTIONS ANALYSIS

OPTION 1 – TRANSFER OWNERSHIP OF THE BUILDING TO BAY VENUES (RECOMMENDED)

37. Transfer of ownership of the 483 Cameron Road building (Haumaru) to Bay Venues, excluding the car park components, and retain ownership of the land.

38. Cost: Debt associated with the building and fitout (budgeted around \$14.3m) would be split per the Enduring Statement of Expectations Funding Principles. 80% of the debt (~\$11.5m) would remain with TCC and be recognised as increased investment in Bay Venues (equity), and 20% of the debt (~\$2.9m) would be added to Bay Venues' inter-entity loan with TCC.
39. Key risks: Perception of transferring ownership.

Advantages	Disadvantages
<ul style="list-style-type: none"> Consistent with other community facilities. Maintenance is completed in line with other Bay Venues operational maintenance and creates operational efficiencies, and service delivery efficiencies. Council maintains ownership of land and parking infrastructure (and ownership of the building indirectly through its ownership of Bay venues). A better reflection of the net cost of service for Haumaru if Bay Venues accounts for all revenues and costs. Consistent with the existing Enduring Statement of Expectations Funding Principles. Consistent with the long-held direction that to deliver the best possible return to ratepayers, the entity (Bay Venues in this case) should own, operate and be responsible for delivering the best value-for-money from the asset, including ongoing maintenance and renewals. 	<ul style="list-style-type: none"> There may be some perception around transferring ownership.

OPTION 2 – RETAIN OWNERSHIP OF THE LAND AND BUILDINGS AND LEASE THE BUILDING TO BAY VENUES

40. Retain ownership of the land and buildings and lease the building to Bay Venues.
41. Cost: Debt associated with the building and fitout (budgeted around \$14.3m) would be entirely held by TCC.
42. Key risks: Inconsistent with other community assets and the maintenance arrangement will be more complex.

Advantages	Disadvantages
<ul style="list-style-type: none"> Council maintains direct ownership of all assets on site. 	<ul style="list-style-type: none"> Not consistent with other community facilities. Maintenance not completed in line with other Bay Venues operational maintenance. Does not provide the best reflection of net costs between Council and Bay Venues.

OPTION 3 – APPROVE ADDITIONAL OPERATIONAL GRANT (RECOMMENDED)

43. Approves an additional operational grant of \$156,465 to Bay Venues for FY25/6 to cover the net cost of keeping the QEYC open concurrently.
44. Cost: \$156,465 additional rates-funded operational grant in FY26.
45. Key risks: Rating impact of providing further funding.

Advantages	Disadvantages
<ul style="list-style-type: none"> Ensures the ability to operate the facility without reducing Bay Venues' delivery and/or levels of service. 	<ul style="list-style-type: none"> Increased direct cost to Council.

- | | |
|--|--|
| <ul style="list-style-type: none"> • Would help ensure that Bay Venues can maintain a breakeven budget position as agreed within the Enduring Statement of Expectations Funding Principles. | |
|--|--|

OPTION 4 – NOT APPROVE ADDITIONAL OPERATIONAL GRANT

46. Does not approve an additional operational grant of \$156,465 to Bay Venues for FY26 to cover the net cost of keeping the QEYC open concurrently with Haumaruru, noting that if Bay Venues operates at a deficit this would increase the inter-entity loan with Council.
47. Cost: Nil.
48. Key risks: Impact on service delivery and/or levels of service elsewhere to cover the costs of supporting an additional facility.

Advantages	Disadvantages
<ul style="list-style-type: none"> • No immediate additional operational cost to Council. 	<ul style="list-style-type: none"> • Impact on the ability to operate the facility without reducing Bay Venues delivery and/or levels of service. • As a subsidiary of Council, any deficit incurred by Bay Venues is transferred to its loan balance with Council, which will ultimately impact annual interest grant funding required • Inconsistent with the balanced budget directive.

