



AGENDA

City Delivery Committee meeting Wednesday, 4 June 2025

I hereby give notice that a City Delivery Committee meeting will be held on:

Date: Wednesday, 4 June 2025

Time: 9.30am

**Location: Tauranga City Council Chambers
Level 1 – 90 Devonport Road
Tauranga**

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

**Marty Grenfell
Chief Executive**

Terms of reference – City Delivery Committee

Common responsibility and delegations

The following common responsibilities and delegations apply to all standing committees.

Responsibilities of standing committees

- Establish priorities and guidance on programmes relevant to the Role and Scope of the committee.
- Provide guidance to staff on the development of investment options to inform the Long Term Plan and Annual Plans.
- Report to Council on matters of strategic importance.
- Recommend to Council investment priorities and lead Council considerations of relevant strategic and high significance decisions.
- Provide guidance to staff on levels of service relevant to the role and scope of the committee.
- Establish and participate in relevant task forces and working groups.
- Engage in dialogue with strategic partners, such as Smart Growth partners, to ensure alignment of objectives and implementation of agreed actions.
- Confirmation of committee minutes.

Delegations to standing committees

- To make recommendations to Council outside of the delegated responsibility as agreed by Council relevant to the role and scope of the Committee.
- To make all decisions necessary to fulfil the role and scope of the Committee subject to the delegations/limitations imposed.
- To develop and consider, receive submissions on and adopt strategies, policies and plans relevant to the role and scope of the committee, except where these may only be legally adopted by Council.
- To consider, consult on, hear and make determinations on relevant strategies, policies and bylaws (including adoption of drafts), making recommendations to Council on adoption, rescinding and modification, where these must be legally adopted by Council.
- To approve relevant submissions to central government, its agencies and other bodies beyond any specific delegation to any particular committee.
- Engage external parties as required.

Terms of reference – 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 Cr Hēmi Rolleston Mayor Mahé Drysdale (ex officio) Jacqui Rolleston-Steed - Tangata Whenua Representative
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 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.
 - 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.

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- 1 OPENING KARAKIA**
- 2 APOLOGIES**
- 3 PUBLIC FORUM**
- 4 ACCEPTANCE OF LATE ITEMS**
- 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**
- 6 CHANGE TO ORDER OF BUSINESS**

7 CONFIRMATION OF MINUTES

7.1 Minutes of the City Delivery Committee meeting held on 7 April 2025

File Number: A17960002

Author: Caroline Irvin, Governance Advisor

Authoriser: Clare Sullivan, Team Leader: Governance Services

RECOMMENDATIONS

That the Minutes of the City Delivery Committee meeting held on 7 April 2025 be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of the City Delivery Committee meeting held on 7 April 2025



MINUTES

**City Delivery Committee meeting
Monday, 7 April 2025**

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**MINUTES OF TAURANGA CITY COUNCIL
CITY DELIVERY COMMITTEE MEETING
HELD AT THE BAY OF PLENTY REGIONAL COUNCIL CHAMBERS, 1 ELIZABETH STREET,
TAURANGA
ON MONDAY, 7 APRIL 2025 AT 9.32AM**

MEMBERS PRESENT: Cr Kevin Schuler (Chairperson), Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Rod Taylor (online), Mayor Mahé Drysdale, Tangata Whenua Member Jacqui Rolleston-Steed.

IN ATTENDANCE: Gareth Wallis (General Manager: City Development & Partnerships), Barbara Dempsey (General Manager: Community Services), Kathryn Sharplin (Finance Manager), Sheree Covell (Treasury and Financial Compliance Manager), Jeremy Boase (Manager: Strategy & Corporate Planning), Lisa Gilmore, (City Partnerships Specialist), Caroline Lim (CCO Specialist), Emily McLean (Programme Lead: City Development), Sonya McCall (Open Space & Community Facilities Planner), Alison Law (Manager: Spaces & Places), Ana Hancock (Team Leader: Design), Clare Sullivan (Team Leader: Governance Services), Caroline Irvin (Governance Advisor).

EXTERNAL: Jade Kent, Office Executive - Film Bay Of Plenty

Timestamps are included beside each of the items and relate to the recording of the meeting held on 7 April 2025 at [Council Website](#).

CO-CHAIR TO CHAIR THE MEETING

The City Delivery Chairperson, Cr Jen Scoular, vacated the chair in order for the Committee's co-chair, Cr Kevin Schuler, to chair the meeting.

WELCOME TO TANGATA WHENUA MEMBER JACQUI ROLLESTON-STEED

The Chair welcomed Tangata Whenua Member Jacqui Rolleston-Steed to the Committee.

1 OPENING KARAKIA

Cr Schuler opened the meeting with a prayer.

2 APOLOGIES

Nil

Cr Taylor (attending online) advised he had to leave the meeting at 10.30am.

3 PUBLIC FORUM

TIMESTAMP 8:

3.1 Barry Scott - Establishment of a Trial Community Committee

Key Points

- Connecting with the community was an election campaign promise. Trust and confidence between Council and the public was crucial.
- Previously, the Commission had declined establishing community boards and community forums.
- This was now a direct request to the new Councillors to establish a joint Arataki/Papamoa Community Committee on a trial basis. There were many local people prepared to support this.

In response to questions

- A community committee would do a supplementary job to Council, working at a grass roots level, dealing with issues such as parking and parks that affect lives on a daily basis. They would form a collaborative working relationship with Council.

Action

- That Community Relations staff organise a workshop for Councillors to discuss the benefits of community committees and connect with Mr Scott.

TIMESTAMP 22:

3.2 Deborah Turner - Bus Stops and Road Safety

Key Points

- Mount Maunganui bus stops needed more space to improve safety as there had been a big increase in school and other buses.
- There needed to be bigger signs and not small stickers at every bus stop to tell people to wave to stop the bus.
- Papamoa Plaza and Greerton only had one bus stop that serviced many buses. Papamoa needed a park n' ride facility. The bus stop on corner of 17th Avenue and Clarke Street was dangerous as it was a blind corner.
- It was Council's responsibility to make bus stops safe. This was important for passengers, in particular children and the elderly.

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO ORDER OF BUSINESS

Nil

7 CONFIRMATION OF MINUTES

TIMESTAMP 30:40

7.1 Minutes of the City Delivery Committee meeting held on 10 March 2025

Action

That staff provide an updated action schedule as with this item going forward.

COMMITTEE RESOLUTION CDC/25/2/1

Moved: Deputy Mayor Jen Scoular

Seconded: Cr Marten Rozeboom

That the Minutes of the City Delivery Committee meeting held on 10 March 2025 be confirmed as a true and correct record.

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Nil

9 BUSINESS

TIMESTAMP 33:30

9.1 Film Bay of Plenty - Update

Staff Lisa Gilmore, City Partnerships Specialist
Gareth Wallis, General Manager: City Development & Partnerships

External Jade Kent, Film Bay of Plenty, Manager

Action

- That Film BOP include additional information on quantification of direct and indirect spending in the Bay of Plenty as a result of their activities, in their future Annual Reports.

COMMITTEE RESOLUTION CDC/25/2/2

Moved: Cr Kevin Schuler

Seconded: Cr Steve Morris

That the City Delivery Committee:

- (a) Receives the report "Film Bay of Plenty - Update".

CARRIED

TIMESTAMP 51:30

9.2 Local Government Funding Agency - Half Year Report 2024/25

Staff Caroline Lim, CCO Specialist
Sheree Covell, Treasury & Financial Compliance Manager
Kathryn Sharplin, Finance Manager

Actions

- That staff inform Councillors on how to access the four sustainability videos mentioned in this report.
- That staff provide information on Local Government Funding Agency KPI's and whether they are being met in the executive summary of these reports and, the specific examples of advantages gained in terms of Local Government Funding Agency financing (e.g; green loans), in reporting going forward.

COMMITTEE RESOLUTION CDC/25/2/3

Moved: Cr Glen Crowther

Seconded: Cr Marten Rozeboom

That the City Delivery Committee:

- (a) Receives the report "Local Government Funding Agency - Half Year Report 2024/25".
- (b) Receives the Local Government Funding Agency's report on its performance for the six months to 31 December 2024 (Attachment 1), and the Local Government Funding Agency's Letter to its shareholder members regarding its Half Year Report (Attachment 2).

CARRIED

At 10.35am, Cr Rod Taylor left the meeting.

TIMESTAMP 1:01:20

9.3 Tauranga City Council Bespoke LGFA Borrowing Covenant and S&P update on Credit Rating

Staff Kathryn Sharplin, Finance Manager
Sheree Covell, Treasury & Financial Compliance Manager

COMMITTEE RESOLUTION CDC/25/2/4

Moved: Deputy Mayor Jen Scoular

Seconded: Mayor Mahé Drysdale

That the City Delivery Committee:

- (a) Receives the report "Tauranga City Council Bespoke LGFA Borrowing Covenant and S&P update on Credit Rating".
- (b) Notes that Council has received approval from LGFA for a bespoke borrowing covenant of up to 350% net debt to revenue ratio, with an effective limit of 330%. This lower effective limit reflects a condition of the covenant that Council retains a minimum of 20% debt headroom.

- (c) Approves the change to the Liability Management section of the Treasury Policy to recognise the 330% LGFA covenant increase.
- (d) Notes one of the conditions of the covenant is to maintain a balanced budget (over 100%) as calculated under the Local Government (Financial Reporting and Prudence) Regulations 2014. TCC complies with this condition for the draft 2025/26 Annual Plan.
- (e) Notes that the LGFA borrowing covenant is higher than Tauranga City Council's existing limit on borrowing as set in the Financial Strategy to the 2024-34 Long-term Plan which is 280%, and that the draft 2025/26 Annual Plan projects a debt to revenue ratio of 258% which is within Council's existing borrowing limits.
- (f) Agrees that decisions yet to be made on local waters done well and future decisions around the capital programme through the following year's (2026/27) Annual Plan and the 2027-37 long-term plan will have an impact on future Council decisions regarding its borrowing limit.

CARRIED

TIMESTAMP 1:26:23

9.4 Local Government Funding Agency - Draft Statement of Intent 2025/28 and Letter of Expectations 2025/26

Staff Caroline Lim, CCO Specialist
Kathryn Sharplin, Finance Manager

COMMITTEE RESOLUTION CDC/25/2/5

Moved: Tangata Whenua Member Jacqui Rolleston-Steed

Seconded: Cr Marten Rozeboom

That the City Delivery Committee:

- (a) Receives the report "Local Government Funding Agency - Draft Statement of Intent 2025/28 and Letter of Expectations 2025/26".
- (b) Receives the Local Government Funding Agency's draft Statement of Intent 2025/28 (Attachment 1).
- (c) Receives the Local Government Funding Agency Shareholders' Council Letter of Expectations 2025/26 to the Local Government Funding Agency Board (Attachment 2).
- (d) Receives the Local Government Funding Agency's Letter to its Shareholders on its draft Statement of Intent 2025/28 (Attachment 3).
- (e) Notes that Tauranga City Council may provide feedback on the draft Statement of Intent either directly to LGFA, or through the Shareholders Council if there are matters it would like to be considered before the Statement of Intent is finalised.

CARRIED

At 11.09am the meeting adjourned.

At 11.25am the meeting reconvened.

TIMESTAMP 1:55:20

9.5 Annual Residents Survey - Wave Three Results

Staff Jeremy Boase, Manager: Strategy & Corporate Planning

COMMITTEE RESOLUTION CDC/25/2/6

Moved: Cr Glen Crowther

Seconded: Cr Steve Morris

That the City Delivery Committee:

- (a) Receives the report "Annual Residents Survey - Wave Three Results". Include net scores
- (b) Requests that the Annual residents survey reports in future include net scores, being the total of satisfied minus dissatisfied.

CARRIED

TIMESTAMP 2:11:55

9.6 Play Space Investment Prioritisation for FY25-26

Staff Sonya McCall, Open Space & Community Facilities Planner
Ross Hudson, Manager Strategic Planning and Partnerships, Spaces and Places
Alison Law, Manager: Spaces & Places

Actions

- That staff ensure grass roots decisions (e.g. playground investment) are included in the next Annual Plan consultation.
- That staff provide a list of the projects Council is currently consulting on, on its website.

COMMITTEE RESOLUTION CDC/25/2/7

Moved: Cr Kevin Schuler

Seconded: Cr Glen Crowther

That the City Delivery Committee:

- (a) Receives the report "Play Space Investment Prioritisation for FY25-26".
- (b) Agrees the Financial Year 2026 play investment programme, which allocates existing budgets, and approves engagement to commence following adoption of the Annual Plan 2026.
- (c) Endorses the Financial Year 2027 play investment programme, which allocates existing budgets, pending Annual Plan 2027, to enable engagement to commence.

CARRIED

TIMESTAMP 2:38:38

9.7 Aspen Reserve Upgrade Options

Staff Ana Hancock, Team Leader: Design
Emily McLean, Programme Lead: City Development

Action

- That staff organise a workshop for Councillors to agree on an acceptable scope for the Aspen Reserve work/upgrades from a safety and security perspective, consistent with a value for money approach and provide information on the operational expenditure.

RECOMMENDATIONS

That the City Delivery Committee:

- (a) Receives the report "Aspen Reserve Upgrade Options".
- (b) Approves Option 2 for the development of Aspen Reserve.

A MOTION WAS PROPOSED:

Moved: Cr Curach

Seconded: Cr Morris

- (b) Approves option (3); do not undertake any enhancement of Aspen Reserve.

A PROCEDURAL MOTION WAS THEN MOVED

Moved: Mayor Drysdale

Seconded: Cr Baker

- (a) That the report lie on the table in order for Councillor's to discuss more value-for-money options for the upgrade of Aspen Reserve.

CARRIED UNANIMOUSLY

COMMITTEE RESOLUTION CDC/25/2/8

Moved: Mayor Mahé Drysdale

Seconded: Cr Hautapu Baker

- (a) That the report lie on the table in order for Councillor's to discuss more value-for-money options for the upgrade of Aspen Reserve.

CARRIED

Reasons for the report to lie on the table:

- Staff will organise a workshop for Councillors to enable them to agree on an acceptable scope for the Aspen Reserve work/upgrades from a safety and security perspective, consistent with a value for money approach and provide information on the operational expenditure.
- A need for Councillors to understand broader decisions around the Annual Plan and the impact on City Centre budgets before making a decision

10 DISCUSSION OF LATE ITEMS

Nil

11 CLOSING KARAKIA

Cr Steve Morris closed the meeting with a karakia.

The meeting closed at 12:50pm.

The minutes of this meeting were confirmed as a true and correct record at the City Delivery Committee meeting held on 4 June 2025.

.....
insert name
CHAIRPERSON

8 DECLARATION OF CONFLICTS OF INTEREST

9 BUSINESS

9.1 Status Update on Actions from Prior City Delivery Committee Meetings

File Number: A17966341

Author: Caroline Irvin, Governance Advisor

Authoriser: Alastair McNeil, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. This report provides a status update on actions requested by this Committee during previous meetings, excluding actions arising directly from resolutions. This is the first recurring report.

RECOMMENDATIONS

That the City Delivery Committee:

- (a) Receives the report "Status Update on Actions from Prior City Delivery Committee Meetings".
- (b) Notes that this is a recurring report, which will be provided to each subsequent meeting of this Committee.
- (c) Notes any requested improvements for future iterations of this report.

BACKGROUND

2. In early December 2024, Elected Members agreed that non-resolution-related actions requested during Committee or Council meetings should be explicitly recorded in the meeting minutes.
3. From May 2025, a status update on actions requested by each of the Audit and Risk, City Delivery, and City Future Committees is reported to each subsequent meeting of that Committee; and actions from Council meetings is reported to every second Council meeting.
4. Each report will include actions completed since the last report, but will not re-report previously completed actions. Previously completed and reported actions will be archived.

DISCUSSION



5. The first actions status update report for the City Delivery Committee is provided as **Attachment 1** to this report, and is summarised in the table below¹:

Status of actions	No. actions
Closed (completed since the last report)	33
In progress	5
Pending (waiting on something)	6

¹ This report also includes actions from the previous Accountability, Performance & Finance Committee and Community, Transparency & Engagement Committee.

To be actioned	3
Total actions included in this report	47

ATTACHMENTS

1. **Actions from City Delivery Committee - status update 27 May 2025 - A18239229**  

City Delivery Committee				Actions status update as at: 27 May 2025			
Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
2025							
7 Apr 2025	3.1	Public Forum: Barry Scott – Establishment of a Trial Community Committee	Suggest Community Relations undertake a trial of a community committee		To be actioned		Alastair McNeil
7 Apr 2025	9.1	Film Bay of Plenty - Update	That Film BOP include additional information on quantification of direct and indirect spend in the Bay of Plenty as a result of their activities, in their future Annual Reports	Staff provided this information/instruction to Film BOP.	Closed	1 May 2025	Gareth Wallis
7 Apr 2025	9.2	Local Government Funding Agency – Half Year Report 2024/25	That staff provide the link to the 4x sustainability videos out to all EMs.		To be actioned		Nic Johansson
7 Apr 2025	9.2	Local Government Funding Agency – Half Year Report 2024/25	That staff provide information on LGFA KPI's and whether they are being met in reporting going forward		To be actioned		Paul Davidson
7 Apr 2025	9.6	Play Space Investment Prioritisation for FY25-26	That staff ensure grass roots decisions (e.g. playground investment) are included in the next Annual Plan process.	Play programme for 25/26 adopted by Committee 07/04/2025	Closed	7 Apr 2025	Barbara Dempsey
7 Apr 2025	9.6	Play Space Investment Prioritisation for FY25-26	That staff list on the TCC website projects Council is currently engaged in	Website up to date and EMs provided with projects and neighbourhoods links on TCC website	Closed	16 Apr 2025	Barbara Dempsey
7 Apr 2025	9.7	Aspen Reserve Upgrade Options	Staff to organise a workshop to agree on an acceptable scope for the Aspen Reserve work	Workshop booked in for 31 July with Elected Members	Closed	22 May 2025	Barbara Dempsey
10 Mar 2025	7.1	Confirmation of minutes	That Governance staff provide a report on all agendas going forward that with an updated action schedule	New process with standard template developed. This was communicated to staff 24/4/25. Governance staff will include a report on future Council and Committee agendas reporting on the completion of actions. First report for City Delivery Committee on 4 June 2025.	Pending		Christine Jones

Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
10 Mar 2025	8.1	Priority One Annual Report 2023/24	That staff provide Councillors with the Mayor's letter to Council-Controlled Organisations/Priority One, requesting a 7% reduction in funding from Council in the upcoming financial year	Mayor's office decided to talk to P1 directly so a letter was not required.	Closed	1 May 2025	Gareth Wallis
10 Mar 2025	8.3	Mount Maunganui Hot Pools Opening Hours	That Councillors be provided with robust financial breakdowns in all decision reports	Request acknowledged and shared across the Executive. In all future papers we will endeavour to improve and feedback would be appreciate. Pending until you let us know we are hitting the mark	Pending		Barbara Dempsey
10 Mar 2025	8.14	January 2025 Capital Programme Report	That Cr Scoular be provided with the scope of the five most significant open procurements, being the construction of the Waterfront Central Plaza, Wharewaka Pavilion, Tarikura Drive Upgrade and Traffic Signals Maintenance and Renewals, before the procurement happened. That Councillors be provided with information and the work done to date on the re-development of Bay Park. That Councillors be provided with information on the three separate improvement budgets, being the Te Manawataki o Te Papa budget, the City Centre Development budget and the Streetscapes budget.	Information on city centre transportation and streetscape budgets provided to Ems. Further information will be provided in future reports	Pending		Paul Davidson
10 Mar 2025	To note	Community Relations Social Media Plan	Report coming to committee meeting in 2025	Report on Agenda for City Delivery Committee meeting on 4 June 2025	In progress		Alastair McNeil
2024 - Accountability, Performance & Finance Committee							
5 Nov 2024	7.1	Confirmation of Minutes	That the minutes contain an action schedule	Minutes now include under each agenda item a section "Actions for staff".	Closed	5 Nov 2024	Christine Jones

Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
5 Nov 2024	7.1	Confirmation of Minutes	That a workshop to discuss how minutes are recorded be held with elected members and the governance services team.	Workshop held on 3 Dec 2024	Closed	3 Dec 2024	Christine Jones
5 Nov 2024	7.1	Confirmation of Minutes	That it be recorded in the 8 October 2024 minutes in Item 9.1, that Elected Members questioned the software costs that had been classified capital as opposed to operational and requested further clarity on this going forward.	The minutes from 8 October 2024 have been updated to reflect these changes to the minutes requested at 5 November 2024 meeting.	Closed	5 Nov 2024	Christine Jones
5 Nov 2024	9.1	Accounting and Funding Operational Expenditure and Implications for Balanced Budget	Committee be provided with a two page report on progress towards a balanced budget for 25/26	Covered at AP workshop and subsequent AP report to Council on 3 March 2025	Closed	3 Mar 2025	Paul Davidson
5 Nov 2024			that each question asked by Councillors be recorded	Subsequent workshop held with EMs 3 December 2024. Agreed to record resolutions and actions requested. EM's questions and discussions not recorded in minutes.	Closed	3 Dec 2024	Christine Jones
5 Nov 2024	9.2	Rating Categories and Rating Policy	Provide information to elected members on the amount of port land that was able to be rated and the amount of port land that was unable to be rated because it was classified as quayside.	Information uploaded to Stellar on 27/5/2025 showing the detail on Port Land and associated reports	Closed	27 May 2025	Paul Davidson
5 Nov 2024	9.2	Rating Categories and Rating Policy	In terms of transport, what was the impact of the one port entity on the transport network in terms of cost.	Provided to Councillors	Closed		Paul Davidson
5 Nov 2024	9.2	Rating Categories and Rating Policy	staff to bring back a brief business case to develop a rates estimator on Council's property search page	we have the one year for Annual Plan on website and should be able to update to include future years based on LTP rates estimate - will be reviewed closer to LTP timing	Pending		Paul Davidson
5 Nov 2024	9.2	Rating Categories and Rating Policy	That Councillors be provided with options on how the IFF could be looked at to maximise it.	This has been updated to Council, awaiting further decisions from NZTA on its approved programme	Closed		Paul Davidson

Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
5 Nov 2024	9.3	Quarterly Financial Monitoring Report September 2024	That another column in the table in paragraph be added 14 to understand that the four-year variance was not able to be calculated from the numbers in the table. And That the order of information in each spreadsheet be Annual Plan, Revised Plan and Forecasted Plan budget to maintain consistency with terminology over different spreadsheets. And That the order of reporting in the tables be made from left to right with historic to most recent.	These have been actioned in reports and spreadsheets going to Council	Closed		Paul Davidson
5 Nov 2024	9.5	Action and Investment Plans and Long Term Plan Actions Monitoring	What are the conflicts currently in Pilot Bay.	The conflicts referred to are conflicts in types of use. There is a range of uses, interests and perspectives at Pilot Bay/Waikorire, particularly in relation to the boat ramp, water access and safe movement of people and vehicles in the harbour. Any changes there would need careful engagement with interested parties and mana whenua.	Closed	19 Mar 2025	Barbara Dempsey
5 Nov 2024	9.8	Chief Executive Financial Performance Summary First quarter 2024	That staff provide Councillors with the number of vacant staff positions information as at 30 June 2023 and 30 June 2024.		In progress		Alastair McNeil
8 Oct 2024	7.1	2 Sept Minutes Amendment	For the minutes to reflect the question "did the election meet the local government act?"	Minutes amended and this amendment noted in the minutes so clear trail of the decision of 8 October 2024 meeting	Closed	8 Oct 2024	Christine Jones
8 Oct 2024	7.1	2 Sept Minutes Amendment	for a workshop to be held between the governance services team and councillors regarding minuting content	Held 3 December 2024	Closed	3 Dec 2024	Christine Jones

Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
8 Oct 2024		Executive Summary	For the executive summary to include these requests: What decisions that staff want the councillors to make, summarise and highlight what the risks are that are outlined in the paper, and give direction to what the Elected members need to be focusing on for the future.	Guidance issued to staff on Report Executive Summaries (presentation to senior leadership group 7 March 2025, material distributed later that day and then updated and redistributed on 13 March 2025 to better address 'risk' in Executive Summaries). Recent Executive Summaries have been fuller as requested by EMs. GMs to speak to Chairs and Deputy Chairs of the Committees as to whether they are comfortable with the content and completeness of Executive Summaries in reports to their Committees.	Pending		Christine Jones
8 Oct 2024	9.1	Accounting and Funding Operational Expenditure and Implications for Balanced Budgets	For Council's Revenue and Finance Policy to be brought to the next meeting	Councillors were provided with the R&F Policy at the Annual Plan workshop on 23 October 2024.	Closed	23 Oct 2024	Paul Davidson
8 Oct 2024	9.2	Draft Annual Report	For within the report: consistency between where Commissioners made a decisions vs Elected Members made a decision. As well as general consistency with punctuation (captials etc)	Noted and principle included in the Annual Report	Closed	29 Oct 2024	Paul Davidson
8 Oct 2024	9.2	Draft Annual Report	Make clear in the report that the year was governed by the Commissioners and it was the Commissioners that made the decisions	Noted	Closed	29 Oct 2024	Paul Davidson

Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
8 Oct 2024	9.2	Draft Annual Report	A breakdown of the maintenance staff brought in house, the cost of the work previously before this work was brought in-house and what it was costing now and the number of new employees this relates to. Note: staff were reporting to 9 December 2024 Council meeting regarding the previous outsourced maintenance contracts for City Operations being brought in-house.	Two reports went to Council on 12 November 2024 outlining the in-housing of City Operations and also City Operations going forward. City Operations will provide an interim report, included in the council quarterly report and an annual report outlining financial and non financial performance to the 2 September committee.	Closed	12 Nov 2024	Barbara Dempsey
8 Oct 2024	9.2	Draft Annual Report	78pg the discription of the staff number diagram to read number of staff OR FTE for clarity (not total employees). Full time equivalence was mentioned at a later point - needs to reflect the above request	Final Annual Report updated where appropriate	Closed	29 Oct 2024	Paul Davidson
8 Oct 2024	9.2	Draft Annual Report	273pg - total number of staff, full-time staff equivalence, cost of staff, and cost of consultants numbers to be presented on the same page.	Final Annual Report updated where appropriate	Closed	29 Oct 2024	Paul Davidson
8 Oct 2024	9.2	Draft Annual Report	83pg - chief executive is responsible for administration of the Council and accountable for the delivery of the strategic objectives of the Council, of managing risk and ensuring that the Council are within statutory requirement and empowering the staff to delivery for the people of Tauranga Moana - or something similar.	Annual Report action completed and report signed off and complete	Closed	29 Oct 2024	Paul Davidson
8 Oct 2024	9.2	Draft Annual Report	84pg - how the tauranga community can have their say on the governing "and operation" of tcc	Annual Report action completed and report signed off and complete	Closed	29 Oct 2024	Paul Davidson
8 Oct 2024	9.2	Draft Annual Report	for tertiary education numbers to be captured correctly and have an umbrella term	Annual Report action completed and report signed off and complete	Closed	29 Oct 2024	Paul Davidson
8 Oct 2024	9.2	Draft Annual Report	for the summary to include that baselines used for data	Annual Report action completed and report signed off and complete	Closed	29 Oct 2024	Paul Davidson

Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
8 Oct 2024	9.2	Draft Annual Report	57pg to clarify if the report is talking about median house price vs sale price over a 12 month period	Annual Report action completed and report signed off and complete	Closed	29 Oct 2024	Paul Davidson
8 Oct 2024	9.2	Draft Annual Report	Report back on why Bay Venues is excluded from 3 waters	Can this request be clarified? Bay Venues is consolidated in the Annual Report, unclear of reference to 3 Waters	Pending		Paul Davidson
8 Oct 2024	9.2	Draft Annual Report	Future health and safety and wellbeing report to include how much money is "tied up" in strategic property like carparks vs community centres (timestamp 1:30:03)		In progress		Alastair McNeil
8 Oct 2024	9.2	Draft Annual Report	Staff benefits and service usage data to be included in a future health and safety and wellbeing report. Cr Jen Scoular requested that the explanation data not be included		In progress		Alastair McNeil
8 Oct 2024	9.3	Consolidated Performance	That bus survey data sources to be reported back to the committee	Answered during meeting	Closed	8 Oct 2024	Christine Jones
2024 - Community, Transparency & Engagement Committee							
15 Oct 2024	10.2	Alcohol Control Bylaw Amendment	That staff look into the rationale for the previous temporary alcohol ban for the Parton Road/Gordan Spratt Reserve area.	On 18 October 2024, Sarah Omundsen reported back to C. Morris on Gordon Spratt Reserve.	Closed	18 Oct 2024	Sarah Omundsen
15 Oct 2024	10.5	Engagement on Five Playground and Reserve Enhancement Projects	That staff provide Councillors with like for like playground equipment replacement costs.	Play programme for 25/26 adopted by Committee 07/04/2025	Closed	7 Apr 2025	Barbara Dempsey
15 Oct 2024	10.5	Engagement on Five Playground and Reserve Enhancement Projects	That a workshop be held before the end of the year to discuss the enhancement project prioritisation direction.	Playground Prioritisation workshop held on 20 March 2025	Closed	20 Mar 2025	Barbara Dempsey
15 Oct 2024	9.1	Petition – Reconsideration of TCC's Dog Licence Fees	That staff provide information on the proportion of registered versus unregistered dogs.	Report to Council meeting on 28 April 2025	Closed	28 Apr 2025	Sarah Omundsen

Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
15 Oct 2024	9.1	Petition – Reconsideration of TCC's Dog Licence Fees	That staff to look into the ways in which petitions are accepted and bring back some options for Councillors to consider.	User fees and charges review will consider the setting of dog registration fees, and will include the petition information as well as submissions received through the AP process.	In progress		Sarah Omundsen

9.2 Third Quarter Financial Performance Monitoring

File Number: A17924551

Author: Kathryn Sharplin, Manager: Finance
Tracey Hughes, Financial Insights & Reporting Manager
Sheree Covell, Treasury & Financial Compliance Manager

Authoriser: Paul Davidson, Chief Financial Officer

PURPOSE OF THE REPORT

1. The purpose of this report is to provide an update on the financial performance of Council against budget for the nine months to 31 March 2024. Attachment 2 to this March report includes all additional budget approvals through to mid-May.

RECOMMENDATIONS

That the City Delivery Committee:

- (a) Receives the report "Third Quarter Financial Performance Monitoring".

EXECUTIVE SUMMARY

2. This report presents the financial performance of Council to the third quarter of the 2024-25 financial year, comparing actual results to the Annual Plan and Approved Budget, and indicating a forecast year end position.
3. At the end of quarter three, operating, capital and treasury metrics are within year to date budgets and comply with relevant policies.
4. The trends observed are consistent with previous quarters. The operating deficit is \$20m less than indicated through the Annual Plan, with a forecast full year position of \$5m less than annual plan. Operating revenue is performing better than budget by \$5.9m, largely driven by higher interest revenue and unbudgeted grants and subsidies, while operating expenditure is under budget by \$14m with savings in various categories.
5. Capital expenditure to March is 14% higher than at the same time in 2024. The full year forecast expenditure based on forecasts from project managers is \$440m against an approved budget of \$507m.
6. The Treasury position shows debt forecast under budget, with appropriate hedging and debt maturity levels. Both interest rate hedging and debt maturity levels are within recommended levels.
7. There are two treasury policy matters which while currently compliant have some future minor risk. These relate to the fixed debt profile and rolling debt maturities. More information is provided in the treasury section of this report.
8. The analysis in the report focuses on variances in revenue, expenditure and capital delivery, and the ongoing management of Council's debt and financial position. Further detail can be found in **attachments 1-3**.

BACKGROUND

9. This report is for monitoring and reporting purposes showing Council's March year to date financial performance against year to date Annual Plan budgets.
10. The year to date Statement of Comprehensive Revenue and Expenditure (P&L) is provided in **attachment 1**, along with a brief variance analysis by P&L category.
11. The P&L includes year to date results along with full year budgets and forecasts for reference. Three additional columns are displayed:
 - (a) Annual Plan (ANP) as adopted through the LTP which is reported against for compliance purposes (Annual Report).
 - (b) Approved Budget which is the Annual Plan budget amended for any carry forwards from the prior year and any Council decisions impacting the budget. The revised budget is included as it gives context to the full year forecast.
 - (c) Forecast being the approved budget plus adjustments for updated expectations.
12. An overview of capital expenditure is also provided in **attachment 1**, noting that the capital programme is more thoroughly explored through the April year to date Project Performance report on this agenda.

DISCUSSION

Financial Performance

13. The financial results to 31 March 2025, the third quarter of the 2024-25 financial year, continue the trends from earlier quarters. The operating deficit is less than was budgeted (favourable) driven mainly by significantly lower other operating expenditure. This is partly a result of a slow-down in activity resulting from messaging and preparation relating to the organisational reset.
14. Highlights and key financials are provided below, with further information provided in **attachment 1** to this report. Note there are two significant areas of operating income and expenditure that are capital in nature. These are required to be included in the full Statement of Comprehensive Revenue and Expenditure as provided in **attachment 1**. These items are the Tauriko West enabling works (income and expenditure) and the interest expense generated by growth debt (which is capitalised). Operating surplus/(deficit) net of those impacts is also displayed. These impacts are excluded from the table below. Unless otherwise noted, these items will be excluded from all analysis in this report.
15. Net of those impacts, the third quarter year to date operating deficit is \$20m less than budgeted in the Long Term Plan and \$33m less than the approved budget. The approved budget has reassigned the savings targets contained in the annual plan to actual budgets (net zero impact but movements between expenditure categories), and also contains agreed carry-forwards of expenditure and associated funding from 2024 of \$4.5m. These movements were explained in an attachment to the Quarter Two Financial Monitoring report presented in March.

Table 1: YTD Operating Result

	YTD Mar Actual \$m	YTD Mar Annual Plan \$m	YTD Mar variance Actual to AP \$m	YTD Mar Approved Budget \$m	YTD Mar Variance Actual to Approved \$m
Total Rates including water by meter	251	251	(1)	251	0
Finance revenue	10	4	6	4	6
Subsidies and grants*	14	11	2	18	(5)
Fees and charges	52	53	(2)	53	(2)
Total Operating Revenue*	325	319	6	326	(1)
Depreciation and amortisation expense	82	78	(4)	78	(4)
Personnel expenses	89	89	(0)	91	2
Finance expenses*	30	34	4	34	4
Other expenses*	156	170	14	187	31
Total Operating Expenditure*	356	370	14	390	34
Operating Surplus/(Deficit)*	(31)	(51)	20	(64)	33

* Excluding Tauriko West and growth interest as applicable

Forecast

16. The operating deficit is forecast to be less than Annual Plan by \$5m. Reductions in other operating expenditure and net finance expenditure along with increased subsidy revenue have more than offset current forecasts over budget for depreciation and employee costs.

Table 2: Full Year Forecast

	Full Year AP Budget \$m	Full Year Approved Budget \$m	Full Year Forecast \$m	Full Year Variance Forecast to AP Budget \$m
Total Rates including water by meter	334	333	333	(1)
Finance revenue	5	5	11	6
Subsidies and grants*	16	25	19	3
Fees and charges	70	70	67	(3)
Total Operating Revenue*	425	433	430	5
Depreciation and amortisation expense	105	105	110	(5)
Personnel expenses	118	120	119	(1)
Finance expenses*	45	45	45	0
Other expenses*	226	233	221	6
Total Operating Expenditure*	494	503	494	(0)
Operating Surplus/(Deficit)*	(69)	(70)	(64)	5

* Excluding Tauriko West and growth interest as applicable

17. Although the other expenses category remains significantly under budget year to date, the full year forecast is conservative. There will be timing impacts in the year to date result, and we would also usually expect a write-back to operating expenditure resulting from transfers of capital work in progress (WIP) or asset impairment before the full year results are finalised, as explained in the quarter two quarterly monitoring report. These will increase reported expenditure and losses for the year.
18. The forecasts in this report were developed at the end of March. Results to the end of April indicate increasing positive variances against both annual plan and approved budget. The forecast operating deficit remains less than that planned. A high level year end position, prior to audited year-end adjustments, is planned to be presented in July separately to the draft annual report. This will be an opportunity to discuss any material operating variances not identified through the quarterly monitoring process.

Revenue

19. Operating revenue is ahead of budget overall by \$5.9m net of Tauriko West. This is essentially due to interest revenue ahead of budget from higher deposit balances and unbudgeted grants received.
20. Rates revenue is currently forecast to be on budget for the year. Higher targeted rates have been assessed than had been budgeted, particularly in kerbside collection, with an offsetting deficit in the general rates category. Objections are now completed, and the results from that process along with other causes of the general rates deficit, offset the higher targeted rates. Other causes of the general rates deficit include new remission applications for earthquake strengthening, applications for non-rateable status and corrections for categorisation and rating status errors.
21. Water rates revenue has been significantly impacted by the operational closure of a significant commercial customer, however the dry spell through much of quarter three has driven a recovery in metered water charges.
22. Interest revenue is significantly higher than anticipated. Higher than budgeted deposit balances are the result of both an opening balances variance and the requirement to pre-fund maturing debt. Pre-funding of maturing debt inflates both debt and deposit balances until the debt matures. In the meantime the interest costs of each offset each other.
23. Subsidies and grants are ahead of budget resulting from higher waste education grants than expected, and grants received in excess of accruals relating to the 2024 financial year.
24. Fees and charges are slightly behind budget, netting off items which are doing well against budget with those that are currently behind budget. Unfavourable variances impacted by volumes that are less than assumed in the LTP are notably building consents, Beachside Holiday Park, trade waste, and Airport.
25. Asset development revenue is significantly behind budget year to date, particularly in respect of capital subsidies and grants. While this does not impact the traditional view of operating surpluses/deficits, capital subsidies and grants are included as revenue in the debt to revenue calculation, and in the balanced budget measure used by the Local Government Funding Agency.
26. The biggest impact on capital subsidies is due to not having IFF revenues flowing in for Te Manawataki o Te Papa. Additionally, budgeted grants for the Cameron Rd Indoor Courts (\$4.4m) are not now expected, and grants budgeted for Memorial Aquatics (\$4.9m) have been deferred along with the project. The shortfall, depending on project expenditure for the year, therefore requires additional loan-funding. These items, along with the loss of expected NZTA funding are reflected in the forecast, \$40.9m less than budget.
27. Development contributions and vested assets are behind budget reflecting slower growth than anticipated and revenue has been forecast down for the full year.

Expenditure

28. Operating expenditure is less than budget year to date by \$14m net of Tauriko West and growth interest.
29. Year to date direct salary costs are now behind budget as vacancies have been held pending the results of the reset process. Capitalisation of salaries is also running behind budget however, reflecting altogether as on budget year to date in total employee expenses. The forecast against annual plan reflects current variances, along with an expectation for costs to complete stage one reset.
30. Depreciation costs are now forecast to be \$5m more than budget for the year reflecting both the 2024 revaluation impacts and capitalisation so far this year. This forecast is subject to the timing and quantum of further capitalisation and any asset write-offs.
31. Finance expenses are below budget year to date and are forecast to remain within budget despite additional forecast interest related to funding for Te Manawataki o Te Papa. Opening debt and year to date debt movement are lower than initially forecast, generating reduced interest.
32. Other expenses – a broad category including consultants and contractors, R&M, grants and contributions, utilities costs, software licenses and support and software as a service – are significantly under budget year to date even with a savings target of \$4.5m in the annual plan budget, and applied savings of \$6.6m in the approved budget. There is a favourable variance of \$14m year to date against annual plan, and \$31m against approved budget, noting that the approved budget also includes carry forwards of budget and funding from the 2024 financial year. Further information on other expenses is included in **attachment 1**.

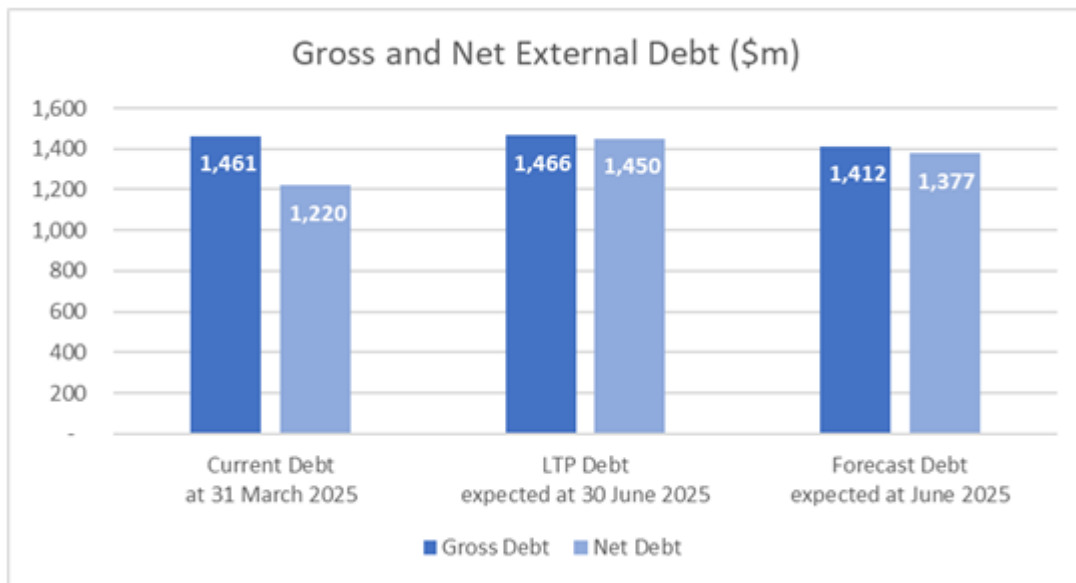
Capital

33. Capital expenditure of \$316m has been delivered to the end of the third quarter of FY25 – 14% higher than third quarter spend in FY24 (including operational projects of a capital nature but excluding vested assets, land sales and Bay Venues new capital offset). Please note, the project performance report being presented as a separate agenda item at this meeting will reflect actual expenditure to the end of April 2025 and revised full year forecast from project managers.
34. The full year forecast spend from project managers is currently \$440m against the full year approved budget of \$507m.
35. A summary of budget adjustments for FY25 actioned since the 2024-34 Long-term plan was adopted is provided in **attachment 2**.
36. As expected capital delivery becomes more certain, there continues to be further review of capital budgets to establish the amount of project expenditure initially budgeted in 2024/25 that will be delivered in 2025/26. The various budget adjustments proposed in the Annual Plan Executive Report of 26 May that relate to the 2024/25 capital budget total \$44m. This \$44m is effectively the amount of the underspent budget in 2024/25 that has been included in the Annual Plan 2025/26. As the final months of the year have progressed, a further underspend of \$20-\$30m is now expected to be carried forward to 2025/26. It is proposed that the re-phasing related to this additional carry-forward will be undertaken as a revised budget adjustment after the annual plan has been adopted and once actual year end results are confirmed.

