



AGENDA

Ordinary Council meeting Monday, 14 July 2025

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

Date: Monday, 14 July 2025

Time: 9:30 AM

**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 – Council

Membership

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

Role

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

Scope

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

- Authorise all expenditure not delegated to officers, Committees or other subordinate decision-making bodies of Council.
- Make appointments of members to the council-controlled organisation Boards of Directors/Trustees and representatives of Council to external organisations.
- Undertake statutory duties in regard to Council-controlled organisations, including reviewing statements of intent, with the exception of the Local Government Funding Agency where such roles are delegated to the City Delivery Committee. (Note that monitoring of all Council-controlled organisations' performance is undertaken by the City Delivery Committee. This also includes Priority One reporting.)
- Consider all matters related to Local Water Done Well.
- Consider any matters referred from any of the Standing or Special Committees, Joint Committees, Chief Executive or General Managers.
- Review and monitor the Chief Executive's performance.
- Develop Long Term Plans and Annual Plans including hearings, deliberations and adoption.

Procedural matters

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

Regulatory matters

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

Order of Business

1	Opening karakia	7
2	Apologies	7
3	Public forum	7
4	Acceptance of late items	7
5	Confidential business to be transferred into the open	7
6	Change to the order of business	7
7	Confirmation of minutes	8
7.1	Minutes of the Council meeting held on 10 June 2025	8
7.2	Minutes of the Council meeting held on 26 June 2025	21
8	Declaration of conflicts of interest	38
9	Deputations, presentations, petitions	38
	Nil	
10	Recommendations from other committees	38
	Nil	
11	Business	39
11.1	Netball Relocation to Baypark	39
11.2	Community Feedback on Speedway Proposals	46
11.3	City Centre Street Project - Public Engagement	105
11.4	Council-Controlled Organisations - Final Statements of Intent 2025/28	145
11.5	Transport Resolutions Report No.56	252
11.6	Remits to Local Government New Zealand	287
12	Discussion of late items	304
13	Public excluded session	305
13.1	Public Excluded Minutes of the Council meeting held on 10 June 2025	305
13.2	Public Excluded Minutes of the Council meeting held on 26 June 2025	305
13.3	Clarification on CCO Board appointment	305
13.4	Bay of Plenty Housing Equity Fund - Appointment of members to the Board	306
14	Closing karakia	307

- 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 THE ORDER OF BUSINESS**

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Council meeting held on 10 June 2025

File Number: A18427947

Author: Caroline Irvin, Governance Advisor

Authoriser: Clare Sullivan, Team Leader: Governance Services

RECOMMENDATIONS

That the Minutes of the Council meeting held on 10 June 2025 be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of the Council meeting held on 10 June 2025



MINUTES

**Ordinary Council meeting
Tuesday, 10 June 2025**

Order of Business

1	Opening karakia	3
2	Apologies	3
3	Public forum	3
4	Acceptance of late items	3
5	Confidential business to be transferred into the open	3
6	Change to the order of business	3
7	Confirmation of minutes	4
7.1	Minutes of the Council meeting held on 28 April 2025	4
7.2	Minutes of the Council meeting held on 8 May 2025	4
7.3	Minutes of the Extraordinary Council meeting held on 9 May 2025	4
8	Declaration of conflicts of interest	4
9	Deputations, presentations, petitions	4
	Nil	
10	Recommendations from other committees	5
10.1	Recommendation from Ngā Poutiriao o Mauao Appointment of Deputy Chair - Cr Hēmi Rolleston - Te Awanui Ward Councillor	5
10.2	Recommendation from Waiari Kaitiaki Advisory Group - Appointment of Co-Chair Councillor Hautapu Baker	5
11	Business	6
11.1	Status update on actions from prior Council meetings	6
11.2	Ratepayer Assistance Scheme (RAS)	6
11.3	2025/26 Annual Plan & Rates Impact Update Post Deliberations	8
11.4	Membership of the 'Leading for Delivery Sub-Committee' of the SmartGrowth Leadership Group	9
12	Discussion of late items	9
13	Public excluded session	9
13.1	Public Excluded Minutes of the Council meeting held on 28 April 2025	9
13.2	Public Excluded Minutes of the Extraordinary Council meeting held on 9 May 2025	10
13.3	Disposal Classification 2140L Kairua Road, Tauranga	10
13.4	Litigation Report	10
13.5	Public Art Framework	10
13.6	Appointment of Tangata Whenua Representative to SmartGrowth Leadership Group	10
Confidential Attachment 2	11.1 - Status update on actions from prior Council meetings	10
14	Closing karakia	11

Unconfirmed

**MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE TAURANGA CITY COUNCIL CHAMBERS, LEVEL 1 - 90 DEVONPORT ROAD,
TAURANGA
ON TUESDAY, 10 JUNE 2025 AT 9.30AM**

MEMBERS PRESENT: Mayor Mahé Drysdale (Chair), Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor, Cr Hēmi Rolleston

IN ATTENDANCE: Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Jeremy Boase (Acting General Manager: Strategy, Growth & Governance), Frazer Smith (Manager: Strategic Finance & Growth), Jim Taylor (Manager: Rating Policy & Revenue), Kathryn Sharplin (Manager: Finance), Tracey Hughes (Financial Insights and Reporting Manager), Clare Sullivan (Team Leader: Governance Services), Caroline Irvin (Governance Advisor).

Timestamps are included beside each of the items and relate to the recording of the meeting held on 10 June 2025 at [Council Website](#).

1 OPENING KARAKIA

Cr Hēmi Rolleston opened the meeting with a karakia

2 APOLOGIES

Nil

3 PUBLIC FORUM

Nil

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO THE ORDER OF BUSINESS

Nil

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Council meeting held on 28 April 2025

RESOLUTION CO/25/18/1

Moved: Cr Hautapu Baker

Seconded: Cr Rod Taylor

- (a) That the Minutes of the Council meeting held on 28 April 2025 be confirmed as a true and correct record.

CARRIED

7.2 Minutes of the Council meeting held on 8 May 2025

RESOLUTION CO/25/18/2

Moved: Cr Rod Taylor

Seconded: Cr Marten Rozeboom

- a) That the Minutes of the Council meeting held on 8 May 2025 be confirmed as a true and correct record.

CARRIED

7.3 Minutes of the Extraordinary Council meeting held on 9 May 2025

RESOLUTION CO/25/18/3

Moved: Cr Kevin Schuler

Seconded: Cr Marten Rozeboom

- a) That the Minutes of the Extraordinary Council meeting held on 9 May 2025 be confirmed as a true and correct record.

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Nil

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

TIMESTAMP 4:51

10.1 Recommendation from Ngā Poutiriao o Mauao Appointment of Deputy Chair - Cr Hēmi Rolleston - Te Awanui Ward Councillor

RESOLUTION CO/25/18/4

Moved: Cr Rick Curach

Seconded: Cr Kevin Schuler

That the Council:

- (a) Receives the report "Recommendation from Ngā Poutiriao o Mauao Appointment of Deputy Chair - Cr Hēmi Rolleston - Te Awanui Ward Councillor".
- (b) Appoints Councillor Hēmi Rolleston as the Deputy Chair for Ngā Poutiriao o Mauao.

For: Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler and Cr Rod Taylor

Abstained: Cr Hēmi Rolleston

CARRIED

TIMESTAMP 7:34

10.2 Recommendation from Waiari Kaitiaki Advisory Group - Appointment of Co-Chair Councillor Hautapu Baker

RESOLUTION CO/25/18/5

Moved: Deputy Mayor Jen Scoular

Seconded: Cr Hēmi Rolleston

That the Council:

- (a) Receives the report "Recommendation from Waiāri Kaitiaki Advisory Group - Appointment of Co-Chair Councillor Hautapu Baker".
- (b) Appoints Councillor Hautapu Baker as Co-chair for Waiāri Kaitiaki Advisory Group.

For: Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor and Cr Hēmi Rolleston

Abstained: Cr Hautapu Baker

CARRIED

11 BUSINESS

TIMESTAMP 8:50

11.1 Status update on actions from prior Council meetings

Staff: Paul Davidson, Chief Financial Officer

Action

- That staff add the closed action lists to Stellar for Council and the committees.
- That staff provide Councillors confirmation on what information on the Sale of Marine Precinct has been released and what hasn't.

RESOLUTION CO/25/18/6

Moved: Cr Rod Taylor

Seconded: Deputy Mayor Jen Scoular

That the Council:

- (a) Receives the report "Status update on actions from prior Council meetings".
- (b) Notes that this is a recurring report, which will be provided to every second Council meeting.
- (c) Notes any requested improvements for future iterations of this report.
- (d) Notes that **Attachment 2** can be transferred into the open when the report that generated the action is no longer confidential.

CARRIED

TIMESTAMP 22:05

11.2 Ratepayer Assistance Scheme (RAS)

Staff: Paul Davidson, Chief Financial Officer
Frazer Smith, Manager: Strategic Finance & Growth
Jim Taylor, Manager: Rating Policy & Revenue

RECOMMENDATION

Moved: Mayor Mahé Drysdale

Seconded: Cr Rod Taylor

That the Council:

- (a) Receives the report "Ratepayer Assistance Scheme (RAS)".
- (b) Approve \$500,000 loan funding expenditure in the 2025/26 financial year to support final development of the RAS subject to total development funding \$2.5 million (including Tauranga City Council's contribution) being committed from other local authorities and/ or central government; and
- (c) Notes that total RAS establishment capital is estimated at ~ \$30 million and that Tauranga City Council's contribution of RAS equity could be up to ~ \$6 million (the maximum investment available is 20 per cent of total capital to ensure off-balance

sheet treatment), subject to final approval by the Governing Body.