FINANCIAL CONSIDERATIONS

OWNERSHIP STRUCTURE

49. If it is agreed to transfer the building to Bay Venues upon completion of construction in May 2025, debt associated with the building and fitout (budgeted around \$14.3m) would be split per the Enduring Statement of Expectations Funding Principles. 80% of the debt (~\$11.5m) would remain with TCC and be recognised as increased investment in Bay Venues (equity), and 20% of the debt (~\$2.9m) would be added to Bay Venues' loan with TCC.
50. The debt transfer to Bay Venues would require an adjustment to the annual interest grant provided by TCC, however given the interest costs associated with the building debt is already budgeted through a TCC rates-funded activity, this would have no net rates impact on the 2026 Annual Plan (and beyond). If it is agreed to transfer ownership of the asset to Bay Venues then these changes would be actioned prior to adoption of the final 2026 Annual Plan.
51. If ownership transfer is agreed, the annual depreciation budget associated with the building and fitout would transfer from TCC's Spaces & Places activity to the Bay Venues activity (no net rates impact). Bay Venues' depreciation reserve is currently held by TCC. Bay Venues would be responsible for programming renewals required for Haumaruru through future planning cycles and would draw from this TCC-held depreciation reserve as is the case for other Bay Venues owned assets.
52. Similarly, the insurance budget associated with the building asset would be transferred from TCC to Bay Venues if the decision is made to transfer ownership. This will require an increase to Bay Venues' operational grant funding of \$27,000, with an offsetting increase to TCC's insurance recoveries (no net rates impact).