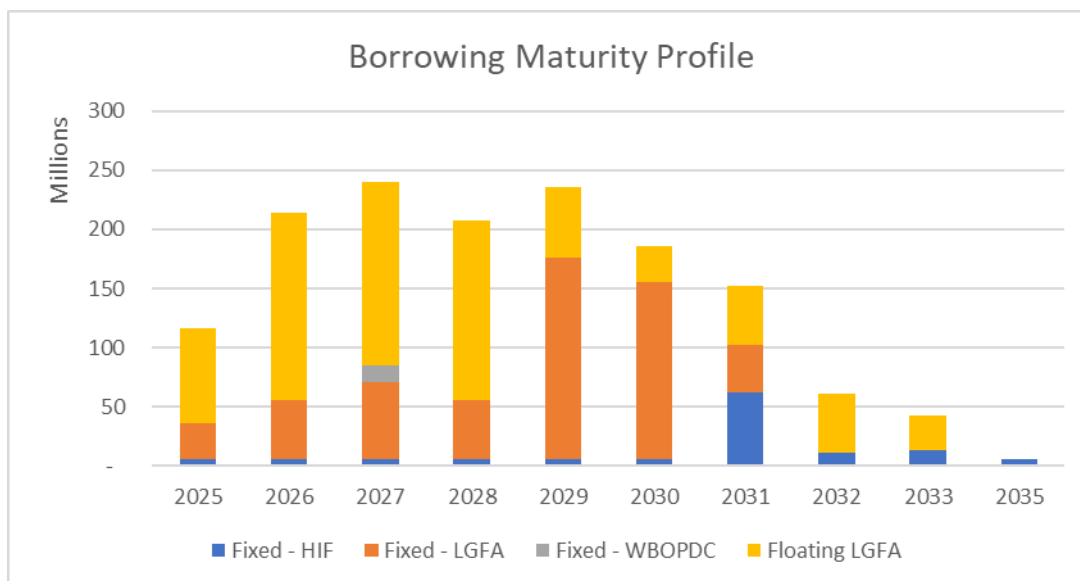
Treasury update

37. The **net debt** budget set in the LTP is \$1.45bn. The current forecast net debt for June 2025 is \$1.38bn. The net debt forecast includes \$30m of cash and pre-funding investment at year end. The forecast assumes lower capital delivery and associated revenues than budgeted in the LTP. The graphs below assume capital delivery of \$450m, which is also the assumption on which the 2025/26 opening debt balances are based. At year end, if capital delivery is less than \$450m, then the debt opening balance will be correspondingly lower.

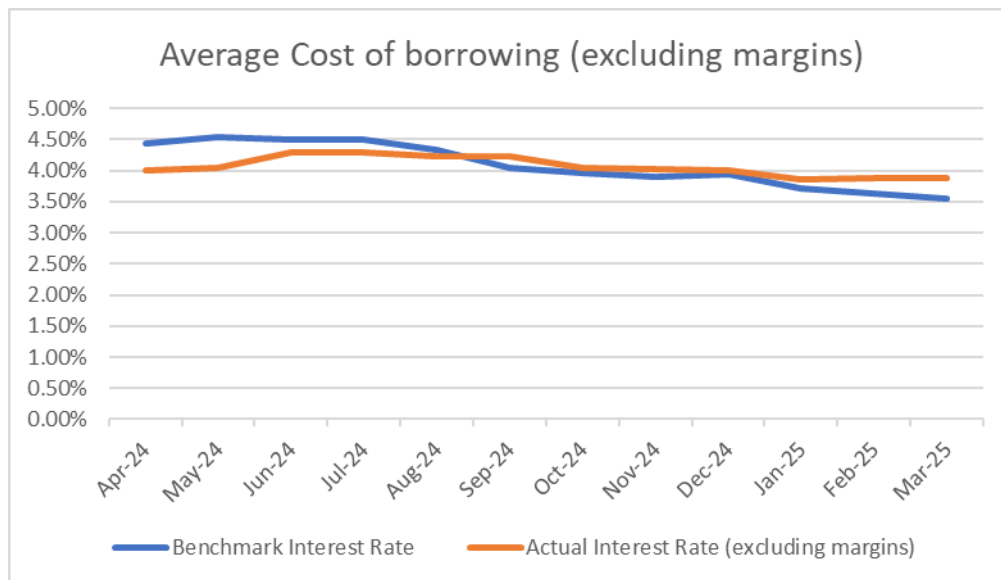
38. The LTP approved debt drawdown was \$385m and an additional \$54m was approved to bring TMOTP IFF back on balance sheet. A further \$6m was approved in August 2024 for the Airport extension project. Forecast debt draw-down will be well within approved limits at \$360m.



39. Both interest rate hedging and debt maturity levels are within recommended levels. \$1.0bn of total debt (69%) is at fixed interest rates as at 31 March 2025.
40. The graph below reflects the debt maturity profile as at 31 March with an average debt maturity of 3.4 years, in part reflecting the potential debt divestment to a CCO of the Waters debt. Coupled with this, short term interest rates are favourable.



41. The average cost of borrowing is measured against a composite benchmark rate which reflects an averaging of 90 day to 15 year swaps rates. The average cost of borrowing excluding margins is 3.88% and 4.41% including margins as shown in the graph below.



Treasury Compliance

42. Attached is the full treasury policy monitoring summary which shows no current policy breaches. Based on the current debt profile there are two future potential areas of non-compliance with policy that may occur depending on the timing of future debt draw downs and maturities. These are not current breaches and have only been highlighted in amber for noting of future potential breach.
43. The first area of potential non-compliance relates to the level of fixed debt coverage post 2030. The interest rate exposure section (5.1.1) of the treasury policy outlines the framework for interest rate management activities. Interest rate risk is managed with minimum and maximum fixed debt percentages by time bands. These minimum and maximum levels by time bands are designed to minimise interest rate re-price risks. Based on 2024-34 LTP debt forecasts, \$60m of hedging is required to be actioned by the end of June 2025 to clear minimum policy bands in 2030 with a further \$60m by September 2025.
44. Because of the planned structure, timing and amount of future debt draw-downs a breach is not expected to occur. However, because of the current volatile nature of the swap market the calls currently placed with banks have not met the target swap rates agreed with our advisors.
45. The second area of potential non-compliance relates to rolling debt maturities. The liquidity section (5.1.2) of the Treasury policy outlines the management framework for funding, liquidity and credit risks. Liquidity risk primarily focuses on ensuring that there are sufficient funds available to meet obligations in an orderly manner. One measure is that no more than 25% of debt should be refinanced in any rolling 12 month period. There is an abnormality in the period of April 2028 to April 2029 where currently, 27% of all debt will mature. This is a timing anomaly where LGFA maturities which generally fall in April every year are due in May 2028 resulting in two years' worth of debt maturity showing as being due within 12 months on a rolling basis. This is not a risk to liquidity as Council's strategy is to prefund debt maturities during the year and future debt drawn downs are likely to dilute this percentage. Because treasury compliance is reported on a quarterly basis, there is no breach at the end of any quarter, including March. However at the end of April there is a temporary non-compliance.

Green Loans

46. Tauranga City Council (TCC) has recently had a further \$103m of Green Social and Sustainable (GSS) loans approved. The Local Government Funding Agency (LGFA) provides a 5 basis point discount on loans for projects that qualify under GSS categories. TCC will complete the final draw down of the Kopurererua Valley GSS loan in May 2025 and the first drawn down of the Te Manawataki o Te Papa GSS loan will also be completed in May 2025. This will bring the total approved green loans to \$112m. Staff are actively

working on two further GSS loans for projects within the green building and climate change adaptation categories.

CITY OPERATIONS – PERFORMANCE UPDATE

47. An interim performance update was requested and has been provided to the end of March 2025 as an attachment to this report.
48. The report in **attachment 4** presents a number of metrics including year to date financial position and incorporates an executive summary of highlights on the first page. Expenditure including allocations, recoveries, depreciation and finance costs are \$1.2m under budget to the end of quarter three.
49. Expenditure in the activity is forecast to remain under budget for the full year, despite an increase in structures work over the next couple of months and including the early on-boarding of staff in the current financial year to resource the new contracts in 2025/26.
50. A year end review will be presented once full year results have settled after July 2025.

STATUTORY CONTEXT

51. Section 101 of the Local Government Act (2002) places responsibility on local authorities to ensure prudent stewardship of council resources and proper financial oversight.

STRATEGIC ALIGNMENT

52. 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	✓

53. Maintaining expenditure within annual plan budget ensures delivery of services in a financially sustainable way. Variance review assists in identifying risks and trends facing council.

OPTIONS ANALYSIS

54. There are no decisions required in this report. The report is provided for information only.

FINANCIAL CONSIDERATIONS

55. This report monitors performance to budget and reviews compliance with Council's policies and delegations. Delivery within allocated budgets ensures financial sustainability and accountability.

LEGAL IMPLICATIONS / RISKS

56. This monitoring report has no specific legal implications or risks.

CONSULTATION / ENGAGEMENT

57. This report is made public.

SIGNIFICANCE

58. 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.
59. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the matter.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
60. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

61. 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

62. The next monitoring report for quarter 3 will be presented to this committee in June 2025.

ATTACHMENTS

1. **Attachment 1 - P&L and Capital update - A18197742**  
2. **Attachment 2 - Budget Adjustments FY25 - A18204112**  
3. **Attachment 3 - Treasury Policy Monitoring - A18068028**  
4. **Attachment 4 - City Operations Q3 update - A18197698**  

Financial Statements

Year to 31 Mar 2025

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Favourable
(Unfavourable)



	\$'000	Actual YTD	ANP YTD	Variance	Approved budget YTD	Var vs Approved Bud	FULL YEAR			
							Total ANP	Approved budget	FY Forecast	Variance ANP to Forecast
OPERATING REVENUE										(FC - ANP)
Rates		220,210	221,070	(860)	220,449	(239)	294,760	293,922	294,012	(748)
Rates - metered water		30,361	30,091	271	30,091	271	39,262	39,262	39,262	0
Finance Revenue (External Interest)		9,308	3,304	6,004	3,304	6,004	4,405	4,405	10,194	5,789
Finance Revenue (Dividends)		306	394	(88)	394	(88)	525	525	525	0
Subsidies & Grants		13,625	11,402	2,223	18,430	(4,805)	15,732	24,535	19,014	3,282
Subsidies & Grants - Tauriko West NZTA and related IFF		26,349	34,171	(7,821)	30,929	(4,579)	44,994	41,238	41,238	(3,756)
Fees and Charges		51,510	53,162	(1,652)	53,247	(1,737)	70,217	70,330	67,210	(3,007)
Total Operating Revenue		351,669	353,593	(1,924)	356,843	(5,173)	469,894	474,217	471,455	1,561
ASSET DEVELOPMENT REVENUE & OTHER GAINS										
Vested Assets		10,003	22,142	(12,140)	17,997	(7,994)	29,523	23,996	13,337	(16,186)
Development Contributions		14,727	25,480	(10,752)	25,480	(10,752)	33,973	33,973	19,636	(14,336)
Subsidies & Grants Capital Expenditure Contributions		54,141	89,523	(35,382)	48,912	5,229	119,364	65,921	78,498	(40,866)
Other Gains (Losses)		4,424	(656)	5,080	(656)	5,080	(875)	(875)	5,000	5,875
Total Asset Development Revenue & Other Gains		83,295	136,489	(53,194)	91,732	(8,437)	181,985	123,015	116,471	(65,514)
TOTAL REVENUE		434,964	490,082	(55,118)	448,574	(13,611)	651,879	597,232	587,926	(63,953)
OPERATING EXPENDITURE										(ANP - FC)
Depreciation & Amortisation Expense		82,156	78,492	(3,664)	78,492	(3,664)	104,656	104,656	109,541	(4,886)
Personnel Expense		88,646	88,597	(49)	91,021	2,375	118,153	120,415	119,191	(1,038)
Finance Expense		29,699	33,513	3,814	33,513	3,814	44,684	44,684	44,660	24
Finance Expense - growth interest		15,949	14,351	(1,598)	14,351	(1,598)	19,135	19,135	17,135	2,000
Other Expenses:		194,430	212,249	17,819	224,761	30,331	286,565	298,468	277,401	9,165
Consultants & Contractors		33,424	34,184	760	37,850	4,426	45,583	50,381	41,786	3,797
Administration		11,033	12,249	1,216	14,316	3,283	16,376	19,133	15,756	620
Grants, Contributions & Sponsorship Expense		33,113	28,502	(4,611)	43,742	10,628	37,976	42,303	41,739	(3,764)
Other Operating Expense		53,865	67,606	13,741	64,610	10,745	89,521	85,652	86,191	3,330
Other Operating Expense - Tauriko West NZTA works		38,685	42,575	3,890	38,021	(664)	60,327	65,179	56,663	3,664
Repairs and Maintenance		24,310	27,134	2,824	26,222	1,912	36,784	35,821	35,267	1,517
Total Operating Expenditure		410,880	427,202	16,322	442,139	31,259	573,194	587,359	567,928	5,266
OTHER EXPENSES										
Loss on Disposal of Assets (BVL debt restructuring)		15,758	15,000	(758)	15,000	(758)	15,000	15,000	15,865	(865)
Provision Expense		0	375	375	375	375	500	500	500	0
Total Other Expenses		15,758	15,375	(383)	15,375	(383)	15,500	15,500	16,365	(865)
TOTAL EXPENDITURE		426,638	442,577	15,940	457,514	30,876	588,694	602,859	584,293	4,400
SURPLUS/(DEFICIT)		8,326	47,504	(39,178)	(8,939)	17,265	63,186	(5,627)	3,633	(59,553)
OPERATING SURPLUS/(DEFICIT)		(59,211)	(73,609)	14,398	(85,296)	26,085	(103,299)	(113,141)	(96,473)	6,826
OPERATING SURPLUS/(DEFICIT) - net of Tauriko West & growth interest		(30,927)	(50,854)	19,928	(63,852)	32,926	(68,831)	(70,065)	(63,914)	4,918

* Approved budget = Annual Plan + carry forwards +/- approved changes.

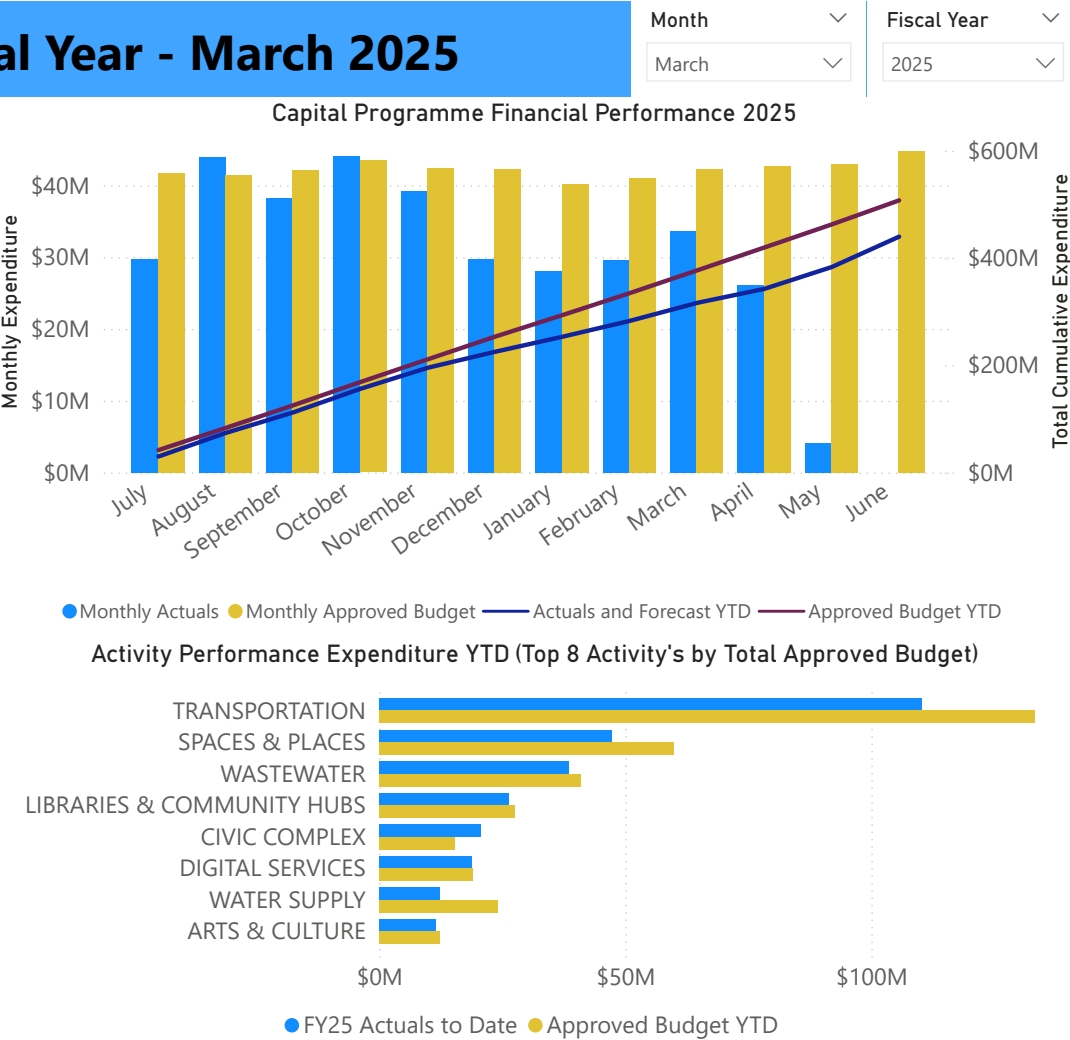
Overall Comments on Year to Date and Forecast Balances	
Operating Revenue	Operating Expenditure
Rates revenue is little behind budget YTD. Forecast for the full year is behind budget resulting from some deficits in the general rate, offset by more targeted rates assessed, particularly for kerbside collection. As the dry spell continues, metered water usage is up, driving a recovery from the prior months under budget in revenue. This has been offset by the decreased revenue from closure of a large commercial customer.	Personnel Expense: Direct staff costs are now behind budget by \$1.3m. Capitalisation of salaries is \$1.7m under budget however, with Transport capitalising much higher than expected but under in many others, particularly City Centre Development, Spaces & Places and Water Supply. This is partly offset with under budget indirect costs, particularly training and EM/Tangata Whenua and board remuneration.
Finance and Dividends Revenue: Interest revenue has a positive variance to budget due to higher than budgeted deposit balances.	Depreciation has been calculated through the fixed asset register in SAP, which has been updated for asset revaluations and asset capitalisation for 2024. Once again, revaluations were significantly greater in magnitude than was planned for in the budget. Depreciation is forecast to be \$5m over budget for the year as a result, subject to the timing and quantum of new capitalisation.
Subsidies & Grants. Waste education grants received from Ministry for the Environment have been significantly higher than budgeted year to date and are forecast to be almost \$2m higher than budget for the full year. Further grants for Water Supply have been received for fluoridation funding (\$358k - actuals were higher vs what was accrued last financial year). Unbudgeted grants from the Department of Internal Affairs have been received for uncompleted projects from last financial year in City Events and Community Partnerships. This is partly offset by few minor variances from other activities.	Finance Expenses are below budget as both the opening debt and year to date debt drawn are lower than was forecast for the beginning of the year. The full year forecast for net interest is expected to be \$7.8m favourable in total, subject to timing of OCR cuts aligning to current market forecasts and timing of capital expenditure. Interest related to growth debt has been separated out as it is capitalised through the DC reserve and not funded from operating revenue.
Tauriko West: Behind budget as IFF claims will be realised in June, and IAF claims are still in process. Project delays are also reflected in NZTA grants being significantly behind budget year to date. Forecast revenue and expenditure have both been increased to reflect current understanding of the work programme for the year.	Other Expenditure:
Other Revenue, primarily user fees, are slightly behind budget. Several activities are ahead of budget, including spaces and places (compensation received for SH29 widening impact on Tauriko Hall), Marine Precinct (sale had been budgeted for the beginning of the year but the delay has meant that revenues continue) and Regulatory Services (LIMs income). Offset by unfavourable results for airport (lower passenger numbers), water supply (timing of forestry income), wastewater (trade waste revenue significantly impacted by the closure of North Island Mussels), Beachside due to resource consent delays for the en-suite cabins and particularly building services (lower consent volumes).	Consultants and Contractors: Planning and design consultancy is under budget by \$2.7m, particularly in City Planning, Transportation and Waters activities, reflecting updates to the capital programme. Offset by SaaS expenditure \$1.7m ahead of budget.
Asset Development Revenue & Other Gains	Repairs & Maintenance: Underspend in Spaces and Places by \$1.8m for ground maintenance, particularly for parks vegetation and passive reserves maintenance, along with other timing variances in Historic Village, Transport and Stormwater. This is offset by overspends in wastewater (\$413k) resulting from timing vs budget phasing; and water supply (\$463k) for higher reticulation and preventive maintenance.
Assets vested to Tauranga City Council - revenue recognition is dependent on the timing of project completion of infrastructure projects by developers.	Community contributions & grants: Transport grants to Tauriko West is behind budget due to slower project delivery (\$3.9m below budget ytd). This is offset by higher spend in Spaces & Places which is \$3.5m over Annual Plan, for the Bay Oval grant, funded by a carryforward budget from the previous financial year. Forecast includes this and a further carry forward for the Papakainga housing grant.
Development Contributions are primarily from city-wide development contributions, Papamoa East, Pyes Pa West and Tauriko Business Estate development contributions. Lower growth rates are impacting these contributions and the forecast has been reduced to reflect this.	
Subsidies & Grants Capital Expenditure Contributions: Removal of budgeted IFF revenue for Te Manawataki o Te Papa (TMOTP) - \$26.8m YTD and \$36m for the full year is reflected in the year to date variance and the full year forecast. Other capital grants of \$3.3m budgeted YTD for the Cameron Rd Indoor Courts will not materialise due to withdrawal of interest from Gaming Trust and TECT (\$4.4m for the full year). This will be replaced via loan funding. A reduction of \$7.5m in TECT funding in 2024/25 re the Museum and Exhibition Centre is due to re-phasing of milestones in line with TECT funding agreement, with \$3m now expected to be received in 2024/25, and the balance of \$21m in future years. The reduction in planned for BOF (Better off Funding) regarding CWEM was due to spend being higher than expected in 2023/24 leading to earlier use of funds than anticipated. Loss of \$12m NZTA funding is also reflected in the forecast. The decrease in year end forecast is partly offset by Wastewater and Water Supply grants for historical Tauriko West spend from IAF (\$8.5m), IFF carryforwards for road safety and improvements for Maunganui, Turret, Hewlett's, and Cambridge Roads (\$9m), and the Cameron Road connections IAF claim (\$800k).	Other Operating costs: This underspend is across many budgets and activities. Notable underspends are in operational project expenses (\$5.2m under with a \$1.8m reduction to forecast) - mainly in the Transport, Community Development, City Centre Development, and Digital activities. Other significant underspends are in public education expenditure in Sustainability and Waste, and generally in non SaaS Digital services, Wastewater, Water Supply, City Ops, Civic Complex, and Spaces & Places budgets. It is certain that some of this is a timing issue, and we also expect transfers from WIP at the end of the year to reduce any underspend. A \$4m full year reduction is forecast in this category in total. The GL accounts with the biggest underspends correspond with much of the budget savings required for Annual Plan 2025-26.
Other Gains and Losses includes non-cash accounting entries in relation to: -HIF loans are 0% interest rate loans which require specific accounting treatment to account for the benefit of a 0% interest rate. Each draw down generates a non cash gain on the day which is then amortised down to zero over the ten year term of the loan. For FY25 a \$600k loss was budgeted which relates to the amortisation of two exisiting HIF loans. -In December 2024 a new HIF loan for PEI was entered into and \$10m was drawn down. The \$13.5m has been draw down to date,generating a \$4.9m gain due to the difference between the 0% rate on the loan and the bank rate on the day. The \$4.9m gain on the PEI loan is offset by the \$600k loss on the two existing loans. (\$4.9m gain less \$600k loss = \$4.3m gain). -There is a be further \$3.5m expected to be drawn down this year on the PEI HIF which will generate further gains which will be calculated based on bank rates on the day of the drawn down.	Administration: A number of relatively small variances over and under with marketing expenditure, telecoms, mail and courier, and travel expenditure having the largest favourable variances.

Capital Programme - 2025 Financial Year - March 2025

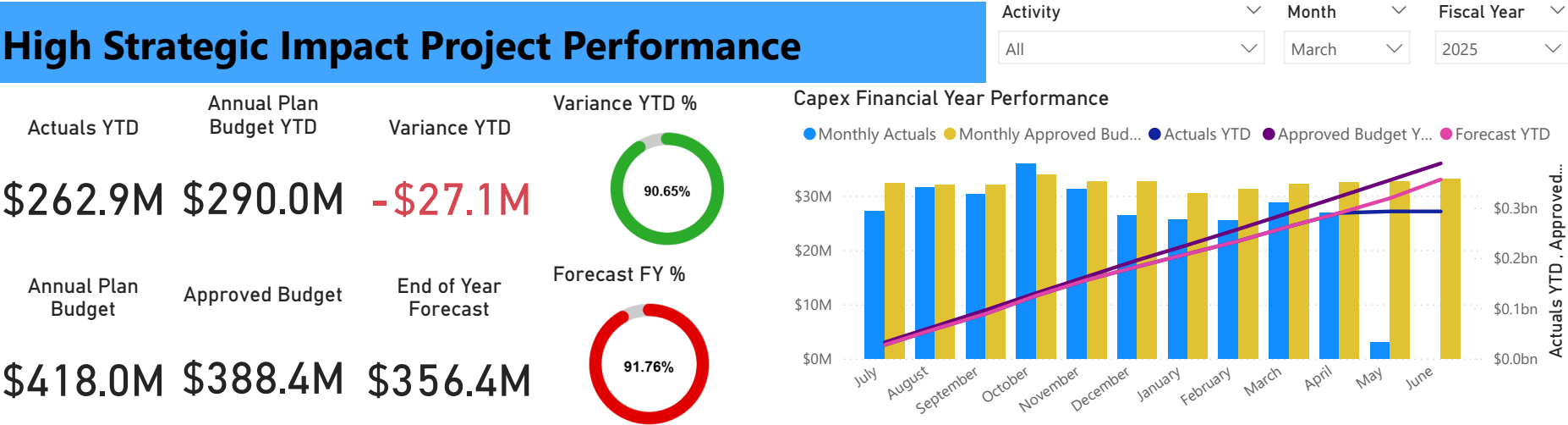
For the third quarter, expenditure has been lower than expected, due to delays across the programme, including Tauriko West Network Connections, Papamoa East Interchange, developer-led transport initiatives in Papamoa, Marine Precinct Offloading Wharf, Cambridge Reservoir Trunk Main Relocation, Mansels Road Wastewater Construction, the Art Gallery land purchase settlement and other Te Manawataki o Te Papa projects (site establishment and library and community hub projects).

Full year forecast is also lower than approved budget. The various budget adjustments proposed in the Annual Plan Executive Report of 26 May that relate to the 2024/25 capital budget total \$44m. This \$44m is effectively the amount of the underspent budget in 2024/25 that has been included in the Annual Plan 2025/26. As the final months of the year have progressed, a further underspend of \$20-\$30m is now expected to be carried forward to 2025/26. It is proposed that the re-phasing related to this additional carry-forward will be undertaken as a revised budget adjustment after the annual plan has been adopted and once actual year end results are confirmed.

Annual Plan Current Month	\$43.6M
Actuals Current Month	\$33.6M
FY25 Approved Budget to Date	\$376.8M
FY25 Actuals to Date	\$316.2M
FY25 Annual Plan Budget	\$506.2M
FY25 Approved Budget	\$507.3M
FY25 Forecast	\$439.6M
FY25 Variance to Approved Budget	-\$67.7M



Capital Programme - 2025 Financial Year - March 2025					Month ▼ March ▼	Fiscal Year ▼ 2025 ▼
Project Category	FY25 Annual Plan Budget	FY25 Approved Budget	FY25 Forecast	FY25 Variance	Commentary	
High Strategic Impact Projects	\$418.0M	\$388.4M	\$356.4M	-\$32.0M	See attached high strategic projects for more detail	
Balance of Growth Projects	\$40.2M	\$31.7M	\$21.4M	-\$10.3M	Forecast below budget due to delays in Belk Road futureproofing, Western Corridor Ring Road Land Acquisition and underspend associated with Airport carpark development, offset by level of service expenditure against other inter-related investment at the Airport.	
Balance of Level of Service Projects	\$75.8M	\$57.0M	\$43.1M	-\$13.9M	Forecast below budget as delays in cemetery and Gordon Spratt master plans and Mansels Road Waste Water, Waste Facilities Redevelopment, Reservoir Seismic Upgrade projects. Currently not forecasting to spend full budget on Cameron Road Stage 1 (waiting on final claims for close out).	
Balance of Renewal Projects	\$21.6M	\$19.8M	\$14.1M	-\$5.7M	Forecast below budget due to delay in Cambridge Reservoir Trunk Main Relocation and Maleme Street transfer Station project	
Balance of Capital Delivery by Third Parties Projects	\$6.6M	\$6.1M	\$0.7M	-\$5.3M	Delays to Sands Avenue/The Boulevard and Kaweroa Drive/Taurikura State Highway 29 development.	
Balance of Operational Projects	\$4.1M	\$4.3M	\$3.8M	-\$0.4M	Forecast close to revised budget	
Capital Delivery Adjustment	-\$60.0M	\$0.0M	\$0.0M	\$0.0M	Smoother removed from programme	
Total Capital Programme	\$506.2M	\$507.3M	\$439.6M	-\$67.7M		
Land Sales	-\$9.4M	-\$7.8M	-\$6.0M	\$1.8M	Delays associated with the sale of Marine Precinct and Elder Housing, partly offset by unbudgeted roading corridor land sale anticipated to be completed this FY.	
Vested Assets	\$31.9M	\$24.0M	\$18.1M	-\$5.9M	Delays to Sands Avenue/The Boulevard development (developer-led).	
Total Capital Programme incl Operational, Land Sales and Vested Assets	\$528.7M	\$523.5M	\$451.8M	-\$71.7M		



High Strategic Impact Project Performance

	Reference	Actuals YTD	Annual Plan Total FY	Approved Budget FY	Forecast FY	Forecast Budget Variance
90 DEVONPORT ROAD		\$20,698,618	\$12,499,686	\$21,369,295	\$22,639,500	\$1,270,205
ARATAKI BUS INTERCHANGE		\$2,998,727	\$1,128,605	\$4,377,127	\$3,099,928	-\$1,277,199
ARTERIAL ROUTE REVIEW		\$1,820	\$1,035,000	\$800,000	\$156,750	-\$643,250
BAYPARK MASTERPLAN (NETBALL CENTRE)		\$1,039,106	\$4,880,404	\$951,573	\$1,039,106	\$87,533
CAMERON ROAD STAGE 2		\$2,953,877	\$8,526,063	\$3,433,853	\$3,076,839	-\$357,014
CITY CENTRE PROGRAMME & TRANSPORT		\$7,040,100	\$8,782,500	\$10,241,517	\$9,883,639	-\$357,878
COMPLEX 2 HISTORIC VILLAGE		\$2,314,345	\$2,042,481	\$2,680,036	\$2,443,795	-\$236,241
DIGITAL PROGRAMME		\$17,080,292	\$17,621,118	\$22,841,118	\$22,566,698	-\$274,420
GATE PA COMMUNITY CENTRE		\$1,516,630	\$5,118,999	\$5,700,419	\$1,562,072	-\$4,138,347
INDOOR COURTS - 483 CAMERON RD		\$6,538,694	\$7,350,000	\$7,693,609	\$7,340,412	-\$353,197
LINKS AVE ARTIFICIAL TURF		\$2,542,575	\$2,989,830	\$4,542,871	\$4,544,132	\$1,261
MARINE PRECINCT - OFFLOADING WHARF			\$5,692,500	\$5,000,000	\$0	-\$5,000,000
MAUNGANUI ROAD SAFETY IMPROVEMENTS		\$3,960,508	\$6,128,892	\$3,969,169	\$3,960,993	-\$8,176
MEMORIAL PARK AQUATICS FACILITY		\$1,487,267	\$13,221,773	\$1,200,000	\$1,525,138	\$325,138
MERIVALE COMMUNITY CENTRE		\$2,633,677	\$6,580,549	\$6,442,847	\$4,345,707	-\$2,097,140
OPAL DRIVE WASTEWATER PROGRAMME		\$10,133,608	\$8,852,789	\$12,105,009	\$14,452,042	\$2,347,033
PAPAMOA EAST INTERCHANGE		\$23,296,903	\$44,339,943	\$37,216,254	\$33,744,880	-\$3,471,374
PYES PA WEST - DAM 5 / WETLAND 5		\$3,520,125	\$4,495,277	\$4,495,277	\$4,221,804	-\$273,473
RENEWALS - TRANSPORT		\$19,353,092	\$25,457,596	\$23,983,838	\$24,285,400	\$301,562
RENEWALS - WATERS		\$16,583,642	\$31,124,524	\$30,628,568	\$26,990,205	-\$3,638,363
TAURIKO WEST NETWORK CONNECTIONS		\$38,937,381	\$67,465,181	\$73,781,892	\$60,923,910	-\$12,857,982
TAURIKURA DRIVE UPGRADE		\$644,099	\$8,425,935	\$2,758,115	\$4,258,602	\$1,500,487
TE MANAWATAKI O TE PAPA		\$42,811,604	\$79,982,524	\$61,552,071	\$58,803,782	-\$2,748,289
TE MAUNGA WASTE WATER TREATMENT PLANT		\$15,143,685	\$20,502,610	\$16,117,804	\$18,246,337	\$2,128,533
TRANSPORTATION SAFETY PROGRAMME (LCLR)		\$5,131,684	\$8,451,732	\$6,568,866	\$5,622,490	-\$946,376
TURRET RD & 15TH AVE CORRIDOR		\$1,214,699	\$2,572,750	\$2,623,341	\$1,761,779	-\$861,562
WATERFRONT AND PUBLIC REALM		\$13,277,301	\$12,722,171	\$15,358,950	\$14,940,827	-\$418,123
Total		\$262,854,059	\$417,991,432	\$388,433,419	\$356,436,767	-\$31,996,652

Project Budget Adjustments in FY25				
	Total	Approved by Council	Approved by Chief Executive	No approval required
Adopted Year 1 of 2024-34 LTP	\$506.2m			
Carry Forward Budget from FY24	\$114.6m	\$114.6m		
Bring Forward of Budget	\$10.7m	\$8.7m	\$1.9m	
Additional Budget	\$8.5m	\$8.5m		
New Project Budget	\$0.1m	\$0.1m		
Capital Delivery Adjustment	\$60.0m	\$60.0m		
Budget Reduction	(\$12.0m)	(\$11.6m)		(\$0.4m)
Budget Deferral	(\$179.5m)	(\$179.1m)		(\$0.5m)
Budget reallocated to Vested Assets	(\$1.1m)			(\$1.1m)
Total Budget adjustment	\$1.1m	\$1.2m	\$1.9m	(\$2.0m)
Approved Budget FY25	\$507.3m			

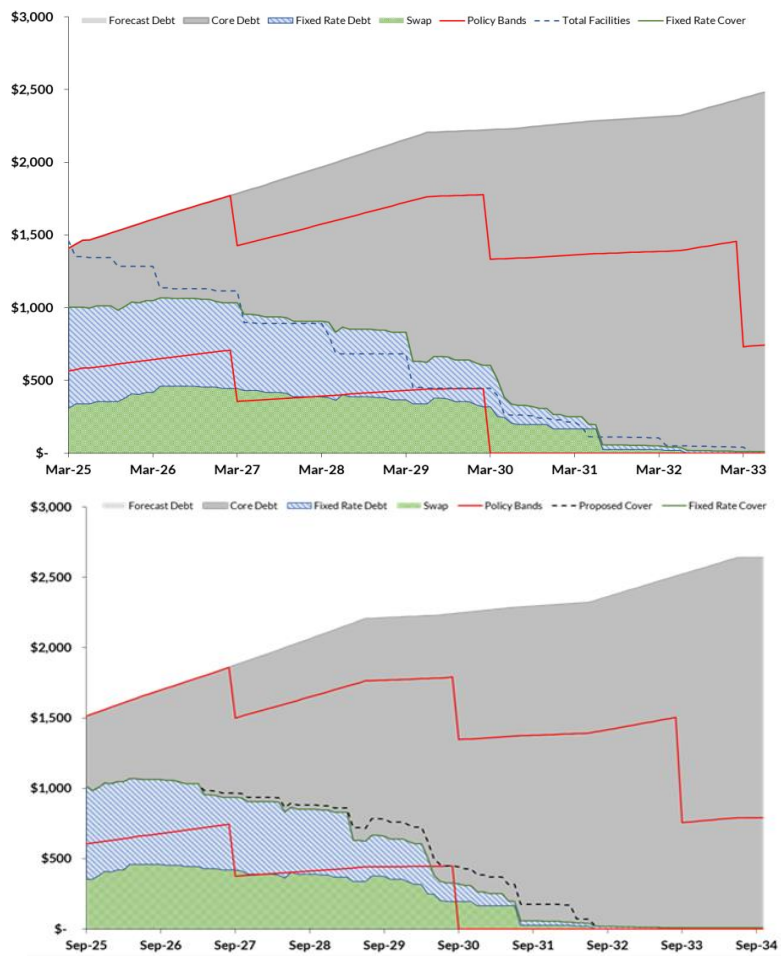
Treasury Policy Compliance

Mar-25

5.1.1 Interest Rate Exposure

Fixed debt remains within policy bands. \$60m of new fixed rate hedging will need to be added by 30 June 2025 to avoid a breach in May 2030. Then a further \$60m before 30 September 2025.

Council will minimise interest rate risk by managing its floating and fixed interest rate exposures as per the following controls:



5.1.2 Liquidity

Financial Accommodation remains above 100%

Debt refinancing remains below 25% in the rolling 12 month period

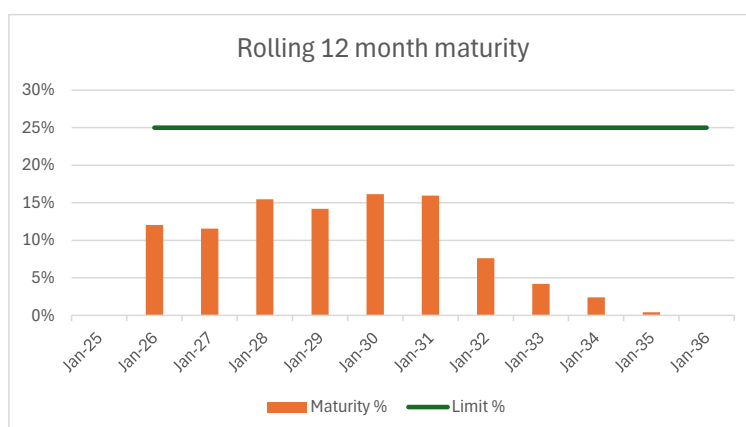
External term debt plus committed bank debt facilities and cash or cash equivalent investments must be maintained at an amount of 100% above 12 month peak forecast net external debt

	LTP 2025	Forecast 2025
Gross debt	1,466,190	1,412,261
Committed Facilities	200,000	200,000
Cash & Investments	15,702	(34,905)
Available Financial Accommodation	1,681,892	1,577,355
Available Financial Accommodation to external indebtedness	115%	112%

No more than 25% of debt shall be subject to refinancing in any rolling 12 month period

Rolling Maturity			
	Maturity \$	Maturity %	Limit %
Mar-25			
Mar-26	176,050	12%	25%
Mar-27	168,653	12%	25%
Mar-28	225,771	15%	25%
Mar-29	207,130	14%	25%
Mar-30	235,868	16%	25%
Mar-31	233,271	16%	25%
Mar-32	111,280	8%	25%
Mar-33	61,499	4%	25%
Mar-34	35,263	2%	25%
Mar-35	5,997	0%	25%
Mar-36	-	0%	25%
	1,460,783		

check nil



5.1.3 Credit Exposure

Counterparty credit ratings align with policy
Investments per counterparty breach \$120m at month end due to rates instalment. Cash is being held in call account until next creditors payment.
No electricity hedging in place
Interest rate swap exposure remains below \$50m

5.1.4 Debt repayment

Debt is repaid as it falls due

5.1.5 Borrowing Limits

Net interest as % of operating revenue remains below 20%
Net interest expense as % of rate revenue remains below 25%
Forecast debt to revenue ratios remain below 285%

5.1.6 Security

No security over assets or revenue outside of LGFA covenants

5.1.7 Guarantees

No guarantees made known to Treasury

5.1.8 Internal Borrowing

Internal borrowing metrics remain within policy

5.1.9 LGFA

Transactions with LGFA remain within policy

5.2.1-4 Investments

Investments remain within policy

5.3 Assessment and Management of risks associated with Financial Investments

Calculations for exposure align to policy

5.4 Foreign Exchange

No foreign exchange contracts in place

5.5 Electricity Hedging

No electricity hedging in place. Main contract is fixed price

6 Retentions

Retentions held in trust align with policy and legislation

8 Measuring treasury performance

Current forecast net interest expense is lower than budget
Actual average cost of borrowing is measured against benchmark

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community outcomes**

City Ops Monthly Report

Financial Year To Date
Mach 2025



**City
Operations**

TPO

Exec Summary



- Financials: \$1.19M under budget YTD
- Workforce: 111 staff, 84% field-based; 24% female overall, 31% in leadership.
- Operations: Over 16,000 planned jobs completed; 6,963 reactive jobs with 90% on-time response.
- Fleet: 265+ small plant items, 46 utes, 24 trucks, 22 mowers.
- Community Feedback: 43 compliments, 48 complaints; quality audit pending.
- Health & Safety: TRIFR 6.13; 164 events, all resolved; strong focus on training and prevention.
- People & Culture:
 - 23% of staff in development courses; 92% completed Wired Up/‘colours’ training.
 - 100% pass rate in 90-day onboarding.
 - Mental Health First Aid training started with 9 staff.
 - Regular culture-building events: leadership sessions, toolbox talks, BBQs, and sports nights.
- Community Impact:
 - “Keep Tauranga Beautiful” initiative removed 2.1 tonnes of dumped waste from reserves.