- (d) Notes that total Tauranga City Council's funding contribution to date and any further final development funding will count as establishment capital in the event it chooses to participate in the establishment of the RAS.
- (e) Notes that this funding will be treated as an investment as it will only be paid once sufficient support has been obtained to complete the full \$2.5 million funding requirement.

A MOTION WAS PROPOSED

Moved: Cr Glen Crowther

Seconded: Cr Rick Curach

That the Council:

- (b) Amend recommendation (b) as follows:

- Approve up to \$250,000 loan funded expenditure in the 2025/26 financial year to support final development of the RAS subject to total development funding \$2.5 million (including Tauranga City Council's contribution) being committed from other local authorities and/ or central government; and

For: Cr Glen Crowther and Cr Rick Curach

Against: Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor and Cr Hēmi Rolleston

LOST

RESOLUTION CO/25/18/7

Moved: Mayor Mahé Drysdale

Seconded: Cr Rod Taylor

That the Council:

- (a) Receives the report "Ratepayer Assistance Scheme (RAS)".
- (b) Approve \$500,000 loan funding expenditure in the 2025/26 financial year to support final development of the RAS subject to total development funding \$2.5 million (including Tauranga City Council's contribution) being committed from other local authorities and/ or central government; and
- (c) Note that total RAS establishment capital is estimated at ~ \$30 million and that Tauranga City Council's contribution of RAS equity could be up to ~ \$6 million (the maximum investment available is 20 per cent of total capital to ensure off-balance sheet treatment), subject to final approval by the Governing Body.
- (d) Note that total Tauranga City Council's funding contribution to date and any further final development funding will count as establishment capital in the event it chooses to participate in the establishment of the RAS.
- (e) Note that this funding will be treated as an investment as it will only be paid once sufficient support has been obtained to complete the full \$2.5 million funding requirement.

For: Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor

and Cr Hēmi Rolleston

Against: Cr Glen Crowther

CARRIED

Attachments

- 1 Ratepayer Assistant Scheme - Risk Assessment
- 2 Local Government Ratepayer Assistance Scheme

TIMESTAMP 1:31:11

11.3 2025/26 Annual Plan & Rates Impact Update Post Deliberations

Staff: Paul Davidson, Chief Financial Officer
 Kathryn Sharplin (Manager: Finance)
 Tracey Hughes (Financial Insights and Reporting Manager)
 Jim Taylor, Manager: Rating Policy & Revenue

RESOLUTION CO/25/18/8

Moved: Mayor Mahé Drysdale
 Seconded: Cr Hautapu Baker

That the Council:

- (a) Receives the report "2025/26 Annual Plan & Rates Impact Update Post Deliberations".
- (b) Notes the rating impact by category arising from the overall rates increase after growth of 9.9%, which will be incorporated in the Annual plan and rates resolution for adoption on 26 June 2025.

CARRIED

TIMESTAMP 1:50:14

11.4 Membership of the 'Leading for Delivery Sub-Committee' of the SmartGrowth Leadership Group

Staff: Jeremy Boase, Acting General Manager: Strategy, Growth & Governance

RESOLUTION CO/25/18/9

Moved: Cr Hautapu Baker

Seconded: Cr Kevin Schuler

That the Council:

- (a) Receives the report "Membership of the 'Leading for Delivery Sub-Committee' of the SmartGrowth Leadership Group".
- (b) Confirms the appointment of Mayor Mahé Drysdale as Council's appointed member on the subcommittee, with Deputy Mayor Jen Scoular as the alternate.

For: Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor and Cr Hēmi Rolleston

Abstained: Mayor Mahé Drysdale and Deputy Mayor Jen Scoular

CARRIED

12 DISCUSSION OF LATE ITEMS

Nil

13 PUBLIC EXCLUDED SESSION**Resolution to exclude the public****RESOLUTION CO/25/18/10**

Moved: Deputy Mayor Jen Scoular

Seconded: Cr Rod Taylor

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
13.1 - Public Excluded Minutes of the Council meeting held on 28 April 2025	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.2 - Public Excluded Minutes of the Extraordinary Council	s7(2)(g) - The withholding of the information is necessary to maintain	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the

meeting held on 9 May 2025	legal professional privilege	disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.3 - Disposal Classification 2140L Kairua Road, Tauranga	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.4 - Litigation Report	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.5 - Public Art Framework	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.6 - Appointment of Tangata Whenua Representative to SmartGrowth Leadership Group	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
Confidential Attachment 2 - 11.1 - Status update on actions from prior Council meetings	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

At 11.20 the meeting was closed to the public.

The meeting was re-opened in public at 3.08 pm.

14 CLOSING KARAKIA

Cr Hēmi Rolleston closed the meeting with a karakia.

The meeting closed at 3.10pm.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 26 June 2025.

.....
Mayor Mahé Drysdale
CHAIR

7.2 Minutes of the Council meeting held on 26 June 2025

File Number: A18482646

Author: Clare Sullivan, Team Leader: Governance Services

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

RECOMMENDATIONS

That the Minutes of the Council meeting held on 26 June 2025 be confirmed as a true and correct record.

ATTACHMENTS

- 1. Minutes of the Council meeting held on 26 June 2025**



MINUTES

**Ordinary Council meeting
Thursday, 26 June 2025**

Order of Business

1	Opening karakia	3
2	Apologies	3
3	Public forum	3
4	Acceptance of late items	4
5	Confidential business to be transferred into the open	4
6	Change to the order of business	4
7	Confirmation of minutes	4
7.1	Minutes of the Council meeting held on 13 May 2025	4
7.2	Minutes of the Council meeting held on 26 May 2025	5
8	Declaration of conflicts of interest	5
9	Deputations, presentations, petitions	5
	Nil	
10	Recommendations from other committees	5
10.1	Wastewater Management Review Committee Appointment of Chair and Deputy Chair	5
11	Business	6
11.1	Annual Plan 2025/26 - Adoption Report	6
11.2	Rates Resolution 2025/2026	6
11.3	Development Contributions Policy 2025/26 - Adoption Report	14
12	Discussion of late items	15
13	Public excluded session	15
13.1	Public Excluded Minutes of the Council meeting held on 13 May 2025	15
13.2	Public Excluded Minutes of the Council meeting held on 26 May 2025	15
13.3	Board Appointments for Bay Venues Limited, Tauranga Art Gallery Trust and Tourism Bay of Plenty, and the appointment of a new Deputy Chair for Tourism Bay of Plenty	15
14	Closing karakia	15

**MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE TAURANGA CITY COUNCIL CHAMBERS, LEVEL 1 - 90 DEVONPORT ROAD,
TAURANGA
ON THURSDAY, 26 JUNE 2025 AT 9:30 ADOPTION OF ANNUAL PLAN**

MEMBERS PRESENT: Mayor Mahé Drysdale, Deputy Mayor Jen Scouler, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor, Cr Hēmi Rolleston

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Christine Jones (General Manager: Strategy, Growth & Governance), Gareth Wallis (General Manager: City Development & Partnerships), Clare Sullivan (Team Leader: Governance Services), Anahera Dinsdale (Governance Advisor),

Timestamps are included beside each of the items and relate to the recordings of the public part of the meeting held on 26 June 2025: <https://www.youtube.com/watch?v=nQ-gwmHM-9E>

1 OPENING KARAKIA

Cr Rolleston opened the meeting with a karakia and acknowledged the passing of the Member of Parliament for the Tāmaki Makaurau electorate, Takutai Moana Natasha Kemp who died suddenly. He offered condolences on behalf of the council to her whanau and colleagues.

2 APOLOGIES

Nil

3 PUBLIC FORUM

Timestamp :4

3.1 Murray Guy

Mr Guy spoke to the Council on the ability of the public to speak at Council meetings the issue of rates affordability.

Timestamp: 10:55

3.2 Mark Kenyon-Slade

Mark Kenyon-Slade spoke on the increasing debt position of council and impact on the ratepayers of Tauranga

Timestamp: 17:

3.3 Jan Gyenge

Jan Gyenge expressed concern about process of, in her view not the Council, not considering the total amount of operating expenditure.

Timestamp: 24:

3.4 Tim Maltby

Tim Maltby asked Council to consider involving members of the community on the working group to consider council budgets.

4 ACCEPTANCE OF LATE ITEMS

The Mayor noted that the Development Contributions Policy attachment was circulated on Wednesday.

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil.

6 CHANGE TO THE ORDER OF BUSINESS

Nil.

7 CONFIRMATION OF MINUTES

Timestamp: 31:

7.1 Minutes of the Council meeting held on 13 May 2025

RESOLUTION CO/25/19/1

Moved: Cr Steve Morris

Seconded: Cr Kevin Schuler

That the Minutes of the Council meeting held on 13 May 2025 be confirmed as a true and correct record.