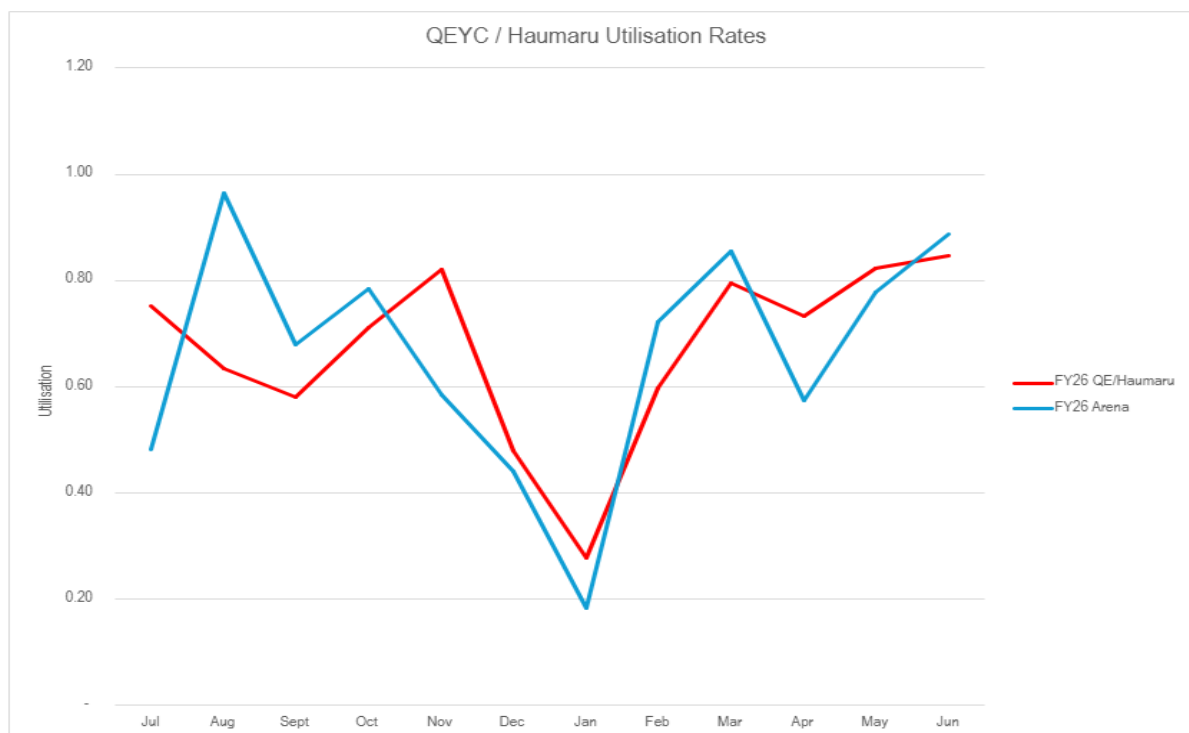
OPERATIONAL GRANT FUNDING

53. The financial table below shows how the budget is proposed to be split between QEYC and Haumaruru for FY26.

54. Based on reduced opening hours, the below staffing allowance has been made for QEYC and Haumarū.

Current for QEYC	New for both QEYC & Haumarū
1 x Venue Supervisor 40 hours per week (also oversees Mount Sports Centre, Merivale & Aquinas)	1 x Venue Supervisor 40 hours per week
1 x Venue Attendant 35.75 hours per week	1 x Venue Supervisor 38 hours per week (also oversees Mount Sports Centre, Merivale & Aquinas)
1 x Venue Attendant 22.25 hours per week	1 x Venue Attendant 36.5 hours per week
1 x Venue Attendant 15 hours per week	1 x Venue Attendant 36 hours per week
1 x Venue Attendant 13.75 hours per week	1 x Venue Attendant 34 hours per week
	1 x Venue attendant 18 hours per week

55. Bay Venues has now completed the bookings process with the users (sports and recreation groups). Utilisation rates across both facilities sits at 66%, with peak times being 100% utilised. This is comparable to the Baypark Arena 6 court. See graph below showing booked utilisation across the year at QEYC/Haumarū compared to the Baypark Arena.



56. The current QEYC budget for FY25 has effectively been transferred through to the new Haumarū facility, including the required reduction to the operating grant of minimum 7% (actual 8.5%) as part of cost savings requested by Council.
57. Bay Venues overheads will be absorbed within the original QEYC budget being transferred to Haumarū, noting this is less than FY25 due to cost savings initiatives already implemented.
58. Bay Venues has now worked with users to confirm bookings and this has driven staffing and opening times required at both facilities. Based on the confirmed bookings (utilisation) and opening times, staffing and other expenses have been calculated as below and the shortfall is expected to be \$202,855 for FY26.
59. Employee expenses includes an apportionment for management and the bookings coordinator roles, as well as ACC, Kiwisaver, Holiday Pay, Sick Leave, Public holiday allowances, training and development and uniforms.
60. Operational expenses include electricity, rates, water, cleaning and security.

	FY25 Combined	FY26 QEYC	FY26 Haumaru	FY26 Combined
User Fees	306,590	149,486	279,543	429,028
TCC Operating Grant	292,153	TBC	267,335	267,335
Total Revenue	598,743	149,486	546,878	696,363
Cost of Goods Sold	9,104	6,858	6,370	13,228
Employee Expenses	281,585	213,256	279,668	492,924
Admin Expenses	10,386	7,111	7,111	14,222
Marketing	13,048	2,400	9,000	11,400
Operational Expenses	120,341	102,855	113,118	215,973
R&M Expenses	21,488	19,861	19,499	39,360
Overhead Allocation	142,790	NA	112,111	112,111
Total Expenditure	598,742	352,340	546,878	899,218
Net Surplus/(Deficit)	0	(202,855)	0	(202,855)

61. In early March 2025, Bay Venues provided an estimate to Elected Members of \$156,465 additional operating grant funding required to keep QEYC open. This figure was based on assumptions around bookings, user fees, and employee expenses available at the time.
62. Bay Venues requests Council provide additional operating subsidy of \$156,465 to keep QEYC open based on its previous estimate, despite this being less than the final projected cost of \$202,855. Bay Venues proposes to absorb the \$46,390 difference and will work with users to try to maximise use as much as possible in off peak times.

LEGAL IMPLICATIONS / RISKS

63. A requirement to negotiate leases and transfer documentation depending on the option selected.

TE AO MĀORI APPROACH

64. The name of the facility Haumaru was gifted by mana whenua representatives.
65. Provides additional space for recreational (including cultural) activities.

CLIMATE IMPACT

66. No change to current impact of the project; does provide opportunities for park and ride options.

CONSULTATION / ENGAGEMENT

67. No additional consultation is required and staff have been working with Bay Venues on the formation of these options.

SIGNIFICANCE

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

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

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

ENGAGEMENT

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

NEXT STEPS

72. Whichever option is chosen, Council will work with Bay Venues to finalise the appropriate arrangements and agreements.
73. Amend budgets as required prior to the adoption of the 2026 Annual Plan.

ATTACHMENTS

Nil