City
Operations

Proudly delivering awesome community outcomes

Slide 2

TPO

Greg to do
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Tauranga City Council – City Operations Snapshot April 2025 (FYTD)



Workforce Snapshot

Total Resources – 111

% in field – 84%

Gender Split: 24% Female / 76% Male

Leadership Gender Split: 31% Female / 69% Male

Age Range: 18 to 71 years



Planned Work Jobs Completed

Water/Walkways: 2,599

Horticulture (Hort): 3,770

Structures (incl. playgrounds): 2,050

Mowing: 6,287

Natural Environment (NE incl. dunes): 1,157



Reactive Work Orders

Total Completed: 6,963

On site on time 90%

Completed on time 89%

Field-Created: 72% 1,955 from the Community



Fleet & Equipment

Small Plant: ~265 pieces

Utes: 46

Trucks: 24

Mowers (incl. 2 tractors): 22



Community / Quality

Compliments: 43 vs 50 for S&P = 46%

Complaints: 48 vs 86 for S&P = 36%

Annual Quality Audit Result Ave =



OPEX Budget Performance

Total Budget: \$12,781,110

Spent FY YTD: \$9,463,162

Tracking: \$1,186,135 under budget



City
Operations

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Financial Review - Overall

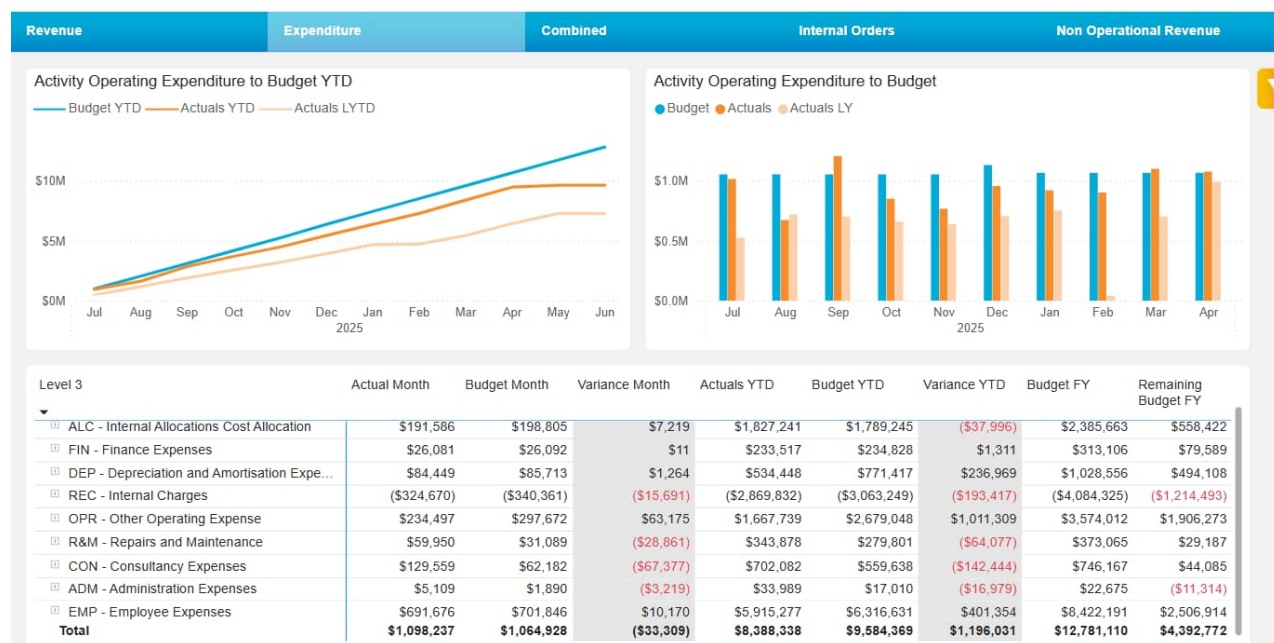


💰 OPEX Budget Performance

- Total Budget: \$12,781,110
- Spent YTD: \$8,388,338
- Under Budget: \$1,196,031

- Overall Position is \$1,196,031 UNDER budget for the year to date at March 2025

Financial Year Operational Revenue and Expenses



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Year to date - Variations



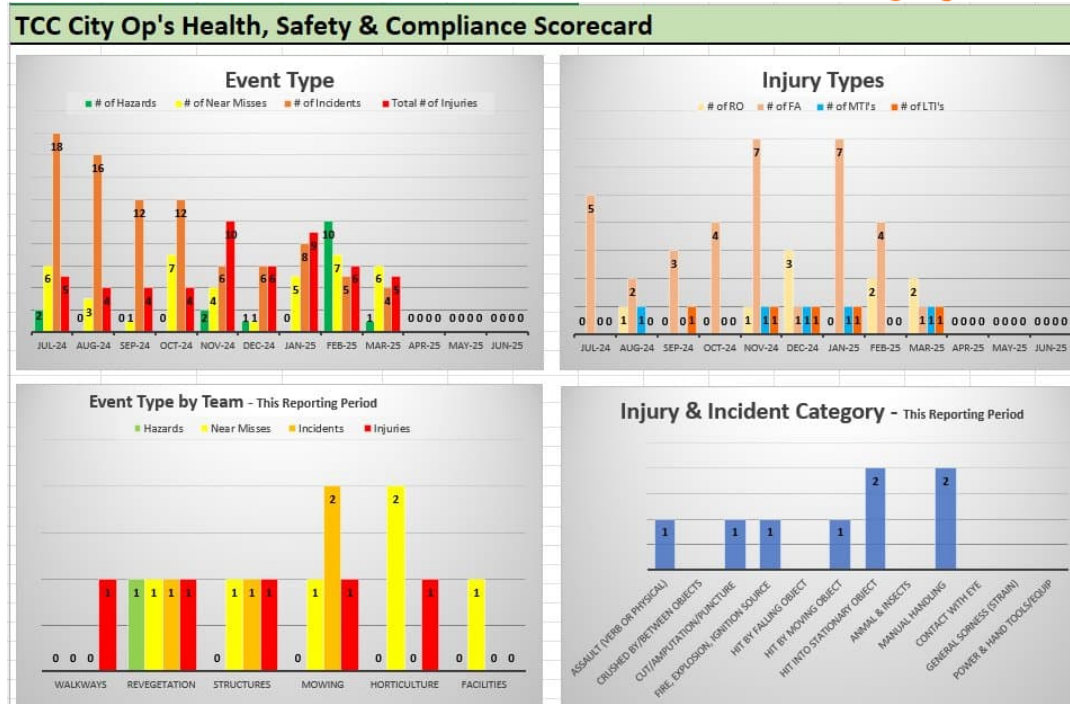
Month	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Monthly total to date	Current FY Total	Next FY Total
NV		\$2,651.14	\$12,515.83	\$0.00	\$0.00	-\$722.59		\$0.00	-\$40.25				\$14,404.14	\$149,101.76	\$172,849.65
Mowing (incl AW)		\$0.41	\$0.00	\$0.00	\$2,522.98	-\$171.42		\$0.00	\$0.00		\$0.00		\$2,351.97	\$18,988.45	\$28,223.69
Hort		\$12,876.61	\$0.00	\$1,695.64	\$0.00	\$2,052.16		\$8,873.96	\$1,349.36		\$0.00		\$26,847.74	\$221,035.88	\$322,172.89
Structures (including water features, playgrounds, BBQ's)		\$0.00	\$0.00	\$0.00		\$0.00		\$3.92	\$0.00				\$3.92	\$19.61	\$47.06
WW		\$0.00	\$0.00	\$107.71		\$0.00		\$18.97	\$118.65				\$245.33	\$1,538.85	\$2,943.98
Total across all contracts per month	\$0.00	\$15,528.16	\$12,515.83	\$1,803.36	\$2,522.98	\$1,158.16		\$8,896.85	\$1,427.77				\$43,853.11	\$390,684.56	\$526,237.27

- An Additional \$303k of budget has been moved from Spaces and Places in this FY25
- Additional Staffing will need to be looked at for FY26 for both mowing and horticulture
- Additional variation work has been prepared for Natural Vegetation which will again account for additional staff required

Health and Safety FY25



- The Total Recordable Injury Frequency Rate (TRIFR) benchmark for the New Zealand construction industry is generally considered to be in the range of 5 to 10, based on industry best practices and safety performance targets set by leading firms and safety organizations:
 - City Operations TRIFR 6.13
- In total 164 events were reported and every event has been investigated and closed.
- 54 Injuries resulted in 9 minor medical treatment and 1 injury resulting hospitalisation (precautionary), the remaining were 48 injuries were minor scrapes and strains.
- Proactive management of injuries includes the early intervention physio sessions, SOP risk reviews, upskilling and training.



Health and Safety – FY25 Achievements



- Totika Prequalified
- Physical Testing in the pre employment medical check
- Implemented monthly drug testing
- Vehicle pre start inspection process in place
- Auditor App approved for compliance auditing
- This year our staff have completed 60 training courses in compliance and operation trainings for a total of 264 staff
- In 2025 we have 27 staff undertaking a NZ **Certificate in Primary Industry Operational Skills.** This was a government funded training course.
- From 2023 City Operations have had 56 staff complete this course.



Proudly delivering awesome community outcomes

Our People – FY25 Achievements

- Employees on development courses = 23% (e.g Communicate Powerfully x 5, Te Hurangi Tai x 5, Te Kura Whanake x 2, Performance Management x 3, Level 3 in Landscape Construction x 4, Level 3 in Horticulture x 4)
- City Ops employees that have completed Wired Up / Work with 'colours' = 92%
- 90- day onboarding program = 100% pass rate
- Starting the journey of imbedding Mental Health First Aid principles by 9 team members completed the St John one day course
- Cyclical touch points that maintain our culture = bi-monthly leadership upskill sessions, bi-monthly 'all in' toolbox & BBQ breakfast (including employee recognition, community comments, learning modules) and sports nights.
- Keep Tauranga Beautiful initiative (May 2025) = 2.1 tonnes of hard waste (public dumping) picked up from reserves



City
Operations

Proudly delivering awesome community outcomes

9.3 Community Relations Social Media Plan

File Number: A17766225

Author: Ceilidh Dunphy, Community Relations Manager

Authoriser: Alastair McNeil, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. The purpose of this report is to provide an update on the Community Relations approach to social media.

RECOMMENDATIONS

That the City Delivery Committee:

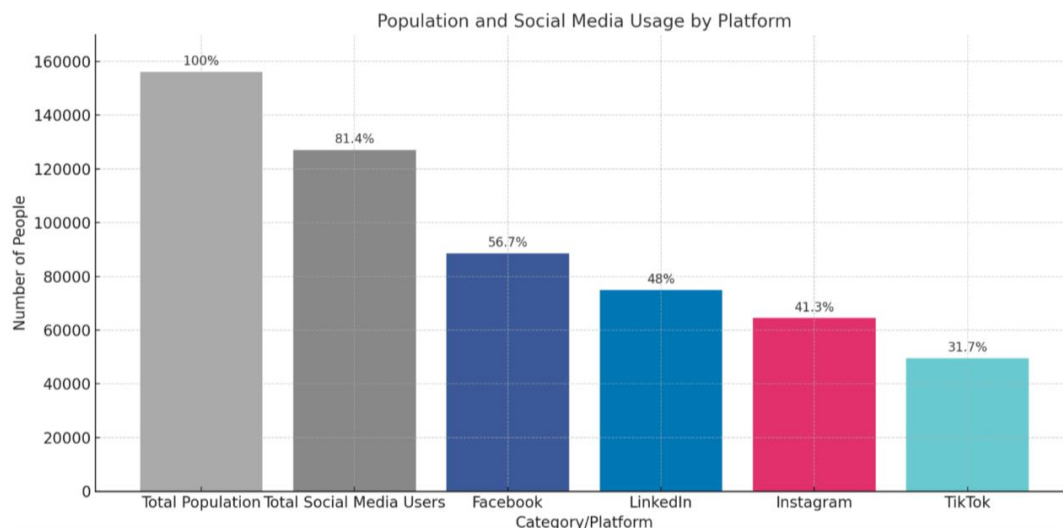
- (a) Receives the report "Community Relations Social Media Plan".

EXECUTIVE SUMMARY

2. This report is for information – it outlines the approach taken to enhance TCC’s social media presence and the estimated costs.
3. Social media continues to transform from a simple tool for connecting with friends, to channel shaping communication, commerce, and culture. Platforms like Facebook, Instagram, and Tik Tok continue to evolve, introducing features such as live streaming, short-form video content, and AI-driven algorithms that personalise user experiences.
4. Additionally, the shift to “mobile-first” engagement has made social media more accessible than ever, with residents increasingly adopting these for news, entertainment, and social interaction.
5. In mid-2023, the Community Relations team identified the need to revamp the council's social media approach. Changes to the NZ media landscape and the way people consume information was also changing dramatically and required council to adapt accordingly. The previous approach relied heavily on Facebook.
6. This adaptive strategy continues with the traditional channels but also creates engaging, positive, and informative content, expanding beyond Facebook to include Instagram, TikTok, and LinkedIn. This shift aims to highlight Council's value, reach a broader audience, and improve visibility and engagement through more targeted, frequent posting but without significant investment.
7. Key outcomes include launching new channels, significantly improving engagement rates, and achieving the highest follower growth among large New Zealand councils. Efforts were further supported by a refreshed social media policy, the hiring of a content-focused intern, and a move away from low-impact operational posts.
8. TCC’s updated social media strategy focuses on creating engaging, enlightening, and entertaining content while highlighting positive stories and demonstrating value for money. By expanding to platforms where the community is most active and maintaining a strategic posting schedule, the council enhances accessibility and visibility.

BACKGROUND

9. With a population of 156,100 the following breakdown of social media engagement rates exist:



(Source GWI/Kepios/Internet NZ)

10. In mid-2023 the Community Relations team recognised that Tauranga City Council's social media presence wasn't keeping up with current trends.
11. Social communication was nearly exclusively done on Facebook and a "post anything and everything" approach meant our content wasn't resonating with the community.
12. In mid-2023, we undertook a review and re-scope of our social media channels and output including relevant policies.

DISCUSSION

13. By sharing stories, TCC seeks to foster stronger connections within the community including demonstrating transparency and value for money. Highlighting how rates are invested, showcasing council initiatives, and encouraging greater utilisation of council services are central to this approach.
14. As with most social media, these are only "high-level" conversations that guide interested individuals toward deeper engagement on platforms designed for more detailed discussions. By aligning content strategy with community needs and interests, Tauranga City Council aims to strengthen public trust and foster meaningful interactions.

OUTCOMES AND INSIGHTS

15. Facebook:

- Followers: 28,209 up 1,600 from 1 November 2024 to 1 March 2025.
- Our platform with our biggest audience.
- We use our Facebook page to share announcements, news, and Council updates as they are released, as well as proactively promoting the great work Council does around the city.
- We use photos, graphics, videos, stories, pinned posts, event listings, banners, frames, and avatars.
- We can promote consultations, but this will be balanced with other good news stories.
- We have stopped posting operational communications on Facebook, that only impact a small portion of the community and led to low engagement, impacting algorithms and harming our overall reach.
- In an emergency/significant weather event that sees Civil Defence activated we clear our BAU schedule for the emergency management period as this channel is one that is preferred as our “one source of truth”

16. Instagram:

- 61,600 accounts reached from 18 February to 19 March 2025
- 42.4% aged 18-34
- Followers: 1,298 up 756 from 1 November 2024 to 1 March 2025.
- 46% increase in followers from 25 November to 21 March 2025
- Our account is focused on people-centric imagery as well as images and videos of Tauranga.
- We have a strong focus on using Instagram Stories and Reels to playfully engage our audience and to provide real time updates. We will never ask our Instagram followers to take a survey. It is an image centric platform, perfect for short-form images and videos.

17. LinkedIn:

- Followers: 13,229 up 1,038 from 1 November 2024 to 1 March 2025.
- Focuses on Council’s vision and the progress we are making.
- Our direct link to the most influential people in Tauranga.
- Showcasing the fantastic work that is done by the Council, as well as sharing important news, announcements, people stories and employee blog posts.
- The page will also be used to build our employer brand identity and promote job opportunities.
- LinkedIn works best when individuals post rather than organisations (as algorithm favours individual accounts).

18. TikTok:

- 10,000 accounts reached from 20 February to 19 March 2025.
- 26,200 likes
- 72.9% aged 18-34
- 716 followers
- In November 2024, we hired an intern who has driven new channels – Instagram and TikTok accounts.
- We are new to the TikTok space and are trying innovative things with our intern.
- TikTok connects with individuals aged 18–45 who are typically harder to reach and less engaged with council.

19. Strategy & Benchmarks**Strategy**

- To change the perception of Tauranga City Council by creating content that engages, enlightens, entertains, and informs.
- To reach more people through positive stories.
- Demonstrate value for money by raising awareness of where rates are invested, highlighting what the council does and encouraging more people to use council services.
- It allows us to start conversations at a high level and then drive people who want to engage with us to channels where we can have more in-depth conversations.
- Make content that people want to consume and expand our channels to be where the community is.
- Post more strategically, and frequently, ensuring we stay visible on our channels so council information is in front of our communities.

Benchmark

20. Twice a year government and council social media and content specialist Seamus Boyer trawls through more than 630 New Zealand council and government social media pages to report on top trends and to benchmark the organisations.
21. In January 2024, Tauranga City Council was only ranked 33 out of 78 councils for social media growth and 65 out of 78 for followers (percentage of population). In January 2025 Tauranga City Council was placed nr 2 for higher percentage of follower growth and nr 1 for large councils.
22. Highest percentage follower growth 12 months to January 2025
 - 1) Invercargill City Council
 - 2) **Tauranga City Council**
 - 3) Upper Hutt City Council
 - 4) Porirua City Council
 - 5) Napier City Council
23. Highest percentage follower growth 12 months to January 2025 (Larger Councils)
 - 1) **Tauranga City Council**
 - 2) Environment Southland
 - 3) Hawke's Bay Regional Council
 - 4) Bay of Plenty Regional Council
 - 5) Hutt City Council

Source: State of Government social media 2025 (Seamus Boyer)

STRATEGIC ALIGNMENT

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

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

OPTIONS ANALYSIS

25. There are no decisions required in this report. The report is provided for information only.

FINANCIAL AND RESOURCE CONSIDERATIONS

26. In the last financial year from 1 July 2024 – 27 May 2025 – TCC has spent the following on social media advertising:

Facebook / Instagram:	\$23,851.12
LinkedIn:	\$500.00
Total:	\$24,351.12

27. Social media advertising increased the reach and visibility of important consultations and projects including Elections 2024, Annual Plan and Local Water Done Well, with the overall results as follows:

Total Spend	\$24,351.12
Impressions*	5.8 million
Cost per impression	\$0.004 cents

* An impression measures the number of times a piece of content (like a post, ad, or story) is displayed on someone's screen, regardless of whether it was clicked or engaged with. It simply measures how often the content was seen.

Resourcing

28. Staff across the council are encouraged to suggest content for social media platforms, though producing content sits predominantly within the Community Relations Team.
29. At this stage we are unable to calculate this wider organisational cost for creating and uploading content as it is evolving and embedded within existing tasks. Also, the volume of social media content produced fluctuates depending on programme of work, the scale of projects and campaigns at any one time.
30. For example, if we're running a full-scale campaign, such as public consultation on the Annual Plan and Local Water Done Well, then you would expect to see greater resources deployed.
31. Our six Community Relations Advisors produce most operational communications for Council. On an average week, a Community Relations Advisor would spend approximately 20% of their time on content that could be used or reused for social media. The notional cost for this effort is therefore 1-1.5 FTE, spread over the team (reducing to 5 from July 1).
32. Other roles that heavily contribute to managing social media (and other channels) include our Creative and Digital Intern (85%), Strategic Content Lead (50%), and Digital Communications Lead (50%), totalling an additional 1.85 FTE. Note, the Digital Communications Lead role has been disestablished in the organisational reset.

LEGAL IMPLICATIONS / RISKS

33. Online conversations must comply with the same legal, ethical, and professional standards as any other Council communications, and records of conversations must not be deleted.
34. Community Relations is the Social Media Policy owner.

CONSULTATION / ENGAGEMENT

35. This report is made public.

SIGNIFICANCE

36. 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.
37. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
 - (a) The current and future social, economic, environmental, or cultural well-being of the district or region.
 - (b) Any persons who are likely to be particularly affected by, or interested in, the matter.
 - (c) The capacity of the local authority to perform its role, and the financial and other costs of doing so.
38. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

39. 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.
40. *Click here to view the [TCC Significance and Engagement Policy](#)*

NEXT STEPS

41. Bi-annual social media report to come back to this committee in 6 months' time.

ATTACHMENTS

Nil

9.4 Project Performance End of April 2025

File Number: A18143868

Author: James Woodward, **Manager:** Performance, Monitoring & Assurance

Authoriser: Alastair McNeil, **General Manager:** Corporate Services

PURPOSE OF THE REPORT

1. To update the Committee on the progress of capital projects for the first 10 months of the financial year to the end of April 2025.

RECOMMENDATIONS

That the City Delivery Committee:

- (a) Receives the report "Project Performance End of April 2025".
-

EXECUTIVE SUMMARY

2. Project reporting is aligned with the approved 2024/25 budget of \$507.3 million. As of the end of April, total project expenditure amounted to \$342.3 million, compared to the year-to-date approved budget of \$419.5 million. The forecast for the financial year-end is projected to be between \$410 million and \$440 million.
3. High-level information regarding capital project performance is available in **Attachment 1**. Currently, 17 out of 225 active projects are indicated to be at an overall red status. Most of these projects remain in the planning/design phase, presenting opportunities to achieve value for money through scope refinement and the procurement process. Additional details on all red status projects can be found in **Attachment 2**.
4. There are 39 projects on hold, pending funding or further direction. The list of on-hold projects is provided in **Attachment 3**.
5. Over the past three months, 39 procurement activities totalling \$22 million were undertaken, with \$14 million allocated through open competition. For the upcoming three months, 21 procurements worth \$20 million are scheduled, with the Waterfront Central Plaza Construction being the sole project conducted through open competition.

BACKGROUND

6. This report is for monitoring and reporting purposes to show Council's performance of projects against Annual Plan and Long-Term Plan budgets

DISCUSSION

7. The year-end forecast is anticipated to be at the lower end of the \$410-\$440m forecast range. This reduction reflects the momentum lost during the 2024/25 reforecast process earlier in the year and projects deferred or put on hold during the development of the 2025/26 Annual Plan. The variance also includes approximately \$17 million of risk and contingency allowance that has not been realised this financial year and will likely be carried forward to next year. As noted in the Third Quarter Financial Performance Monitoring report, a residual underspend of \$20-\$30 million is now expected to be carried forward into 2025/26.
8. There are currently 17 projects with red status, 10 of which are still in the planning phase with scope and costings being developed. These indicate potential pressure on existing budgets, which will likely be addressed during the development of the next Long-Term Plan. Three projects are in the design phase and four projects are in the construction (implementation) phase. Reports are planned to be presented back to Elected Members for direction regarding:
 - (a) Cameron Road Stage 2 – June City Futures Committee
 - (b) Connecting Mount Maunganui – June City Futures Committee
9. The remaining projects are being managed through current project governance. Where direction is required and sufficient information is available, separate reports will be provided to the appropriate committee for a decision.
10. There are 39 projects currently on hold, the majority of which are transport projects no longer supported with funding from NZTA, as a result of a change in Central Government direction. The remainder are awaiting Council decisions, further strategic direction, or input from external stakeholders. Some of these projects are under review as part of the 2025/26 Annual Plan Process. Projects currently on hold are not included in the red status report attachment.
11. Capital project procurement activity over the past 3 months is represented in the table below for contracts \$50K and over. The most significant procurement was for Taurikura Drive Upgrade, which accounted for approximately half of the total estimated contract value over this period.

Procurement Method	Number of Procurements	Estimated contract value including renewals	Min of No. of Bids Received	Max of No. of Bids Received
Open	3	\$13,988,000	2	5
Closed	3	\$648,000	1	2
Direct	8	\$1,620,000	1	1
Panel	25	\$5,293,000	1	4
Total Contracts Procured	39	\$21,549,000	1	5

A Panel is a group of pre-approved suppliers that an organisation can use for secondary procurement of goods and services.

21 contracts worth \$20.3m will be procured over the next 3 months, primarily through panels, with the only open procurement for Waterfront Central Plaza construction.

Procurement Method	Number of Procurements	Estimated contract value including renewals
Closed	1	\$400,000
Open	1	\$3,500,000
Panel	18	\$15,400,000
Continuum	1	\$1,000,000
Total Procurement Planned	21	\$20,300,000


12. **Attachment 4** provides a full list of all active projects including their status for information purposes.
13. There is an option to incorporate into the committee's forward plan briefings and scrutiny sessions for Elected Members regarding Value for Money and the considerations taken to ensure projects achieve value for money. The following topics are recommended:
 - (a) Business Cases
 - (b) Benchmarking
 - (c) Commercial audits

NEXT STEPS

14. The next full update on project performance will be presented at the 2 September City Delivery Committee meeting.

ATTACHMENTS


1. **Attachment 1 - Project Performance End of April 2025 - A18226993** [↓](#) 
2. **Attachment 2 - Red Status Projects - A18226998** [↓](#) 
3. **Attachment 3 - On Hold Projects - A18226996** [↓](#) 



Project Performance April 2025

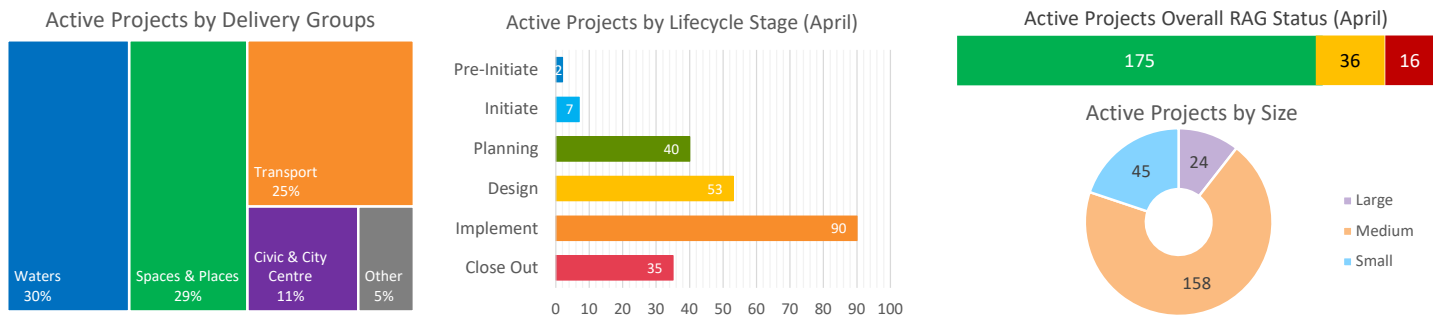
City Delivery Committee 4th June 2025

Te Tai Whanake
We're here to make Tauranga better
Together, we can



Tauranga City

Capital Programme FY26 Budget



	Overall Status	Budget (FY)	Actuals (YTD)	EAC (FY)	FY Variance	Active	On Hold
Major Transport	<div><div></div></div>	\$ 103m	\$ 72m	\$ 95m	-8%	3	-
Transport	<div><div></div></div>	\$ 75m	\$ 49m	\$ 60m	-20%	54	28
Waters	<div><div></div></div>	\$ 108m	\$ 67m	\$ 88m	-19%	68	3
Spaces and Places	<div><div></div></div>	\$ 46m	\$ 26m	\$ 35m	-24%	66	4
Civic and City Centre	<div><div></div></div>	\$ 123m	\$ 95m	\$ 120m	-2%	24	4
Digital Services	<div><div></div></div>	\$ 23m	\$ 18m	\$ 23m	-1%	-	-
Balance (other)	<div><div></div></div>	\$ 29m	\$ 15m	\$ 19m	-35%	12	-
Overall		\$ 507m	\$ 342m	\$ 440m	-13%	227	39

FY24/25 revised budget excludes land sales, vested assets and BVL new capital offset

Community Infrastructure FY2024/25 Programme

	FY25				Total Project				
	FY25 Actuals (to end Apr)	FY25 Approved Budget	FY25 Forecast	FY25 Forecast Variance	Actuals to Date ¹	Total Project Budget per 24-34 LTP	Total Project Budget per Draft 26AP ²	Total Forecast EAC	Total Forecast Variance ⁴
Merivale Community Centre	\$3.2m	\$6.4m	\$4.3m	-\$2.1m	\$4.0m	\$8.3m	\$8.3m	\$7.1m	-\$1.1m
Gate Pa Community Centre	\$1.5m	\$5.7m	\$1.5m	-\$4.3m	\$2.1m	\$8.0m	\$8.0m	\$7.8m	-\$0.2m
Complex 2 Historic Village	\$2.4m	\$2.7m	\$2.4m	-\$0.3m	\$6.9m	\$7.2m	\$7.2m	\$7.1m	-\$0.1m
Links Ave Artificial Turf	\$3.3m	\$4.5m	\$4.5m	\$0m	\$4.3m	\$8.6m	\$8.6m	\$8.3m	-\$0.3m
Baypark Masterplan (on Hold)	\$1.0m	\$1.0m	\$1.0m	\$0m	\$3.7m	\$36.1m	\$47.4m	\$3.7m	-\$43.7m ³
Renewals	\$3.9m	\$8.5m	\$6.5m	-\$2.0m	\$45.0m	\$146.9m	\$145.9m	\$145.9m	\$0.0m
Balance of Programme	\$9.3m	\$15.2m	\$12.6m	-\$2.9m	\$125.2m	\$450.8m	\$480.4m	\$480.4m	\$0.0m
Total	\$24.6m	\$44.0m	\$33.1m	-\$11.0m	\$191.2m	\$665.8m	\$705.7m	\$660.2m	-\$45.3m

¹includes all historic multi-year spend to the end of April 2025






²subject to 2026 Annual Plan and future Annual Plan/Long-term plan decision making, impacting phasing and inflationary allowances. Budget revisions proposed in the Exec Report to the 2026 Annual Plan have not yet been included.

³ subject to 2026 Annual Plan/Council decision making – forecasting no spend until decision known

⁴ Includes any forecast unspent project contingency and risk allowances that are part of the total project budget.

Tauranga City Council

Community Infrastructure Key Projects

Project / Programme	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
Merivale Community Centre	Work has progressed well onsite. Currently the project on schedule programme due to be handed back to the Merivale Trust in September.		Implement	Late Aug 2025
Gate Pa Community Centre	Notification was received in March from TCC (as the regulator) that the resource consent will be required to go through a limited notification process. This will create a time delay on the commencement of construction work by at least three months, while the notification and any hearing process that may be required is worked through. This means construction will now commence in late 2025.		Design	Late 2025
Complex 2 Historic Village	Construction work is complete, and the building has been issued CPU and practical completion has been issued to the contractor. The building has been handed back to the Historic Village team, and the defect liability period commenced.		Implement	Feb 2025
Links Ave Artificial Turf	Construction is underway on site, with the earthworks for platform for the artificial turf and carpark and drainage works commencing.		Implement	Late 2025
Bay Park Masterplan	On hold pending council direction. It is indicated that this will be provided in May 25.		On-Hold	On hold

Tauranga City Council

Community Infrastructure Programme Challenges

Challenges	How we are Responding	Change since Last Reported to Committee	Value for Money Challenges
<i>Managing Stakeholder Expectations</i>	It is always a challenge to manage stakeholder expectations of what can be achieved and delivered within the available budgets, to ensure the best outcomes for the key stakeholders and wider community are achieved. The delivery team, engages with a wide range stakeholders (including Mana Whenua) through the planning, design and delivery process. This ensures stakeholders are informed and across design changes and the implications on budgets. The team stays focused to ensure the best overall community outcome is reached that balances community expectations with project costs to deliver value.	Status Quo - The delivery team, engages with a wide range stakeholders (including Mana Whenua) through the planning, design and delivery process. This ensures stakeholders are informed and across design changes and the implications on budgets. The team stays focused to ensure the best overall community outcome is reached that balances community expectations with project costs to deliver value.	Ensuring the scope of projects are correct and reflect not only the requirements of stakeholders but also the best outcome for the community. For example, the recent relocation of the waterfront toilets, reused a community asset into an area a high demand (Pacific Park Playground) without purchasing a new toilet block.
<i>Maximising best 'Value' out of existing contractual relationships</i>	Spaces and Places, has two procurement arrangements to enable good engagement with the supply chain, through both our panel agreements and Construction Project Partnership (CPP). This allows us to have robust conversations about projects with the supply chain and ensure value is delivered to the community	Status Quo - The success of these agreements is around having confidence in the pipeline of work that is being offered by council. Current reviews of the FY 25 and FY26 capital programme have meant that the pipeline is less secure and some of the key projects that are part of this pipeline are now deferred or on hold awaiting confirmation of AP 26 or other council decision making/direction.	Providing a secure pipeline of work allows council to have robust discussions with the supply chain around cost and efficiency. Uncertainty in the delivery programme means that council can lose this opportunity.
<i>Project Funding (external funders)</i>	Community Infrastructure projects tend to be attractive to external funding agencies (TECT, gaming trusts etc), due to the positive outcomes that are delivered to the community. This funding is used offset any council funded project budget. Spaces and Places provides updates of potential projects to funders proactively to gauge interest in any funding proposals	Current reviews of the FY 25 and FY26 capital programme have meant that the project pipeline is less secure and some of the key projects that are part of this pipeline are now deferred or on hold. A consequence of this is funders may lose confidence in the ability for projects to progress and withdraw funding support. The Spaces and Places team are proactively communicating with funders on project status updates to assist in securing this funding through any project delivery changes.	Funders may reallocate money to other projects, which means the external funding may no longer be available to council, so those projects if they proceed may do so at a higher capital cost to council.

Tauranga City Council

Waters FY2024/25 Programme





	FY25				Total Project				
	FY25 Actuals (to end Apr)	FY25 Approved Budget	FY25 Forecast	FY25 Forecast Variance	Actuals to Date*	Total Project Budget per 24-34 LTP	Total Project Budget per Draft 26AP**	Total Forecast EAC	Total Forecast Variance
Opal Drive Wastewater Programme	\$11.5m	\$12.1m	\$14.5m	\$2.4m	\$22.6m	\$91.4m	\$91.6m	\$90.6m	\$0.0m
Pyes Pa West Dam 5 and Wetland 5	\$4.0m	\$4.5m	\$4.2m	-\$0.3m	\$10.8m	\$16.8m	\$16.1m	\$15.8m	-\$0.3m
Te Maunga Wastewater Treatment Plant	\$15.9m	\$16.7m	\$18.7m	\$2.0m	\$125.8m	\$404.4m	\$404.7m	\$404.7m	\$0.0m
Renewals	\$19.5m	\$30.3m	\$26.7m	-\$3.6m	\$162.3m	\$608.0m	\$601.6m	\$601.1m	-\$0.5m
Balance of Waters Programme	\$14.8m	\$44.8m	\$24.5m	\$20.3m	\$534.4m	\$1,734.0m	\$1,746.6m	\$1,246.6m	-\$0.5m
Total	\$65.7m	\$108.5m	\$88.5m	-\$19.9m	\$856.0m	\$2,854.5m	\$2,860.7m	\$2,860.7m	-\$1.3m

*includes all historic multi-year spend to the end of April 2025

**subject to 2026 Annual Plan and future Annual Plan/Long-term plan decision making, impacting phasing and inflationary allowances. Budget revisions proposed in the Exec Report to the 2026 Annual Plan have not yet been included.

Tauranga City Council

Waters Key Projects / Programmes

Project / Programme	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
Opal Drive Wastewater Programme	The Opal Drive pumpstation is progressing well through with the current works focussed on the below ground wet well and chambers. The project has worked through consenting and contaminated ground issues which have caused delays and depletion of the risk allowances. A later than planned finish is able to be managed through the continued operation of the existing temporary pump station to convey wastewater to Te Maunga.		Implement	June 2026
Pyes Pa West Dam 5 and Wetland 5	The dam works have been completed on time and under budget. The Wetland 5 works are scheduled to commence next earthworks season.		Implement	Mid 2026
Te Maunga Wastewater Treatment Plant	Clarifier 3 construction significantly completed pending instalation of the clarifier mechanism and is under budget and in advance of when it is required. The enabling works for the New Inlet works are complete, with the prelim design for the New Inlet works underway – ahead of of the currently deferred construction phase. Bioreactor 2 ground improvement works have been completed with the above ground works underway. These ground improvement works had quality issues which have been worked through which significantly delayed the project and drew down on the projects risk budget. The delayed completion is able to be managed by the continued operation of Bioreactor 1. Other related projects Site Power and aeration upgrades are underway and are tracking well.		Implement	Staged dates
Renewals - Waters	This programme consists of various 3 waters renewal work-fronts including wastewater reticulation, water reticulation, stormwater, reservoirs, wastewater pumpstations. All current work fronts are planned well in advance and progressing well.		Implement	Ongoing

Tauranga City Council

Waters Programme Challenges

Challenges	How we are Responding	Change since Last Reported to Committee	Value for Money Challenges
<i>Managing Stakeholder Expectations</i>	The challenge is to manage stakeholder expectations of what can be achieved and delivered within the available budgets, to ensure the best outcomes for the key stakeholders and wider community are achieved. The delivery team, engages with a wide range stakeholders (including Mana Whenua) through the planning, design and delivery process. This ensures stakeholders are informed and across design changes and the implications on budgets. The team stays focused to ensure the best community outcome is reached and minimises project costs to deliver value.	No change	Ensuring the scope of projects are well defined with clear boundaries. Clarity on the Why and What is to be delivered for best value outcome.
<i>Pressure on Budgets – “More for less”</i>	We are focusing on a range of tools. The use of our delivery panels partners, using procurement options such as early contract engagement (ECI). Through the entire delivery programme, we are well informed on potential risks and have plans prepared to mitigate or reduce such risks. Ensuring we focus on economies of scale as appropriate to address inefficiencies. Minimise the need for repetitive work across our portfolio of projects.	Recent review by Council has resulted in FY 25 and FY 26 budgets being revised to meet budget constraints. This has resulted in capital work being pushed out to further years. This has an impact on delivery panel partners and bow wave subsequent financial years.	Design reviews for projects that are shovel ready reduces the risk around scope creep. Ensure that the projects are delivering community outcomes at least cost.
<i>Projects dependent on external funding</i> - Three water projects linked with transportation delivery programme with NZTA Waka Kotahi funding.	While we currently have a view of our project pipeline for the coming 12-18 months, the co-funding opportunities visible to us evaporate thereafter making it very difficult to keep projects progressing to a stage to activate when the funding priorities become known from our partners: 1. Developing a prioritisation methodology that is flexible and allows us to recalibrate to varying funding climates/priorities 2. Aim to engage with EM's on our recommendation and how we fund early stage project progress to allow us to pivot or respond as required when more is known about funding priorities out past 202	Understanding on direction of NZTA funding and consequences to transport budgets. City waters has adjusted its capital projects in the Annual Plan. Confirm TCC priorities in concert with external funders.	1. Final design check in with Transport to ensure programme delivery is coordinated prior to procurement. 2. Finding budget to sole fund early stage project evolution (get them closer to being shovel ready)

Tauranga City Council

Transport FY2024/25 Programme

	FY25				Total Project				
	FY25 Actuals (to end Apr)	FY25 Approved Budget	FY25 Forecast	FY25 Forecast Variance	Actuals to Date*	Total Project Budget per 24-34 LTP	Total Project Budget per Draft 26AP**	Total Forecast EAC	Total Forecast Variance
Taurikura Drive Upgrade	\$0.7m	\$2.8m	\$4.3m	\$1.5m	\$1.9m	\$30.4m	\$30.6m	\$14.7m ¹	-\$15.9m
Safety Programme (LCLR)	\$5.1m	\$6.6m	\$5.6m	-\$1.0m	\$43.8m	\$116.2m	\$104.7m	\$104.7m ²	\$0.0m
Arataki Bus Interchange + Farm Street Upgrade	\$3.0m	\$4.4m	\$3.1m	-\$1.3m	\$5.0m	\$10.3m	\$6.3m	\$5.1m	-\$1.2m
Arterial Route Review	\$0.0m	\$0.8m	\$0.2m	-\$0.6m	\$0.0m	\$10.8m	\$10.7m	\$10.7m ²	\$0.0m
Bethlehem Road Stage 2	\$0.5m	\$1.7m	\$0.9m	-\$0.8m	\$0.7m	\$1.3m	\$2.0m	\$1.1m	\$0.6m
Bureta/Ngatai Intersection	\$0.0m	\$0m	\$0.0m	\$0.0m	\$0.0m	\$2.4m	\$2.4m	\$2.4m ³	\$0.0m
Renewals	\$21.3m	\$24.0m	\$24.2m	\$0.3m	\$136.6m	\$457.1m	\$459.3m	\$459.3m	\$0.0m
Balance of Transport Programme	\$19.4m	\$37.0m	\$23.0m	-\$14.0m	\$315.8m	\$796.1m	\$804.4m	\$804.4m	\$0.0m
Total	\$50.1m	\$77.3m	\$61.3m	-\$16.0m	\$503.8m	\$1,422.1m	\$1,420.5m	\$1402.4m	-\$16.5m

*includes all historic multi-year spend to the end of April 2025

**subject to 2026 Annual Plan and future Annual Plan/Long-term plan decision making, impacting phasing and inflationary allowances. Budget revisions proposed in the Exec Report to the 2026 Annual Plan have not yet been included.



¹ Assumes bus hub is constructed on Taurikura Drive rather than on TCL land.

² Assumes full value of available funds will be spent eg prioritized list will be delivered to use available headroom.

³ Costs at completion are initial estimates only and will be refined as design develops.