CARRIED

7.2 Minutes of the Council meeting held on 26 May 2025

RESOLUTION CO/25/19/2

Moved: Cr Rod Taylor

Seconded: Deputy Mayor Jen Scoular

That the Minutes of the Council meeting held on 26 May 2025 be confirmed as a true and correct record subject to the following corrections being made:

Page 50 ARGOS Gym Sports - Delete resolution (i)

Page 63 Local Water Done Well - amend record of vote for clause e) (iv) to show that only Cr Rozeboom voted against the amendment

Page 67 Domain Road - Amend clause b) to reflect the years of the National Land Transport Programme to 2027 – 2030

Check that rec c) is on the list for follow-up

Page 72 Amendment re public art - Amend the rate of percentage of capital value to .5%

CARRIED

8 DECLARATION OF CONFLICTS OF INTEREST

Nil

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Timestamp: 38

10.1 Wastewater Management Review Committee Appointment of Chair and Deputy Chair

RESOLUTION CO/25/19/3

Moved: Cr Rod Taylor

Seconded: Cr Kevin Schuler

That the Council:

- (a) Receives the report "Wastewater Management Review Committee Appointment of Chair and Deputy Chair".
- (b) Appoints Mr Spencer Webster (Ngā Pōtiki) as the Chair of the Wastewater Management Review Committee.
- (c) Notes that Councillor Rick Curach was appointed as Deputy Chair of the Wastewater Management Review Committee.

CARRIED

11 BUSINESS

Timestamp: 40

11.1 Annual Plan 2025/26 - Adoption Report

Staff Paul Davidson, Chief Financial Officer
Kathryn Sharplin, Manager: Finance
Tracey Hughes, Financial Insights & Reporting Manager

RESOLUTION CO/25/19/4

Moved: Mayor Mahé Drysdale

Seconded: Deputy Mayor Jen Scoular

That the Council:

- (a) Receives the report "Annual Plan 2025/26 - Adoption Report".
- (b) Adopts the Annual Plan 2025/26 (**Attachment 1**).
- (c) Adopts the suggested amendments to the 2025/26 User Fees and Charges Schedule in paragraph 13 in relation to the six cemetery parks and crematorium fees being retained at 2024/25 fee for 2025/26.
- (d) Approves borrowing of \$485m for the 2025/26 financial year in line with the approved Annual Plan debt levels.
- (e) Authorises the Chief Executive to make any necessary minor drafting or presentation amendments to the Annual Plan 2025/26 prior to final printing.

CARRIED

Timestamp: 1:23

11.2 Rates Resolution 2025/2026

Staff Paul Davidson, Chief Financial Officer
Jim Taylor, Manager: Rating Policy & Revenue

RESOLUTION CO/25/19/5

Moved: Cr Steve Morris

Seconded: Cr Rick Curach

That the Council:

- (a) Receives the report "Rates Resolution 2025/2026".
- (b) Sets the following rates under the Local Government (Rating) Act 2002, in accordance with the relevant provisions of the Funding Impact Statement in the Annual Plan for the 2025/2026 rating year, on rating units in the city for the financial year commencing on 1 July 2025 and ending on 30 June 2026.

The rates and charges specified are inclusive of Goods and Services Tax at the prevailing rate.

I. General Rate

A general rate set under section 13(2) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$ 0.00262181 in the dollar of capital value on all residential rateable rating units in the city.
- A rate of \$ 0.00590432 in the dollar of capital value on all commercial rateable rating units in the city.
- A rate of \$ 0.00710511 in the dollar of capital value on all industrial rateable rating units in the city.

("residential", "commercial" and "industrial" are as defined in the Funding Impact Statement).

II. Uniform Annual General Charge

A uniform annual general charge set under section 15(1)(b) of the Local Government (Rating) Act 2002 at:

- A rate of \$318.00 per separately used or inhabited part of a rateable rating unit.

III. Economic Development Rate

A targeted rate for economic development in the city, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 at:

- A rate of \$ 0.00035516 in the dollar of capital value on every commercial and industrial rateable rating unit (as defined in the Funding Impact Statement).

IV. Stormwater Rate

A targeted rate for stormwater infrastructure investment, set under section 16(3)(a) and 16(4) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$ 0.00000666 in the dollar of capital value on all residential rateable rating units in the city.

- A rate of \$ 0.00001066 in the dollar of capital value on all commercial or industrial rateable rating units in the city.

V. Resilience Rate

A targeted rate for resilience infrastructure investment in Water, Wastewater, Stormwater, Transportation and Emergency Management, set under section 16(3)(a) and 16(4) (b) of the Local Government (Rating) Act 2002 at:

- A rate of \$ 0.00001724 in the dollar of capital value on all residential rateable rating units in the city.
- A rate of \$ 0.00002759 in the dollar of capital value on all commercial or industrial rateable rating units in the city.

VI. Urban Growth Rates

Targeted rates for debt retirement for urban growth projects, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

Three uniform targeted rates set on every rating unit at:

- A rate of \$106.31 on each rateable rating unit located within an area of “Full benefit” as defined in the Funding Impact Statement.
- A rate of \$70.88 on each rateable rating unit located within an area of “Wide benefit” as defined in the Funding Impact Statement.
- A rate of \$35.44 on each rateable rating unit located within the city outside of the areas of “Full benefit” and “Wide benefit” as defined in the Funding Impact Statement.

VII. Waste Collection Rate

Uniform targeted rates for the kerbside waste collection services, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, on all rating units in the city as a fixed amount per separately used or inhabited part (SUIP) of a rating unit that is provided with the residential waste collection service as follows:

- A rate of \$210 per low waste service capacity provided per residential SUIP.
- A rate of \$245 per standard waste service capacity provided per residential SUIP.
- A rate of \$350 per high waste service capacity provided per residential SUIP.

VIII. Garden Waste Rate (optional)

Uniform targeted rates for garden waste collection services, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, on all rating units in the city used for residential purposes and that will be provided with the garden waste collection service, at:

- A rate of \$110 for each garden waste bin (two weekly collection).
- A rate of \$80 for each garden waste bin (four weekly collection).

IX. Wastewater Rate

A differential targeted rate for wastewater, set under sections 16(3)(b) and 16(4)(b) of the Local Government (Rating) Act 2002 at:

- A rate of \$786.60 for each water closet or urinal in a connected rating unit in the city.
- A rate of \$393.30 per separately used or inhabited part of a rating unit for any serviceable rating units in the city.

(“separately used or inhabited part of a”, “connected” and “serviceable” rating units, are defined in the Funding Impact Statement).

A rating unit used primarily as a residence for 1 household will not be treated as having more than 1 water closet or urinal.

X. Water Supply RatesVolumetric rate

A targeted rate for metered water supply set under section 19(2)(a) of the Local Government (Rating) Act 2002 at

- A rate of \$3.87 per cubic metre of water supplied.

Base rate

A differential targeted rate per connection on every rating unit in the city, which is provided with a metered water supply service, set under sections 16(3)(b) and 16(4)(b) of the Local Government (Rating) Act 2002, calculated on the basis of the nature of the connection size as follows:

Meter Size	Amount
15mm	\$41.17
20mm	\$41.17
25mm	\$77.90
32mm	\$77.90
40mm	\$321.60
50mm	\$636.52
80mm	\$1,271.93

100mm	\$1,565.71
1500mm	\$1,565.71
200mm	\$1,565.71

XI. Water Supply Rate (unmetered)

A uniform targeted rate on every rating unit in the city which is provided with and connected to an unmetered water supply service, set under sections 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$1,006 for each separately used or inhabited part of a rating unit as defined in the Funding Impact Statement.

XII. Pool inspection Rate

A uniform targeted rate set under sections 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 at

- A rate of \$107.00 for each rating unit on councils register of pool fence and barrier inspections.

XIII. Mainstreet Rates

Targeted rates for Mainstreet organisations, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$0.00043862 in the dollar of capital value for every commercial and industrial rating unit in the Tauranga Mainstreet rating area as defined in the Funding Impact Statement.
- A rate of \$0.00062329 in the dollar of capital value for every commercial and industrial rating unit in the Mt Maunganui Mainstreet rating area as defined in the Funding Impact Statement.
- A rate of \$0.00148533 in the dollar of capital value for every commercial and industrial rating unit in the Greerton Mainstreet rating area as defined in the Funding Impact Statement.
- A rate of \$0.00037003 in the dollar of capital value for every commercial and industrial rating unit in the Papamoa Mainstreet area as defined in the Funding Impact Statement.

XIV. Special Services Rates

'The Lakes' Targeted Rate

A uniform targeted rate for additional levels of service in relation to maintenance and renewal of street gardens, street trees, footpaths, and the removal of litter from ponds provided to 'The Lakes' subdivision, located at Pyes Pa, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$117.01 per rating unit located within 'The Lakes' subdivision as defined in the Funding Impact Statement.

'The Coast Papamoa' Targeted Rate

A uniform targeted rate for additional levels of service in relation to maintenance and renewal of street trees and footpaths provided to 'The Coast Papamoa' subdivision, located at Papamoa, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$38.72 per rating unit located within 'The Coast Papamoa' subdivision as defined in the Funding Impact Statement.

'The Excelsa' Targeted Rate

A uniform targeted rate for additional levels of service in relation to maintenance and renewal of street gardens, street trees and up lights under trees provided to 'The Excelsa' subdivision, located at Papamoa, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$50.79 per rating unit located within 'The Excelsa' subdivision as defined in the Funding Impact Statement.

XV. Urban Infrastructure

Pyes Pa West Urban Infrastructure Targeted Rate

A uniform targeted rate for partly funding debt retirement for under recovered Development Contributions for local infrastructure, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, at:

- A rate of \$81.51 on each rateable rating unit located within an area in Pyes Pa West defined in the Funding Impact Statement.