Tauranga City Council

Transport Key Projects / Programmes

Project / Programme	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
Taurikura Drive Upgrade	<p>Taurikura Drive Upgrades & On Street PT hub.</p> <ul style="list-style-type: none"> • Tender evaluation, pre-award negotiation and contract award completed. • Very competitive pricing received • Within approved budget and solid VfM proposition. • Methodology being finalised but earlier completion date likely • Budget forecasts based on on-road rather than off-road bus facility 		Implementation	June 2026
Arterial Route Review	<ul style="list-style-type: none"> • Modelling & Scenario assessment underway. • Scenario assessment focused on support for T5 construction programmes and future works e.g. Turret & 15th Ave Upgrade, Barks Corner, CMM. • T5 requirements/construction methodology will not be known this FY. • Works (interventions) being ranked but advancing a range of options through site assessment and design 		Planning	June 2027

Tauranga City Council

Transport Key Projects / Programmes

Project / Programme	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
Bethlehem Road Stage 2	<ul style="list-style-type: none"> Bethlehem Road Safety Project progressing well. Additional work being scoped to increase safety at Kohanga/Kura. Investigating possibility of advancing part of next stage of planned road improvements (Stage 3) to use funds effectively/achieve value for money. Original scope expected to be completed by June '25. Future date allows for additional scope noted above. 		Implementation	Sept 2025
Farm Street (Arataki Stage 2)	<ul style="list-style-type: none"> Bus Hub component completed. Design of street improvements is advancing well. Includes improving the Leander laneway and increasing street safety. Commencement to be confirmed. Implementation phase expected to be approx. 3 months. Completion expected within FY26. Expected to be completed within original Bus Hub budget 		Design	Oct 2026
Bureta/Ngatai Intersection	<ul style="list-style-type: none"> Received NZTA Targetted Fund support in April Currently in early stage concept design High level of coordination with rehabilitation of pavement Commencement to be confirmed. Implementation phase expected to be approx. 3 months. Completion expected within FY26. 		Design	June 2026

Tauranga City Council

Transport Programme Challenges

Challenges	How we are Responding	Change since Last Reported to Committee	Value for Money Challenges
<i>Increasing Councils delivery efficiency</i>	<p>In an environment of maximising funding, it is more important than ever that we identify headroom in our programme as we begin new phases of projects within the annual budget cycle. The realised headroom will be used for:</p> <ol style="list-style-type: none"> 1. Identification of various higher priority LCLR projects available to be brought forward and activated at pace. 2. Invest in planning and design activities so projects identified in 1. above can be shovel ready. 	<p>Prioritisation methodology in the final stages of development for EM consideration and confirm TCC priorities for sole funded projects.</p>	<ol style="list-style-type: none"> 1. Utilising unrealised cashflow will increase the number of projects delivered by the team. Largely a programme made up of small and low risk projects deliver the community a range of outcomes and requests that the prioritisation of larger projects forgets. 2. Increasing the number of projects that are shovel ready reduces the risk around programme slowdown during annual plan and LTP planning phases. This requires early investment in anticipation of potential activation.
<i>VFM workstreams</i>	<p>In pursuit of Internalising consultant activities and greater value for money, we have started a process of internalising a range of services traditionally outsourced:</p> <ol style="list-style-type: none"> 1. Understanding what services could be internalised including concept design, MSQA, resource consents, SSA, modelling and vehicle tracking analysis. 2. Identification of skill sets available internally to meet the needs identified. 3. Understand the skill gaps to maximise the opportunity and plan to close the gaps. 4. Manage risk to TCC relating to the transition including QA of undertaking these tasks ourselves until confidence is built around deliverables and an expected level of service. 	<ol style="list-style-type: none"> 1. Key tasks areas identified 2. Resource consents and basic concept designs successfully internalised 3. Skills assessment completed and specialist software installed to support activities 4. Pathway understood to progress other key activities 	<ol style="list-style-type: none"> 1. Investment required to maximise the opportunity 2. Difficult to have full confidence in the cost benefit without understanding the benefit of specialist consultants (quality and speed) in comparison to internal resource

Tauranga City Council

Transport Programme Challenges

Challenges	How we are Responding	Change since Last Reported to Committee	Value for Money Challenges
<i>Project pipeline uncertainty</i>	<p>While we currently have a view of our project pipeline for the coming 12-18 months, the co-funding opportunities visible to us evaporate thereafter making it very difficult to keep projects progressing to a stage to activate when the funding priorities become known from our partners:</p> <ol style="list-style-type: none"> 1. Developing a prioritisation methodology that is flexible and allows us to recalibrate to varying funding climates/priorities 2. Aim to engage with EM's on our recommendation and how we fund early stage project progress to allow us to pivot or respond as required when more is known about funding priorities out past 2027. 	<ol style="list-style-type: none"> 1. Prioritisation methodology in the final stages of development for EM consideration and confirm TCC priorities outside of the priorities set by external partners (Smart Growth, UFTI, NZTA). 	<ol style="list-style-type: none"> 1. Increasing the number of projects that are shovel ready reduces the risk around programme slowdown during annual plan and LTP planning phases 2. Finding budget to sole fund early stage project evolution (get them closer to being shovel ready)
<i>Innovation ecosystem</i>	<p>In pursuit of VFM solutions, The EM's have acknowledged an appetite to support innovative thinking that may not have aligned with previous risk aversion and 'belts and braces' operating methodologies:</p> <ol style="list-style-type: none"> 1. Create a 'safe place' for staff to take calculated risks on new systems and technologies e.g. roller compacted concrete, mobile rapid deployment TTM, lower cost alternatives to asphalt etc 2. Seek a platform for capturing innovative ideas, seeking exec or EM endorsement to deviate from GAP around the delivery of transport outcomes. 	<ol style="list-style-type: none"> 1. Sources of innovation identified and pipeline of existing initiatives understood. 2. Innovation Forum guiding principles and members being identified. 	<ol style="list-style-type: none"> 1. Ordinary innovation cycles accept a relatively high level of failure that we cannot accept at TCC. Our risk assessment process needs to balance risk and reward with higher rigour. 2. Engineers are generally quite risk averse and so we need to develop a safe culture and space to permit and endorse them undertaking controlled deviations from best practice they would not ordinarily explore

Tauranga City Council

Digital Services FY2024/25 Programme

	FY25				Total Project				
	FY25 Actuals (to end Apr)	FY25 Approved Budget	FY25 Forecast	FY25 Forecast Variance	Actuals to Date*	Total Project Budget per 24-34 LTP	Total Project Budget per Draft 26AP**	Total Forecast EAC	Total Forecast Variance
Rates and Land Management on SAP	\$6.50m	\$9.1m	\$8.50m	-\$0.60m	\$14.08m	\$17.00m		\$17.07m	\$0.70m
DaaS (Desktop as a Service)	\$0.54m	\$0.68m	\$0.67m	-\$0.01m	\$0.54m	\$1.20m		\$1.17m	-\$0.03m
City Operations technology enablement	\$1.20m	\$1.56m	\$1.39m	-\$0.17m	\$1.22m	\$1.56m		\$1.39m	-\$0.17m
Hardware	\$1.30m	\$2.18m	\$1.57m	-\$0.61m		\$19.57m		\$19.57m	\$0m
Balance of Digital Programme	\$9.06m	\$9.28m	\$10.47m	\$1.19m	\$43.76m	\$120.27m		\$129.20m	\$8.93m
Total	\$18.60m	\$22.80m	\$22.60m	-\$0.20m	\$59.6m	\$159.60m	\$168.40m	\$168.40m	\$8.80m



*includes all historic multi-year spend to the end of April 2025

**subject to 2026 Annual Plan and future Annual Plan/Long-term plan decision making, impacting phasing and inflationary allowances. Budget revisions proposed in the Exec Report to the 2026 Annual Plan have not yet been included.

Note: some breakdown of projects have been identified in subsequent slides but have not been split out at the budget level. Actuals and budgets will be split out to provide visibility of key initiatives in future reporting.



Tauranga City Council

Digital Services Projects / Programmes

Project / Programme	Project Description	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
Rates and Land Management on SAP	The migration of property rating and land management from our legacy ERP, Ozone to SAP.	<ul style="list-style-type: none"> Core functionality going through User Acceptance Testing Staff training underway Scheduled go-live last weekend of June, after which all future rates, invoicing and collections will be managed through TCC's SAP platform Amber due to key risk: go-live is occurring concurrently with an organisational reset, which impacts the Rates Team. Capacity to support critical activities is being closely monitored by both Digital and rates team leadership 		Implementation	Sept 2025
DaaS (Desktop as a Service)	Modernisation of laptop deployment and management processes. This critical initiative aims to enhance the efficiency and security of our laptop fleet, ensuring our technology remains current and fully operational. A key component of this project will impact user interactions with their laptops and our services teams. We are introducing self-service tools for device setup, software deployment, and technical support, while also modernising our backend management systems to ensure operability into the future. This effort is also a strategic move to future-proof our operations, enabling scalable growth, eliminating manual inefficiencies, and strengthening our security posture to mitigate organisational risks	<ul style="list-style-type: none"> Discovery and design workshops completed Infrastructure build completed Application analysis underway for application catalogue creation and application deployment ITSM integration design underway Waiting for final commercials for buyback and proceeding processes Windows 11 application compatibility testing underway Planning for UAT (User Acceptance Testing) & Business pilot underway 		Implementation	Dec 2025

Tauranga City Council

Digital Services Projects / Programmes

Project / Programme	Project Description	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
City Operations technology enablement	Digital Services is actively supporting City Operations and Facility Maintenance in bringing three key maintenance contracts in-house, effective 1 July 2025. These contracts cover: Sports Fields Maintenance; Roadside Mowing and Public Toilet Cleaning (including Carpark Buildings, Clubrooms, and Drinking Fountains). Development work is on track, and we are now planning onboarding of staff to leverage the technology.	<ul style="list-style-type: none"> • Technical implementation Completed • User acceptance testing completed and signed off • Production migration activities under way. • Staff adoption activities in planning • 1st of July Go-live 		Implementation	June 2025
Hardware	Our ongoing renewals programme manages the lifecycle of our hardware and software assets. This includes critical hardware that runs our network and infrastructure and end user device replacements, as well as software lifecycle. The initiative ensures timely renewals and upgrades, helping us maintain a safe, secure, reliable, and future-ready technology environment.	<ul style="list-style-type: none"> • End of life hardware replacements that were held to coincide with 90D move have now been completed • End of life renewals for network hardware is ongoing (includes switches and wireless access points) • End of life renewals for mobile phones is ongoing • End of life renewals for Surface Hubs is mostly complete, with a few remote sites still need upgrades before Windows 10 goes out of support in October • New storage and compute hardware has been installed, and configuration is underway 		Implementation	June 2025

Tauranga City Council

Digital Services Programme Challenges

Challenges	How we are Responding	Value for Money Challenges
Budget uncertainty - Digital Services' forecast and planned budgets were reduced in Oct 24 for FY26 with further cuts being requested for FY26 in 2025, we are awaiting directions and decisions on budget re-prioritisation.	An options paper has been drafted, outlining different budget scenarios, what can be delivered at each budget level and the associated risks of each option.	
Risk appetite - the level of risk appetite is currently ambiguous and effectively set at zero, which is not practical or applicable to technology, given the type of organisation we are and the level of funding that can be applied.	An options paper has been drafted, outlining different budget scenarios, what can be delivered at each budget level and the associated risks of each option.	
Organisational capacity - New or changing technology have a profound impact on how our people work and like any change, this requires time and effort from teams to define needs, validate and adopt the technology and associated process changes.	Working with Business teams in advance of starting initiatives, defining expectations and identifying resourcing. The is being backed through appropriate governance.	If the outcomes of technology are not owned by business users, then the value is never truly realised.

Tauranga City Council

Balance of Programme

	FY25				Total Project				
	FY25 Actuals (to end Apr)	FY25 Approved Budget	FY25 Forecast	FY25 Forecast Variance	Actuals to Date	Total Project Budget per 24-34 LTP	Total Project Budget per Draft 26AP**	Total Forecast EAC	Total Forecast Variance
Major Transport	\$71.8m	\$101.3m	\$94.0m	-\$7.3m	\$124.8m	\$726.3m	\$730.6m	\$730.6m	\$0.0m
Te Manawataki o Te Papa	\$47.0m	\$61.6m	\$59.0m	-\$2.6m	\$89.8m	\$292.1m	\$298.8m	\$300.9m	\$2.1m
City Centre Programme & Transport	\$4.9m	\$6.8m	\$6.5m	-\$0.3m	\$9.4m	\$50.8m	\$49.2m	\$49.2m	\$0.0m
Renewals	\$2.8m	\$4.5m	\$3.9m	-\$0.6m	\$27.0m	\$71.1m	\$73.4m	\$73.4m	\$0.0m
Balance of Programme	\$57.0m	\$80.2m	\$71.1m	-\$9.1m	\$212.5m	\$737.1m	\$751.1m	\$751.1m	\$0.0m
Total	\$183.5m	\$254.4m	\$234.2m	-\$20.2m	\$463.5m	\$1,877.4m	\$1,903.1m	\$1905.2m	\$2.1m


*includes all historic multi-year spend to the end of April 2025

**subject to 2026 Annual Plan and future Annual Plan/Long-term plan decision making, impacting phasing and inflationary allowances. Budget revisions proposed in the Exec Report to the 2026 Annual Plan have not yet been included.

Note: TMOTP includes Site A project only for the purposes of this report. The full TMOTP programme, including waterfront projects, is reported separately through the City Future Committee.

Tauranga City Council

Other Key Projects / Programmes

Project / Programme	Project Updates	Overall RAG	Current Lifecycle Stage	Project Completion Date
City Centre Programme	<ul style="list-style-type: none"> •Construction of the Public Transport hub (Durham Street) is complete, and the bus stops & Shelters are in use. Though the final claim is still pending, this is expected to be delivered under budget. •Work is underway to prepare EOI for the sale of 79 Grey St with design options for the 134 Durham St section of the laneway in progress. •The Monmouth Redoubt project is underway with successful tree removal in March, expected completion late 2025. The Harington St tree pit was recently completed to align with the upcoming NQ Harington St footpath upgrade. Painting and lighting works continue at Elizabeth St Carpark, expected to be completed in May. •Grey Street Improvement and Waterfront Connection Stage 2 will begin works in June. Concept designs are in progress for the Tauranga Sign. The Aspen Reserve Upgrade will be rescope on the advice of Council. 		Implement	Ongoing
Major Projects	This programme is reported separately to City Delivery Committee			

Tauranga City Council

Other Key Projects / Programmes

Project / Programme	Project Updates
Marine Precinct	Following the High Court's judgment dated 11 April 2025 lifting the interim injunction, the sale of the Marine Precinct settled on 30 April 2025. The Developer (Tumblehome Bay Ltd and Pacific Safe Harbours Ltd) must now complete Stage 1 of the development, which includes the new wharf structures, by 30 April 2027. Council is working with the Developer to agree terms for a Funding Agreement, which will set out the process for Council's approval of the designs and construction contract for the new wharf structures, and processes for managing payments under the construction contract for the new wharf structures. As set out in the Development Agreement, Council is liable to contribute up to a maximum sum of \$ 29.2m plus GST towards the new wharf structures. Council is seeking advice from industry experts to help it navigate this process, and to achieve the best possible outcome for Council and the wider community. On completion of the new wharf structures, ownership of the new wharf structures will vest back to Council for zero sum.
Te Manawataki o Te Papa	This programme is reported directly to Council

Tauranga City Council

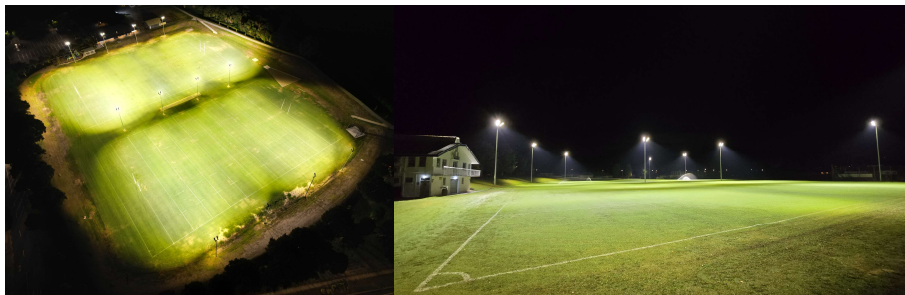
Community Infrastructure Highlights



Restoration work underway at Monmouth Redoubt



Relocated the Toilet Block From the Waterfront to Pacific Park



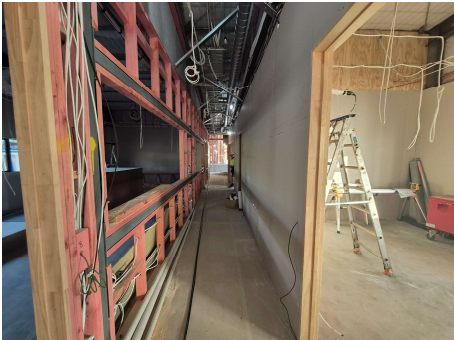
New Field Lighting at Gordon Spratt and Pemberton Parks



Demolition of old Playcentre at Blake Park



Merivale Community Centre – Weathertight and Wall lining underway



Links Ave Artificial Turf



Opened New Mini Skate Ramp at Waitaha reserve



Building Renewals at the Historic Village

City Waters Highlights



Wairakei Pump Station

- The new Wairakei Pump Station will replace an existing, smaller “localised” Pump Station nearby on Golden Sands Drive and will cater for future development flows from Wairakei and Te Tumu, upstream of the new Opal Drive Pump Station.
- Wairakei PS is currently in design, with an ECI Contractor on board and ground improvement trials were completed on site just before Christmas to manage the geotechnical risk (see photo). Construction is expected to start in the second half of 2025, with the pump station operational by mid-2027.

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City Waters Highlights



Bioreactor 2

- Stage 2 above ground works ready to go

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City Waters Highlights



Te Maunga - Clarifier 3

- **Nearing Completion.**

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Oropi Water Storage Tank - Seismic upgrade



Golden Sands Wastewater Pipeline Repairs



- Golden Sands Sink hole repairs carried out
- With minimum disruption to the community.



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Transport Project Highlights

Durham Street South Bus Interchange Completed



The new shelters



Kaumātua blessing

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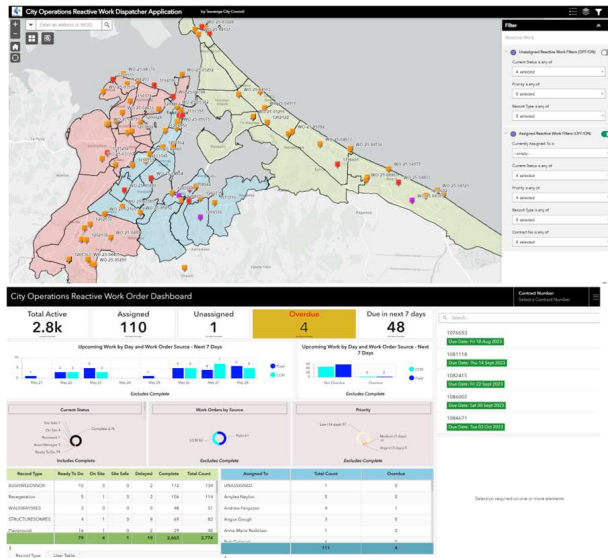
Transport Project Highlights

*Bethlehem Road Safety Project
Progress*



Tauranga City Council

Digital Services Programme Highlights




City Operations Reactive Work Order Dispatch Application

City Operations Reactive Work Order Dashboard

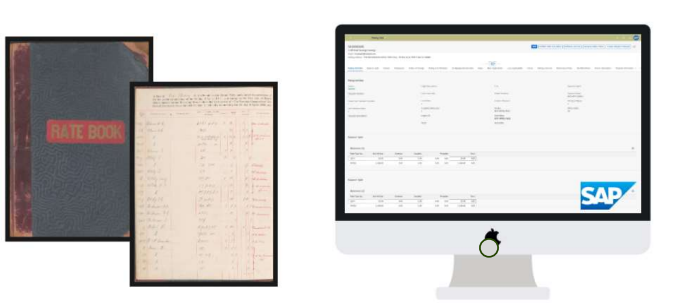
Total Active: 2.8k, Assigned: 110, Unassigned: 1, Overdue: 4, Due in next 7 days: 48

Report Type	Ready To Do	On Site	Site Safe	Delayed	Complete	Total Count
WATERWORKS	126	0	0	0	126	126
WALLWORKS	2	0	0	0	48	50
STRUCTURAL	4	1	0	0	47	52
Other	78	4	1	1	84	84

City Operations Work order dispatch interface and reporting



City Operations field staff mobile asset and work order interface



THEN 1901 NOW 2025

Rates at Tauranga City Council – Then and Now

Tauranga City Council

Red Status Projects

	Large	Medium	Small			Pre-inistate	Initiate	Planning	Design	Implement			CHANGES	Large	Medium	Small
Waters	1	7	1	9	Waters	-	-	7	-	2	9	Waters	-1	-	-	-
Transport	3	-	-	3	Transport	1	1	-	1	-	3	Transport	-	-	-	-
Spaces & Places	-	1	-	1	Spaces & Places	-	-	-	1	-	1	Spaces & Places	-	-1	-	-
City & Civic Centre	-	1	-	1	City & Civic Centre	-	-	-	-	1	1	City & Civic Centre	-	-	-	-
Others	-	2	-	2	Others	-	-	1	1	-	2	Others	-	-1	-	-
	4	11	1			1	1	8	3	3						

New Red Status Projects

Project Title	Activity Area	Project Size	Project Status	Project Lifecycle Stage	RAG Feb 2025	RAG Mar 2025	RAG Apr 2025	Total Budget (Draft AP26)	Project Actuals to date	Total Project EAC	Variance Bud vs EAC	FY25 Budget	FY25 Forecast	FY25 Forecast Remaining	Future Year Forecast (non FY)	Latest Overall Commentary
Papamoa Manifold Pipeline (Trunk main) replacements	Waters	Medium	Active	Planning	Amber	Amber	Red	6,753,423	193,471	680,053	- 6,073,369	313,548	281,813	155,536	331,046	Scope for previously agreed solution to proceed with overflow pipe design deemed not feasible and site investigation is underway to inform the new 'alternative feasible' option. Cost forecasts estimate on further stages from feasibility assuming the new long term option. VO3 is signed and Physical works now being planned, ETC by end of the FY25/26.

Red Status Projects (No Change)

Project Title	Activity Area	Project Size	Project Status	Project Lifecycle Stage	RAG Feb 2025	RAG Mar 2025	RAG Apr 2025	Total Budget (Draft AP26)	Project Actuals to date	Total Project EAC	Variance Bud vs EAC	FY25 Budget	FY25 Forecast	FY25 Forecast Remaining	Future Year Forecast (non FY)	Latest Overall Commentary
Cameron Road Upgrade Stage 2 (CRS2)	Transport	Large	Active	Planning	Red	Red	Red	322,464,706	5,424,063	320,282,610	- 2,182,095	3,905,003	3,266,832	85,518	314,773,029	The status is red as anticipated NZTA co-funding has not been prioritised in the 2024-27 NLTP. As resolved by the City Futures Committee, further optioneering is currently underway to identify potential delivery options within a reduced funding envelope of approved and budgeted IAF, IFF and Development Contribution funds. A project report is planned to the City Futures Committee meeting on 16 June 2025 to present options and seek direction on next steps.
TSP002 - Connecting Mount Maunganui (Hewletts Rd)	Transport	Large	Active	Pre-Initiate	Red	Red	Red	7,969,753	1,207,384	6,521,582	- 1,448,171	627,832	574,217	279,000	5,035,198	The Indicative Business Case is complete and has been endorsed by TCC and the NZTA Board. Elected Members have communicated a strong desire for next stages of planning to progress including completing the DBC phase over the next 18-24 months to inform funding prioritisation in the 2027-30 NLTP. Project funding to progress the DBC is an issue - with anticipated NZTA co-funding not allocated in the 2024-27 NLTP. Currently assessing options and opportunities with a plan to report back to City Futures Committee in June with options. NZTA co-funding at 51% FAR has been confirmed to progress design and construction of the Te Maire link - conditional on construction being complete by June 2027.
Western Corridor Wastewater Stage 1	Waters	Large	Active	Planning	Red	Red	Red	44,893,702	278,182	4,098,141	-40,795,561	337,613	253,799	97,000	3,722,959	Red for scope - new modelling shows new additional upgrades likely needed in short term and long term due to significantly increases pop growth numbers. Scope of long term servicing WILL be more than what is currently in the 2023 implementation plan, and will impact cost (will update \$ once known) due to increase in pop figures. Sept 2025 outputs expected from feasibility.
Art Gallery Door Relocation	City & Civic Centre	Medium	Active	Implement	Red	Red	Red	6,767,971	4,674,986	6,906,421	138,451	6,003,364	5,454,802	1,466,828	764,607	Consent for the new atrium ceiling has been approved. The main scaffold for the roof seismic remedial works have been installed. Works have already began on the roof seismic upgrade in the main Atrium. The project team are actively working with the Art Gallery board to value engineer the remaining work programme.
Carmichael Rd 3Waters Upgrade	Waters	Medium	Active	Planning	Red	Red	Red	3,795,290	367,412	4,382,315	587,025	893,788	157,220	39,500	3,975,403	Overall red as red for scope, amber cost and programme, green risk rating. Current budget was for low pressure sewer which was decided as no longer viable in 2024 (but now being revisited), budget used for design and option reviews and new feasibility assessment, it does not cover the cost for design and installation of a traditional system (hence red scope too). NOTE forecast uses an remaining current budget, NOT what will be needed to complete the construction of the preferred system (when it is fully developed and then approved). A15356890

Joyce Rd WSTP Technology Renewal	Waters	Medium	Active	Planning	Red	Red	Red	9,171,870	8,050	8,924,668	- 247,202	424,978	11,050	3,000	8,913,618	Currently in planning by the Operations team Budget review required as part of handover process, low confidence in current budget allocation. Expect an LTP submission to be required to seek budget for full scope, only stage one scope budgeted currently.
Mt Maunganui WS Main Upgrade	Waters	Medium	Active	Planning	Red	Red	Red	330,750	76,002	136,002	- 194,748	257,875	136,002	60,000	-	The objective of the project is to replace the abandoned section of the 250mm AC main with a new, larger trunk water main. This new main will connect the existing 450mm main on Rata Street to the 375mm main on Hull Road. This main will also be extended to connect to the trunk main along Harbour crossing on Totara Street. Currently, the feasibility design has been entrusted to GHD which is under progress. The optioneering workshop completed on 5/03/2025 indicate increase in the total cost of the project..
Opal Dr Pump Station Renewal	Waters	Medium	Active	Implement	Red	Red	Red	34,596,395	15,246,925	33,329,559	- 1,266,836	11,455,945	14,360,642	2,903,391	15,179,243	Construction activities are currently in progress, focusing on the foundation construction of the wet well and terminal chamber and installing GI stone columns. Although the project is slightly behind schedule, the risks associated with ground improvements and dewatering are diminishing and remain manageable. PFAS/PFOS risk has re-emerged and developing methodology to manage. There have been no major complaints from the local community, several properties have reported minor damage that is being investigated now. A community open day at the site is now confirmed for 10th of May.
PC38 - Business Land Framework	Others	Medium	Active	Planning	Red	Red	Red	7,140,034	90,833	100,833	- 7,039,201	562,900	100,833	10,000	-	Progress Update: At this stage of the project the main objective is to fully comprehend the issues associated with each topic. The issues paper is now being pulled together and finalised. A paper will be presented to the Plan Change PSG on 21 May to consider the Plan Change 38 implications. Currently, the overall status of the project is classified as red, indicating ongoing challenges concerning both time and scope.
Wairakei Town Centre - Bluehaven Delivered Projects	Transport	Large	Active	Design	Amber	Red	Red	12,326,017	1,289,645	17,422,491	5,096,475	3,555,968	145,717	31,200	16,101,646	The project is a programme scope of works, which will be executed in multiple stages. The Sands Avenue stage is currently advancing through the FDP submission phase, with procurement engagement and the commencement of delivery scheduled to begin in July. The project scope and budget have been clearly defined for the transport components funded by TCC. A project forecast, is outdated and requires updating by Bluehaven. Additionally, Alta has been engaged to conduct a review of outdated cost estimates and to provide a peer review of the Joint Engineer processes.
SW Upgrade Culvert under SH2	Waters	Medium	Active	Planning	Amber	Red	Red	6,836,176	135,265	316,009	- 6,520,167	185,744	182,814	180,744	-	Project on hold
Wairakei Rising Main PHASE 1	Waters	Medium	Active	Planning	Amber	Red	Red	12,986,626	715,348	12,153,385	- 833,241	791,158	591,225	415,303	11,022,734	RED RAG due to current financial risk. Resolution from WWSG was to keep cost as red however PCG approved to proceed to design based on current WoL forecasts. Schedule delayed in moving from planning to design, new timeline in discussion and to be confirmed. ECI to be done to assess cost of upgrades to have more certainty prior to end of feasibility - Cost estimates higher than WoL LTP funding, feasibility outcome is currently being endorsed by WWSG and PCG to follow once additional funding is allocated. Includes Simpson Rd PS upgrade, without storage component, PS upgrade only. Expecting project handover end of April/May 25.
Mount Beachside Holiday Park ensuite cabins	Spaces & Places	Medium	On Hold	Design		Red	Red	1,369,154	-	-	- 1,369,154	9,540	1,100	-	-	Project scope is clear from an internal perspective, project schedule and deliverables is dependant on engagement with key stakeholders. Project remains on hold while we try to work through hapu engagement. This engagement may impact on the scope.
Cambridge Road - Closed Landfill Upgrade	Others	Medium	Active	Design	Red		Red	776,729	690,663	970,663	193,934	405,811	599,746	280,000	-	The consent variation documentation to address the abatement notice is complete and has been lodged with the BOPRC. A number of Section 92 requests for further information have been received. These are minor in nature and should not unduly delay processing of the resource consent. The Contractor, HEB should be able to mobilize to site around mid June. Close relationships are being maintained with the BOPRC through the consent process and regular monthly meetings with Heidi Fraser covering all activities at the landfill and BMX track site. Coordination is also taking place with the Takitimu Northern Link project whose construction impacts the landfill leachate pond bund walls
WS Joyce Rd Mini Hydro	Waters	Small	Active	Implement	Red	Red	Red	945,119	797,347	862,847	- 82,272	162,794	80,521	65,500	-	Project is behind schedule as a result of COVID manufacturing delays and TCC staff availability. More recently a key staff member of the contractor has had significant health issues. Contractor currently not meeting program commitments. A new program has been verbally agreed, contractor to formally submit on 9th May

Project	Delivery Group	Project Size	On Hold Reason
CFIP Memorial Park Recreation Hub	Civic and City Centre	Extra Large	Governance - Council
BayPark Master Plan	Spaces & Places	Large	Governance - Council
Blake Park Car Parks	Spaces & Places	Medium	Governance - Council
Te Ranga Development	Spaces & Places	Medium	Governance - Council
Central Plaza	Civic and City Centre	Medium	Governance - Council
Central Plaza Wharf	Civic and City Centre	Medium	Governance - Council
Parking Strategy Implementation	Transport	Small	Governance - Council

Project	Delivery Group	Project Size	On Hold Reason
LCLR-Maranui Street Upgrades and Improvements	Transport	Large	No Funding
Truman Lane Renewal and Upgrade	Transport	Large	No Funding
Oropi WTP Intake Silt Management System - Self Cleaning Screens	Waters	Medium	No Funding
TSP 015 - Te Tumu Internal Multi Modal	Transport	Medium	No Funding
Bethlehem Primary and Te Wharekura O Mauao Safer School (Ref36_37)	Transport	Medium	No Funding
Pyes Pa Road Pedestrian Crossings (Ref12)	Transport	Medium	No Funding
LCLR - Cambridge Rd/Westridge Dr	Transport	Medium	No Funding
Bethlehem College & BTI Safer School (Ref35)	Transport	Medium	No Funding
Mount Primary Pedestrian Crossings (Ref17)	Transport	Medium	No Funding
Marine Parade 2 x Ped crossings (Ref36)	Transport	Medium	No Funding
Papamoa College Pedestrian Crossings (Ref23)	Transport	Medium	No Funding
Girven Road Upgrade Existing Ped Xing	Transport	Medium	No Funding
Tweed St Pedestrian Crossings (Ref67)	Transport	Medium	No Funding
Waikite Road Ped Crossing (Ref46)	Transport	Medium	No Funding
Omanu Primary Safety Improvements (Ref18)	Transport	Medium	No Funding
Waldorf School Safety Improvements (Ref26)	Transport	Medium	No Funding
Bellevue Rd Primary School - Anne Rd. to Windsor Rd (Ref96)	Transport	Medium	No Funding
Transport Choices along Grenada	Transport	Medium	No Funding
K Valley Connection to Waihi Birch Avenue Intersection TSP035 (Ref73)	Transport	Medium	No Funding
Harbour Drive Connection Across The Railway Line (Ref81)	Transport	Medium	No Funding
Fraser St. & Landview Rd Intersection Signalised intersection with Two Raised Ped Zebra Crossing (Ref 7)	Transport	Medium	No Funding
Hull Road Level Crossing Upgrade	Transport	Medium	No Funding
Marine Parade & Tay Street	Transport	Medium	No Funding
Accessible Streets – Area B - Phase 1- Business Case	Transport	Medium	No Funding
Welcome Bay Rd. TSP007 & 011 (Ref82)	Transport	Small	No Funding
Bethlehem Rd Stage 3 - Design only	Transport	Small	No Funding

Project	Delivery Group	Project Size	On Hold Reason
Pou at Maxwells Road Esplanade Reserve	Spaces & Places	Medium	Governance - External (Stakeholders)
Tamapahore Consult & Investigate	Waters	Small	Governance - External (Stakeholders)
LCLR - Chapel Street Esplanade Walkway and Cycleway June 2021 LCLR Bid	Transport	Small	Governance - External (Stakeholders)

Project	Delivery Group	Project Size	On Hold Reason
LCLR - Road to Zero (R2Z): School Safety Improvements	Transport	Medium	Waiting on wider strategy
Te Tumu Rising main	Waters	Medium	Waiting on wider strategy
Fishermans Wharf Replacement	Civic and City Centre	Medium	Waiting on wider strategy

9.5 Major Projects Update - Transport

File Number: A18088132

Author: Chris Barton, Programme Director: Major Projects

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

- To provide an update to Committee on the transport major projects in implementation and delivery including Pāpāmoa East Interchange, SH29 Tauriko Enabling Works and Fifteenth Avenue to Welcome Bay.

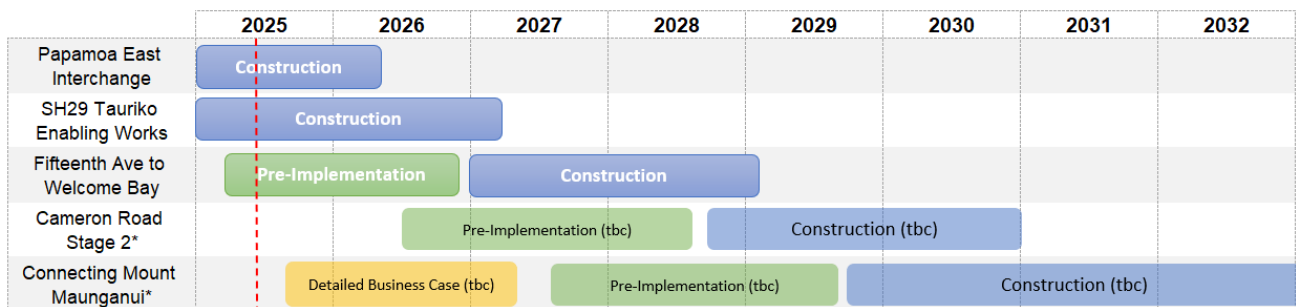
RECOMMENDATIONS

That the City Delivery Committee:

- Receives the report "Major Projects Update - Transport".

EXECUTIVE SUMMARY

- This is an update report on the status and progress on three of the five current major transport projects which are in delivery phase, the Pāpāmoa East Interchange, SH29 Tauriko Enabling Works and Fifteenth Avenue to Welcome Bay projects. The Cameron Road Stage 2 and Connecting Mount Maunganui projects are being reported to City Futures Committee.
- This report is being provided as the projects are high value, complex, and have a high risk profile with potentially significant consequences.
- Overview timeframes for delivery of the five major transport projects are outlined below:



* Reported separately to City Futures Committee

- Overall the construction of the Pāpāmoa East Interchange and SH29 Tauriko Enabling Works projects are progressing well, and are currently being delivered on time, on budget and safely.
- Following NZTA funding approvals for the pre-implementation phase of the Fifteenth Avenue to Welcome Bay project works are now progressing to advance next stages of design development.
- Key risks are reflected in project updates with 'amber' status. Key current risks for Pāpāmoa East Interchange are securing asphalt supply, for SH29 Tauriko Enabling Works is managing traffic and disruption during construction, and for Fifteenth Avenue to Welcome Bay the key risk is scope and cost confirmation as the design is developed following current procurement of designers and contractors.

PĀPĀMOA EAST INTERCHANGE

8. The Pāpāmoa East Interchange is a key roading connection to improve network connectivity for existing residents and also enable ongoing growth and continued residential & commercial development.
9. Construction is progressing well with works currently ahead of programme and costs forecast to be within budget.
10. An overview of the project status is as below:

	Status	Comments
Cost		LTP Budget \$79.3m. Current estimate at completion \$65m-\$74m.
Time		Ahead of programme. On track for completion in first half of 2026.
Safety		Appropriate safety management with regular audits. Over 100,000 worker hours on site to date without any serious harm incidents.
Scope		Scope confirmed with no substantive changes
Stakeholders		No major disruption or complaints. A mana whenua planting day was held on 10 May, and a community planting day 17 May.
Risk		Active management of live risks. Contingencies in place. Current key risk is constrained local asphalt supply, which is a dependency to enable early ramp opening.

11. In terms of construction progress, works are well advanced on all interchange ramp connections, with the current focus on progressing the overbridge. At the bridge site, mechanically stabilised earth (MSE) walls are now constructed on both abutments, with concrete bridge columns also ready to be poured.



12. Works are currently on track for the new interchange overbridge deck beams to be installed in late July 2025.

13. To enable the deck beams to be installed and other key construction activities overnight closures of the Tauranga Eastern Link are required. We are continuing to work with NZTA on details but indicatively overnight closures are planned for:
 - Bridge beam install – 3 nights in late July
 - Bridge deck concrete pour – 1 night in late August / early September
 - Bridge edge barrier installation – 1 night in late September / early October
 - TEL traffic management / lane closure disestablishment – 2 nights, timing tbc
14. Through the design development, procurement and delivery phases staff have optimised scope, procured smartly and worked collaboratively with the Contractor to mitigate and avoid realisation of risks, which as previously reported has resulted in forecast savings of at least \$5m against the project budget.
15. On Saturday 17 September a community planting day was held on site, with around 150 people attending to plant some of the projects 190,000 new plants and trees. Attendees also had an opportunity to discuss project progress with the delivery team and have a look at some of the heavy machinery used in a large-scale construction project.



16. The Minister of Transport Hon. Chris Bishop and local MP's Tom Rutherford and Sam Uffindell visited the site in late April, where they confirmed their support for early opening of TEL eastbound exit ramp in the second half of this year which had been proposed by Council. Staff are continuing to engage with HEB regarding detailed plans for early opening, which is subject to confirming asphalt supply for final surfacing as well as linking in with overbridge construction.
17. The overall interchange is on track for completion as scheduled by mid 2026, however the team are currently working on further refining the forward programme to seek advancement opportunities, with a potential target of opening in Q1 2026.

SH29 TAURIKO ENABLING WORKS

18. The Tauriko West Enabling Works project supports both residential and industrial growth - it will directly enable initial development of up to 2,400 new homes in the Tauriko West development area and enable ongoing development of over 100 hectares of industrial land in the Tauriko Business Estate, which is anticipated to provide up to 6,000 additional jobs within the city.
19. Construction is progressing well with works underway at both the Redwood Lane and Tauriko Village / Cambridge Road sites.
20. An overview of the project status is as below:

	Status	Comments
Cost		LTP Budget \$240.8m. Current estimate \$215m-\$240m which is within budget, however significant risks remain.
Time		Construction progressing on programme, with works scheduled to be complete in 2027.
Safety		Over 175,000 worker hours to date without any serious harm

		incidents
Scope		Scope confirmed with no substantive changes
Stakeholders		Actively working with project neighbours and travelling public, but anticipate ongoing traffic disruption during construction
Risk		Active management of live risks and contingencies in place, however this remains a high risk project with significant residual risks. Managing traffic throughout construction to minimise disruption remains a key challenge and risk.

21. In May two key delivery milestones were reached, with vehicles now using the new roundabout at the intersection of SH29 and Redwood Lane, and also opening of the new northern access road and new Tauriko School & Playcentre carpark. Delivery of these milestones enables the next phase of works to progress.



22. Opening of the Kaweroa Drive connection to the SH29 / Redwood lane roundabout is planned in late 2025, which will provide improved access to the Tauriko Business Estate.
23. The infrastructure development is well aligned with the recent confirmation of the Tauriko West plan change, with both components working together to enable land development activities to commence, with earthworks now underway within the Tauriko West development area.

FIFTEENTH AVENUE TO WELCOME BAY UPGRADE

24. This project seeks to address current and growing issues with peak hour congestion, poor level of service, access and safety problems, and walking and cycling deficiencies on the key city arterial transport corridor of Fifteenth Avenue to Welcome Bay including the Hairini Bridge.
25. As previously reported to the City Futures Committee on 17 February 2025, staff are currently in the process of procuring project designers and construction contractors in accordance with the endorsed Early Contractor Involvement (ECI) approach.
26. An overview of the project status is as below:

	Status	Comments
Cost		LTP Budget \$170.2m. Current estimate \$149.7m-\$170.2m. NZTA co-funding approved for pre-implementation phase. As the project progresses to pre-implementation further assessment will be undertaken in regard optimising the scope and delivering value for money outcomes.

Time		Progressing to programme.
Safety		No current issues.
Scope		Some scope elements to be further refined through the pre-implementation phase.
Stakeholders		Extensive further engagement is planned through design phase in advance of construction. Noting plans are currently being refined, it is anticipated further stakeholder communication and engagement will be completed at 30-50% and 85% design stages, which will be indicatively late 2025 and mid 2026.
Risk		Some key risks remain which will be further addressed through the pre-implementation phase. It is noted that a key project hold point remains confirmation of the Hairini Bridge structural capacity. There may be opportunities to advance some construction enabling works in advance of implementation co-funding approval gateway, however confirming NZTA co-funding for these elements may be a risk.

27. The procurement process for engagement of designers and contractors is progressing well, with a first stage public procurement request which closed 22 May. Evaluation of responses are currently underway – with a view to shortlist to 2-3 respondents.
28. Shortlisted parties from the first stage will be invited to submit more detailed proposals. Detailed procurement documentation for this phase has been prepared including the request for proposal, principals requirements and draft contract agreements. Following evaluation of submissions a preferred respondent is planned to be identified in August 2025.
29. The overall programme remains for design to be substantively complete by the end of 2026, with construction completion indicatively estimated in late 2028 / early 2029.

NEXT STEPS

30. A regular major projects update report will be provided to future City Delivery Committee meetings.
31. Reports on major transport projects which are not yet in delivery phase (Cameron Road Stage 2 and Connecting Mount Maunganui) shall be reported to City Futures Committee.

ATTACHMENTS

Nil

9.6 Transport Network Operations Update

File Number: A18171126

Author: Martin Taylor, **Manager:** Transport Network Operations

Authoriser: Nic Johansson, **General Manager:** Infrastructure

PURPOSE OF THE REPORT

1. This report and supporting PowerPoint presentation provide Tauranga City Council with insights into the asset management processes that guide decision-making for road resealing and renewal. It also presents an update on the programmed and completed works for the current financial year.

RECOMMENDATIONS

That the City Delivery Committee:

- (a) Receives the report "Transport Network Operations Update".

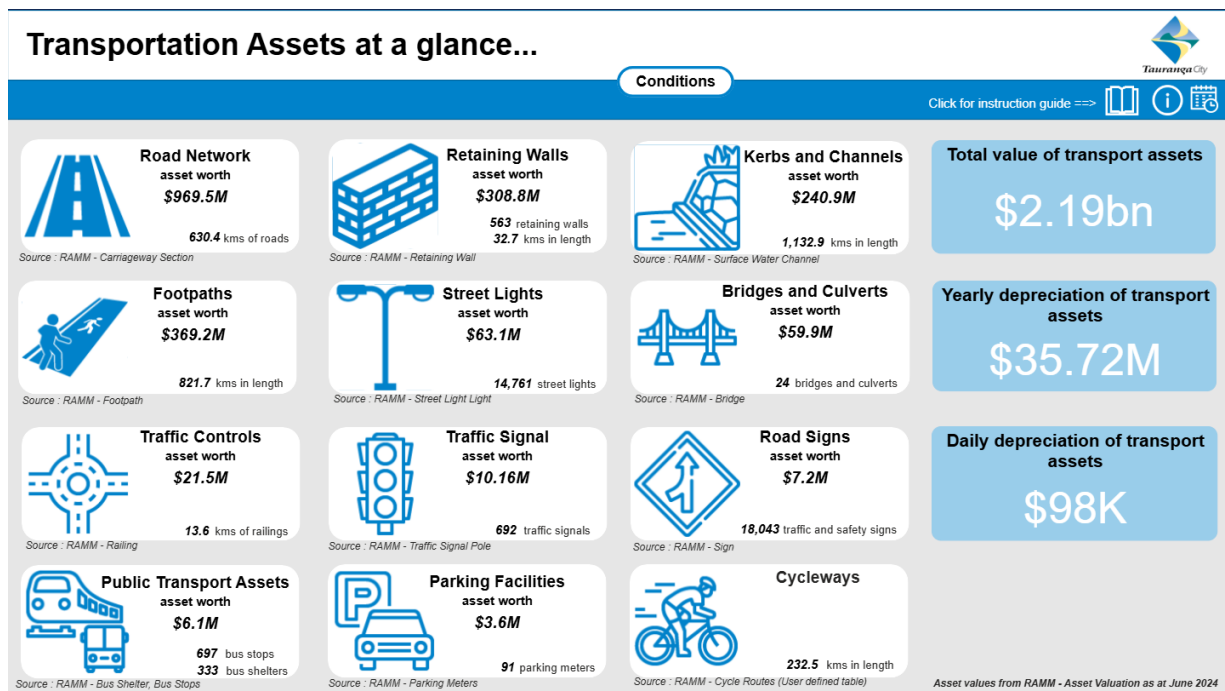
EXECUTIVE SUMMARY

2. Tauranga City Council has a 630km roading network valued at \$2.19 billion. It includes a wide range of supporting and associated assets including footpaths, cycleways, bridges, retaining walls, guardrails and pedestrian fencing, drainage structures, streetlights, traffic signals, road signs, road markings, bus stops and shelters, and parking facilities. Managing these assets in a manner that ensures their performance and condition is preserved and maintained in a cost-effective manner requires the application of specialised asset management systems, processes and practices followed by competent cost driven delivery of programmes of work. This paper provides some insights into the asset management and programme delivery processes that Council utilised to deliver on its annual \$50M road maintenance programme including how we collate evidence data and how we make investment decisions.

BACKGROUND

3. Council has a 630km road network providing access and connectivity for the community. The total value of all these assets is in the order of \$2.19 billion.
4. These assets are maintained by Councils in-house team of professional, qualified transport asset managers and roading engineers to levels of service that are established in accordance with national and international standards and best practice guidelines.
5. Local Authority road networks are co-funded by the Crown through the New Zealand Transport Agency at an average rate of 50%. Tauranga City Council's financial assistance rate from NZTA is 51%. This means ratepayers only have to contribute 49% of the cost of managing and maintaining our road network and all its assets and infrastructure.
6. The table below shows the quantity and value of a few of our key Transport Assets

7.



INVESTMENT LEVEL

8. Up until 2020, Councils annual investment in its transport network in the order of \$20 - \$30M p.a. The condition and performance of the network at that time reflected this under investment and subsequently Council approved a significant lift in funding, based on evidence presented for a greater investment.
9. This evidence base also informed the successful application for NZTA co-funding of the transportation programme. Currently the budget for the road maintenance programme is around \$50M p.a. There are two components to this, the NZTA subsidised programme (51% NZTA contribution) and the unsubsidised programme (funded solely from TCC rates).
10. The subsidised roading programme approved by NZTA is \$46.5M for the current year and rising to \$48.3M in year 3 of this LTP. NZTA co-fund most road maintenance activities, but not all. For example they only fund 30% of the roadside kerb sweeping and the do not fund mowing of roadside berms in urban areas. So to cover the cost of these unsubsidised activities there is a separate budget of circa \$4M p.a. which is solely rate funded. Below is a summary of the funding framework
11. **Total Road Maintenance Programme budget – circa \$50M p.a.**

NZTA Subsidised Programme – circa \$46.6Mp.a.

- 49% funded from Tauranga City rates
- 51% funded by the New Zealand Transport Agency

Unsubsidised Programme – circa \$4Mp.a.

- 100% funded from Tauranga City rates

Typical Programme Split:

- Road Maintenance \$28.7M (57%)
- Road Renewals \$21.9M (43%)

Total: \$50.6M

Within the NZTA programme there are four separate funding allocation;

- Local Road Operations \$19.49M,
- Local Road Pothole Prevention \$25.95M
- Walking and Cycling \$0.865M
- Local Road Improvements \$0.276M

Total NZTA Subsidised Programme: \$46.6M

Under NZTA rules, funds can be moved within these activity groups, but not between them.

12. The following table shows the full schedule funding approved by NZTA

NZTA Work Category		Maintenance Area	2024/25 Approved Allocation
Local Road Operations			
114	Structures maintenance	maintain the function, structural integrity and appearance of bridges and retaining walls	\$451,385
121	Environmental maintenance	vegetation control, detritus, graffiti removal	\$947,624
122	Network service maintenance	traffic signals, streetlights, signs, and roadmarking,	\$2,526,998
123	Network operations	TTOC	\$434,328
131	Rail level crossing warning devices mtce	mtce of barrier arms and warning devices	\$0
140	Minor events	storm events with <\$100k damage	\$0
151	Network and asset management	management of road network	\$11,055,616
215	Structures component replacements	replace bridge and retaining wall components such as decks, rails, crib blocks etc	\$1,263,499
222	Traffic services renewals	road furniture, lighting, signs, roadmarking	\$2,811,285
Total Local Road Operations:			\$19,490,735
Local Road Pothole Prevention			
111	Sealed pavement maintenance	potholes, road patching and repairs	\$8,333,214
113	Routine drainage maintenance	repairs to drainage structures and 50% of costs to cleaning water channels and maintenance	\$1,373,591
212	Sealed road resurfacing	chipseal and ashphalt resurfacing	\$7,777,666
213	Drainage renewals	renewal of K&C and culverts	\$687,212
214	Sealed road pavement rehabilitation	renewal of road pavement structure	\$7,777,666
Total Local Road Pothole Prevention:			\$25,949,349
Walking and Cycling			
124	Cycle path maintenance	repairs to cycle paths and shared paths	\$72,080
125	Footpath maintenance	footpath patching, minor repair and grinding	\$235,672
224	Cycle path renewal	renewal of cycle paths and shared paths	\$86,374
225	Footpath renewal	renewal of footpaths	\$471,344
Total Walking and Cycling:			\$865,470
Local Road Improvements			
216	Bridge and structures renewals	renewal of bridges and retaining walls	\$275,942
Total Local Roads Improvements:			\$275,942
Grand Total:			\$46,581,496

13.

14. Whilst the current budget of circa \$50M p.a. is a much needed and appreciated lift on historic funding, we are not yet funding the network at a level that matches the rate of growth experienced across the city. Even at this current funding level there are still challenging investment decisions and carefully considered prioritisation of work is required. This does result in compromises to levels of service which may be noticeable to the community. Affected services in this LTP include;
- (a) Road linemarking - where safety markings such as at intersections and pedestrian crossings are being prioritised and all other lines are being left til the next financial year.
 - (b) Road signs - where again, due to reduced budgets we have exhausted our funding allocation and are prioritising replacement of give way and stop signs and speed limit regulatory signs
 - (c) Road resurfacing - ideally 6-8% of the network should be resurfaced each year and currently we are only resurfacing around 4-5%
 - (d) Road pavement renewals – we are only undertaking minimum pavement renewals at <1%, which is approximately half the optimal renewal rate.

ASSET PLANNING

15. Managing a network well, requires good asset management and programme delivery and TCC has a skilled internal team that deliver the wide range of road maintenance and renewal programmes that are completed each year.
16. It all starts with the development of an Asset Management Plan (AMP), which outlines how road infrastructure is managed to deliver the desired level of service, balancing cost, risk, and available resources.
17. The AMP is the investment business case that's submitted to NZTA to secure their 51% contribution to the annual roading programme. The AMP is also used as the evidence base to justify the funding requests submitted into the LTP process to secure Councils rate-funded share of the programme.
18. Part of the AMP development includes identifying the reasons why funding is required for the road network. Standard Investment Logic Mapping processes are used to develop key problem statements, high level investment challenges and objectives, which help to focus where and why investment is required on the network.
19. The problem statements developed for the TCC network are;
- (a) Problem 1: Increased travel demand and reliance on few key routes
 - (b) Problem 2: Increasing land development and a lack of suitable transport choices
 - (c) Problem 3: A high proportion of deaths and serious injuries (DSI) because of crashes involving vulnerable road users
 - (d) Problem 4: Material and labour cost increases and constrained sector capacity threatens the affordability of the forward work programme to meet levels of service
20. The high-level investment challenges are;
- (a) Growing Network - Expansion adds pressure on budgets and maintenance.
 - (b) Population Growth - Accelerates road wear and service demands.
 - (c) Increasing Heavy Traffic Volumes and Critical Bus Routes – heavy vehicles are the primary contributor to pavement deterioration and in particular, over-weight electric buses are noticeably accelerating pavement deterioration on bus routes
 - (d) Maintenance and Renewals Backlog - leading to growing backlog and increased risk

- (e) Growing Maintenance, Operational, and Renewal commitment – growing asset base, increasing TCC's need for increasing levels of funding to support these assets
21. In addressing these challenges, the Objectives we seek to achieve with the approved funding are to;
- (a) Provide a safe, reliable, and cost-effective road network
 - (b) Balance renewal, maintenance, and improvement needs across the network
 - (c) Minimise whole-of-life cost and maximise whole of life benefit
 - (d) Meet NZTA approved levels of service (LoS), as per industry best practice and Asset Management Plan
 - (e) Manage and moderate customer expectations by increasing their understanding of best practice levels of service, funding partner investment conditions, and budget availability.

EVIDENCE COLLECTION AND DATA ANALYSIS

22. The Asset Management Lifecycle process begins with the collection, management and analysis of asset management information. Every asset is identified, measured and described and this baseline data is stored in a standard road maintenance database used by all road controlling authorities across the country, called RAMM, which is an acronym for Road Assessment and Management and Maintenance (system)
23. NZTA undertake quality audits of all RAMM databases across the country and TCC's last audit score was 92%, which places it in the top 10 percent across the country in terms of data completeness, quality and accuracy. In preparation for each LTP, condition and performance data is collected on key assets, using a range of state of the art technologies. This data is compiled and analysed by Councils asset management staff using deterioration modelling and other analytical tools.
24. In summary the processes used to develop programmes of work for each of the asset groups includes;
- (a) High-Quality Data Collection: Up-to-date condition ratings and detailed asset inventory underpin decisions.
 - (b) Deterioration Modelling: Predicts Remaining Useful Life (RUL) of assets to inform timing of interventions.
 - (c) Renewal vs Maintenance Analysis: Determines the most cost-effective approach for each asset segment.
 - (d) Prioritisation Matrix & Programme Optimisation: Balances asset condition, risk, safety, and cost to maximise value.
 - (e) Budget-Constrained Selection: Ensures investment aligns with funding limits and strategic asset goals.
 - (f) Engineering Review: Technical validation by Council engineers and collaboration with Waka Kotahi.
 - (g) Annual Programme Finalisation: Confirmed in partnership with NZTA Investment Advisors before implementation

The process above is worked through for all key assets; road sections, footpaths, streetlights etc, to determine what needs to be programmed for repair, renewal or replacement each year. For resurfacing and pavement renewal, further engineering design processes are then worked through to determine the type of resurfacing or pavement structure renewal required.

This process of data collection on asset condition and performance, and analysis of the data to develop prioritised programmes of work is undertaken for each three-year LTP funding cycle across all key assets including road pavements, road surfacing, streetlights, footpaths and cycleways, bridges and structures.

RENEWING ASSETS - SURFACING

25. In terms of determining what type of surfacing should be applied to a road section, the process is a combination of technical inputs and engineering experienced, tempered by what NZTA are prepared to fund.
26. There are two main types of road surfacing in New Zealand,
- (a) Chipseal, where hot bitumen is sprayed on the road to provide a waterproofing layer, and stone chips are spread on top to protect the bitumen from traffic and provide a skid resistant driving surface for vehicles
 - (b) Asphaltic Concrete, also known as AC or 'hotmix'. This is manufactured in a batching plant in the same manner as concrete is, where special recipes of bitumen and stone chips are blended together and laid on the road through a specialised paving machine. Once it is compacted and cooled it sets into a hard, durable concrete-like matrix
27. A chip seal costs considerably less than asphalt and is therefore always the first option for surfacing consideration. The table below summarises some of the key differences between the two.

Attribute	Chipseal	Asphalt
Avg Cost (per m²)	\$8.00	\$60.00
Lifespan	8–15 yrs	10–20 yrs
Ride Quality	Noisier	Smoother
Skid Resistance	High	Lower
Use Case	Low stress roads	Intersections, high-stress zones

28. The determination of the type of chipseal also goes through a specific design process which assess factors such as;
- (a) Road use intensity (light vs heavy traffic)
 - (b) Age and condition of surface
 - (c) Defect types (cracking, rutting, skid resistance)
 - (d) Road Pavement Strength
 - (e) Lifecycle and cost-efficiency
29. Similarly, a technical design process is applied to the pavement renewal programme at both a network level and at a project level. At a network level the deterioration modelling and pavement optimisation analyses are set to provide three funding scenarios options,
- (a) Do Minimum, which is managing the network under a constrained funding environment
 - (b) Asset Preservation, which is a level of investment that maintains the asset at a baseline level of service with no adjustment for growth or inflation
 - (c) Optimised Level of Service – where sufficient investment is provided to optimise the whole of life return on the asset

NZTA are also closely involved in the process of determining the appropriate option to fund, and they are always seeking to fund the option that provides the maximum benefit for the least cost over the life of the asset. Accordingly, the third option is generally the preferred option which is recommended for funding.

INNOVATION AND VALUE FOR MONEY

30. To fund the TCC road transport assets at the optimal level that ensures the best value for money whole of life return on investment, annual funding in the order of \$55M is required
31. This level of asset management requires specialised tools and programmes which TCC utilises, and also a skilled asset management team, and at TCC we are not just maintaining roads – we’re building the future of infrastructure management. Tauranga City Council is among the few NZ councils with peer-reviewed research on ResearchGate.
32. Staff have collaborated with AUT’s Prof. Seosamh Costello and Dr. Fritz Jooste, a global expert in pavement modelling, and together have developed advanced models for predicting pavement deterioration and planning renewals. Our machine learning framework helps us:
- (a) Predict pavement performance
 - (b) Optimise treatment timing
 - (c) Improve reliability of 5-year and long-term programmes
- This work is now a benchmark for other councils and supports national asset management discussions.
33. For any Council programme it is always important to be able to demonstrate that value for money is being provided and in the Transportation space we need to not only do so for the TCC ratepaying community, but also for our cofunding partner, NZTA for whom value for money is a key criteria for gaining their investment. There are a number of tools and mechanisms used to provide and measure how we are providing value for money;
- (a) Competitive procurement
 - (b) Performance-based maintenance contracts
 - (c) Monitoring KPIs and post-construction audits
 - (d) Programme integration across teams and utilities
 - (e) Continuous refinement via Asset Management Plan
34. NZTA also undertake regular technical and procedural audits of our systems and processes to ensure we are meeting their funding requirements. The last technical and procedural audits we had with NZTA both resulted in positive overall reports, with only minor areas of improvement suggestions. For staff, passing these rather rigorous audits is always a very positive indicator that we are on the right track in terms of providing the community with good value for money management of their roading network

PROGRAMME DELIVERY TO DATE FOR THE CURRENT YEAR

35. This year’s programme of work is drawing to a close as we near the end of the financial year and we are pleased to have all of our significant and higher risk works already successfully completed, with the balance of works on track for completion by the end of the financial year. A very satisfying result for the team.

Programme	Programmed Quantity	Delivered to Date	Progress Status
Resurfacing			
Chipseal	62 sites	62 sites	Complete
	32.4 Lane/km	32.4 Lane/km	
	146,132 m2	146,132 m2	
Asphaltic Concrete	54 sites	54 sites	Complete
	12.8 Lane/km	12.8 Lane/km	

	72,823 m2	72,823 m2	
Pavement Renewal			
Rowesdale Dr	0.63 Lane/km, 3548.5 m2	0.63 Lane/km, 3548.5 m2	Complete
Pooles Road	0.2 Lane/km, 780.0 m2	0.2 Lane/km, 780.0 m2	
Hollister/Rowesdale RAB	0.69 Lane/km, 1078.0 m2	0.69 Lane/km, 1078.0 m2	
Papamoa Beach Road / Pacific View Rd RAB	0.9 Lane/km, 1051.0 m2	0.9 Lane/km, 1051.0 m2	
Other Asset Renewals			
Kerb and Channel Renewal	8 Sites 2638 metres	7 Sites 2390 metres	90%
Footpath Replacement	929 m2	929 m2	Complete
Streetlight Replacement	885 poles	838 poles	95% complete
Traffic Signals Replacement	2 sites Brookfield signalised r'about Domain / Gravatt intersection	Brookfield - Complete Domain / Gravatt - to be started and completed in June.	1 site completed, 1 site to be completed

STATUTORY CONTEXT

36. New Zealand's roading legislation is primarily governed by several key acts that regulate land transport, funding, and road user responsibilities. Here's a brief summary:

- **Local Government Act 1974:** The Local Government Act 1974 of New Zealand consolidated the law relating to local government in New Zealand. Part 21 describes the powers and responsibilities relating to local authority roads
- **Government Roding Powers Act 1989:** This act outlines the powers and responsibilities related to roading infrastructure and management.
- **Land Transport Act 1998:** Establishes rules for road safety, vehicle standards, and driver licensing.
- **Road User Charges Act 2012:** Governs charges for road use, particularly for heavy vehicles.
- **Land Transport Management Act 2003:** Focuses on funding and planning for land transport projects.
- **Land Transport Rule: Setting of Speed Limits 2024:** sets out criteria, requirements and procedures to be followed by Road Controlling Authorities when reviewing and setting speed limits for roads within their respective jurisdictions. It also revokes and replaces the Land Transport Rule: Setting of Speed Limits 2022.

STRATEGIC ALIGNMENT

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

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

OPTIONS ANALYSIS

38. There are no options to consider as a part of this report.

FINANCIAL CONSIDERATIONS

39. Funding for maintaining Councils transportation assets is \$46.5M for the current year, rising to \$48.2M in year 3 of this LTP. Whilst this level of funding is a significant lift on previous funding levels pre-2020, the network is not yet funded at a sustainable level that matches the rate of growth experienced across the city year on year, in population, traffic, and length of road network, and this creates challenges for staff in prioritising the available funding across the growing network demand.
40. A significant proportion of Councils roading infrastructure is managed through a road maintenance contract that Fulton Hogan won by competitive tender in 2022. The contract is split into 3 separable portions, aligning with Councils LTP periods. We are therefore currently in year 1 of Separable Portion 2.
41. As costs increase year on year, contract rates are adjusted using indices set by the New Zealand Transport Agency. Prior to the award of each separable portion the value of cost fluctuations is back calculated into the tendered rates and compared with current market rates to ensure that the contract is still providing value for money relative to the current market.
42. A contingency sum was included in the contract to cover expected annual cost escalations, however in hindsight the sum allowed is proving to be insufficient, as construction costs post Covid have continued to rise at an accelerated rate and have not flatten out as early as anticipated. The financial impact of this is not insignificant and by 30 June 2027, when the contract comes up for renewal, cost escalations are forecast to be in the order of \$7.5M, which is \$4M over the budgeted amount, on a total contract value of \$52M.
43. This is a matter to be discussed in more detail with Council in a separate future report. In the meantime, staff are managing the additional cost fluctuations by sizing the work programmes to fit within the approved budgets.

LEGAL IMPLICATIONS / RISKS

44. There are no specific legal implications or risks associated with this report. However, when risks arise as part of road resealing works, relevant advice is sought and acted upon by staff.

TE AO MĀORI APPROACH

45. Asset management planning as part of road resealing and renewal work considers the following principles of the Te Ao Māori approach:
- (a) Kaitiakitanga – stewardship of the natural environment – staff look to minimise the impact on the natural environment as much as possible and utilise recycled material as part of their work.
 - (b) Wairuatanga - Mana atua & whakaponohia - a well-grounded belief system that supports instinct and intuition in line with whāia te tika – the pursuit of the right way forward – staff work to ensure that road resealing and renewals do not have an undue impact on the land and if there are likely to be any impact on sites and areas of natural significance to tangata whenua, appropriate engagement would be undertaken ahead of any work.

CLIMATE IMPACT

46. Road resealing and renewal has a climate impact, and work needs to consider two key areas:
- (a) Adapting to a changing climate: road resealing and renewal is critical to ensure the roading network is resilient to natural events. The correct materials are used to ensure roading networks are responsive to their environment.

- (b) Reducing emissions – well maintained roads ensure improved vehicle efficiency and can play a role in emission reduction. The council looks to use locally sources and recycled materials in road construction and renewal whenever possible.

CONSULTATION / ENGAGEMENT

47. As this is an information-only report relating to operational matters, consultation has not occurred as part of the development of this report.

SIGNIFICANCE

48. 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.
49. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the matter.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
50. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

51. Taking into consideration the above assessment, that the matter is of low significance, and for information-only, officers are of the opinion that no engagement is required at this time.

NEXT STEPS

52. There is a considerable amount of information presented today and there is insufficient time to delve too deeply into the level of detail that may be of further interest to Councillors. It is therefore recommended that an opportunity be provided to hold an additional Briefing with Councillors, to provide a forum for further discussion on TCC road asset management systems and processes.

ATTACHMENTS

Nil

9.7 7th Avenue Cul-de-Sac and 12th Avenue Access Options. Parking Options for 6th, 7th and 8th Avenue.**File Number: A17901973****Author: Karen Hay, Acting Manager: Safety and Sustainability****Authoriser: Nic Johansson, General Manager: Infrastructure****PURPOSE OF THE REPORT**

1. This report provides options for:
 - (a) reopening of the cul-de-sac for 7th Avenue, and
 - (b) options for the provision of access for right turning vehicles into 12th Avenue, and
 - (c) Parking options are presented for 6th, 7th and 8th Avenue.
-

RECOMMENDATIONS

That the City Delivery Committee:

- (a) Receives the report "7th Avenue Cul-de-Sac and 12th Avenue Access Options. Parking Options for 6th, 7th and 8th Avenue."
 - (b) Maintains the status quo of the 7th Avenue cul-de-sac considering the subsequent loss of parking on Cameron Road is of high value to the local businesses and potential implications for the future form and function of Cameron Road;
or
 - (c) Provides a left turn from Cameron Road into 7th Avenue, while maintaining two-way traffic on 7th Avenue that enables more access to businesses on 7th Avenue, noting the loss of four carparks on Cameron Road as a result;
and/or
 - (d) That all the on – street parking options proceed with local engagement with directly affected businesses and residents on 7th Avenue and the immediate surrounding streets.
 - (e) Given the challenges associated with access of 12th Avenue from the western side of Cameron Road, no action is to be taken to change the current arrangement. This is due to the safety implications and the likelihood to impede through traffic.
-

EXECUTIVE SUMMARY

2. Cameron Road is an important part of Tauranga's broader plans to manage growth through permitting the intensification of the Te Papa peninsula, improve housing availability, transport options, and local amenities, supporting the city's rapid growth. This route is vital for daily commutes and transportation in alignment with SmartGrowth and the Western Bay of Plenty Transport System Plan.
3. With a growing city, transport demand on this strategic corridor continues to be vital to ensure the efficient and safe operation of the network. The primary purpose of the Cameron Road Stage 1 project was to deliver on these outcomes, and the rationale still holds true today.

4. When the cul-de-sac was put in place at the Cameron Road and 7th Avenue intersection, seven carparking spaces on Cameron Road were introduced when the bus lane is not operating, which provides direct and short-term parking for adjacent businesses.
5. When the bus lane operation begins, it is expected to be active between 7am and 9am on the western side of Cameron Road in the short to medium term. Outside of these hours, parking will be available for businesses.
6. A survey of residents and businesses on 6th, 7th, and 8th Avenues, as well as those directly affected on Cameron Road was undertaken during February 2025. The purpose was to receive feedback on their views of the cul-de-sac at 7th Avenue.
7. Of those 52 respondents, 17 like the cul-de-sac, 17 dislike the cul-de-sac and 17 had no strong view either way with one other providing other feedback. Twenty-four respondents were owners or renters of a house, 15 respondents were owners or renters of a business property, and 12 respondents were employees of a local business.
8. Adjacent businesses/residents had mixed views about the cul-de-sac. Of the 14 respondents from Cameron Road 6 (43%) disliked it, and of the 13 respondents from 7th Ave 9 (69%) are largely supportive. A common theme amongst respondents is the need for additional parking including on Cameron Road.
9. Opening of the cul-de-sac requires trade-offs between access and reduced parking. For all the options for the opening of the cul-de-sac, there is a net loss of parking of between four and seven spaces on Cameron Road itself. As our engagement showed that increasing parking was a priority across all respondent groups, this will be a contentious trade-off.
10. Additional on-street parking opportunities exist on 6th Ave, 7th Ave and 8th Avenues which could be progressed for engagement and implementation ranging from an additional three spaces on 7th Avenue to an additional seven on 8th Avenue. In response to the engagement, an additional review of parking will take place on this section of Cameron Road.
11. Implementing U-turn options for 12th Avenue is challenging. The slip lane can only accommodate four vehicles, and high traffic flows limit opportunities for right turns, leading to safety risks. If additional vehicles are waiting to turn, they could block the adjacent traffic lane on Cameron Road. While a U-turn closer to the 11th Avenue intersection is preferred, it could compromise overall traffic efficiency along the corridor.
12. Council staff suggest that businesses on 12th Avenue could promote the use of 13th Avenue and Devonport Road for access, which would add travel time of approximately one minute for drivers heading northbound on Cameron Road, perhaps with additional signage on 13th Avenue. Council will also request Google Maps to update its directions to guide drivers via 13th Avenue, instead of the current right turn into 12th Avenue.
13. The options vary significantly in cost contingent on the selected option. All options would require 100% rates funding as they will not attract NZTA support. In summary:
 - (a) For provision of on-street parking on 6th, 7th and 8th Avenues the costs are expected to be less than \$20K, which can be accommodated within existing budgets.
 - (b) For 7th Avenue cul-de-sac reopening, contingent on the option considered, the costs range between \$190 to \$369K. In the event that indented parking is also provisioned within the berm areas, then the costs could increase between \$374 - \$465K.
 - (c) For 12th Ave U-turn options the cost ranges between \$367 - \$458K. Underground services result in high-cost risk.
 - (d) The combination of costs for both the 7th and 12th Avenue cul-de-sac opening options, (without additional provision of parking costs), the cost is expected to be between \$557 and \$805K.

BACKGROUND

14. Some businesses requested that Council consider improved access at the Cameron Road and 7th Avenue and Cameron Road and 12th Avenue intersections. They feel that limited access to and from 7th Avenue and 12th Avenue is restricting their customers' ability to reach their businesses. For 7th Avenue, some building owners believe that the access arrangements create reduced leasing opportunities and revenue for renters.
15. A desire for increased parking by businesses and residents was also of significance, which required further investigation.
16. At the City Delivery Committee meeting of 10 March 2025, a report on the post implementation review of the cul-de-sac was tabled. The Committee had the report lie on the table and requested that:
 - (a) More options be developed for the 7th Avenue cul-de-sac and associated costs;
 - (b) Additional parking on 6th Avenue, 7th Avenue, and 8th Ave be investigated and associated costs; and
 - (c) The communications and engagement approach needs to be finalised.
17. Balancing access along a street with the demand for parking is challenging and often requires trade-offs. When considering on-street parking, the following are key considerations:
 - (a) **Adjacent land use** – businesses with large vehicles or heavy vehicles cannot navigate parking or weaving along a street. Turning into and out of properties needs to be maintained.
 - (b) **Carriageway widths** – while more parking can be provisioned in some narrower streets, this often means that a vehicle must give way to another, or weaving occurs. While these trade-offs are not new for many cities, these present challenges in some streets.
 - (c) **Traffic volumes** - Lower-volume roads can afford greater flexibility to meet increased parking demand, while higher-volume roads present greater safety and efficiency challenges.
 - (d) **Underground utility services** – Council must consider the potential implications of its activities in relation to underground services, as any required changes can result in significant costs.
 - (e) **Safety considerations** – Parking can restrict access to and from properties and removal of spaces is often requested. Increased parking will require people exiting driveways to be conscious of oncoming traffic, but in some instances, due to the geometry of the road, parking cannot be accommodated.
 - (f) **Value for money** - Ensuring that the investment in parking infrastructure provides the best possible return, considering both the cost of construction and maintenance, and the extent of the benefits to the community.
18. This report outlines the options investigated together with associated costs.

STATUTORY CONTEXT

19. The National Policy Statement on Urban Development (NPS-UD) has removed minimum car parking requirements from district plans for councils, except for accessible parking spaces. This means that local authorities can no longer mandate developers to provide a certain number of parking spaces in new developments. The goal is to encourage more housing and commercial developments in high-density areas, where people are less reliant on cars.
20. This in turn has challenges for Council in relation to the need from local communities to provide on-street parking options. With growth and intensification, parking is going to be more problematic and difficult for Council to address.

STRATEGIC ALIGNMENT

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

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

22. The recommendations support local businesses with opportunities for provision more parking while also needing to maintain the safe and efficient operation of the city's transport network.

OPTIONS ANALYSIS

Cul-de-Sac Options for 7th Avenue

23. When the cul-de-sac was introduced, seven additional carparks were provided on Cameron Road. These provide direct customer parking access to adjacent businesses. When the bus lane becomes operational, it will operate between 7am and 9am on the western side of Cameron Road in the short to medium term. This enables customer parking during the majority of the day.
24. For all access options considered, parking on Cameron Road is impacted. If a left-in and left-out access is provided, all seven carparks are removed. However, in this option, four carparks could be reinstated at the current cul-de-sac head by converting the turning head into parking. This results in a net loss of three carparks.
25. With the current cul-de-sac, people wishing to access 7th Avenue would do so via 8th or 6th Avenues. The average journey time to access or leave 7th Avenue from the cul-de-sac head via 8th Avenue or 6th Avenue is one minute.
26. Cul-de-sac options for the 7th Avenue and Cameron Road intersection are outlined in the table below, with associated concept plans provided in Attachment 1.

Description	Constraints/Risks	Opportunities	Expected Cost Range (\$,000)
Option 1 Maintain the cul-de-sac as status quo with additional on street parking on 7 th Avenue.	<ul style="list-style-type: none"> Travel times to access head of cul-de-sac is 1 minute. Some businesses feel their needs are not met. 	<ul style="list-style-type: none"> Maintains seven parking spaces on Cameron Road. Adds three on-street parking spaces on 7th Avenue, pending local feedback. 	On Street parking cost Circa \$3K
Option 2 Left in and left out is enabled while maintaining two-way traffic on 7th Ave. Turning head converted to provision parking. Net parking change: Loss of three carparks	<ul style="list-style-type: none"> Impact on gardens and seating Underground services increases risk and cost Seven carparks removed on Cameron Road 	<ul style="list-style-type: none"> Four carparks provisioned by utilising the turning head at the corner of 7th Avenue Increased access for businesses on 7th Ave Reduced travel time 	\$295- \$369
Option 3 Left turn only into 7 th Avenue from Cameron Road, while	<ul style="list-style-type: none"> Traffic may still use the lane to exit Four parking spaces 	<ul style="list-style-type: none"> Increased access for businesses on 7th Avenue 	\$190- \$238

maintaining two-way traffic on 7 th Avenue. Turning head is maintained, which cannot be converted to parking Net parking change: Loss of four carparks on Cameron Road.	lost on Cameron Road. <ul style="list-style-type: none"> Impact on gardens and seating Underground services 	<ul style="list-style-type: none"> Reduced travel time 	
Option 4 Left turn onto Cameron Road only while maintain two-way traffic on 7 th Avenue. Turning head is maintained, which cannot be converted to parking Net parking change: Loss of five carparks on Cameron Road.	<ul style="list-style-type: none"> Five parking spaces lost on Cameron Rd Impact on gardens and seating Underground services increase cost and risk. 	<ul style="list-style-type: none"> Improved access from Cameron Road into 7th Avenue. Reduced travel time for those turning out of 7th Avenue. 	\$214 - \$268

Parking Options 6th Avenue, 7th Avenue and 8th Avenue

27. In all instances, additional parking can be provisioned. However, the number of additional on-street parking spaces that can be provided is constrained by lane widths, adjacent land use requirements, and carriageway widths. Parking is often removed due to community requests, and reversing these decisions could result in dissatisfaction from adjacent landowners and residents.
28. Consultation with adjacent properties is proposed to consider the trade-offs needed. Visibility may be restricted when exiting driveways but is not unsafe. For people driving, the additional parking may result in reduced access. This means that when vehicles are approaching from both directions, one vehicle is likely to need to give way to the other, potentially causing weaving.
29. Should any of the cul-de-sac options proceed the loss of parking on Cameron Road would be between 4 and 7 spaces. This would reduce the net gain of parking spaces on 7th Avenue to between -4 and 1.
30. Parking options are described in the table below with associated concept plans in Attachment 1.

Description	Constraints/Risks	Opportunities	Expected Cost Range (\$,000)
6th Avenue Parking Options			
Option 1 Additional on-street parking. Parking change: Ten existing parking spaces with an additional four new on-street spaces, totalling 14 parking spaces.	<ul style="list-style-type: none"> Parking on both sides results in weaving. Access for heavy vehicles to some properties is constrained due to tracking. 	<ul style="list-style-type: none"> Four additional on-street parking spaces. Parking is positioned to avoid obstructing driveway access; though visibility is constrained but remains safe. 	\$3 - \$4
6th Avenue - Option 2 Additional on-street and indented berm parking spaces.	<ul style="list-style-type: none"> On-street parking creates weaving. Cost of indented parking 	<ul style="list-style-type: none"> Five indented berm parking spaces. An additional two on-street parking spaces. 	\$59 - \$74

Parking change: 10 existing parking spaces, with an additional seven spaces; totaling 17 car parks	and underground utility service risk. <ul style="list-style-type: none"> Potential amenity impacts. 		
7th Avenue Parking Options			
7th Avenue Option 1: Indented berm parking at the turning head and on the berm on 7th Avenue. To accommodate parking at the turning head, the cul-de-sac needs to enable left in and left out turning movements. Parking Changes: 25 existing spaces on 7th Avenue and seven spaces on Cameron Road, totalling 32 spaces. Removal of parking on Cameron Road and on-street parking on 7th Avenue results in a net gain of two spaces, totalling 27 spaces.	<ul style="list-style-type: none"> Visibility reduced at some driveways. Requires removal of some trees, impacting amenity. Seven parking spaces lost on Cameron Road. Three on-street parking spaces on 7th Ave will be lost to accommodate berm parking. 	<ul style="list-style-type: none"> 12 new indented berm angle parking spaces – but loss of some on street parking. Limited weaving. 	Cul-de-Sac \$272- \$340 Indented parking \$102 - \$125 Total \$374 -\$465
7th Avenue Option 2: Additional indented parking with cul-de-sac in place. Parking Changes: 25 existing spaces on 7th Avenue A net gain of five spaces, totalling 30 spaces.	<ul style="list-style-type: none"> Visibility reduced at some driveways. New indented parking is costly due to underground service risk Potential loss of amenity for adjacent residents Three on-street parking spaces removed to accommodate berm parking. 	<ul style="list-style-type: none"> Eight new indented parking spaces. Loses three on-street parking spaces. Reduced potential for weaving – maintains exists scenario. 	Additional Parking \$73- \$84 Cul-de-Sac optional.
7th Avenue Option 3 Reconfigure on street parking with cul-de-sac in place. Parking change: Twenty-five existing parking spaces on 7th Avenue. A net gain of three on-street parking spaces, totalling 28 spaces.	<ul style="list-style-type: none"> Additional weaving 	<ul style="list-style-type: none"> Three on-street parking spaces are removed to accommodate six spaces on the northern side of 7th Avenue. A net gain of three spaces. 	\$3- \$4 Cul-de-Sac optional.
8th Avenue Parking Options			
8th Avenue - Option 1 On-street parking is provisioned Parking change: Seven existing parking spaces with the addition of seven carparks, totalling 14 parking	<ul style="list-style-type: none"> Access for heavy vehicles in and out of some properties is constrained due to tracking. Increased weaving. 	<ul style="list-style-type: none"> Provides additional seven parking spaces 	\$3- \$4

spaces.			
8th Avenue (Option 2) Additional on-street and indented berm parking spaces Parking change: Seven existing parking spaces will be replaced with 15 indented parking bays. Seven additional on-street parking spaces, resulting in a net gain of 22 parking spaces.	<ul style="list-style-type: none"> • Sight visibility reduced at driveway access, but safe. • Underground utility service risk • High cost • Increased weaving. 	<ul style="list-style-type: none"> • Fifteen indented berm parking provisioned (with removal of seven on street) • Seven additional on street parking spaces 	\$135- \$168

12th Avenue Access options

31. Concerns have been raised by small business operators at the corner of 12th Avenue and Cameron Road regarding the loss of direct access for right-turning vehicles from Cameron Road into 12th Avenue following the implementation of the Cameron Road Stage 1 project.
32. People heading northbound can access the businesses on Cameron Road via the 13th Avenue signalised intersection and then Devonport Road, with an additional travel time of around one minute. If the 13th Avenue signals are missed, drivers would need to turn at 9th Avenue and return, resulting in an additional travel time of around three minutes.
33. Prior to the Cameron Road Stage 1 project, access to 12th Avenue via a right turn slip lane was available. During the design stage of Cameron Road Stage 1, this slip lane, along with one U-turn facility further north toward 11th Avenue, were removed to manage the overall operation and efficiency of the network
34. Options are outlined below with associated concept plans in Attachment 1.