- (c) That all rates (except the water supply volumetric rate set under section 19 and the water supply base rate for metered connections under section 16 of the Local Government (Rating) Act 2002) be payable in two equal instalments due on:

- 29 August 2025 and
- 27 February 2026

- (d) That all metered water rates will, except as to high users, be invoiced on a quarterly basis dependant on when the water meters are read, in accordance with the table below headed "Due dates and penalty dates for rates for metered water supply". The due dates will also be specified on the invoice. Rating units, which are considered high users of water (namely having an average consumption more than 5m³ per day) will be invoiced monthly, and these rates will be due on the first Thursday after 23 days following the date of the invoice.

- (e) That the Council authorises the addition of penalties to rates that are not paid by the due date, as follows, in accordance with sections 57 and 58 of the Local Government (Rating) Act 2002, and delegates authority to the Manager Finance to apply penalties

in accordance with this regime:

- (i) a charge of 10% on so much of any rates instalment after 1 July 2025 which is unpaid after the relevant due date (except for the volumetric rate under section 19 and the water supply base rate for metered connections under section 16 of the Local Government (Rating) Act 2002) will be applied on:

Instalment due date	Penalty Date
29 August 2025	11 September 2025
27 February 2026	12 March 2026

- (ii) a charge of 10% on so much of any of the volumetric rate under section 19 and the water supply base rate for metered connections under section 16 of the Local Government (Rating) Act 2002 invoiced after 1 July 2025 and which is unpaid after the due date will be applied on whichever is the next consecutive date following the due date of the invoice to which the penalty applies, being:

Water Penalty Date
23 October 2025
29 January 2026
30 April 2026
30 July 2026

Week	Area	Q1 Due date	Q2 Due date	Q3 Due date	Q4 Due date
1	Mt Maunganui North/Ind, Omanu, Matapihi,	07-Aug-25	30-Oct-25	12-Feb-26	14-May-26
2	Arataki, Te Maunga, Papamoa West	14-Aug-25	06-Nov-25	19-Feb-26	21-May-26
3	Papamoa West / East	21-Aug-25	13-Nov-25	26-Feb-26	28-May-26
4	Papamoa East / South,	28-Aug-25	20-Nov-25	05-Mar-26	04-Jun-26
5	Papamoa East, Kairua, Welcome Bay, Hairini	04-Sep-25	27-Nov-25	12-Mar-26	11-Jun-26
6	Hairini / Ohauti, Poike, Pyes Pa, Maungatapu.	11-Sep-25	04-Dec-25	19-Mar-26	18-Jun-26
7	Greerton, Yatton Park, Gate Pa, Avenues	18-Sep-25	11-Dec-25	26-Mar-26	25-Jun-26
8	Tauranga Central/South, TeReti/Judea	25-Sep-25	08-Jan-26	02-Apr-26	02-Jul-26
9	Brookfield, Bellevue, Otumoetai	02-Oct-25	08-Jan-26	09-Apr-26	09-Jul-26
10	Otumoetai, Matua	09-Oct-25	15-Jan-26	16-Apr-26	16-Jul-26
11	The Lakes, Bethlehem	16-Oct-25	22-Jan-26	23-Apr-26	23-Jul-26
All <i>(including high users)</i>	Penalty Added Date	23-Oct-25	29-Jan-26	30-Apr-26	30-Jul-26

Due dates and penalty dates for rates for metered water supply and connection

- (f) Where a ratepayer makes any payment that is less than the amount now payable, the Council, will apply the payment firstly to any rates outstanding from previous rating years and then proportionately across all current year rates due.
- (g) Consider in the draft 2026/27 Annual Plan renaming the Urban Growth targeted rate.

CARRIED

Timestamp: 1:39

11.3 Development Contributions Policy 2025/26 - Adoption Report

Staff Christine Jones, General Manager, Strategy, Growth & Governance
Ben Corbett, Team Leader: Growth Funding

RESOLUTION CO/25/19/6

Moved: Cr Marten Rozeboom

Seconded: Mayor Mahé Drysdale

That the Council:

- (a) Receives the report "Development Contributions Policy 2025/26 - Adoption Report".
- (b) Adopts the 2025/26 Development Contributions Policy for implementation from 1 July 2025.
- (c) Notes the citywide development contribution has increased by 17.2% from the operative charges. This is higher than the 15% increase shared during the public consultation process. This is an increase of \$5,122 for a 3-bedroom dwelling (from \$29,701 to \$34,823) and \$655 more than was consulted on.
- (d) Notes that Council is expected to make decisions in the 2025/26 year relating to the Cameron Road Stage 2 project and Queen Elizabeth Youth Centre which may impact the Te Papa Infill local development contribution and citywide development contribution charges respectively.
- (e) Delegates to the General Manager: Strategy, Growth & Governance authority to make minor typographical updates to the final 2025/26 Development Contributions Policy prior to implementation on 1 July 2025.

CARRIED

12 DISCUSSION OF LATE ITEMS

Nil

13 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RESOLUTION CO/25/19/7

Moved: Deputy Mayor Jen Scoular

Seconded: Cr Marten Rozeboom

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

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

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
13.1 - Public Excluded Minutes of the Council meeting held on 13 May 2025	s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.2 - Public Excluded Minutes of the Council meeting held on 26 May 2025	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
13.3 - Board Appointments for Bay Venues Limited, Tauranga Art Gallery Trust and Tourism Bay of Plenty, and the appointment of a new Deputy Chair for Tourism Bay of Plenty	s6(b) - The making available of the information would be likely to endanger the safety of any person s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

The meeting went into public excluded at 11.30 am

14 CLOSING KARAKIA

The meeting resumed in public at 11.47. Cr Rolleston closed the meeting with a karakia.

The meeting closed at 11.47 am.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 14 July 2025.

.....
Mayor Mahé Drysdale
CHAIR

8 DECLARATION OF CONFLICTS OF INTEREST

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

11.1 Netball Relocation to Baypark

File Number: A18245194

Author: Alison Law, Manager: Spaces & Places
Ross Hudson, Manager: Strategic Planning and Partnerships, Spaces and Places

Authoriser: Barbara Dempsey, General Manager: Community Services

PURPOSE OF THE REPORT

1. To seek confirmation of Council's position on the planned relocation of Tauranga Netball Centre to Baypark, in particular the proposed commercial and tenure arrangements.
2. To seek endorsement to proceed to the detailed design and delivery phase of the project and associated site improvement works and carparking.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Netball Relocation to Baypark".
- (b) Agrees the following key parameters for the commercial and tenure arrangements with Tauranga Netball Centre when relocated to Baypark and delegates to the Chief Executive authority to finalise agreements within these parameters -
 - (i) An exclusive sub-lease with Bay Venues for a new 800m2 building to support netball at Baypark until 2042, with one right of renewal for 15 years, to be a cost to Tauranga Netball Centre of \$70,000 per annum in year one of the lease, rising to \$100,000 per annum by year three of the lease and to be reviewed every three years.
 - (ii) A licence to occupy the new outdoor courts at Baypark (number of courts and hours of use) required to meet core netball activities standard hours of use with payment for this through a 'facility charge' set at \$150 per team per annum in year one, rising to \$300 per annum in year three (outdoor netball only) and to be reviewed every three years.
 - (iii) Tauranga Netball Centre to be able to run a kitchen / canteen from the leased building and to hire the building out to other community activities to generate revenues.
 - (iv) Tauranga Netball Centre to have first rights to book additional outdoor courts at the new facility.
- (c) Agrees to proceed with the detailed design and consenting phase of the Baypark programme and requests staff bring back to the City Delivery committee a refined cost and delivery programme with a focus on value for money to seek confirmation to deliver from 2025/26.

EXECUTIVE SUMMARY

3. The masterplan developed for Baypark relocates Tauranga Netball Centre (TNC) to the western part of the site from Blake Park for the following reasons –

- (a) It significantly mitigates the traffic and parking issues at Blake Park which are a regular cause of community frustration and safety concern.
 - (b) It enables the development of additional sports field capacity at Blake Park to better meet demand for community and high-performance rugby and cricket (and with the potential re-use of the Netball Centre building) and to enable more events.
 - (c) It provides Tauranga Netball Centre with an improved quality facility that can accommodate growth and enable the hosting of national netball events.
 - (d) It provides additional multi-use hardcourt space for sports such as basketball and pickleball and also provides a multi-functional space for non-sporting events.
4. The implementation of the programme of works to enable this to happen, also encompassing the re-positioning of Speedway on the site and site access, parking and improvement works, has been paused while Council considers its sports investment priorities, looks to ensure value for money in project delivery, and considers the commercial and tenure arrangements with TNC and the consultation on proposals for Speedway.
 5. The recommendations of this report reflect recent discussions between the Mayor and TNC towards an agreement of key terms. These are considered to provide a balance between return on Council's investment, affordability for TNC and the netball community, and fairness with other sports.
 6. With the intended retention on the Queen Elizabeth Youth Centre and the opening of the Haumarū Courts on Cameron Road, Council is better placed to meet current demand for indoor courts. As such, it is proposed that the development of the new Netball Multisport centre (and associated works at Baypark) should be prioritised and proceed using existing budgets from 2025/26 once Council has confidence in a revised value for money build programme, which staff would bring to the City Delivery Committee for consideration.
 7. The new Netball Multisport centre is planned to include 9 Rebound Ace courts (of which at least three are covered), 14 asphalt courts, a building of circa 800m², a covered walkway and gathering space. In addition, development works are proposed for Baypark as a whole to enable the implementation of the site masterplan. These include access, parking, and internal connections.
 8. The table below provides a summary of current cost estimations for the Netball Multisport Centre and wider site works. Note that these are concept level estimates with significant contingencies that we would expect to revise down through the next phase of design. Note also that TECT has previously made an offer of \$2m towards the development of the Netball Multisport Centre. That offer would need to be reconfirmed.

Netball Multisport Centre		
Item	Cost estimate (\$m)	Details
Netball courts	7.47m	<ul style="list-style-type: none"> * 9 Rebound Ace * 14 Asphalt courts *also includes covered walkway etc *specification and configuration to be confirmed * separate toilet block and storage *Includes 25% contingency *based on most recent QS, refinement required
Cover 3 courts	1.73m	Includes 25% contingency

Plaza and landscaping	0.76m	Includes 25% contingency
Netball Building	4.01m	Conservative estimate requires further refinement as design is undertaken.
Total	13.97m	
Baypark Site Works		
Eastern carpark and associated paving and landscaping (excludes speedway carpark / pit area)	12.00m	*Includes 25% contingency on physical works *Value engineering still to be undertaken *FY26 allowance to construct an interim carpark solution while construction underway *based on most recent QS, refinement required
Central road and landscaping	1.37m	Includes 25% contingency
New Truman Lane entry/exit - parking and bus turnaround	4.05m	* Build cost - allowing for signalisation - signalisation could be delivered as part 2. *Includes contingency 25%
Carpark (Speedway)	6.00m	* New pit area carpark only, excludes pit services * Conservative estimate requires further refinement as design is undertaken and compliance requirements understood
Total	23.42m	
Combined total (+10%)	41.13m	*10% contingency + risk

9. The table below provides the current total budget allocations and also a revised cashflow based on the figures above (which we expect to revise downwards).

	FY26	FY27	FY28	FY29	Total
Current budget	\$3.75m	\$34.87m	\$3.66m		\$42.28m
Revised Cashflow	\$3.19m	\$16.29m	\$13.98m	\$7.67m	\$41.13m
Net	-\$0.56m	-\$18.58m	+\$10.32m	+\$7.67m	-\$1.15m

10. Next steps would include –

- (a) Finalisation of the agreements with TNC and Bay Venues
- (b) Establishment of ongoing stakeholder and governance arrangements through the detailed design, build and operation phases of the Baypark development programme and site management
- (c) Detailed design and value engineering, consenting and return to the City Delivery Committee prior to construction with a revised budget and programme.

BACKGROUND

11. The design for the new Netball Multisport centre is currently at concept level and has been agreed with TNC and Bay Venues. Detailed design, delivery programme oversight and site

management after opening will take a collaborative approach. TNC remain committed to the move on the basis that fair and affordable terms can be agreed.

12. They key terms of the proposed arrangement are as follows –

- (i) An exclusive sub-lease with Bay Venues for a new 800m2 building to support netball at Baypark until 2042, with one right of renewal for 15 years, to be at a cost to Tauranga Netball Centre of \$70,000 per annum in year one of the lease, rising to \$100,000 per annum by year three of the lease and to be reviewed every three years.
- (ii) A licence to occupy the new outdoor courts at Baypark (number of courts and hours of use) required to meet core netball activities standard hours of use with payment for this through a 'facility charge' set at \$150 per team per annum in year one, rising to \$300 per annum in year three (outdoor netball only) and to be reviewed every three years.
- (iii) Tauranga Netball Centre to be able to run a kitchen / canteen from the leased building and to hire the building out to other community activities to generate revenues.
- (iv) Tauranga Netball Centre to have first rights to book additional outdoor courts at the new facility.

Expected Use

13. TNC has provided information on their current 'core use' requirements (courts, hours, days, season). Space required to deliver these is expected to grow over time. The facility is designed to accommodate some growth, with pro-active management between TNC and Bay Venues also required to make most efficient use of the space over the week and with changing sports seasons in order to maximise the community benefit (and non-netball revenue) that can be generated.
14. TNC core use is as follows below. We have begun working through indicative schedules and dialogue with other potential users (such as basketball and pickleball) to explore complementary hours of use. It is clear there is a significant opportunity to maximise the use of the space. Schedules and bookings will be reviewed annually. There is an expectation that over time netball use of the facility may slowly begin to displace some other uses.
- Competitions – Senior Club, Premier Club, Junior Club, Juniors (Yrs 1 – 8), College (Yrs 9-13), Summer League
 - Tournaments – Representatives (annually), Zone Secondary Schools (annually), AIMS (annually) and UNISS (every 5 years, 2026 next time), Junior tournaments (local teams generally in August)
 - Player Development Programmes and Strength/Conditioning Sessions
 - Representative Teams Trials and Training
 - Workshops – Coaches and Umpires
 - Training nights for clubs and school teams (usually Monday and/or Tuesday)
15. The Baypark Masterplan provides for sufficient space for up to 29 outdoor netball courts, of which 23 are proposed to be delivered by the end of FY28. (There are 19 courts at Blake Park). We propose to consider the longer-term model for netball with TNC in due course. A more optimal longer-term outcome may be to have a smaller hub on the Tauranga side of the harbour (say at Pōteriwhi) to support the main 23 court centre at Baypark. This would require consideration of the TNC operating model with them.
16. The masterplan also envisages the potential for up to six of the courts to become covered Rebound Ace courts (three more than the proposed three by FY28). Initial estimates are that it will cost up to \$1.8m to achieve that. This would maximise the potential of the facility for major events and would enable more use by sports other than netball. This could be

considered in the context of detailed design and value engineering phases or in due course as use is better understood.

STRATEGIC ALIGNMENT

17. The Play, Active Recreation & Sport Action and Investment Plan outlines the value of investment in our major active reserves including Baypark. The recommendations are consistent with the adopted Baypark Masterplan and the set of integrated masterplans developed for Baypark, Blake Park and Tauranga Domain. The relocation of the TNC is considered to be the 'key move' that enables the maximisation of community value from those key community sport, recreation and events spaces.

OPTIONS ANALYSIS

18. The table below summarises commercial and tenure options considered.

	Option	Pros	Cons
1	Proposed option – exclusive building lease to TNC; licence to occupy courts for core use; lease revenue to BVL and licence revenue based on number of teams	Provides good cost recovery to TCC/BVL Provides TNC with tenure security and ability to generate revenues	Constitutes an upward step in costs for TNC with some flow through effects to netball players and their families.
2	As with option 1 but with a reciprocal 20% revenue arrangement where BVL takes 20% of Netball building gross revenues and TNC receives 20% of non-Netball court booking gross revenues	May incentivise collaboration between TNC and BVL	Makes commercial arrangements more complex and adds risk to TNC
3	As option 2 but with no reciprocal offer to TNC to receive share of revenues	Greater revenue for BVL	Puts TNC in a less sustainable financial position. Potential negative impact on affordability and participation levels.
4	As option 1 but with the facility charge capped at \$150 per team for five years and with no revenue deal	Provides TNC and netball players with a more affordable outcome for longer.	Reduces BVL revenue.
5	Fully BVL owned and managed facility with netball booking building and courts as required	Provides autonomy to BVL to determine best use of space and receive associated revenues. Lower upfront costs to TNC.	Provides no guarantees on cost and availability to TNC and considered unacceptable to them from a tenure and sport management perspective.

FINANCIAL CONSIDERATIONS

19. Current concept design cost estimates and Baypark Masterplan budgets are identified above in the Executive Summary. These will be refined with a focus on value for money through the

detailed design phase, before the City Delivery committee confirms a decision to proceed to construction. TECT has offered \$2m towards the development of the facility. Assuming Council wishes to proceed, we would need to go back to TECT to confirm that still stands.

20. The working assumption is that revenues from the new centre would flow to Bay Venues.

LEGAL IMPLICATIONS / RISKS

21. Bay Venues is the designated owner of the Baypark site via a lease from Council for the land (Bay Venues own the buildings). Therefore, a sub-lease between Bay Venues and TNC will be required to enable the netball centre. Council will facilitate the sub-lease between Bay Venues and TNC.
22. As the sub-lease would not usually be granted until the area of the lease is 100% confirmed and the date of start of use is known, Bay Venues will enter into an Agreement to Lease arrangement. Council will prepare and facilitate the signing of the Agreement to Lease and Licence to Occupy and associated facility use and overall site management arrangements.

TE AO MĀORI APPROACH

23. Baypark falls within the rohe of Ngā Pōtiki. The hapū have been and will continue to be involved in the development of the plans for the Baypark site and its consenting requirements. A cultural impact assessment will be undertaken and will be attached to the resource consent when it is lodged. Through the development of the masterplan, initial work was undertaken to identify appropriate cultural and historical narratives for the site that could be woven into the implementation of site upgrades. This would be picked up in the detailed design phase.

CLIMATE IMPACT

24. The climate impact of the project has not been formally assessed. Materials used and construction at Baypark and at Blake Park will have a small climate impact.