Description	Constraints/Risks	Opportunities	Expected Cost Range (\$,000)
12th Avenue Option 1 Direct access for a right turn from Cameron Road into 12 th Avenue	<ul style="list-style-type: none"> • Traffic flow with queuing in afternoon peak • Capacity for four cars to utilise the U-turn bay which could impact through traffic should higher demand be experienced. • High potential conflict with two approaching traffic lanes and the bus lane • High conflict with cycle lane - limited visibility • Underground services increase risk and cost 	<ul style="list-style-type: none"> • Direct access to 12th Avenue intersection 	\$367 - \$458
12th Avenue Option 2 U-turn enabled closer to driveway access to businesses.	<ul style="list-style-type: none"> • Traffic flow with queuing in the afternoon peak provides limited opportunity for turning vehicles. • Capacity for four cars to utilise the U-turn bay which could impact through traffic should higher demand be 	<ul style="list-style-type: none"> • Access to 12th Avenue shops. 	\$367- \$458

	<ul style="list-style-type: none"> experienced. Right turn demand not yet modelled High conflict with vehicles turning right across the cycle lane with limited visibility. U-turn can accommodate standard vehicles only – a heavy vehicle restriction is needed. Underground services provide high construction/cost risk. Impact on six juvenile trees. 		
12th Avenue Option 3 A U-turn enabled/reinstated closer to the 11th Avenue intersection	<ul style="list-style-type: none"> Traffic flow with queuing in the afternoon peak provides limited opportunity for turning vehicles. High traffic demand at the 11th Avenue intersection provides opportunities for the U-turn movement to occur. Capacity for four cars to utilise the U-turn bay which could impact through traffic should higher demand be experienced. Right turn demand not yet modelled U-turn can accommodate standard vehicles only – a heavy vehicle restriction is needed but is not uncommon. Underground services provide high construction/cost risk. 	<ul style="list-style-type: none"> Access for right turning vehicles is enabled to larger catchment of businesses between 11th Ave and 12th Ave. 	\$367- \$458
12th Avenue Option 4 Maintain status quo	<ul style="list-style-type: none"> Maintains the current Cameron Road strategic delivery of managing growth and demand on the Te Papa Peninsula Maintains optimum operation, safety and efficiency of the network 	<ul style="list-style-type: none"> Direct access from 13th Avenue is maintained and could be promoted by local businesses 	No cost

FINANCIAL CONSIDERATIONS

35. The options vary significantly in cost contingent on the selected option. All options would require 100% rates funding as they will not attract NZTA support. In summary:

36. For provision of on-street parking on 6th, 7th and 8th Avenues the costs are expected to be less than \$20K, which can be accommodated within existing budgets.
- (a) For 7th Avenue cul-de-sac reopening, contingent on the option considered, the costs range between \$190 to \$369K. In the event that indented parking is also provisioned within the berm areas, then the costs could increase between \$374 - \$465K.
 - (b) For 12th Ave U-turn options the cost ranges between \$367 - \$458K. Underground services result in high cost risk.
 - (c) The combination of costs for both the 7th and 12th Avenue cul-de-sac opening options, (without provision of parking costs), the cost is expected to be between \$557 and \$805K.
37. Value-for-money options, such as on-street parking, can be accommodated within the transport capital programme. However, significant investments require programming and prioritisation, with funding and timing to then be confirmed. It is likely these projects would require 100% sole Council funding. Prioritisation and trade-offs is needed within the current programme. If this work is prioritised, then other projects is likely to be deferred

LEGAL IMPLICATIONS / RISKS

38. One of the key risks identified is associated with the cost. Costs vary due to potential risks with underground utilities. If Council affects these services, it incurs costs for relocation, capping, upgrades, or supervision, especially for gas and power. While Cameron Road services are known, other roads require detailed investigation, increasing potential risk and cost.
39. The transport capital programme is constrained due to reduced NZTA partnership funding, limiting Council's ability to deliver capital projects.

TE AO MĀORI APPROACH

40. The Council partnered with Mana Whenua throughout the Cameron Road development. For significant decisions, such as opening the cul-de-sac, further engagement with hapu representatives will occur.

CLIMATE IMPACT

41. The changes on Cameron Road support the Climate Investment and Action plan as it supports the use of the street to use a variety of public transport, walking, biking, and micro-mobility transport modes.

CONSULTATION / ENGAGEMENT

42. On 10 March 2025, a report was tabled at the City Delivery Committee², outlining the engagement with residents and businesses along 6th, 7th, and 8th Avenues, as well as those directly affected on Cameron Road. The purpose was to receive feedback on their views of the cul-de-sac at 7th Avenue.
43. In summary:
- (a) Of those 52 respondents, 17 like the cul-de-sac, 17 dislike the cul-de-sac and 17 had no strong view either way with one other providing other feedback. Twenty-four respondents were owners or renters of a house, 15 respondents were owners or renters of a business property, and 12 respondents were employees of a local business.
 - (b) Nine of the 13 respondents from 7th Avenue (69%) supported the cul-de-sac, three did not support it and one respondent had no strong view. Respondents who supported the cul-de-sac commented it had made the street quieter and safer.

² City Delivery Committee 10 March meeting report

- (c) Six of the 14 respondents from Cameron Road (43%) said they wished the cul-de-sac was removed, with three respondents happy it was there, and four with no strong view.
- (d) Of the owners or renters of a business property, five respondents (33%) wish the cul de sac was removed, with another five happy it was there, and four with no strong view. A common theme among respondents was the need for additional parking, particularly on Cameron Road.

44. A summary of responses by location is outlined in Figure 1 below.

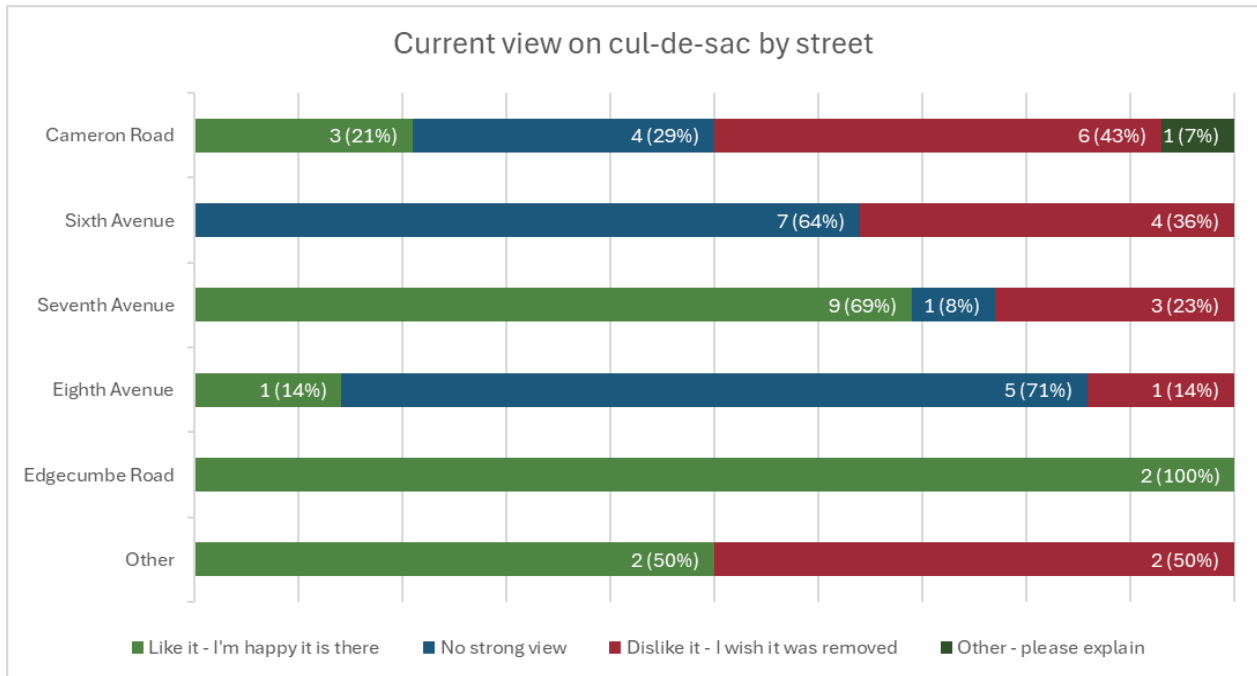


Figure 1: Feedback on the cul-de-sac by street

45. Of those that were business owners or renters, 33% were happy with the cul-de-sac while 27% had not strong view and 33% disliked the cul-de-sac. A summary of this feedback is outlined in Figure 2 below

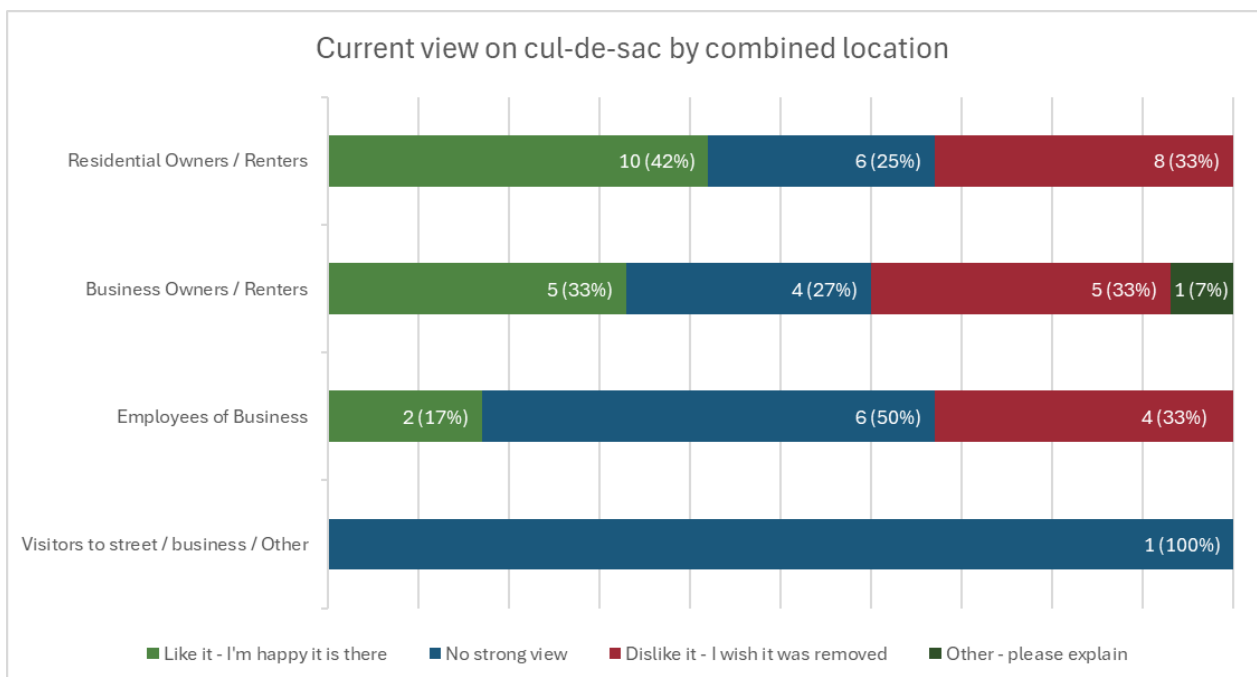


Figure 1: Feedback on the cul-de-sac by location

46. While there are mixed views in relation to the cul-de-sac, additional parking was a common theme among comments provided. Twenty-five comments noted a reduction in parking spaces, with six specifically mentioning the loss of berm parking on 7th Avenue. Comments also highlighted issues with parking on Cameron Road due to the extended bus stop, restricted berm parking along 7th Avenue, and the lack of off-street parking as spaces are occupied by city workers.

SIGNIFICANCE

47. 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.
48. 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.
49. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance. However, the matter is of high interest to those businesses and residents directly affected by the decision.

ENGAGEMENT

50. Taking into consideration the above assessment, that the decision is of medium significance, officers are of the opinion that the following consultation/engagement be considered
51. A broader communication and engagement approach could be undertaken by involving more people through a consultation process as a result of the decision on this report. Given the nature of the changes, which directly affects access and parking for nearby businesses and residents, it is suggested that:
- (a) Share the outcome of the investigation with directly affected businesses and/or residents, in relation to the trade-offs between opening of the cul-de-sac and loss of parking on Cameron Road in particular.
 - (b) Seek feedback on value for money (on street) parking opportunities and progress those for implementation.

NEXT STEPS

52. Should the Council decide that on balance, the cul-de-sac opening does not proceed and the on street parking options is preferred, then consultation (on street) parking opportunities on 6th, 7th and 8th Avenue be progressed. Should community consensus be reached, then those parking changes will be implemented.
53. Confirm the investigation with the 12th Avenue business owners and suggest opportunities to promote access via 13th Avenue.

ATTACHMENTS

1. **Attachment 1 7th and 12th Avenue access options. Parking options 6th,7th and 8th Ave - A18174657**  

Access and Parking

6th, 7th and 8th Avenue - Access options for 12th Ave



Te Tai Whanake
We're here to make Tauranga better
Together, we can



7th Avenue Cul-de-Sac



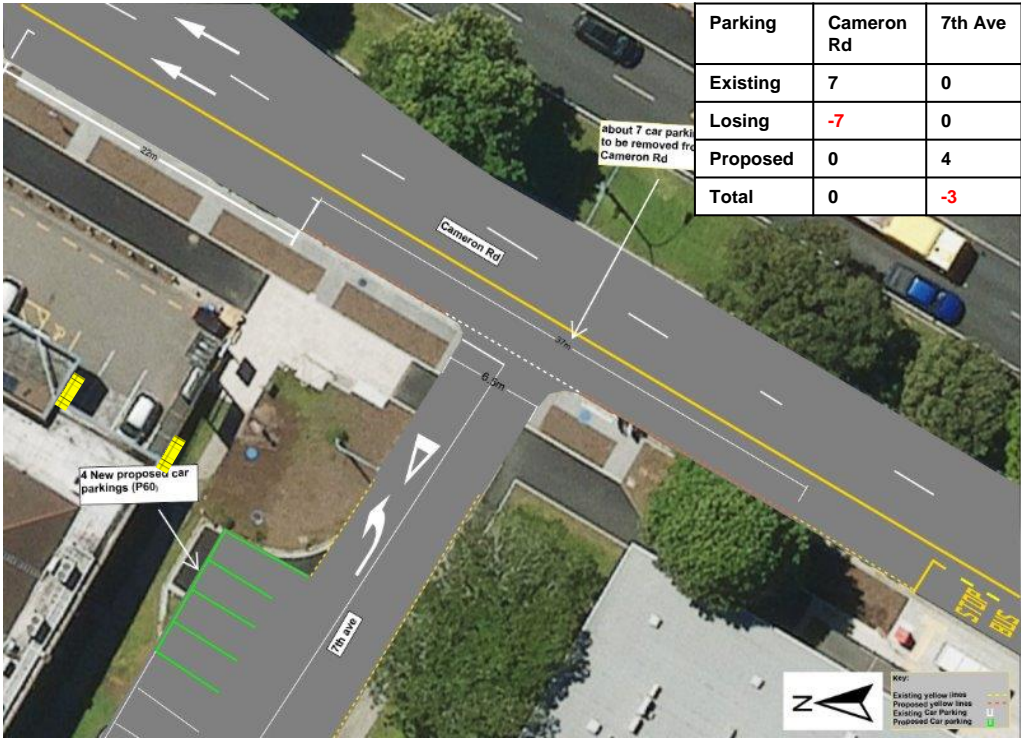
7th Ave intersection with Cameron Rd

Option 1: Status Quo Parking options considered separately



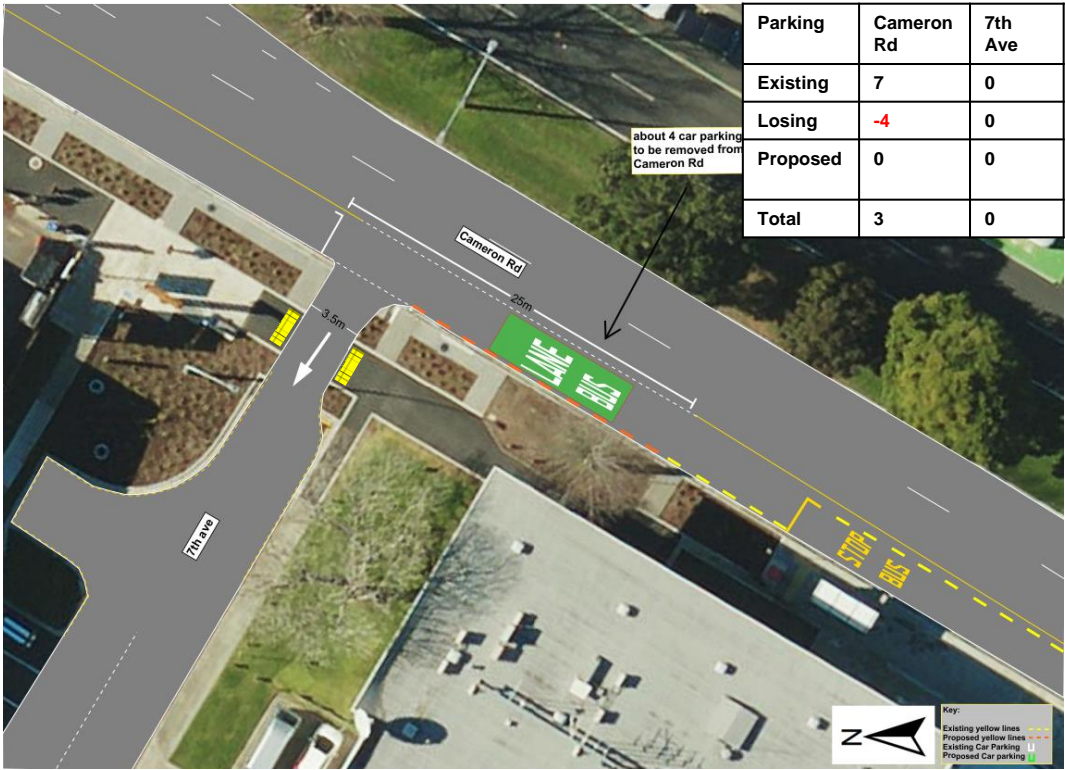
7th Ave intersection with Cameron Rd

Option 2: Left in & left out, turning head converted to parking. Maintain two - way traffic on 7th Ave



7th Ave intersection with Cameron Rd

Option 3: Left in only with two-way traffic flow on 7th Ave



7th Ave intersection with Cameron Rd

Option 4: Left out with 7th Ave while maintaining two-way traffic on 7th Avenue



Parking options 6th, 7th and 8th Ave



6th Avenue – Option 1

(Additional On Road Parking)



6th Avenue – Option 2

(On Street and additional indented angle parking)



7th Ave – Option 1

Left in and left out at the cul-de-sac is required to enable additional indented parking



7th Ave Option 2

Provision of eight indented parking on 7th Avenue



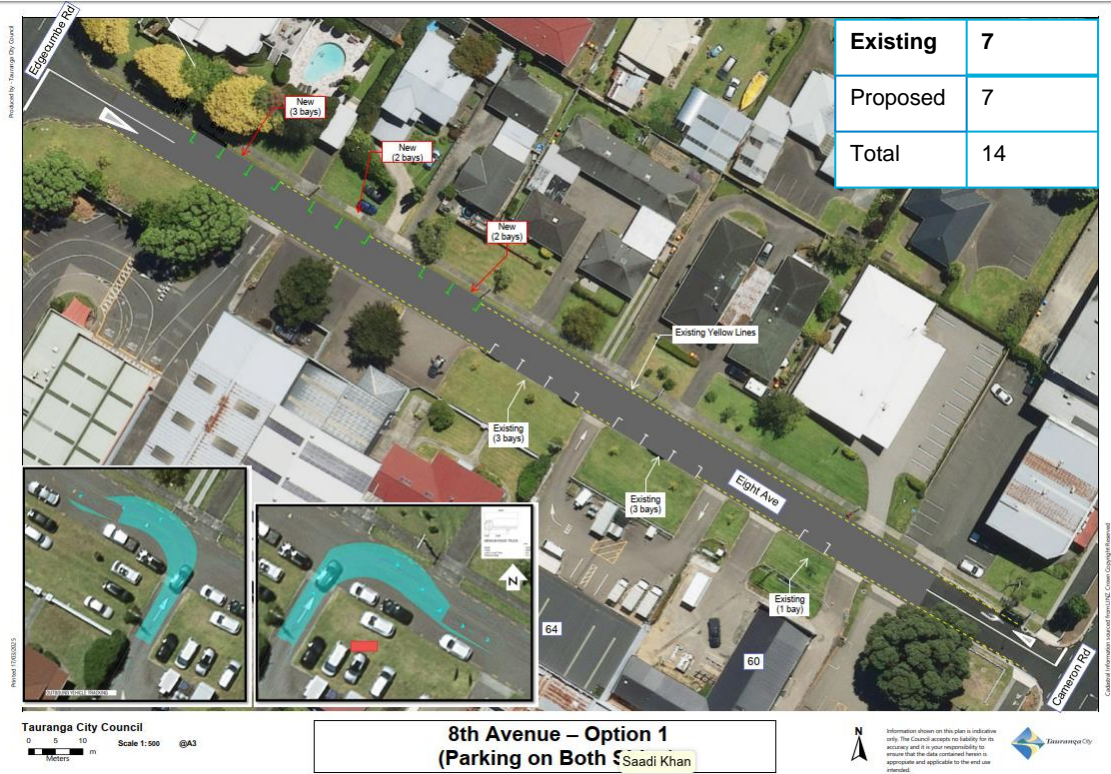
7th Ave Option 3

On street parking reconfigured to accommodate additional on street parking



8th Avenue – Option 1

On street parking on both sides



8th Avenue – Option 2

Berm parking



Access options 12th Avenue



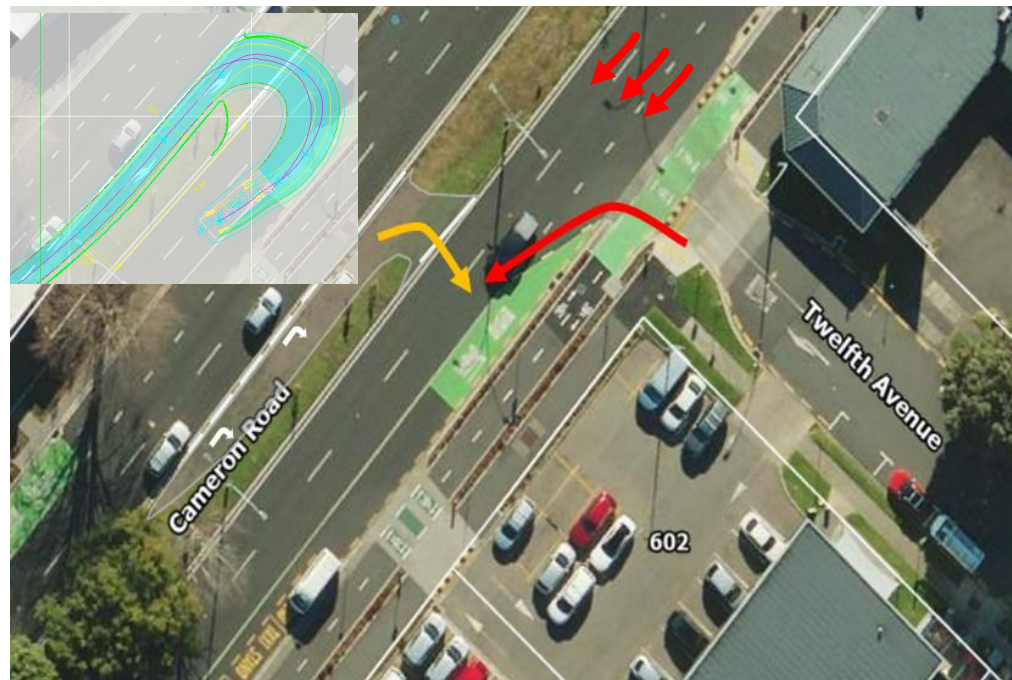
12th Avenue – Option 1

Right turn into 12th Ave



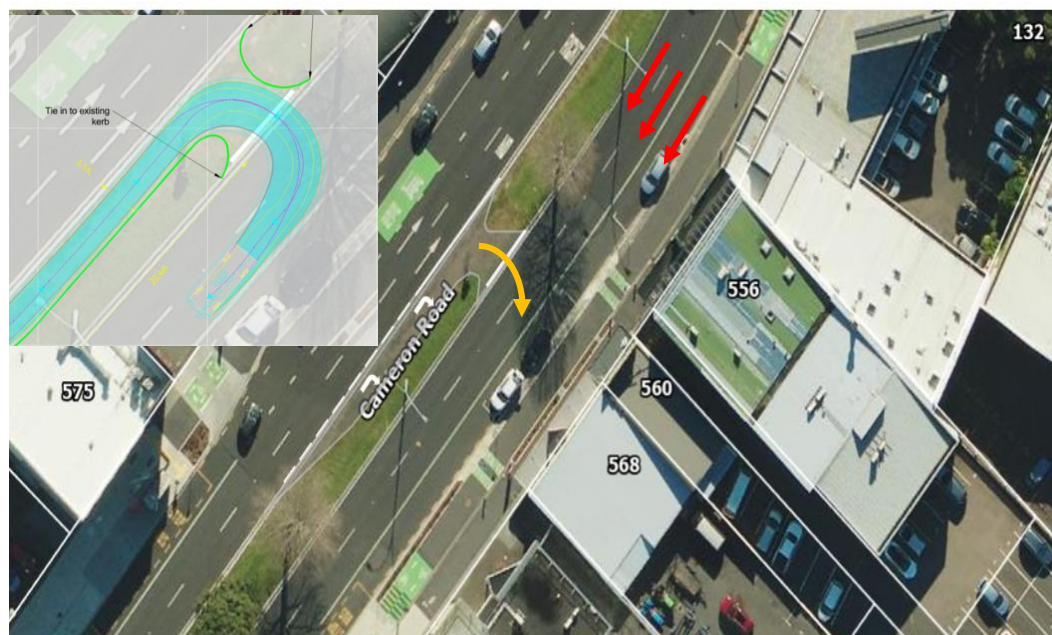
12th Avenue – Option 2

U-turn enabled past 12th Avenue intersection



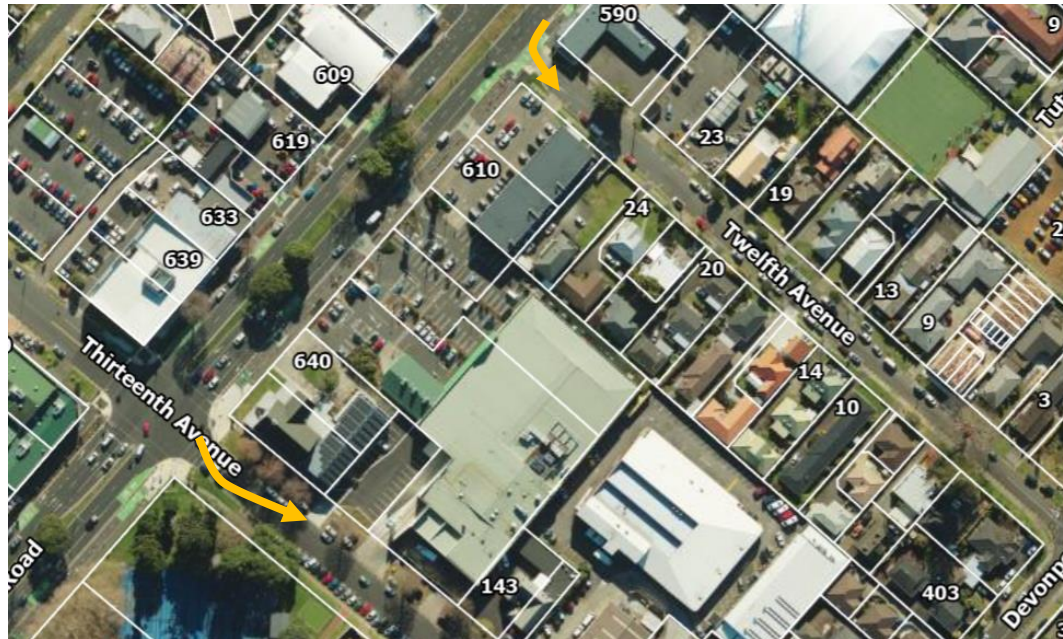
12th Avenue – Option 3

U-turn close to 11th Ave intersection



12th Avenue – Option 4

Status quo with promotion of use of 13th Avenue



9.8 Procurement Plan: Central Corridor Water Supply Trunk Mains**File Number: A18065181****Author: Richard Conning, Programme Manager: Delivery****Authoriser: Nic Johansson, General Manager: Infrastructure****Please note that this report contains confidential attachments.**

Public Excluded Attachment	Reason why Public Excluded
Item 9.8 - Procurement Plan: Central Corridor Water Supply Trunk Mains - Attachment 2 - Procurement Plan - Cambridge and Chadwick Trunk Mains	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.

PURPOSE OF THE REPORT

1. To brief the City Delivery Committee on the Central Corridors Water Supply programme and pre-qualified supplier panel;
2. Seek endorsement for the procurement plan for the first delivery phase of the Cambridge Reservoir and Chadwick Link Trunk Mains project.

RECOMMENDATIONS

That the City Delivery Committee:

- (a) Receives the report "Procurement Plan: Central Corridor Water Supply Trunk Mains".
- (b) Endorses the procurement plan to a value of \$7.25 million for the design and Early Contractor Involvement of Section 4 – Greerton to Smith's Farm, and the delivery phase of the Cambridge Reservoir and Chadwick Link Trunk Mains project.
- (c) **Attachment 2** can be transferred into the open once the procurement process for the design and ECI contracts is complete

EXECUTIVE SUMMARY

3. The Cambridge Reservoir Trunk Mains and Chadwick Link Trunk Main project is a key part of TCC's infrastructure strategy which plans to build a more resilient, flexible water supply network through a ring-main concept. The ring-main will enable water to be moved more easily around the city and provide a higher level of resilience including replacing poor condition pipes and relocating pipes to areas less prone to natural hazards during replacement or upgrade.
4. The existing pipelines that supply the Cambridge Reservoirs are in poor condition — one was built in 1965 nearing end of life, and the other has had multiple recent failures, affecting supply to around 40,000 residents.
5. The Chadwick Link Trunk Main is a strategic part of the ring-main required to address pressure issues in Greerton and to provide additional supply to the Cambridge Reservoirs.
6. These two trunk mains are being bundled together for delivery to create cost efficiencies and reduce disruption during construction through coordinated planning.

7. The design and Early Contractor Involvement (ECI) are being procured through the TCC City Waters pre-qualified panel of contractors and consultants, which was established in 2023 to support an Integrated Programme Approach, aiming to deliver better outcomes to the community.
8. The procurement plan identifies ECI as the delivery model to improve designs, support consenting, minimise disruption to stakeholders, and plan efficient delivery with reduced risk of costly delays or re-design during construction.
9. The current procurement plan constitutes \$7.25m from a total \$72m project allocation in the LTP. The remaining \$64.25m will continue through the gateway process to LTP.
10. Completing this pipeline section by mid-2028 is critical to reduce the risk of ongoing failures of trunk mains that supply the Cambridge Reservoirs. Completion of the Chadwick Link trunk mains by this date will also improve resilience through an additional point of supply to the Cambridge Reservoir trunk mains.

Overview of Central Corridors Water Supply Programme

11. The Central Corridor studies (Corridor A/Study A, etc) were initiated following a high-level scoping study in 2021, in response to risks identified in the 2020 natural hazard mitigation study.
12. These risks included vulnerabilities to trunk water supply infrastructure from natural hazards, rapid urban growth, aging infrastructure, and uncertainty around future source water availability at the Joyce Water Treatment Plant (WTP).
13. The initiative aims to upgrade the Oropi WTP outlet mains and enhance the resilience, reliability, and long-term sustainability of Tauranga's central water supply network.
14. The five strategic corridor studies identified (Studies A–E) focus on improving service levels, operational capacity, and adaptability through measures such as network upgrades and realignment, and booster pump station relocations.
15. Together, these five corridor studies support a ring-main concept that enables flexible water transfer between water treatment plants and improves network resilience.
16. The studies are shown in Figure 1 and referred to as:
 - a. Corridor A – Oropi Trunk Main Upgrade
 - b. Corridor B – Chadwick Link Trunk Main
 - c. Corridor C – Cambridge Reservoir Trunk Main
 - d. Corridor D – Te Papa Trunk Main
 - e. Corridor E – Welcome Bay Road Trunk main

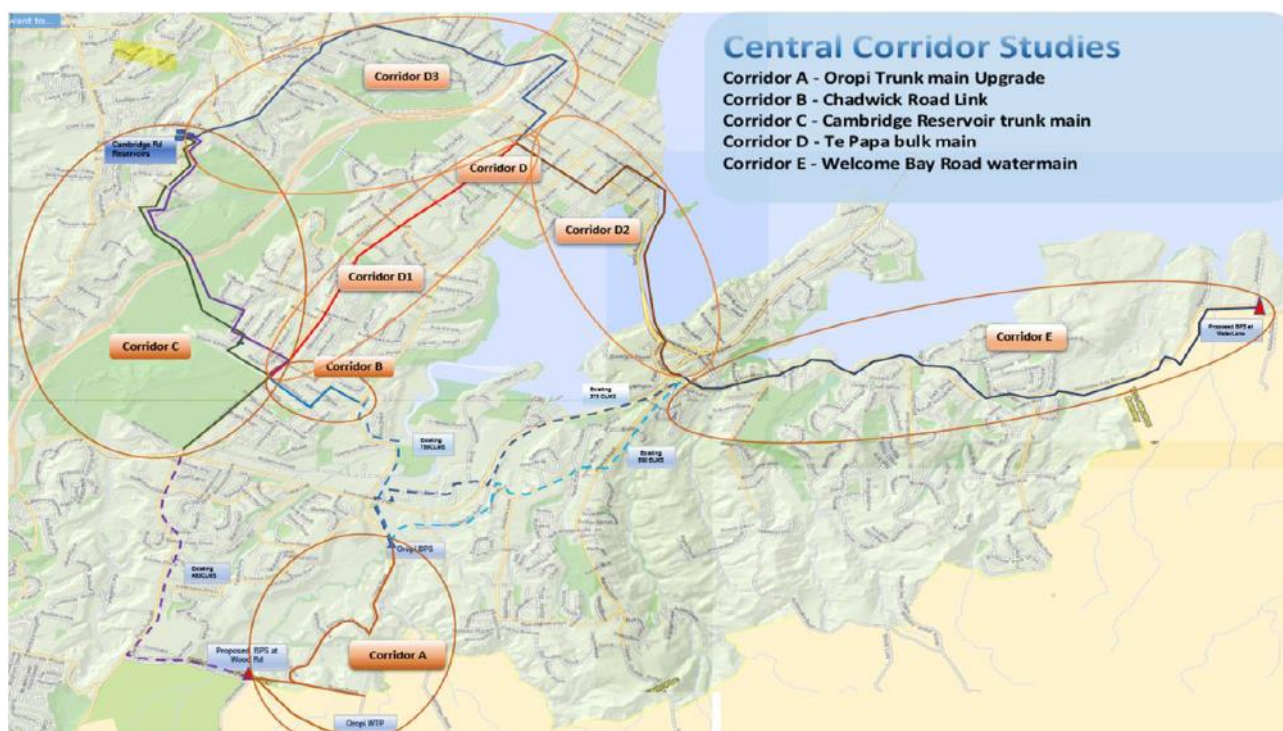


Figure 1 Overview of the Central Corridors Programme to create a ring main

17. Corridor A, B and C are priority projects due to the need to address levels of service, address growth, and improve resilience including replacing poor condition critical infrastructure.

BACKGROUND – PRE-QUALIFIED PANELS

18. In 2023, Tauranga City Council (TCC) responded to a planned significant increase in capital expenditure for water supply and wastewater infrastructure renewals and upgrades by establishing two panels of prequalified suppliers through an open market process - one for professional services and one for construction services. These panels were created to support the delivery of the City Waters Capital Works Programme.
19. The panels are designed to support an Integrated Programme Approach, aiming to deliver better outcomes to the community by:
 - a. Maintaining a healthy and competitive supplier market
 - b. Improving the quality of feasibility assessments and cost estimates
 - c. Enhancing long-term planning and investment decisions
 - d. Identifying opportunities for collaboration and continuous improvement
20. This approach moves away from the traditionally transactional model of infrastructure delivery, instead prioritising value and outcomes. It aligns with the principles outlined in the New Zealand Infrastructure Commission's discussion paper, Delivering Better Value and Better Outcomes, released on 5 May 2025, which advocates for more strategic and integrated procurement practices.
21. The Waters capital works programme is currently constrained by the organisation's affordability targets. However, if TCC's water services are transferred to a Council Controlled Organisation (CCO), as proposed in the Local Water Done Well (LWDW) consultation document, it is anticipated that the scale of the capital programme will increase significantly. The panels have been established with an initial term of three years, ending December 2026. Professional services agreements include the option to extend for an additional year while the construction services agreements have the option to be extended by up to two years.

22. A major component of the City Waters Capital Works Programme is the delivery of trunk water main projects such as the Central Corridors programme. Suppliers with proven expertise in trunk water infrastructure were selected as prequalified panel members, with the intention that they would lead the delivery of these critical works and build local capability to deliver efficiently.

Procurement within the panels

23. Given the diverse nature and scale of projects being delivered through the panels, a tailored procurement strategy and allocation methodology has been developed (refer to Attachment 1). This approach is designed to streamline procurement processes while maintaining appropriate levels of price competition.
24. The procurement methodology is tiered based on project value:
- Low-value packages may be directly appointed to panel members, enabling efficient delivery of smaller-scale works.
 - Medium-value packages are competitively procured based on non-price attributes only, ensuring quality and capability remain the focus.
 - High-value packages are subject to full competitive procurement, assessed on both non-price and price attributes to ensure value for money.
25. Cost management services are a key workstream within the panels and are applied across all procurement tiers. These services play a critical role in ensuring that value for money is achieved throughout the lifecycle of each project.
26. To date, several projects within the Central Corridors programme have been successfully procured through the prequalified panels. These include:
- Detailed design and Early Contractor Involvement (ECI) services for Stage 1 of the Oropi Water Treatment Plant Trunk Main Upgrade (Study A).
 - Detailed design for the Cambridge Reservoir Trunk Mains Replacement along Cambridge Road (part of Study C).
27. This structured procurement approach supports efficient project delivery while fostering competition, innovation, and quality outcomes in line with the broader outcomes.

BACKGROUND – CAMBRIDGE RESERVOIR TRUNK MAINS AND CHADWICK LINK TRUNK MAINS

28. The Cambridge Reservoir Trunk Mains project is a critical renewals project within the Central Corridors Programme (Study C) involving replacement and capacity upgrades of the existing twin 375mm diameter pipelines that feed the Cambridge Reservoirs which service approximately one-third of Tauranga City.
29. One of the pipelines is Asbestos Cement (AC) installed in 1965, and the other is a poor-quality U-PVC pipe which has had multiple failures resulting in disrupted water supply to around 40,000 residents. Recent investigations into the pipes condition have confirmed it is in poor condition with a high likelihood of further failures.
30. Due to these ongoing pipe failures and resulting operational risks, the targeted date for completion of the Cambridge Reservoir trunk mains replacement is June 2028.
31. The project involves installing two new 560mm diameter trunk mains from the racecourse on Cameron Road (from opposite Maleme Street and from the Chadwick Link connection) to the Cambridge Road reservoirs, which includes traversing the Kōpūrererua Valley Reserve.
32. A related project within the Central Corridors programme is the Chadwick Link trunk main (Study B). This proposed trunk main will address current restricted connectivity to the existing Cameron Road trunk main which is resulting in low pressure within the Ta Papa peninsular, particularly Greerton. The new trunk main link along Chadwick Road will improve

capacity and resilience between the Cameron Road and Oropi WTP trunk mains through to Tauranga South.

33. The Chadwick Link trunk main will also enable an alternative supply to the Cambridge Reservoirs, a key benefit of the proposed ring-main concept.
34. As the Cambridge trunk mains will have additional supply from the Chadwick Link trunk main, they have been bundled together for delivery. This will support a coordinated delivery approach to reduce impacts to the public and stakeholders during construction and create delivery efficiencies through a single delivery team and reduced overheads and establishment costs. Bundled delivery will also allow for coordinated commissioning of the pipelines and enable early benefits to be realised from the investment.
35. The project has been separated into multiple sections for delivery, shown in Figure 2 below. This is due to the staging of delivery, and due to some 3rd party delivery on TCC's behalf. The sections are:

Section	Responsible agency	Current status
Section 1 – Cambridge Road	TCC	Detailed design
Section 2 – Integrated into Takitimu North Link Stage 1	NZTA	
Section 3 – Smiths Farm	TCC	Developer engagement
Section 4 – Greerton to Smiths Farm (including the Chadwick Link trunk main)	TCC	Concept level

36. Section 4 is the largest and most complex section of the project and designs have been developed to a concept level. Further investigations and optioneering is required to confirm the preferred pipe routes with regards to constructability, operational requirements, construction costs, and minimising impact on stakeholders during construction.
37. For this reason, Early Contractor Involvement (ECI) has been identified as the preferred delivery model for Section 4

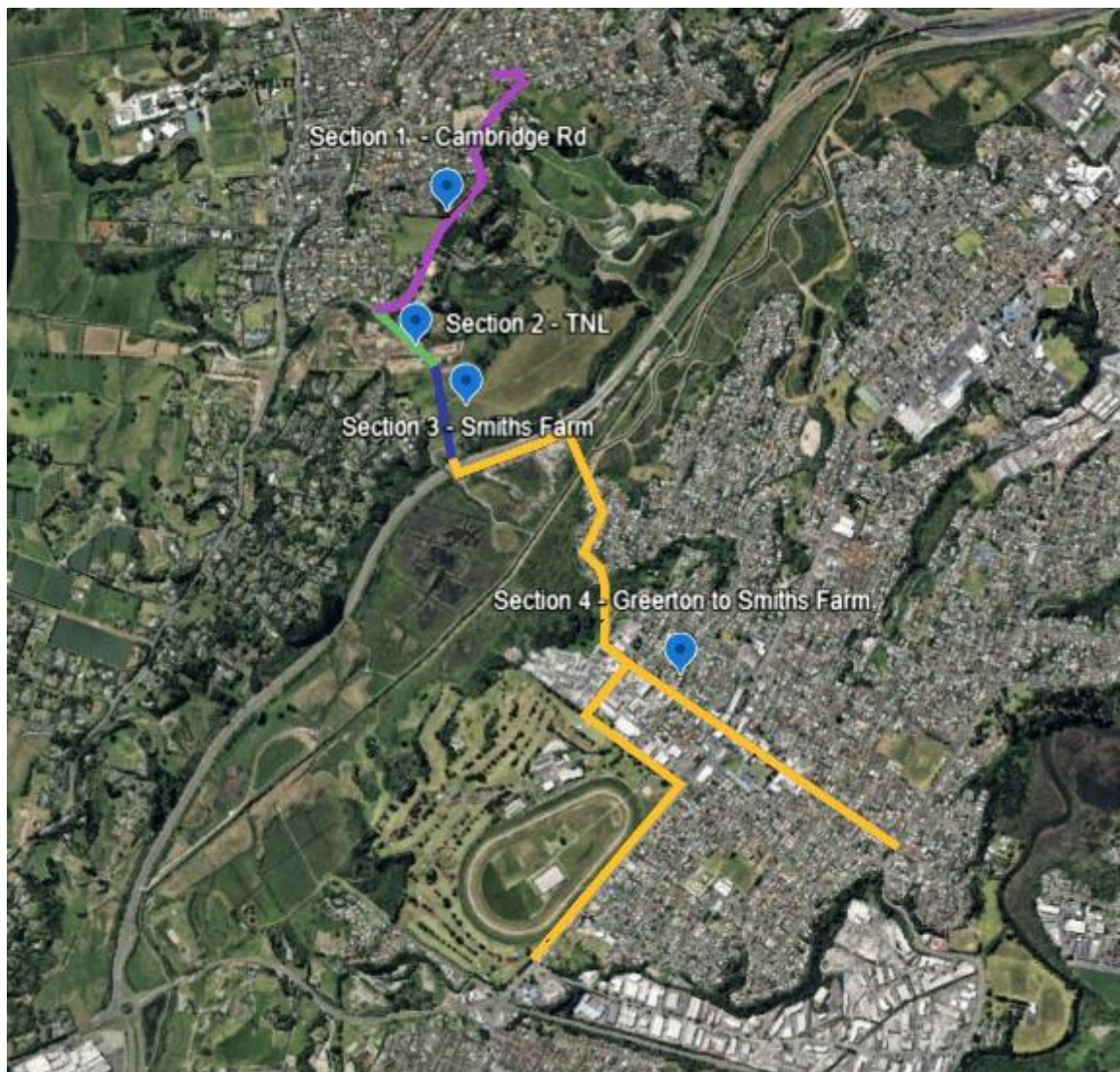


Figure 2 Overview of Cambridge Reservoir Trunk Mains and Chadwick Link Trunk Mains project

37. TCC is currently in discussions with the Smiths Farm developer to consider the most efficient and effective approach for the delivery of Section 3. The ECI contractor and designer will support TCC in determining the approach which best manages TCC risk.
38. Section 1 on Cambridge Road is currently in detailed design, with construction planned for early 2026.