CONSULTATION / ENGAGEMENT

25. The recommendations give effect to the Baypark Masterplan which has had extensive stakeholder engagement and formed part of the Long-Term Plan 2024-34 consultation. No further public consultation is considered necessary.
26. TNC have been a key stakeholder throughout and involved in design and planning discussions and will continue to be throughout the delivery of the project, along with Bay Venues and other site stakeholders.
27. There will be an engagement plan in place leading up to and during the construction of the new facility.
28. The agreement to lease will be conditional on TNC holding a Special General Meeting (SGM) and the arrangements being approved in accordance with TNC's constitution. TNC intend to hold the SGM soon after this Council meeting. TNC have advised that the signing of the agreement to lease will also be subject to TNC receiving independent legal advice.

SIGNIFICANCE

29. 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.
30. 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 proposal.
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
31. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the proposal is of medium significance.

NEXT STEPS

32. Depending on Council's decisions, next steps would include finalisation of terms with TNC and refinement of the design and costs of the Baypark programme for a decision by the City Delivery committee to proceed to delivery.

ATTACHMENTS

Nil

11.2 Community Feedback on Speedway Proposals

File Number: A17105058

Author: Alison Law, Manager: Spaces & Places
Ross Hudson, Manager: Strategic Planning and Partnerships, Spaces and Places

Authoriser: Barbara Dempsey, General Manager: Community Services

PURPOSE OF THE REPORT

1. To consider feedback from the community on the proposals for Baypark Speedway and to propose next steps.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Community Feedback on Speedway Proposals".
- (b) Requests staff proceed with negotiations with Speedway Racing Ltd with the following key parameters -
 - i. Sale of the North Stand to Speedway Racing Ltd for \$1 with an agreement to purchase it back for \$1 in 2039, with costs and liabilities (including for health and safety) for the stand passing to Speedway Racing Ltd.
 - ii. Sub-lease of the land on which the Baypark Stadium sits to Speedway Racing Ltd until 2039, for a percentage of revenue from events held.
 - iii. A 'licence to occupy' to Speedway Racing Ltd for other spaces at Baypark at times necessary to enable Speedway events.

EXECUTIVE SUMMARY

2. Council has been seeking community feedback on the following key elements of a proposal that would see Speedway continue at Baypark Stadium to 2039, significantly reducing costs and risks to Council, whilst improving the overall functionality of the Baypark site in line with the adopted Baypark Masterplan –
 - (a) Sale of the North Stand to Speedway Racing Ltd (SRL) for \$1 with an agreement to purchase it back for \$1 in 2039, with all costs and liabilities for the stand passing to SRL. Ownership of the North Stand will automatically revert to Council at the end of the lease term in 2039, in accordance with the Sublease, without further payment
 - (b) Sub-lease of the land on which the Mercury Baypark Stadium sits to SRL for a percentage gross revenue, to cover as a minimum the remaining Bay Venues operating costs associated with Speedway, until 2039.
 - (c) A 'licence to occupy' to SRL for other spaces at Baypark at times necessary to enable Speedway events, including areas of the main stand and the carpark / pit area
 - (d) Council investment in a new carpark to serve the Baypark site as a whole that would become a Speedway pit area on race days.
 - (e) SRL to make investments in pit services and improvements to vehicle movements and patron experience within the lease and licence areas.

- (f) Current commercial agreements between Bay Venues and SRL and between Bay Venues and Bay of Plenty Speedway Association to be superseded.
3. Council sought community feedback on these proposals from 23rd May to 23rd June 2025. Key results of that feedback are as follows –
- (a) There were 3,527 respondents to the survey of which 1,818 (52%) of whom were Tauranga residents and 1,709 were non-residents. 65% identified as male, 34% female, 1% other.
 - (b) Of the Tauranga residents that responded –
 - (i) 90% either ‘support’ or ‘strongly support’ the proposed lease to 2039.
 - (ii) 10% ‘strongly do not support’ or ‘do not support’ the lease to 2039.
 - (iii) 86% ‘support’ or ‘strongly support’ transferring ownership of the North Stand.
 - (iv) 14% ‘do not support’ or ‘strongly do not support’ transferring ownership of the North Stand.
 - (v) 1,440 had attended Speedway in the last 12 months.
4. The feedback leads us to the view that there remains a passionate and reasonably large cohort of people that continue to value Speedway at Baypark and are supportive of the proposed arrangements and that there is limited aversion from the population as a whole to that happening.
5. Council should note however that Ngā Pōtiki (who have mana whenua) have expressed some opposition to the proposals. The Ngā Pōtiki submission acknowledged the range of community views, but concluded that, due to concerns as to the best community use of the space and with regard to noise, traffic and pollution, that they were not in support. Their submission (at Attachment 3) favoured a new collaborative planning exercise to determine future uses.
6. Bay Venues board has expressed their concerns to councillors that Speedway is not necessarily the best community use of the site and their preference that further investigation should be undertaken of potential alternative uses before any conclusions are reached. They have shared the following statement,
- “Bay Venues does not agree with the recommendation and strongly recommends considering alternative options for the best long-term use of the Baypark Stadium site and would like to partner with Council and the community on this. Speedway may be an acceptable continued use of the site, but without fully assessing alternative uses a broader perspective on the future of the site has not been adequately considered. We do not support a long-term arrangement with speedway, without full consideration of options for the site.”*
7. Bay of Plenty Speedway Association expressed strong support for the proposals, as long as proposed terms that enable their interests as stakeholders are followed through on.
8. Attachment 1 provides a summary of the community feedback.
9. Note that a separate report to this Council meeting seeks direction to continue with the implementation of the Baypark masterplan, including the site improvements that would enable this outcome to be fully realised.
10. It is proposed that staff seek to finalise commercial and tenure arrangements with SRL and Bay Venues in advance of the coming Speedway season. A collaborative process that involves all site stakeholders will be maintained as the Baypark Masterplan is implemented.

BACKGROUND

11. Baypark Stadium, which has circa 18,000 seats and stadium buildings, was purchased by Council in 2007 and comprises about 3.5ha of the Baypark site. Until the 2024-34 Long Term Plan, no funding for depreciation of the stadium had been allocated. Whilst Bay Venues makes use of the stadium buildings in the Main Stand, the seating across the Main and North Stands and the outdoor clay track and field areas are used almost exclusively for Speedway

events, run by SRL through a commercial agreement with Bay Venues, which run until 2029. The Speedway events also make use of the main carpark as a pit area on race days. The stadium is only considered to be viable to host Speedway and occasional other motorsport events.

12. Patronage at Speedway events has declined to an average of circa 2,500 and the stadium is in need of major renewals. Circa \$1.8m per annum has been allocated in the 2024-34 Long Term Plan for renewal of the Main Stand and stadium buildings. In the context of the Baypark Masterplan, it was considered appropriate to assess the long-term costs of keeping and maintaining the stadium in its current, or a reduced-capacity form and to consider commercial and operating options in relation to Speedway's use of the site.
13. In 2023/24, we undertook an independently-facilitated review of the financial viability of the stadium over the period to 2039, which considered spatial layout and infrastructure options, seating capacity options and alternative commercial/operating models. The resulting Deloitte report, "Baypark Stadium Financial Review" is at Attachment 2 of this report. This exercise was undertaken working collaboratively with Bay Venues and representatives from Speedway Racing Ltd and Bay of Plenty Speedway Association.
14. Concurrently, Bay Venues commissioned a Detailed Seismic Assessment of the stadium, which informed the costs and options assessment. The stadium requires remedial action to bring its condition to at least 34% of the New Building Standard. For the Main Stand that work needs to be undertaken by 2041; for the North Stand by 2053. The Main Stand, which houses the internal parts of the stadium complex and 2,400 seats, will require circa \$750k of investment to bring it up to at least 34% of the New Building Standard. Bay Venues will be able to cover those costs through its existing renewals allocations over the Long Term Plan period and beyond. The Main Stand is considered to have long-term value to the community and to the function of the Baypark site.
15. The North Stand – the arc of seating around the track, which comprises 15,600 seats and a commercial kitchen – is estimated to require a minimum of \$2.9m of earthquake strengthening to bring it to at least 34% of the New Building Standard, plus \$2.1m of renewals over the period to 2039. The North Stand is not considered to have wider community use beyond Speedway events and it is estimated to have essentially no residual commercial value due to its condition and required investment. It was proposed that the North Stand be sold to SRL at a peppercorn rate, with the expectation that it is maintained in a safe condition in accordance with relevant legislation.
16. On 20th May 2024, the Commission made a set of resolutions in relation to the stadium. Key decisions were that the North Stand should be sold to Speedway Racing Ltd, who would then lease land from Bay Venues until 2039 to enable Speedway to continue at the stadium until that time. In addition, as part of the implementation of the Baypark Masterplan, it was resolved that a new carpark and pit lane area would be constructed to the east of the site near the main entrance that Speedway would have a licence to occupy on race days. This would enable improved overall function of the Baypark site given the additional use envisaged by the relocation of the Netball Centre from Blake Park and the eventual expansion of the indoor arena.
17. Through the masterplan development process, some initial consideration had been given to whether Speedway was the best value long-term use of the stadium space. Alternative uses of the space could include a relocated athletics track from Tauranga Domain or other community sport or commercial recreational activities.
18. The Deloitte review considered –
 - (a) An investment timeframe to 2039
 - (b) An assumed reduced capacity stadium of 5,000 seats (the North Stand would remain as it provides a sound buffer to meet consent requirements, but parts of it would effectively be closed off).

- (c) Investments required to maintain, renew and remediate the facility and to upgrade the race vehicle and customer access to the stadium
 - (d) Operational costs and revenues and alternative operating models with associated cost allocations between Council / Bay Venues and SRL.
19. Three operating models were considered –
- (a) *Status Quo* - a commercial agreement where Speedway Racing Ltd receive all ticket revenues and Bay Venues Ltd receive all other revenues, with Bay Venues owning all assets and Speedway paying an annual fee (currently \$165k per annum) towards the operating costs.
 - (b) *Shared Revenue* - with a new collaborative agreement between Bay Venues and Speedway entities with shared costs and revenues.
 - (c) *Sub-lease* option – a land lease covering the outside areas, with the North Stand sold to a Speedway entity; with a new carpark / pit area constructed by Council to the East of the Stadium with Speedway use rights of the pit area and Main Stand on event days.
20. The preferred option was found to be the Sub-lease option for the following reasons -
- With the North Stand sold to Speedway, this reduces capital expenditure and liability to Council / Bay Venues for an asset with limited community value.
 - Reduced Bay Venues operational obligations and associated losses associated with servicing Speedway events held at the Stadium.
 - Clear and separate responsibilities between Bay Venues and Speedway, with a lease that reflects affordability to Speedway and greater autonomy; and for Bay Venues revenue towards the costs of operating and maintaining the Stadium that are attributable to Speedway.
 - With investment in a carpark / pit area to the East of the Stadium, additional parking (outside of Speedway event times) in the pit area and additional parking in the main carpark during Speedway events with better site management outcomes and a functional separation of Speedway from the remainder of Baypark.

LEASE AND LICENCE TO OCCUPY

21. Council, as 100% shareholder, can instruct Bay Venues Ltd to enter into new legal arrangements. Key parameters of the proposed sub-lease and licence to occupy arrangements with SRL are as follows below.
- (i) A ground sub-lease to 2039, without a lease renewal option, for the area comprising the North Stand and Speedway track area.
 - (ii) Sale of the North Stand and Speedway track to Speedway Racing Ltd at no cost, on an 'as is where is' basis; noting the need for the facility to be kept in a safe condition with any maintenance, renewal or remediation works becoming the responsibility of Speedway parties.
 - (iii) All costs of new and existing facilities within the lease area to fall to Speedway Racing Ltd.
 - (iv) Ownership of the North Stand and any associated improvements within the sub-lease area will automatically vest in Bay Venues Ltd at the end of the sub-lease term in 2039, without any further payment.
 - (v) A licence to occupy parts of the Main Stand and areas adjacent to the North Stand on Speedway event days.
 - (vi) A licence to occupy parts of the Main Carpark (current pit area) until construction of the new pit area is complete.

- (vii) Ownership of the Main Stand buildings and seats to remain with Bay Venues Ltd, with costs of maintenance and renewal, including earthquake strengthening to remain with Bay Venues Ltd.
- (viii) A licence to occupy until 2039, without a renewal option, a new pit and carpark area for Speedway race meetings and priority rights to use a defined parking area for Speedway participants and patrons.
- (ix) Bay Venues will be able to continue to use the commercial kitchen within the North Stand without impediment (this will be excluded from the lease area, with access rights provided to the kitchen).
- (x) To supersede the current commercial agreements between Bay Venues Ltd and Speedway Racing Ltd and between Bay Venues Ltd and Bay of Plenty Speedway Association.
- (xi) With the lease price to be based on an agreed percentage of gross revenue, with the intention that, as a minimum, it covers Bay Venues residual operational costs associated with facilitating Speedway.
- (xii) The sub-lease and licences are interdependent and must be read and operated together to ensure the coordinated use of the Baypark site for Speedway events.
- (xiii) The sub-lease provides a right of first refusal in favour of Bay of Plenty Speedway Association to continue Speedway operations in the event of early termination by SRL.
- (xiv) A Baypark User Group will be established to support collaboration between Bay Venues, SRL, and other key users of the Baypark site in relation to shared use, event scheduling, and operational coordination.
- (xv) Bay Venues and Council will have the right to undertake a performance review in 2034 and may elect to terminate the sub-lease prior to 2039 if agreed outcomes covering average event attendance, number of events and compliance with permitted use are not met or if there is a compelling public interest basis to do so, following consultation with stakeholders.

STRATEGIC / STATUTORY CONTEXT

22. The Play, Active Recreation & Sport Action and Investment Plan outlines the value of investment in our major active reserves including Baypark. The recommendations are broadly consistent with the adopted Baypark Masterplan, albeit with minor amendments to the area to the South-East of the Stadium. Minor amendments to the masterplan are delegated to the Chief Executive to implement.

FINANCIAL CONSIDERATIONS

23. The table below summarises the estimated costs and asset allocations between the parties.

Council / Bay Venues		Speedway	
Main Stand – renewal and earthquake strengthening	\$17m over period to 2039 (already allocated via LTP)	North Stand – Renewal and remediation <i>at Speedway's discretion</i>	Purchase price \$1. \$2m for 2,600 earthquake strengthened seats \$2.1m renewals
Pit Area / Carpark	\$6m (Initial QS of concept)	Pit Services	\$800k (Initial QS of concept)
Stadium lights renewal	\$1.5m (already undertaken)		

		Speedway functional upgrades (chute, big screen, workshop, fanzone above ground features) <i>at Speedway's discretion</i>	\$2.1m + professional fees
		Lease and licence-to-occupy	Percentage of gross revenue to at least cover BVL costs

24. Bay Venues will need to write off the remaining book value of the North Stand at and track improvements at \$2.3m and the costs of seismic assessment at circa \$200k (with the assessment costs now unable to be capitalised).
25. Council has currently allocated \$35.5m (inflated) to the implementation of the Baypark Masterplan over FY26 to FY28.

LEGAL IMPLICATIONS / RISKS

26. Earthquake strengthening is required to the Main Stand by 2041 and North Stand by 2053. Legal, health and safety and insurance liabilities are being addressed through the sub-lease and sale documentation with the intention that primary responsibility during the lease term sits with SRL refined through the lease negotiation process to minimise any ongoing liabilities to Council. SRL will be required to maintain the North Stand in a safe and legally compliant condition throughout the lease term, at its own cost. Ownership of the North Stand and associated assets will automatically vest in Council at the end of the lease term in 2039, unless otherwise agreed. The expectation is that all assets and attendant liabilities will revert to Council in 2039 unless other contractual arrangements are made prior.
27. While SRL is responsible for the North Stand and associated improvements, the Main Stand, kitchen facilities and parts of the Baypark site will remain under the control of Bay Venues and continue to serve multiple users. This will require proactive operational coordination and clarity of responsibilities across parties.
28. The termination rights under the sub-lease provide some mitigation of commercial viability risk, including Council's ability to end the arrangement in 2034.
29. The new agreement represents a transition away from previous commercial agreements, including the direct agreement between Bay Venues and the Bay of Plenty Speedway Association. The proposed agreement with SRL grants right of first refusal to the Association in the event of early termination and addresses ongoing collaboration matters between those parties. The establishment of a Baypark User Group to manage site coordination, the 2034 performance review point and the 2039 lease term are intended to ensure effective issue resolution and establish processes for potential future transition points.

TE AO MĀORI APPROACH

30. Ngā Pōtiki's submission is noted above and attached. Through the development of the Baypark Masterplan, an initial cultural narrative of the site was developed with Ngā Pōtiki and the intention is that that will be woven into design components through site development works.

CLIMATE IMPACT

31. No Specific climate impact assessment has been undertaken. Speedway by its nature is a high carbon dioxide emitting activity. However, at 10-15 race meetings per annum, its climate

impact is considered to be small. There will be continued vehicle movements to and from the site on race days by event patrons.



SIGNIFICANCE

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

NEXT STEPS

35. Next Steps would include –
 - (a) Finalisation of commercial and tenure arrangements
 - (b) Implementation of the Baypark Masterplan
 - (c) Ongoing collaborative arrangements with site stakeholders to ensure site changes and ongoing site management are fair and effective

ATTACHMENTS

1. **Attachment 1 - Speedway Consultation Feedback Analysis (July 2025) - A18457764** [↓](#) 
2. **Attachment 2 - Baypark Stadium - Financial Review Report (Final) - A18457771** [↓](#) 
3. **Attachment 3 - Nga Potiki Submission - A18474007** [↓](#) 

Results Mercury Baypark Speedway Survey



Date: 30 June, 2025

Summary

1. The survey was carried out from 23 May to 23 June 2025.
2. A total of 3527 responses were received, 52% of which were from Tauranga residents.
3. 90% of residents either support or strongly support Council extending the use of the stadium for speedway through to 2039 compared, with 98% of non-residents also supporting that view.
4. The top 3 reasons why 10% of resident respondents did not support extending the lease included:
 - a. That the venue and space have the potential for wider community benefit.
 - b. Dislike the noise and environmental pollution, traffic and surrounding community impact.
 - c. That the venue and location is no longer fit for purpose.
5. 67% of residents were in support of funding maintenance and operations through rates. The top 3 reasons were:
 - a. They want Speedway to stay.
 - b. They saw benefits to the community and expressed that it is important for families.
 - c. Speedway was more worthy of Council spending than other things.
6. 33% of residents did not support funding maintenance and operations through rates. The top 3 reasons were:
 - a. Concern about rates.
 - b. Belief that Speedway should be user pays/self-funded.
 - c. Belief that Speedway has limited value and would prefer Council to invest in a multi-use stadium or other infrastructure with wider community benefit.