Procurement Plan – Design and ECI, Greerton to Smiths Farm Section

39. Endorsement from the committee is being sought for design and ECI of section 4, and for construction of section 1 .

Estimated Fee	Engagement	Location
\$250,000	ECI	Section 4 - Cameron Rd and Chadwick Link to Smiths Farm
\$2,000,000	Design	Section 4 - Cameron Rd and Chadwick Link to Smiths Farm
\$5,000,000	Construction	Section 1 - Cambridge Rd

40. Utilising the pre-qualified panel to procure the design and ECI services is proposed as suppliers have been pre-qualified through an open market process based on price and non-price attributes. The pre-qualification was based on track record and local experience in delivering trunk water supply infrastructure.
41. The objectives from this procurement strongly align with the objectives and Key Result Areas the pre-qualified panel is being assessed on, being:
 - Community and Engagement (Stakeholder satisfaction)
 - Delivery (Programme and Budget)
 - Collaboration (Communication)
42. Key risks that have been identified and addressed in the procurement plan (Attachment 2) include
 - a. delivery timeframes of June 2028
 - b. market capacity
 - c. coordination with other TCC projects
 - d. technical challenges including ground conditions
 - e. trenchless installation of large diameter pipe
 - f. protection of existing services
 - g. stakeholder management including mana whenua and local businesses
 - h. works within sensitive environmental areas including Kōpūrerua Valle
 - i. commissioning of multiple sections of pipeline.
43. Early Contractor Involvement will ensure these risks are mitigated through the design and consenting stage, and enable the construction team to build relationships with key stakeholders early and plan construction activities to minimize disruption as much as possible.
44. Lessons learned on previous trunk main projects delivered by TCC have identified the importance of Early Contractor Involvement in particular commissioning of trunk pipelines at completion.
45. Market engagement has been undertaken with pre-qualified panel suppliers, where there was a compelling case for Early Contractor Involvement as it allows for a high level of integration between TCC, designer and contractor through design and consenting.
46. Early Contractor Involvement will also allow for early identification of construction costs and delivery risks which provide opportunity for early design changes to avoid cost and programme impacts compared to making changes once in construction.
47. Development of commercial terms as design progresses will allow risks to be appropriately allocated within the construction contract based on who is best placed to manage them.
48. As the majority of risks identified are construction related, the ECI contractor will act as a Subject Matter Expert and support TCC in determining requirements and attributes of the design consultant to be procured through the pre-qualified panel. This will include consideration of the design programme required to enable the contractor to meet the June 2028 target completion date.
49. The ECI contractor being engaged at early stages of the project means they can provide inputs into improving design at the preliminary stage, develop initial construction programmes, undertake constructability reviews, costings, risk identification and mitigation, and support the consenting process.

50. The ECI contractor will also have involvement in stakeholder engagement through design and consenting and will be tasked with scoping and undertaking site investigations including geotechnical testing and service pot holing.
51. At the completion of design, the ECI contractor will have the opportunity to negotiate the construction contract. Contract award by TCC will be subject to receiving an acceptable price and commercial terms, and performance of the ECI contractor through the design phase measured against KPIs.
52. As part of negotiations, TCCs appointed cost consultant will undertake pricing reviews to ensure value for money and benchmark against market rates.

STATUTORY CONTEXT

53. Water supply, wastewater and stormwater services are core functions under the Local Government Act. This project is related to water supply.
54. Potential environmental impacts of projects are regulated under Resource Management Act and associated National Policy Statements (NPS) like the NPS for Urban Development and Freshwater Management. Planning of individual projects includes the assessment of potential environmental effects.

STRATEGIC ALIGNMENT

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

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

56. Water supply, wastewater and stormwater are core services for a well-functioning city. It is important to maintain or improve the existing level of service, while providing for growth in the city and minimising negative environmental effects.

OPTIONS ANALYSIS

57. The project options analysis was performed as a part of the Planning phase of the project. Final route selection is still required for Section 4 of this project.

FINANCIAL CONSIDERATIONS

58. This project is fully funded through the Long Term Plan. Decisions made as part of the recommendations do not have financial implications or effect funding that is already in place.

LEGAL IMPLICATIONS / RISKS

59. Individual projects have their specific risk register and risks are managed as identified in the risk register.

TE AO MĀORI APPROACH

60. The Water supply, wastewater and stormwater 30-year Infrastructure Strategies acknowledge Te Ao Māori and outline key aspects, which should be considered for the

planning of water services in the city. These are being incorporated as appropriate for individual projects.

61. The Central Corridors Water Supply Trunk mains work supports several principles of the Te Ao Māori approach, which will be observed as work is undertaken. These include:
- a. Manaakitanga - Ahurutanga/haumarutanga – a strong duty of care and safety for our people.
 - b. Kaitiakitanga - Stewardship of the natural environment
 - c. Whanaungatanga - Relationships and network support systems
 - d. Wairuatanga - Mana atua & whakaponu - a well-grounded belief system that supports instinct and intuition in line with whāia te tika – the pursuit of the right way forward.

CLIMATE IMPACT

62. Natural Hazard risks, which are exacerbated by climate change, are a core consideration for this project and increasing the resilience of our assets is a key deliverable of this project.
63. Capital works projects are being assessed against their carbon footprint and this information is being utilised in the decision making on the preferred option.

CONSULTATION / ENGAGEMENT

64. Engagement with relevant stakeholders prior to procurement has occurred where necessary. A Communication and Engagement Plan will be prepared for this project. Where practical, projects are bundled together for engagement purposes for efficient use of external stakeholders' time.

SIGNIFICANCE

65. 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.
66. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region
 - (b) any persons who are likely to be particularly affected by, or interested in, the .
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
67. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the is of medium significance.



ENGAGEMENT

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

NEXT STEPS

69. Finalise tender documents for design and ECI and issue to the pre-qualified panels.

ATTACHMENTS

1. **Delivering Better Outcomes - Procurement Strategy and work package allocation process - A16975147**  
2. **Procurement Plan - Cambridge and Chadwick Trunk Mains - A18197532 - Public Excluded**

Delivering Better Outcomes



Framework Procurement Strategy and work package allocation process

TC48/23 and TC49/23

Document development control	
Prepared by:	Richard Conning
Position / title:	Framework Manager
Business unit:	City Waters
Document version:	2.0
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Purpose

To define the procurement strategies to be employed when contracting for work packages that have been approved for delivery via the framework.

Background

The Delivering Better Outcomes Framework has been formed to strengthen the relationships with Tauranga City Council's supply partners, increase the efficiency of the City Waters Capital Works Programme and deliver better outcomes for the community of Tauranga.

The Construction and Professional Services Framework establishes a framework of contractors and consultants to support the delivery of the Council Three-Waters infrastructure programme that has been established by Council to provide works within defined Work Categories

The objectives for the Framework are the following:

- The Frameworks are in response to Tauranga City Council's opportunity to transform the delivery of the Three Waters Capital Works programme and deliver better outcomes for the community of Tauranga.
- The key objectives are to be as effective and efficient as possible in delivering the Three Waters Capital Works Programme, deliver long term shared and sustainable value for TCC, industry and the wider community and build long term client/supplier relationships through early collaboration in delivering a visible and committed pipeline of work.
- The nine delivering better outcomes are:
 1. Greater likelihood of Long-Term Plan delivery
 2. Procurement Efficiency
 3. Reduced Construction Costs
 4. De-risking Project Delivery
 5. Minimise Supply Chain Risk
 6. Workforce Security
 7. Improved Safety & Wellbeing
 8. Strengthening Supplier Relationships
 9. Enhanced Sustainability and Community Outcomes

Strategy

The strategy has been developed to ensure that an appropriate mix of supplier capability and capacity are applied to work packages and that the procurement process is efficient¹ while also delivering value across the range of outcomes. To this end the process will be "right sized" based on project or work package risk and complexity. This right sizing approach has considered TCC's internal guidance, policy settings, and the nature and scale of work packages currently planned to be delivered via the framework. To this end direct appointment, streamlined and robust pathways for work package allocation has been developed.

The purpose of the direct appointment pathway is to establish low value/low cost engagements quickly and efficiently with framework suppliers while minimising procurement costs for both TCC

¹ Reduced transactional cost of procurement for both TCC and the framework partners, optimized timeframes based on scale/complexity

and the partners. Value for money will be assured using benchmarked rates and independent Cost/QS inputs. In making direct appointment decisions the TCC Framework Manager, Project and Programme Managers will consider the following factors:

- Scope of the work package
- Specific skill set or capability required
- Balance of work packages awarded to the partners within the relevant workstream

The above factors provide the opportunity to target specific skill sets or capabilities where relevant and the opportunity to balance package allocation within the relevant workstream. The purpose of the streamlined pathway is to establish engagements quickly and efficiently with framework suppliers while minimising procurement costs for both TCC and the partners. Streamlined pathway work packages will generally follow a simplified pathway of pre-allocation and direct negotiation with the pre-allocated supplier. Pre-allocation with an expectation of direct negotiation will allow framework partners to make investments in staff and resources and provides an element of resourcing certainty to TCC project managers. Value for money will be assured using benchmarked rates and independent Cost/QS inputs in conjunction with non-price attributes such as proposed team and ability to positively impact the project.

The purpose of the robust pathway is to establish engagements with framework suppliers that effectively manage risks and deliver value while minimising procurement costs for both TCC and the partners. Robust pathway work packages will generally require an element of closed competition within the relevant workstream. Early identification of opportunities and the method of procurement will allow framework partners to understand the potential pipeline of work and make investments in staff and resources where appropriate. Value for money will be assured through competitive pricing and the use of benchmarked rates and independent Cost/QS inputs in conjunction with non-price attributes such as proposed team and ability to positively impact the project and broader outcomes.

The thresholds that determine if a project fits the direct appointment, streamlined or robust pathways are set out below, they are based on the estimated value of work packages:

Direct:	Professional Services	≤\$50,000
	Physical Works	≤\$500,000
Streamlined:	Professional Services	≤\$300,000
	Physical Works	≤\$2,000,000
Robust:	Professional Services	≥\$300,001
	Physical Works	≥\$2,000,001

Bundles of current work package opportunities will be presented to the framework suppliers on a regular basis (e.g. quarterly) to provide a holistic view of current opportunities alongside a broader view of projects and associated packages expected to be delivered via the framework over the longer term.

Due to the nature of Council's Long-Term Plan (LTP) budgeting process the premise of Early Contractor Involvement (ECI) opportunities will be categorised in two ways:

- Premise 1: ECI as a standalone activity to inform design, consenting, project risks and budget. This format is required where the design and physical works elements of a project

budget are separated by a number of years in the LTP e.g. there is more than two years between the design phase budget and the physical works budget allocations.

- Premise 2: ECI with the opportunity for the selected contractor to negotiate for the physical works. This format will be adopted where a project budget provides the ability to transition from design/consenting to physical works within a short timeframe e.g. where there is less than two years between the design and physical works budget allocations.

The premise of any ECI opportunity will be clearly stated in within the relevant work package scopes when they are circulated for expressions of interest.

Direct Appointment Pathway

Allocation Process: Direct pathway:

1. Work package scope and value assessed and determined to fit the direct pathway
2. TCC Project and Programme Manager consider the scope and skill set/capability factors
3. TCC Framework Manager provides workstream package allocation data
4. Supplier identified
5. Work package provided to supplier for submission of a proposal including pricing
6. Negotiation of contract

Streamlined Pathway

Allocation Process: Streamlined pathway:

1. Work package scope circulated to suppliers in relevant workstream.
2. Statement of interest provided by supplier/s covering:
 - a) Proposed team
 - b) Ability to impact project.
 - c) Methodology
3. Evaluation of statements of interest by TCC PM, Framework Manager and Programme Management Lead
4. Preferred supplier identified.
5. (a) Price requested from preferred supplier – if for immediate engagement
or
5. (b) Preferred supplier identified and work package pre-allocated – if delayed engagement required
6. Negotiation of contract

Weighting of criteria:

Professional Services or ECI (Premise 1):

- a) Proposed team 40%
- b) Ability to impact project 30%
- c) Methodology 30%

Physical Works:

- a) Proposed team 40%,
- b) Ability to impact project 20%
- c) Methodology 40%

NB: Workload balancing and the inclusion of performance related weightings may be considered later in the framework term once the allocation process has been tested through implementation.

Evaluation Criteria – Streamlined Pathway

Proposed Team- Contractor

Nominate the key personnel including [Drafting note: Amend the list of key personnel as appropriate - Contractor's Representative, Contract Manager, Quality Manager, Project Manager, Site Supervisor, Health & Safety Supervisor, Site Traffic Management Supervisor, Services Engineers, Quantity Surveyor, Environmental Supervisor] and key sub-contractors intended to be utilised or available for the execution of the work, stating each by name, role/position, technical skills and length of experience and listing their areas of expertise or responsibility relevant to the work package.

Proposed Team – Professional Services

Nominate the key personnel including [Drafting note: Amend the list of key personnel as appropriate - Design Manager, Project Manager, Discipline leads] and key sub-consultants intended to be utilised or available for the execution of the work, stating each by name, role/position, technical skills and length of experience and listing their areas of expertise or responsibility relevant to the work package.

Ability to Impact Project

Describe the specific skill sets or IP held by [consultant/contractor] or previous knowledge of project, location or conditions that demonstrate a clear ability to impact the project in a positive manner.

Such as:

- Time/cost/risk mitigation
- Innovative technologies or methods
- Synergies with other projects

Methodology – Physical Works

- Project specific requirements the Supplier must address [TCC PM to populate may include the items below]
- Proposed construction methods and safe work methodologies. Safe work methodologies shall address Principal's and Supplier's assessed risks in a safe manner throughout project works. Opportunities to eliminate risks or implement substitution or engineering controls shall be included.
- Methods to reduce the construction disturbance and impact on the public and adjacent property owners including dust and noise control.
- A pre-construction risk assessment listing controls for risks and hazards associated with project work. The pre-construction risk assessment shall state at minimum the top 5 Health and Safety risks from Respondent's perspective and TCC's key risks as listed below:
 - [TCC PM to populate]
- A preliminary works programme indicating the staging and sequencing of events and showing all key 'critical path' activities required to complete the Contract Works.

Methodology – Professional Services or ECI (Premise 1)

An overview methodology describing the methods and processes to successfully deliver the services is required for evaluation purposes. The overview method shall be limited to one page.

A detailed methodology will be required to be submitted with pricing of the services.

Robust Pathway

Allocation Process: Robust pathway: Professional Services

1. Work package scope circulated to suppliers in relevant workstream
2. Statement of interest provided by supplier/s covering
 - a. Proposed team,
 - b. Ability to impact project
 - c. Methodology (overview)
3. Evaluation of statements of interest by TCC PM, Framework Manager and Programme Management Lead
4. Submissions shortlisted to 2-3 suppliers
5. Price (and detailed methodology) request issued to shortlist
6. Weighted price score added to non-price evaluation scores.
7. Preferred supplier identified.
8. Negotiation of contract

NB: Robust pathway to be applied initially, pathway may be refined to enable pre-allocations once confidence in the process is established.

Allocation Process: Robust pathway: Physical Works

1. Work package scope circulated to suppliers in relevant workstream
2. Statement of interest provided by supplier/s covering
 - a. Proposed team
 - b. Ability to impact project
 - c. Methodology (detailed)
 - d. Price
3. Evaluation of statements of interest by TCC PM, Framework Manager and Programme Management Lead
4. Preferred supplier identified.
5. Negotiation of contract

Weighting of criteria: Physical Works

- a. Proposed team 25%
- b. Ability to impact project 15%
- c. Methodology (detailed) 30%
- d. Price 30%

Evaluation Criteria: Robust Pathway

Proposed Team – Physical Works

Nominate the key personnel including [Drafting note: Amend the list of key personnel as appropriate - Contractor's Representative, Contract Manager, Quality Manager, Project Manager, Site Supervisor, Health & Safety Supervisor, Site Traffic Management Supervisor, Services Engineers, Quantity Surveyor, Environmental Supervisor] and key sub-contractors intended to be utilised or available for the execution of the work, stating each by name, role/position, technical skills and length of experience and listing their areas of expertise or responsibility relevant to the work package.

Proposed Team – Professional Services

Nominate the key personnel including [Drafting note: Amend the list of key personnel as appropriate - Design Manager, Project Manager, Discipline leads] and key sub-consultants intended to be utilised or available for the execution of the work, stating each by name, role/position, technical skills and length of experience and listing their areas of expertise or responsibility relevant to the work package.

Methodology – Physical Works

- Project specific requirements the Supplier must address [TCC PM to populate may include the items below]
- Proposed construction methods and safe work methodologies. Safe work methodologies shall address Principal's and Supplier's assessed risks in a safe manner throughout project works. Opportunities to eliminate risks or implement substitution or engineering controls shall be included.
- Methods to reduce the construction disturbance and impact on the public and adjacent property owners including dust and noise control.
- A pre-construction risk assessment listing controls for risks and hazards associated with project work. The pre-construction risk assessment shall state at minimum the top 5 Health and Safety risks from Respondent's perspective and TCC's key risks as listed below:
 - [TCC PM to populate]
- A preliminary works programme indicating the staging and sequencing of events and showing all key 'critical path' activities required to complete the Contract Works.

Methodology – Professional Services or ECI (Premise 1)

An overview methodology describing the methods and processes to successfully deliver the services is required for evaluation purposes. The overview method shall be limited to one page.

A detailed methodology will be required to be submitted with pricing of the services.

Ability to Impact Project

Describe the specific skill sets or IP held by [consultant/contractor] or previous knowledge of project, location or conditions that demonstrate a clear ability to impact the project in a positive manner.

Such as:

- Time/cost/risk mitigation
- Innovative technologies or methods

- Synergies with other projects
- Specific boarder outcomes to be advanced and KPI measured

Allocation Process: ECI Premise 2 (Streamlined and Robust Pathways)

Allocation Process

1. Work package scope circulated to suppliers in relevant workstream
2. Statement of interest provided by supplier/s covering
 - e. Proposed team
 - f. Ability to impact project
 - g. Methodology (overview)
 - h. Price
3. Evaluation of statements of interest by TCC PM, Framework Manager and Programme Management Lead
4. Preferred supplier identified.
5. Negotiation of contract

Weighting of criteria: ECI Premise 2

- a) Proposed team 30%
- b) Ability to impact project 20%
- c) Methodology 20%
- d) Price 30%

Evaluation Criteria: ECI Premise 2

Proposed Team

Nominate the key personnel including [Drafting note: Amend the list of key personnel as appropriate – ECI lead, ECI key personnel, Contractor's Representative, Contract Manager, Quality Manager, Project Manager, Site Supervisor, Health & Safety Supervisor, Site Traffic Management Supervisor, Services Engineers, Quantity Surveyor, Environmental Supervisor] and key sub-contractors intended to be utilised or available for the execution of the work, stating each by name, role/position, technical skills and length of experience and listing their areas of expertise or responsibility relevant to the work package.

Methodology

An overview methodology describing the methods and processes to successfully deliver the services is required for evaluation purposes. The overview method shall be limited to one page.

Ability to Impact Project

Describe the specific skill sets or IP held by the contractor or previous knowledge of project, location or conditions that demonstrate a clear ability to impact the project in a positive manner. Such as:

- Time/cost/risk mitigation
- Innovative technologies or methods
- Synergies with other projects
- Specific boarder outcomes to be advanced and KPI measured

9.9 Tauranga City Council Consenting Performance - June 2025

File Number: A18142201

Author: Alex Miller, Manager: Environmental Planning
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Authoriser: Sarah Omundsen, General Manager: Regulatory and Compliance

PURPOSE OF THE REPORT

1. To provide an update on Building and Resource Consent processing volumes and performance.

RECOMMENDATIONS

That the City Delivery Committee:

- (a) Receives the report "Tauranga City Council Consenting Performance - June 2025".

EXECUTIVE SUMMARY

2. Tauranga City Council is responsible for implementing consenting processes under both the Building Act 2004 and the Resource Management Act 1991, both of which include statutory timeframes. Ensuring these processes are operating effectively is critical to enable growth, whilst also ensuring that development is safe and the environment is appropriately protected for our community.
3. This report provides an overview of Tauranga City Council's consenting performance for the 2024/25 financial year to date, covering both building and resource consents. Despite ongoing economic challenges, application volumes overall have remained steady, and significant improvements have been made in processing efficiency and compliance with statutory timeframes.

Building Consents:

- Application volumes have slightly declined compared to previous years, with 1,471 received year-to-date.
- Compliance with the 20-day statutory timeframe has improved to an average of 82%, up from 75% in 2023/24 and from a low of 35% in April 2022.
- Median processing time has reduced to 14 days, aligning with national benchmarks, with an average elapsed processing time of 24 days.
- External contractor reliance has dropped from 60% to 18%, reflecting successful internal capacity building.
- Inspection wait times remain under two days, and 97% of Code Compliance Certificates are issued on time.

Resource Consents:

- Application volumes are stable, with a 22% increase in subdivision consents indicating future development potential.
- On-time decision-making has improved significantly, reaching 96% compliance year-to-date up from a low of 38% in July 2022.

- Average elapsed processing time is 56 working days, with 31 days typically spent on hold.
- Use of external consultants has decreased due to strengthened internal expertise.

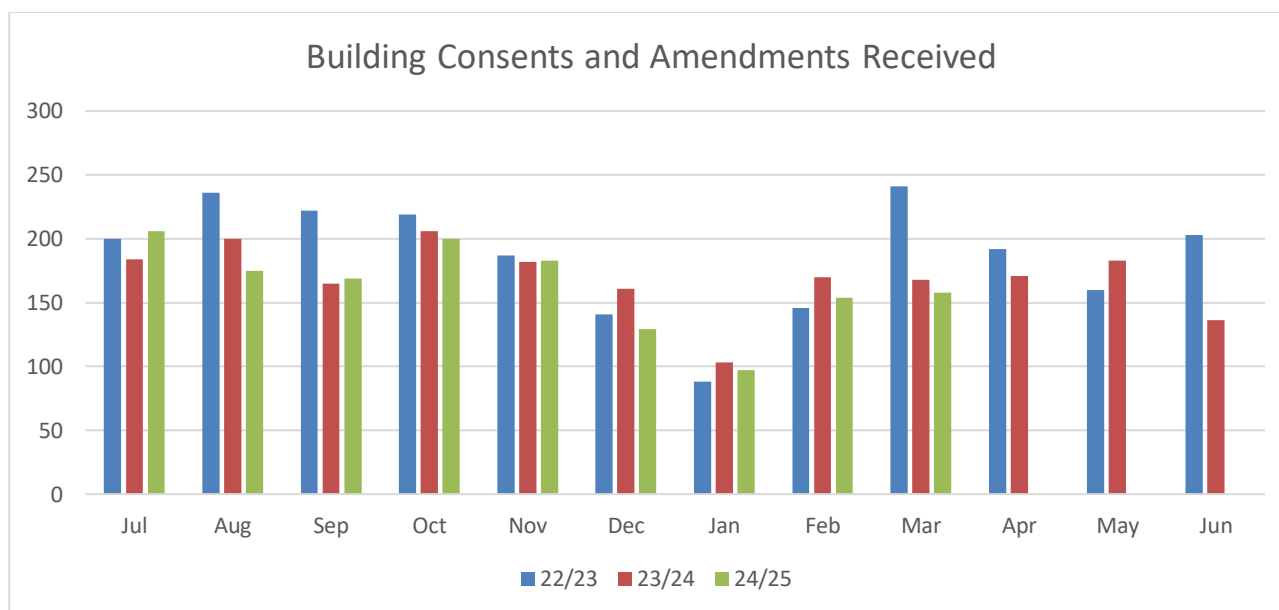
Continuous Improvement and Reform:

- The Council achieved its best Building Control Authority (BCA) audit result in over a decade in 2023 and is preparing for the next IANZ audit in September 2025.
 - System enhancements, including Objective Build upgrades, a reference consent pilot and the use of AI aim to streamline processing.
 - Legislative reforms in both the Building Act and Resource Management Act are expected to impact future consenting processes, with Council actively preparing for these changes.
4. Overall, Council has demonstrated strong progress in improving consenting performance, reducing reliance on external support, and preparing for future growth and regulatory change.

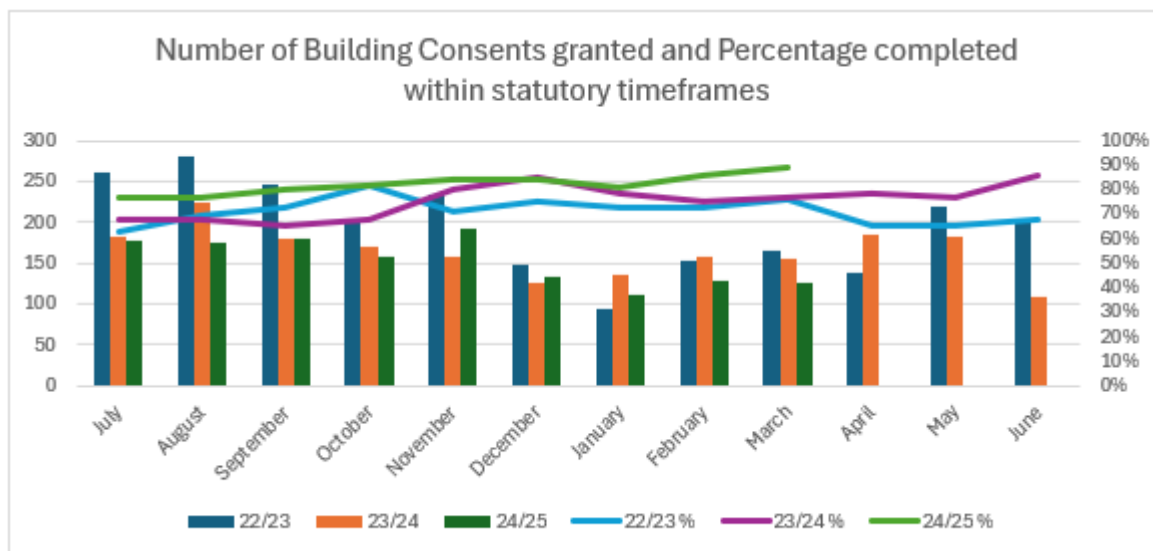
BUILDING CONSENTS:

Volumes, trends and timeliness

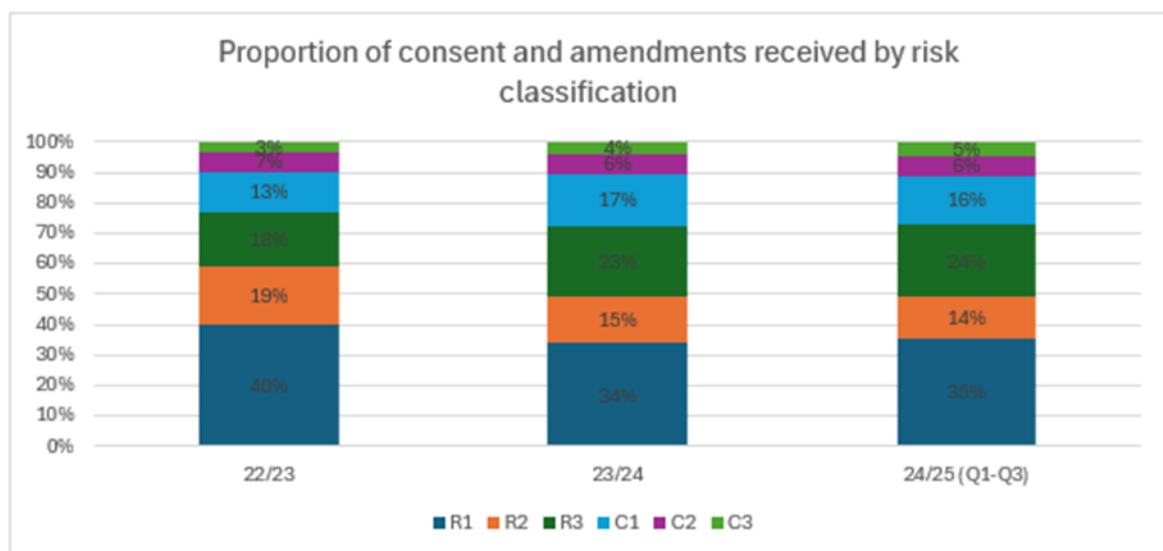
5. Despite some ups and downs, the volumes of building consent applications received so far this year (1471) are slightly down compared to the same period last year (1539), and down compared to the 22/23 year (1680).



6. The volume of Building Consents issued in Tauranga and nationally has decreased from a record level in 21/22. The rate of decrease has slowed, and the first six months of 24/25 were on par with 23/24. However, the volume of consents granted in Q3 of 24/25 has been below that of the same period in 23/24.
7. The percentage of building consent decisions made within the statutory timeframe of 20 working days has increased from a low of 35% in April 2022. The average compliance rate through 22/23 and 23/24 was 71% and 75%, respectively. The average compliance rate through 24/25 has increased to 82%, with a monthly high of 89% in March.
8. The Ministry of Business Innovation and Employment (MBIE) have collated nation-wide data over 2024 which we can use as a benchmark. Their conclusions were that the average compliance rate was 90.2% and that building consents nationally took a median of 14 days.
9. Our median days to process has dropped by one day per year over the reporting period, with 16 days in 22/23, 15 days in 23/24 and 14 days in 24/25. In terms of elapsed time, in 22/23 we had an average of 37.0 days, 23/24 it decreased to 33.25 and so far this year it's 24.



10. The building system includes a national risk categorisation for both residential (R1-R3) and commercial (C1-3), with the higher number indicating a higher level of risk/complexity. For example, a simple single storey detached dwelling would be classified as R1, a block of three storey townhouses would be R3 and a five storey commercial building for 500+ occupants would be a C3.
11. A comparison of the risk classifications from year to year shows that simple residential consents (applications classified as Residential 1 and 2) make up nearly half of the volumes, with 49% so far this year and last year, but are down 10% since the previous year (59%). Residential 3 applications, however, have shown an increase, making up 24% of applications so far this year, 23% last year and only 18% in 22/23. Commercial consents show an increase over time proportionally. However, the actual volumes remain remarkably static, with 500 received in 22/23, 560 in 23/24 and currently on track to receive 533 in 24/25.



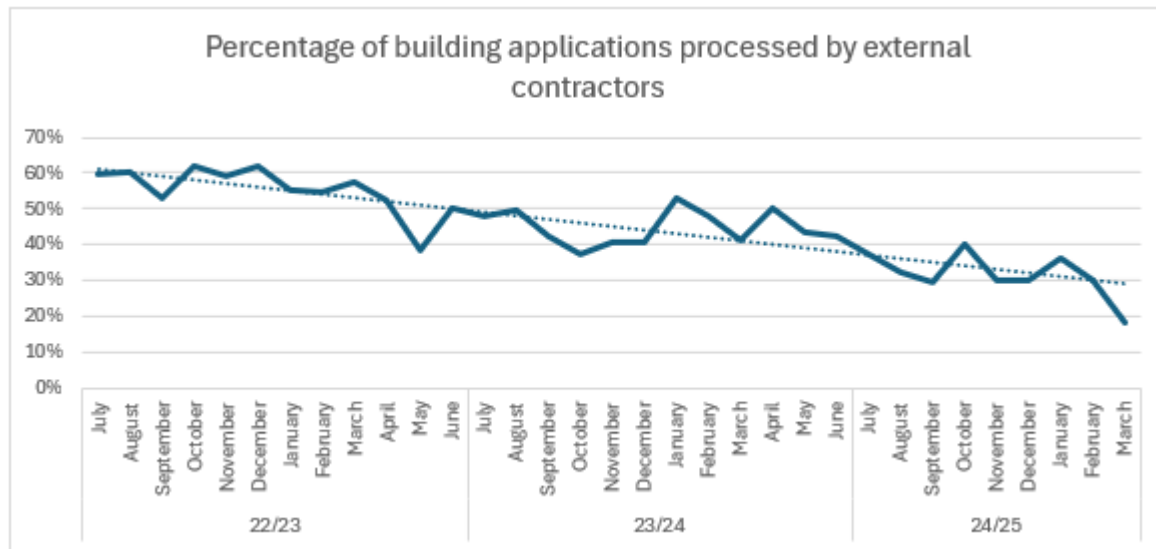
12. Our data, and MBIE's nationwide data, clearly shows that the more complex consents take longer to process. The nationwide data also shows that Tauranga has more complex consents than many other Building Consent Authorities (BCAs) - 23.8% of our applications were R3, and 3.5% were C3. Seven out of 68 BCAs had a greater percentage of R3s, and only two had a greater percentage of C3s.

Use of contractors

13. The proportion of building consent applications processed by our external contractors dropped from 60% to 30% over the period covered in this report. The graph shows a steady

decrease over time, with March being the lowest at 18% of applications. While volumes have also decreased over this period, the rate of decrease in our contractor usage, is much faster than that of the overall volume decrease.

14. We have worked hard over this period to recruit processors. Historically we have taken on a number of untrained staff, which puts pressure on our training budget and a significant burden on our supervisors who have to review every decision made, including requests for information (RFIs), and substantive decisions until the new staff have been certified competent.
15. As at March, all of our processing staff have now been certified competent, which effectively increases the available resource to process consents and should further reduce our reliance on our external contractors.



Notable applications

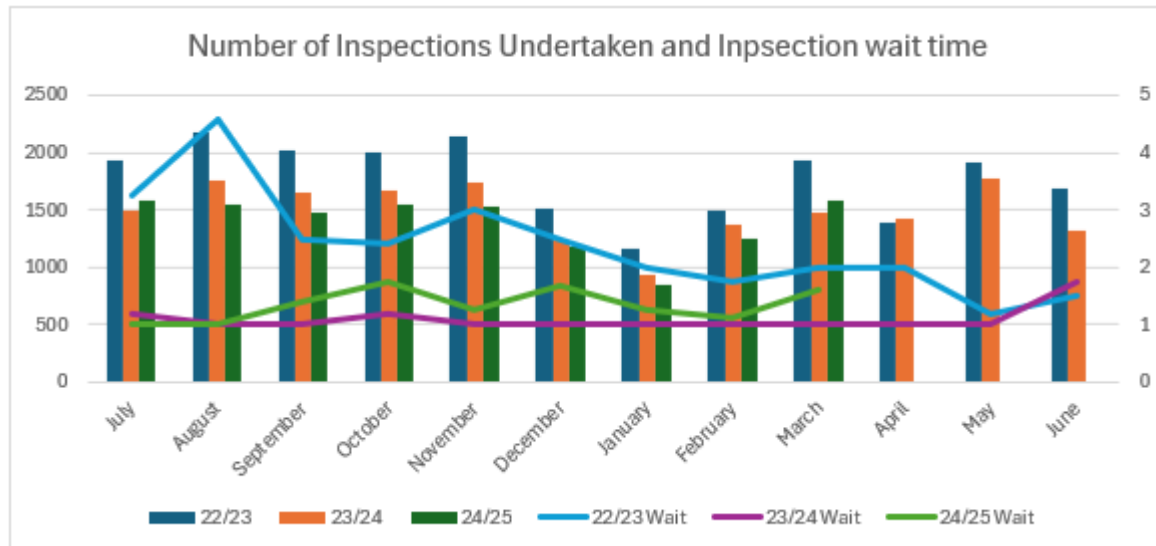
16. In Q3 of 24/25, we consented \$117 million worth of building work, for a total of \$489 million so far year-to-date. The four largest projects consented in Q3 are listed below.
 - Mount Maunganui College (565 Maunganui Road). The first (of two) stage building consent covers the earthworks, foundations, steel superstructure, floor slabs, underslab services and civil services for the construction of three two-storey buildings consisting of 32 teaching spaces, and associated site works.
 - Links Ave Reserve (130 Links Avenue). This building consent is related to the upgrade of the reserve and covers the stormwater and wastewater reticulation.
 - The Pitau (53-57 Pitau Road). This consent is for the tension pile foundations, hydraulic and civil connections, associated waterproofing and steel members/precast wall panels to complete the basement perimeter. This is one of ten granted building consents and associated applications granted so far for this project.
 - Links Avenue residential development. This consent is for the construction of nine, two-level townhouses (1x four-bedroom, 2x three-bedroom, 6 x two-bedroom townhouses) over two lots.

Building inspections

17. The number of building inspections completed is generally around 1500 per month (excluding the holiday period), which has generally been consistent over the past two years. The inspection wait time has been less than 5 days for the entire reporting period and below 2 days for the past two years. In practice, this is tracked weekly and is broken down across four geographic areas and multiple complexity ratings. On the occasions where wait times

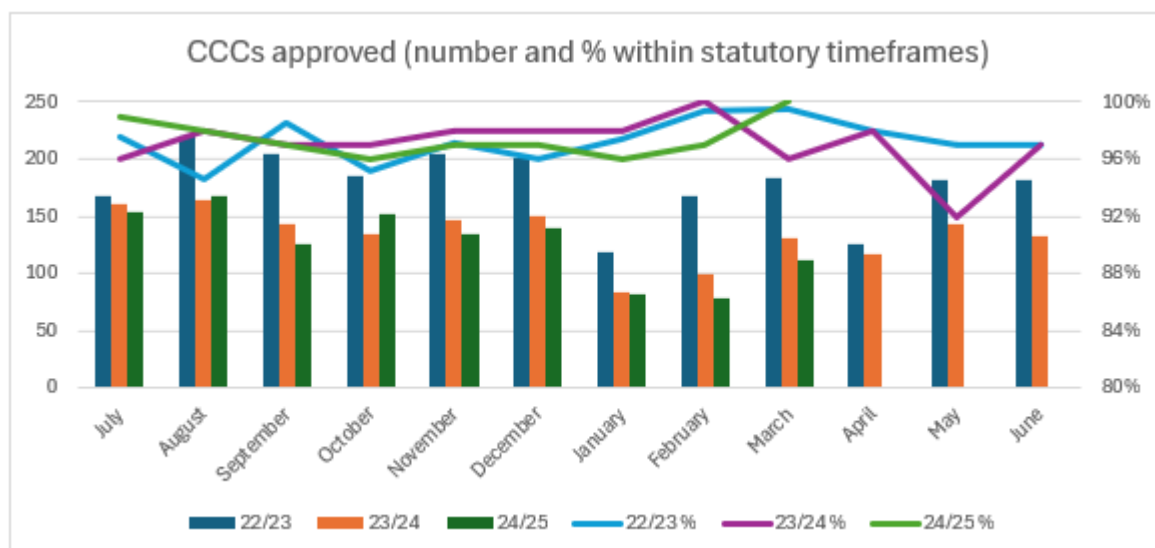
have trended up in one particular area or complexity type, we have been able to reallocate resource from across the team to bring these wait times down.

18. The Minister for Building and Construction, Chris Penk, has indicated a desire for BCAs to track and regularly report on inspection wait time. The metric that has been proposed, 80% of inspections are completed within 3 days of the desired date, differs quite significantly from our current reporting and will require some change to the way inspection bookings are made and recorded. Nevertheless, we are confident that we are meeting this new (proposed) performance indicator.

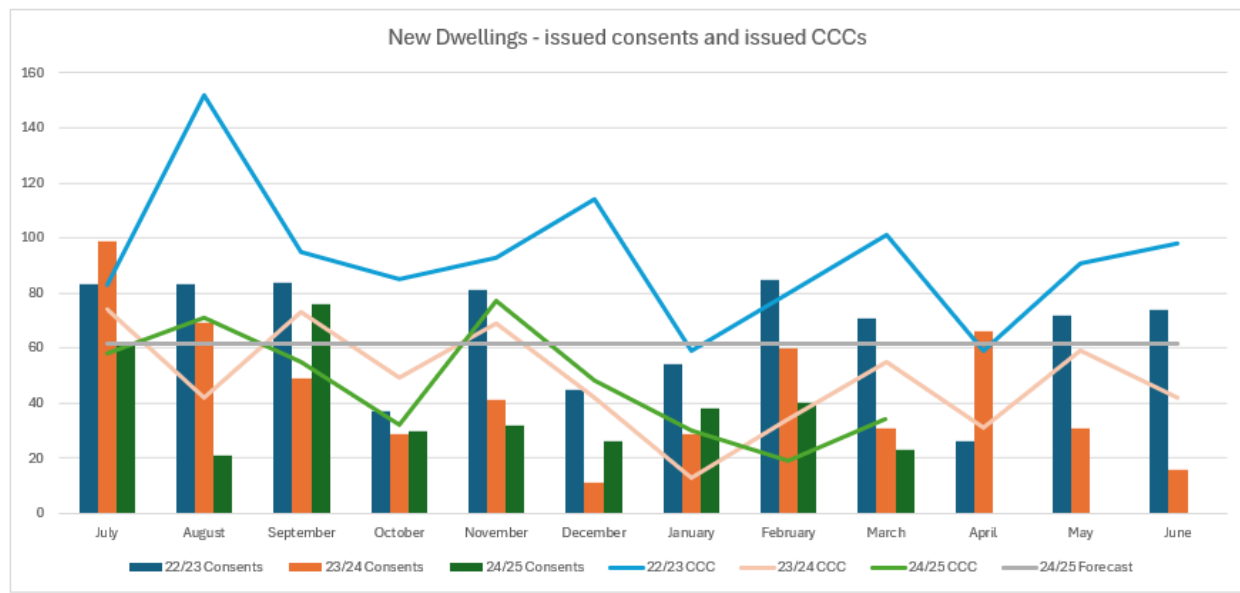


Code Compliance Certificates (CCCs) and new dwellings

19. The volume of CCCs granted is often used as a proxy for completed building work. It stands to reason that as consent volumes are down, so too is the volume of completed building work. The volumes have been reasonably consistent across the past two years.
20. The processing of CCCs is almost always completed within the statutory timeframes, with an average of 97% completed on time across each of the past three years. It is interesting to note that the average across the country is 94.3% of CCCs completed within time.



21. The number of new dwellings consented and built (using CCC as a proxy) across the city is lower than forecast given land supply constraints and economic conditions.



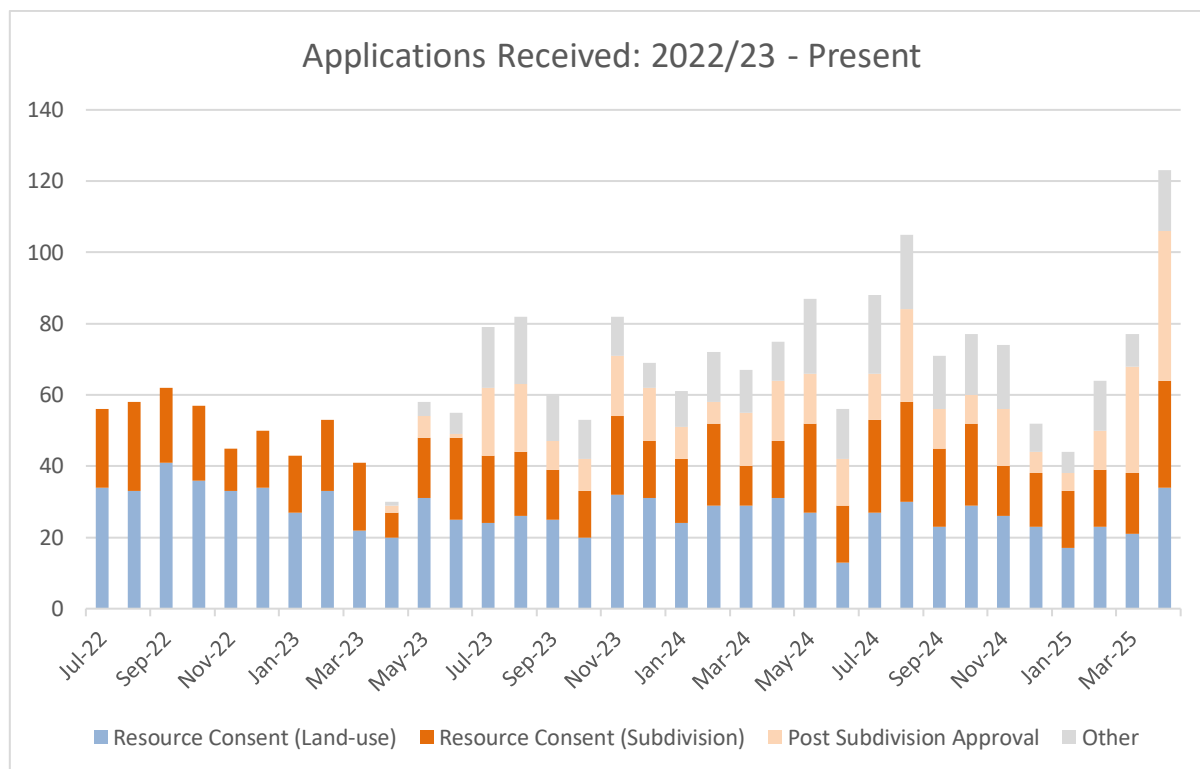
Improvements underway

22. The BCA is regularly audited by an external auditor (International Accreditation NZ – IANZ) on behalf of MBIE, generally every two years. Provided there is a good outcome of an audit, the BCA's accreditation, allowing it to grant consents, complete inspections and issue CCCs, is extended. Our last audit was in September 2023 and we achieved an audit result with the least findings in at least the last 5 audits. Our next audit is in September 2025. Preparation is well underway and we are confident of a good result. We have completed internal audits of all of the main BCA policies, processes and procedures and have a programme of continuous improvement in place to capture, track and deliver improvements.
23. The computer system we use for building consenting and inspection is called Objective Build. While we believe this is the best building consent system available on the market at the moment, we are working closely with the team at Objective to continually develop and implement improvements to it. We are currently trialling a new inspections app for the Building Inspections team which should improve the ability for inspectors to sync consent files in the field, hopefully improving productivity and certainly reducing frustration. Some of the next developments will bring associated processes that are currently managed by email into Objective Build, including extensions of time, certificates of public use and minor variations.
24. We are also in the testing phase of a project that will allow us significant time savings over simple, repeatable buildings. Our reference consent project will effectively allow us to process a building consent for a standard design, and then reference back to that approval for each subsequent consent. We have proved the concept already with some modular/factory-built buildings, which are particularly simple as these consents do not include site-specific design, such as foundations and services. We are now making improvements to the system so that it achieves meaningful time saved, and we hope to be piloting this with some group home builders in the next few months.

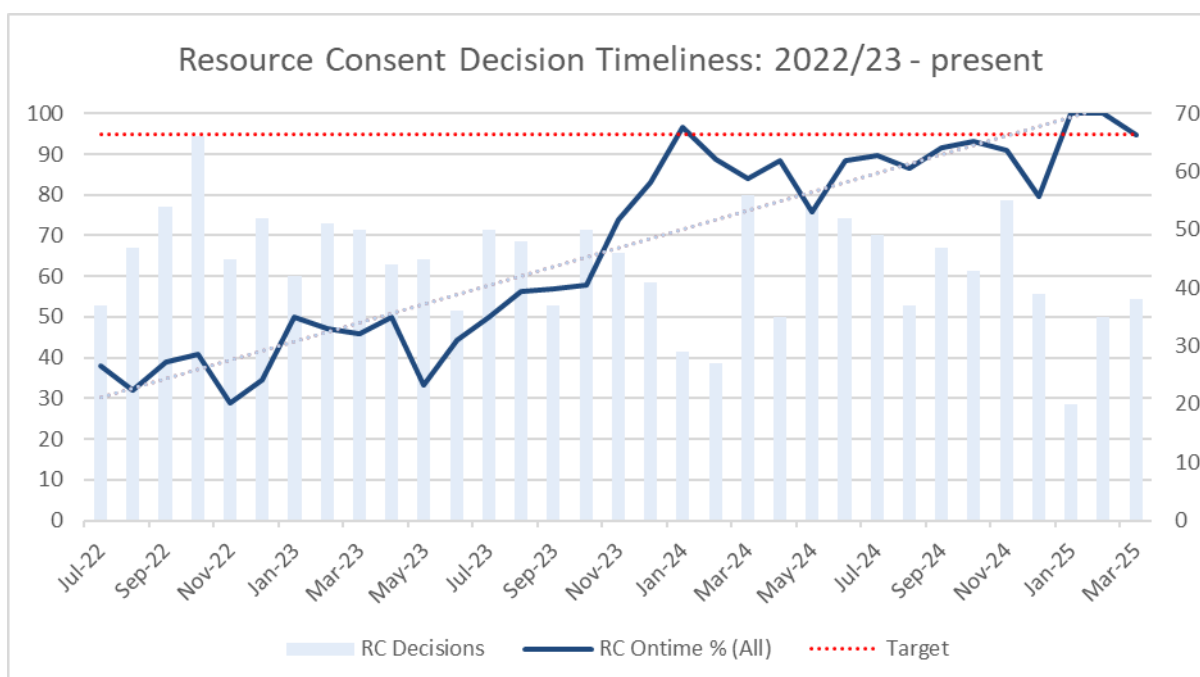
RESOURCE CONSENTS

Volumes, trends and timeliness

25. Resource Consent application volumes vary month-by-month but, overall, have remained largely consistent since July 2022. It is expected that incoming applications will increase as economic conditions become more favourable.

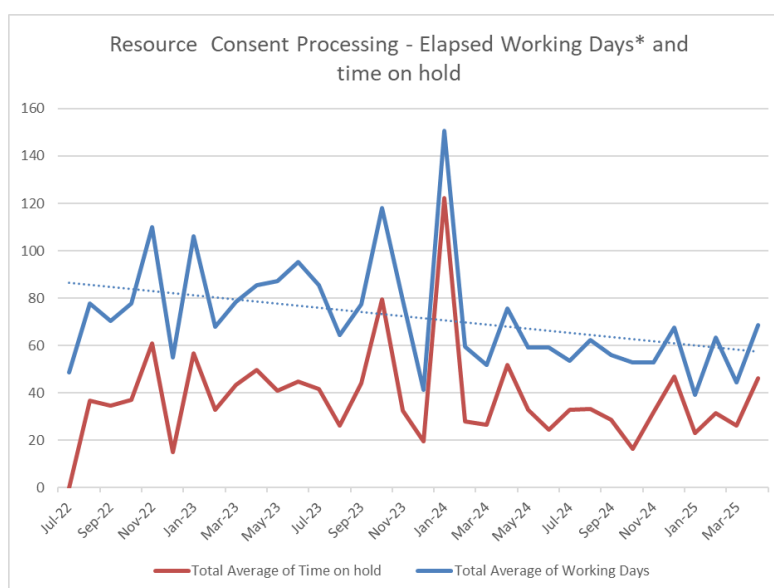


26. For the current year to date, we have seen a notable (22%) increase in the number of subdivision applications which is a good indicator for additional land being made available for future development. Although a large proportion of this is reasonably small scale (ie. two lot infill), the recently approved plan change 33 obviously allows for higher density within these new residential lots.
27. Council received a particularly high number of applications during 2020-2022 which, coupled with significant staffing challenges, put significant pressure on our ability to process consents in a timely fashion. However, in the time since, significant effort has been made to improve compliance with statutory timeframes, with results steadily improving.
28. Current performance is either in line with or better than results for correspondence KPIs at comparable City Council's across the country, and a significant improvement our own performance in 2023/24.



Council	Measure	Target	2023/24 Results
Auckland Council	The percentage of non-notified resource consent applications processed within 20 statutory days	100%	87.6%
	The percentage of notified resource consent applications processed within statutory time frame	100%	63.3%
Hamilton City Council	Average processing days for non-notified land use and subdivision resource consents.	20 WD	15.9 WD
Wellington City Council	Resource consents (non-notified) (%) issued within statutory time frames	100%	83%
Christchurch City Council	% of non-notified resource management applications processed within statutory timeframes.	99%	94%
	% of notified resource management applications processed within statutory timeframes.	99%	89%
Queenstown Lakes District Council	Percentage of resource consents processed within statutory timeframes	100%	94.67%
Tauranga City Council	Percentage of new resource consent applications processed within statutory timeframes.	95%	85% FYTD: 96%

29. Alongside meeting statutory timeframes, the average number of elapsed days is trending downwards, with the current average for the FYTD being 56 working days. Within that same time period, resource consents spent an average of 31 working days on hold.



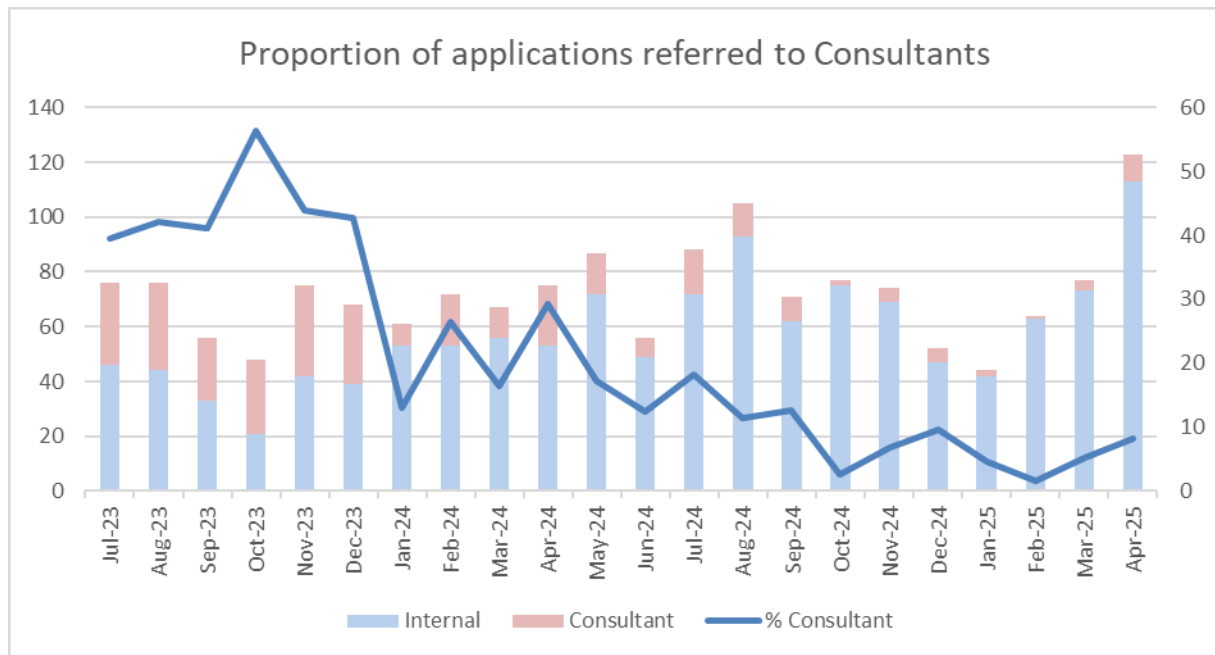
*Note: does not account for public holidays and statutory shutdown periods

30. As these figures indicate, the biggest determining factor for how long a resource consent takes to issue is the amount of time spent on hold, which is generally a result of further information being required. Alternatively, an applicant may also request processing be suspended in order to revise an application, undertake further work, or consult with affected parties to avoid a notification process. As such, the quality of the resource consent application has a strong bearing on how long it takes to receive a resource consent decision.

Use of consultants

31. Council maintains a panel of consultant planners to assist with processing consent applications; consultant planners may be used to assist with high volumes of incoming applications, or to provide a level of independence where there is a risk of a conflict of interest. Historically, consultant planners have also been used to assist on particularly complex matters; however, effort has gone into building expertise and capability internally,

reducing the need for this. As such, despite volumes remaining largely consistent, the reliance on consultant planners has reduced significantly over the last 12 months.



Notable applications

32. There are a number of significant developments currently underway which are either currently being considered, or have recently been issued with a decision:

- **HR Tauranga Ltd / 129 Fraser Street, Tauranga:** a 100 unit residential development over four levels in two interconnected buildings, with commercial activities on the ground floor. This application was limited notified, with only a single submission received in support of the application. Consideration is currently being given as to whether or not a hearing is required.



Image 1 Architect's impression of the proposed Fraser Street Apartment Building

- **Apollo Projects Limited / Tatua Reserve, Mount Maunganui:** Application for land-use consent to enable construction of a badminton and multi-sport facility within the Passive Open Space Zone. This application was publicly notified with 13 submissions, the majority in support. Consideration is currently being given as to whether or not a hearing is required.
- **Tauriko Business estate:** A subdivision consent to enable the creation of 57 new Industrial lots, along with seven balance lots and four reserve lots.
- **Waka Kotahi / State Highway 29:** A cross-boundary designation alteration to provide for replacement of the Omanawa Bridge
- **GW Tarr Family Trust / 21 Brown Street:** Application to enable construction of an eight storey building to house a 102 room hotel, along with



Image 2: Architect's impression of the proposed Brown Street Hotel development

an ancillary restaurant and bar. This application was limited notified, with five submissions received. The hearing is expected to take place in early June.

- **Sanderson Group / 53 Pitau Road, Mount Maunganui:** An application for resource consent to “reinstate” the original design of the Pitau, which was adjusted to reduce the bulk and number of residences on the top floor during the previous fast-track process. This application was subject to a high level of public interest and was limited-notified, with 16 submissions received. The hearing is currently scheduled to take place 23-24 June 2025.

Improvements underway

33. In addition to work underway to improve timeliness, ensure appropriate cost recovery, and broader continuous improvement steps in customer service, a number of targeted process improvement programmes are currently underway.
- **Section 223/224 timeliness:** In addition to improving timeliness for resource consents, staff have looked to reduce the time taken to process survey plan deposits and approvals (s223/224) associated with subdivision consents. Although not captured in the resource consent KPI measures, s223/224 timeframes are frequently raised as a concern, particularly given they are late in the subdivision process and required in order to get legal title for new sections. In addition to honing internal processes, staff looked into the common reasons for these processes taking longer. The primary causes are where applicants commence the process prior to completing the work necessary to comply with the subdivision consent, and/or delays as a result of easement process, prompting communications with the sector to highlight steps they can take to reduce delays. We have seen some improvement to date, with work ongoing in this space.
 - **Environmental Monitoring & Compliance (EMAC):** Earlier this year, Council’s EMAC function moved into SAP, providing continuity between the consenting and compliance aspects of planning. Alongside this, staff have been undertaking a detailed review of the activity, revising its compliance strategy and improving prioritisation of monitoring activities.
 - **Efficiency in processing:** As a result of improvements to Council’s cost recovery process, the average cost of a resource consent has risen considerably over the last two years. Targeted effort underway to ensure that our processes are efficient, consistent, and thus the costs are fair and reasonable. This includes investigating opportunities to develop bespoke AI tools to assist staff in some aspects of the process, in order to allow them to focus their efforts where they are most needed.

LEGISLATIVE REFORM

34. Both the building and resource management sectors are currently facing significant legislative reform.
35. Several aspects of building reform have been announced by the Minister for Building and Construction (Hon. Chris Penk). These are now working their way through the policy process and we expect there will be consultation this year on the new legislation.
36. Key aspects of policy to date include:
- Exempting 70m2 granny flats (small residential buildings) from the requirement to obtain resource consent and/or building consent.
 - New provisions to allow self-certification of some building work by trusted professionals. The initial scope of this is to allow voluntary self-certification of plumbing and drain-laying by certified plumbers/drain layers; however, this may be extended to the whole building where some building companies are able to demonstrate they have the necessary quality systems and insurance protection in place.
 - BCA liability. The Minister has clearly stated that he would like this to be reviewed with the biggest change being that BCAs shouldn’t be seen as the last man standing. It is expected there will be more detailed announcements about this in the next month or so.

37. Similarly, the Minister for Resource Management Reform (Hon. Chris Bishop) has led a range of reforms to the resource management act, including targeted amendments to improve the resource consenting and compliance systems.
38. Earlier this year, the Minister release the Expert Advisory Group's Report providing a blueprint for resource management reform recommending the creation of two new Acts to replace the RMA. Consenting is expected to have significant change through this process, with the framework intending to enable greater use of permitted activities with a stronger reliance on compliance monitoring, and changes to the principles and directions underpinning planning decisions.

NEXT STEPS

39. Staff will report to Council on consenting performance every six months, or as otherwise requested.

ATTACHMENTS

Nil

9.10 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 City Delivery Committee:

- (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 Otamataha 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 Otamataha 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)** 

9.11 Action & Investment Plans and Long-Term Plan Actions Monitoring

File Number: A17330868

Author: Sarah Holmes, Corporate Planner

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

PURPOSE OF THE REPORT

1. This report provides the committee with the actions from the 2021-31 and 2024-34 Long-term Plan deliberations, with an update on the progress.
2. The report also provides the current year's action progress from all of council's Action and Investment Plans (AIPs), as of 31 March 2025.

RECOMMENDATIONS

That the City Delivery Committee:

- (a) Receives the report "Action & Investment Plans and Long-Term Plan Actions Monitoring".
- (b) Approves annual frequency for reporting of actions from Action & Investment Plans and Long-Term Plan/Annual Plans, with the next update to be presented at the April/May 2026 meeting, and annually thereafter.

BACKGROUND

3. Our Direction was adopted by the previous Council in December 2022, symbolised by Te Kupenga, and integrates five community outcomes with three approaches. This framework is supported by six strategies and 37 Action and Investment Plans (AIPs), detailing how Tauranga City Council (TCC) will achieve its goals. See <https://www.tauranga.govt.nz/our-future/our-direction> for more detail on Our Direction.
4. AIPs serve as roadmaps for these strategies, including place-based and topic-based plans. Nine new AIPs were developed in 2022-2023 to address gaps, adopted in August 2023. The new AIPs emphasise innovative actions to meet goals, differing from previous strategies that included ongoing activities.
5. Our Direction contains a mix of new and still-current earlier AIPs (which may have different titles but are considered AIPs in our framework). Our new AIPs consciously focus on what we will do differently to achieve our stated goals. This is an important difference to our earlier strategies and plans, which also tend to include 'business as usual' – or what we are already doing.
6. At the [Strategy, Finance and Risk Committee](#) on 4 December 2023, the committee considered the monitoring, reporting and review processes for 'Delivering on Our Direction'. The first report of results (as of 30 September 2024) was presented to the Accountability, Performance & Finance Committee in November 2024.
7. Not all actions from AIPs are funded. Each new Long-term Plan (or Annual Plan) process strikes TCC's balance across AIPs, and other new obligations e.g. from legislative or national policy changes, as to which AIP actions can be funded at that point in time. While actions in AIPs are what we want to do, we cannot deliver them until they are funded as part of our Annual Plan or Long-term Plan budgets.
8. In general, actions from AIPs that are not reported in **Attachment 1** are:
 - (a) Business as usual actions

- (b) Actions outside of the 2024/25 reporting period
 - (c) Actions where TCC is not the lead agency
 - (d) Actions duplicated across different AIPs with the same or similar updates.
9. All completed actions will be removed for future reports.
 10. Actions are reported as per their status on 31 March 2025, so may refer to dates in the past, and further progress may have been made.
 11. Monitoring of the actions will feed into the AIP review process in 2026, prior to the next Long-term Plan.
 12. As well as the AIP actions, included in **Attachment 1** are the actions from the 2021-31 Long-term Plan deliberations, and the more recent 2024-34 Long-term Plan deliberations. This is intended to provide an update on these actions and highlight any issues.

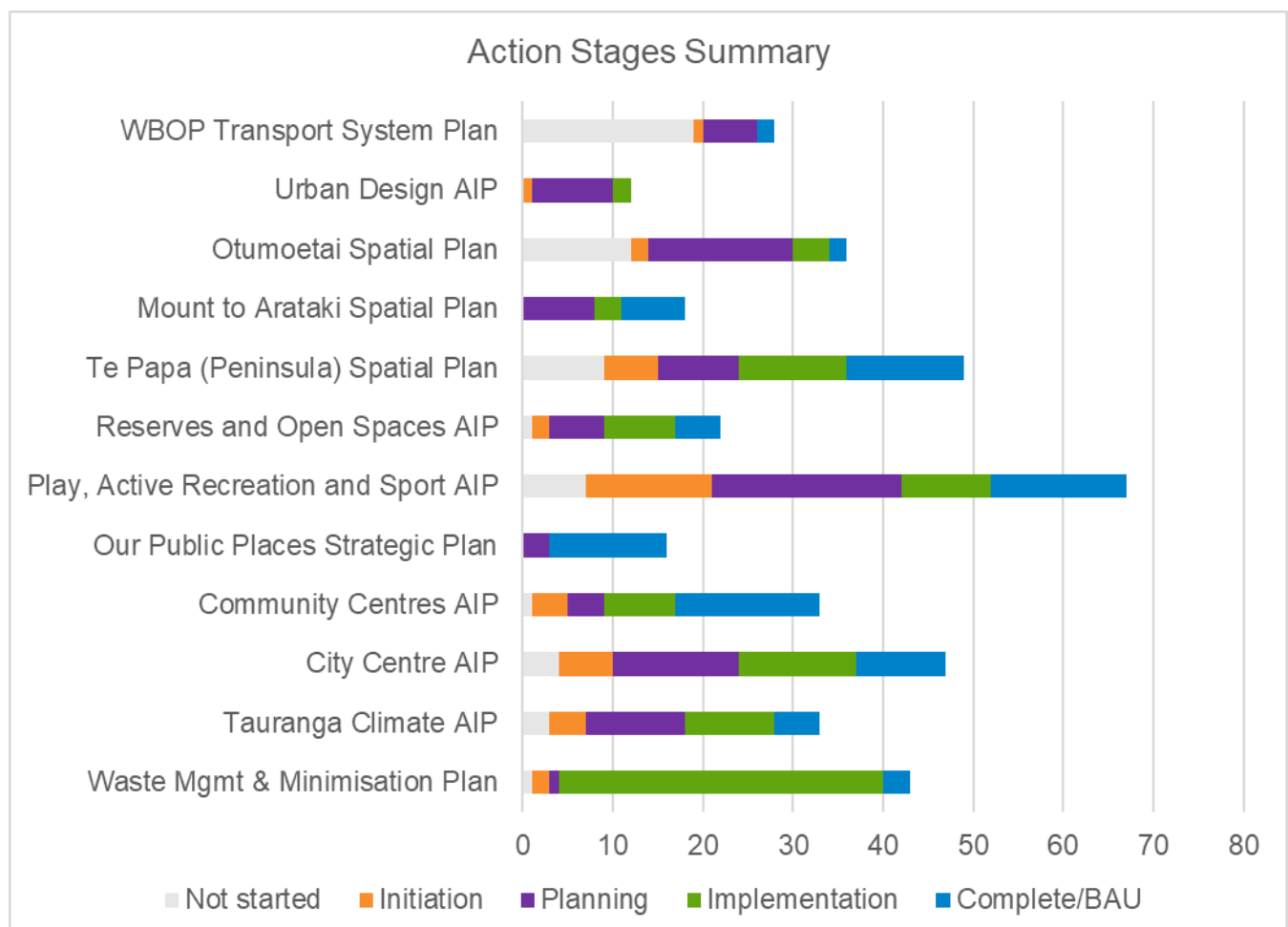
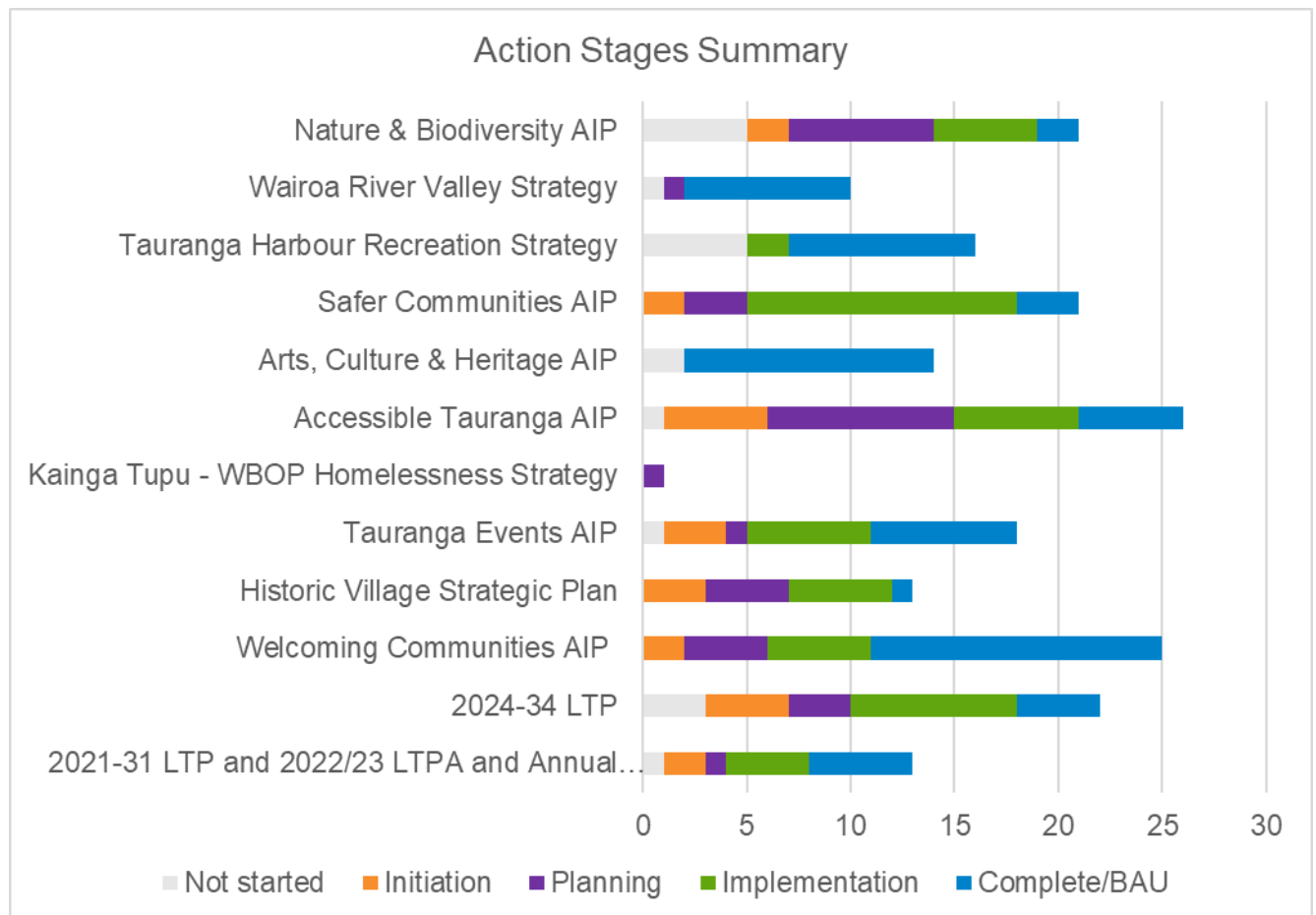
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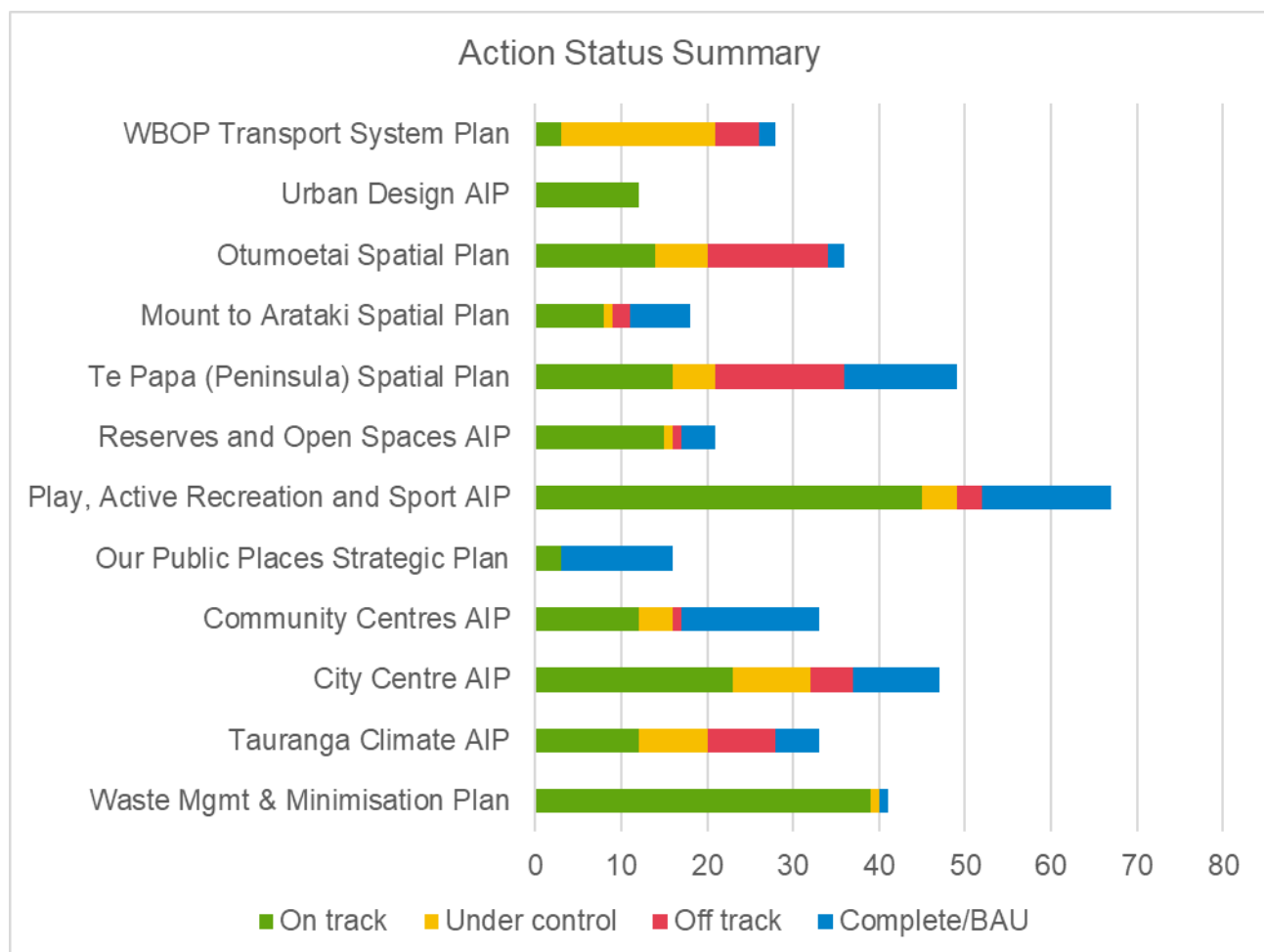
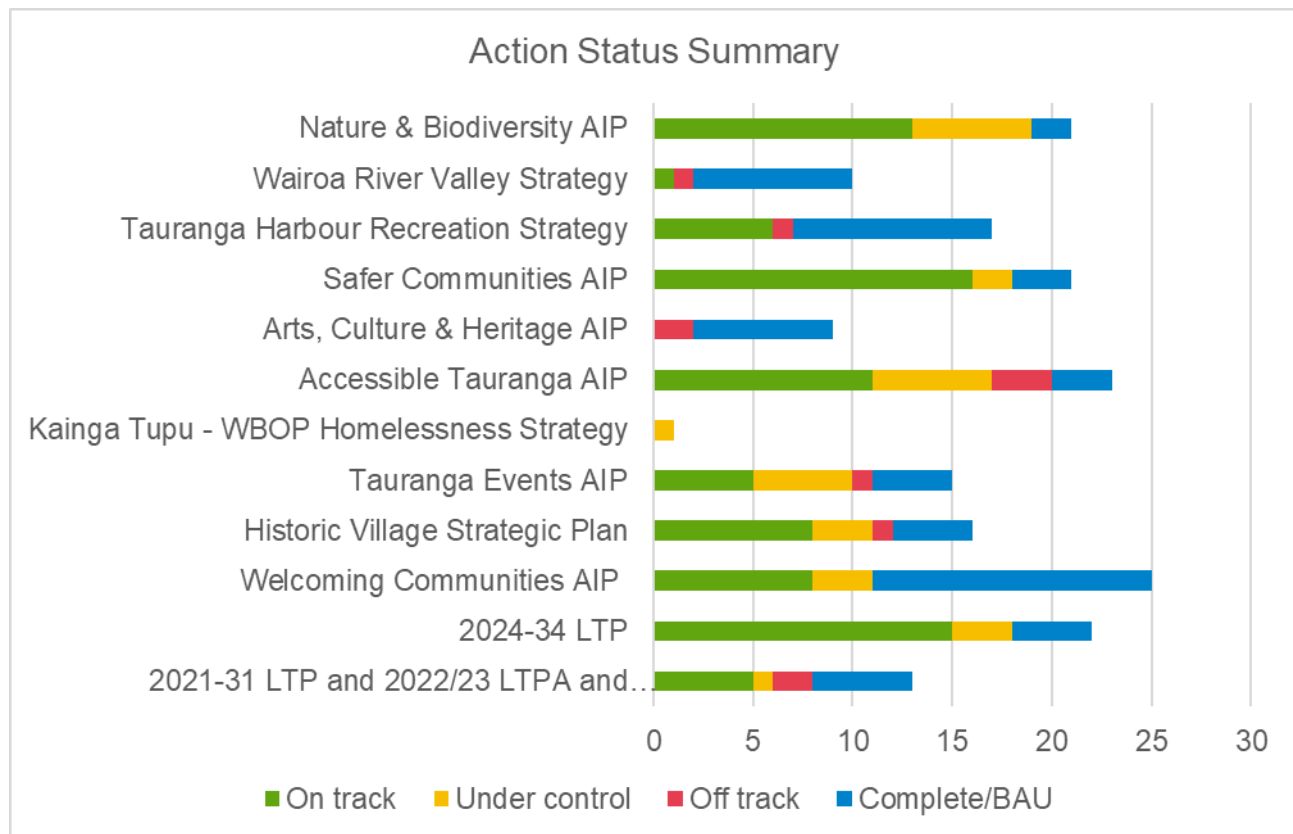
13. The current reporting frequency for AIP monitoring and LTP action updates is six monthly, in October and April each year.
14. After consideration of the current reporting process and its impact on resources and efficiency, it is recommended that the reporting period for AIP and LTP/AP action monitoring is changed from six monthly to annually.
15. This change will streamline the reporting process, reduce administrative burden, and allow for more comprehensive and meaningful analysis of progress and outcomes.
16. The next report, due in November 2025, will include actions from the 2025/26 Annual Plan deliberations. If annual reporting is approved, the following report would be presented in Sep-Nov 2026, depending on meeting schedules. This reporting round would also act as a 'stocktake' of progress against actions which would inform development of the next Long-term Plan.

ACTION SUMMARY

17. A total of 518 actions are being reported on this period (second half of 2024/25).
18. The tables below summarise for each AIP and LTP approved action progress in terms of:
 - **Stage**; Not started, initiation, planning, implementation, complete/business as usual (BAU)
 - **Status**; On track, under control, off-track, complete/BAU(Refer attachment for more details of these categories)

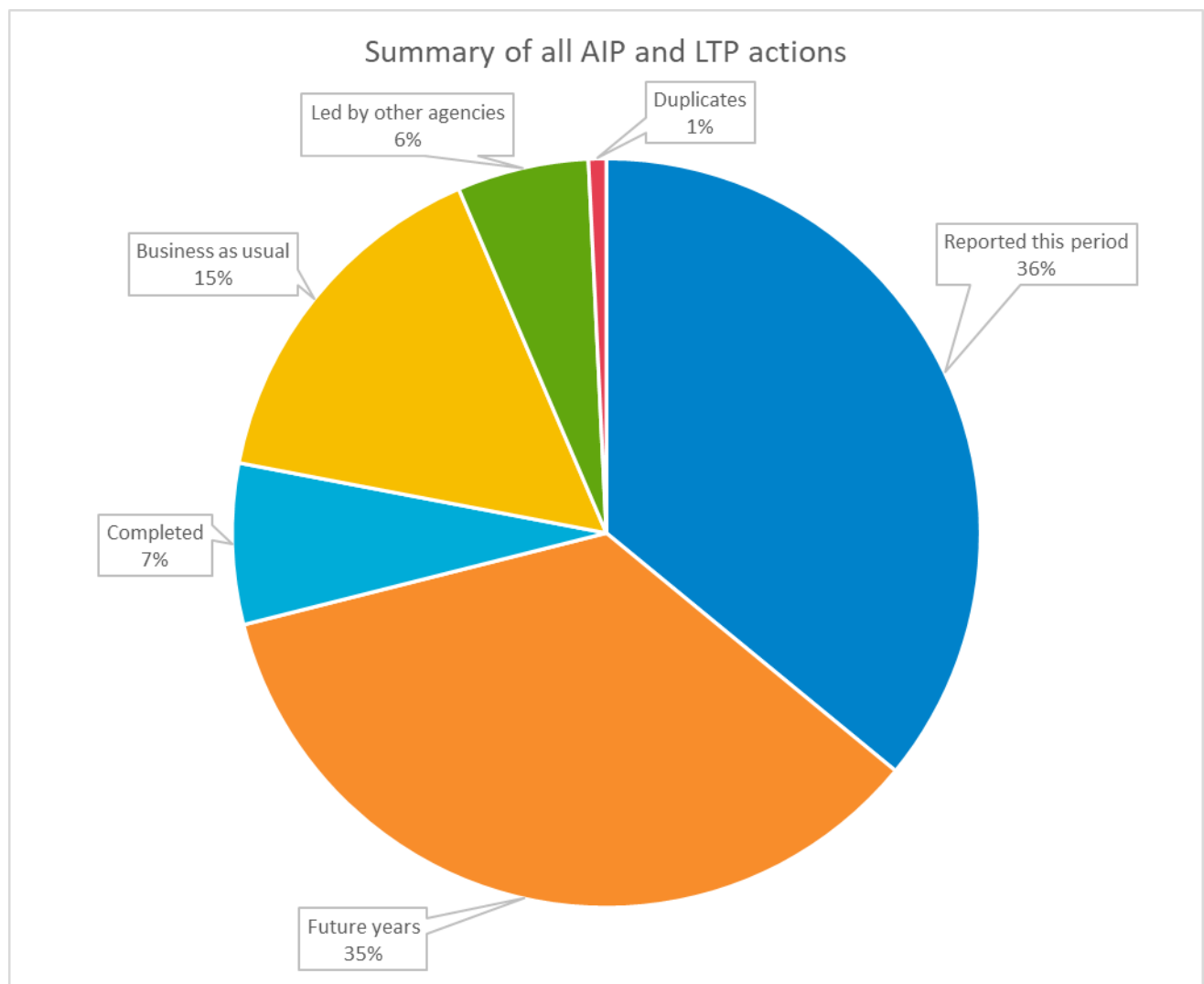
The numbers on the bottom axis of the table reflects the number of current actions.





Summary of all actions

19. Below is a summary of all actions, including those not reported during this period. From 1 July 2025 reporting will begin on the next year's actions. Any actions not completed from previous years will carry over and continue to be reported until complete or removed.

**NEXT STEPS**

20. An update on the outstanding 2024/25 actions and 2025/26 actions is expected to be provided in April/May 2026.

ATTACHMENTS

1. **AIP and LTP Action Results as of 31 March 2025 - A17931105 (Separate Attachments 2)** 

10 DISCUSSION OF LATE ITEMS**11 PUBLIC EXCLUDED SESSION****Resolution to exclude the public**

RECOMMENDATIONS

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
Confidential Attachment 2 - 9.8 - Procurement Plan: Central Corridor Water Supply Trunk Mains	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