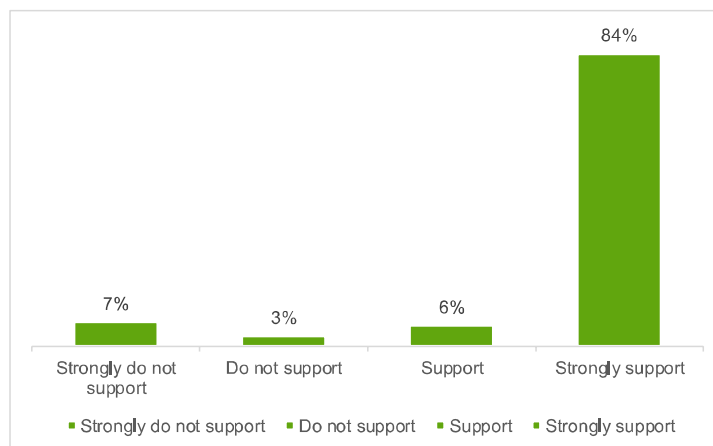
Overall

Total Survey participants	3527
	1818 residents
	1709 non-residents
	65% respondents male, 34% female, 1% other

Mercury Baypark Survey 2025

Part 1: Residents

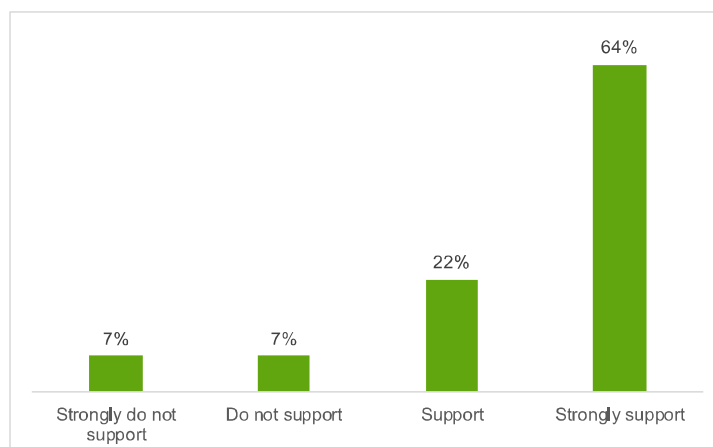
How strongly would you support, or not support, Council extending the use of Mercury Baypark stadium for speedway through to 2039?



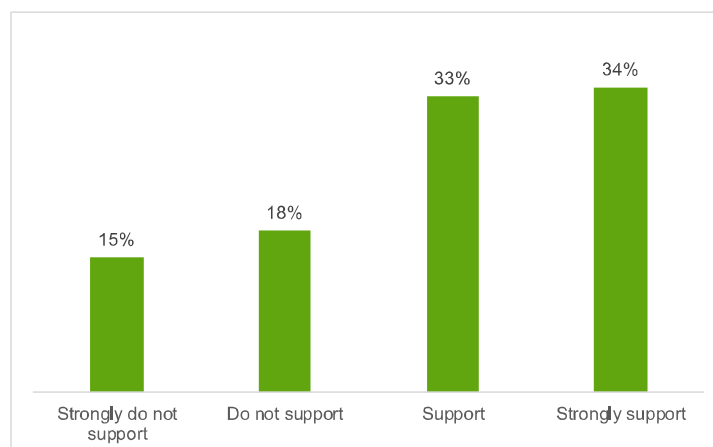
The reasons cited for why those who **did not support or strongly did not support** were as follows:

- 80 comments stating the space has more potential for better/wider use by the community.
- 46 comments not in support or strongly did not support because of the noise pollution, the surrounding community and environmental impact.
- 17 comments that the venue and location are no longer fit for purpose for speedway.
- 17 general, varied comments.

How strongly would you support, or not support, Council transferring ownership of the North stand to Speedway Racing?



If Speedway was to continue operations at Mercury Baypark until 2039, without sale of the North stand to Speedway, how strongly would you support, or not support, the funding of the stadium maintenance and operational costs through your rates?



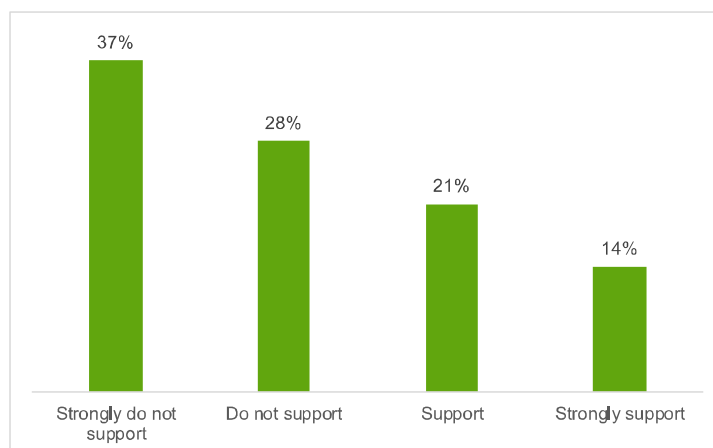
Insights in to why residents **supported** or **strongly supported** were as follows:

- 100 comments reinforced they want speedway to stay.
- 89 comments outlined they support speedway because of the benefits to the community and how it is important for families.
- 87 comments that speedway was more worthy of Council spending than on other things.
- 80 comments that they support because public facilities need to be maintained, and someone needs to pay.
- 54 comments of support because they believed it is a valuable and unique asset for the city.
- 43 comments of support because they personally use speedway so are happy to fund it.
- 38 supportive comments so long as Council shares the cost and spending on maintenance is not excessive.
- 26 comments of support because speedway should be supported like other sports and events in the city.
- 24 comments of support because speedway encourages visitors and generates revenue for local businesses.
- 24 comments supporting upgrading the facility to enable more diverse uses, including events.

Insights in to why residents **did not support** or **strongly did not support** were as follows:

- 100 comments were not supportive because of concern about their already high rates and potential for increases.
- 74 comments were not supportive because they believe speedway should be user pays/self-funded.
- 46 comments were not supportive because they believe it has limited value and would prefer Council invest in a multi-use stadium or other infrastructure with wider community benefit.
- 30 comments were not supportive because they had no interest in speedway.

If speedway at Mercury Baypark was to end in 2029, how would you support, or not support, the funding of the future development of Mercury Baypark through your rates as part of the 2027 Long-Term Plan?



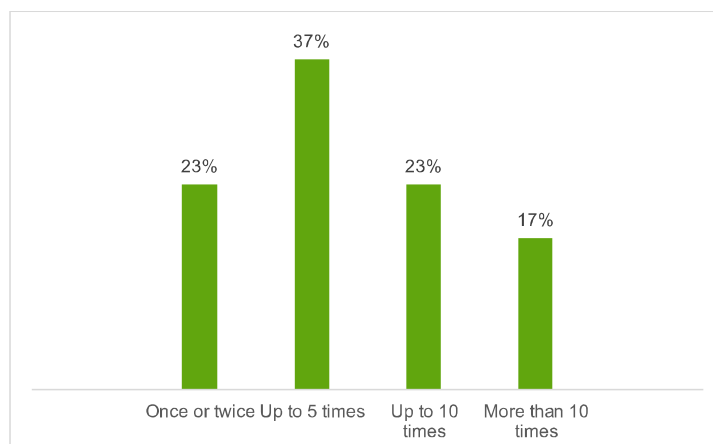
Insights in to why residents **supported** or **strongly supported** their answer were as follows:

- 95 comments in support of future development.
- 72 comments specifically referred to future development of the space for community use.
- 71 comments reinforced their preference for speedway to stay at Mercury Baypark.
- 19 in support or strongly support depending on the future development.

Insights in to why residents **did not support** or **strongly did not support** were as follows:

- 271 comments reinforced their preference for speedway to stay at Mercury Baypark.
- 140 comments were not supportive because of concern about their rates, and potential for increases.
- 38 comments **only** supported rates funding if speedway stayed
- 37 comments do not support or strongly do not support **unless** they know what the future development is.
- 28 comments concerned about Council decisions, spending and debt.
- 28 comments stating they would prefer other fundings sources. E.g. private, user pays, developers

How often did you attend speedway this season?



- Speedway holds 15 events per year.
- 79% of residents who responded to the survey attended speedway in the last 12 months, 21% did not.

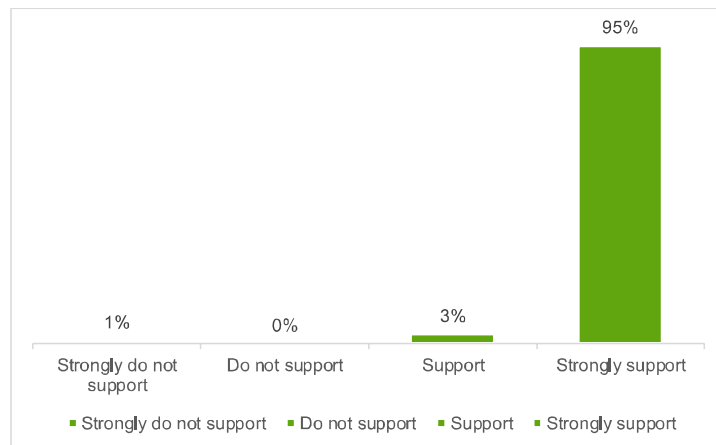
If speedway at Merucry Baypark stadium was to end in 2029, what ideas do you have for future use of the stadium and speedway associated land?

Residents' responses to this question were collated into the following:

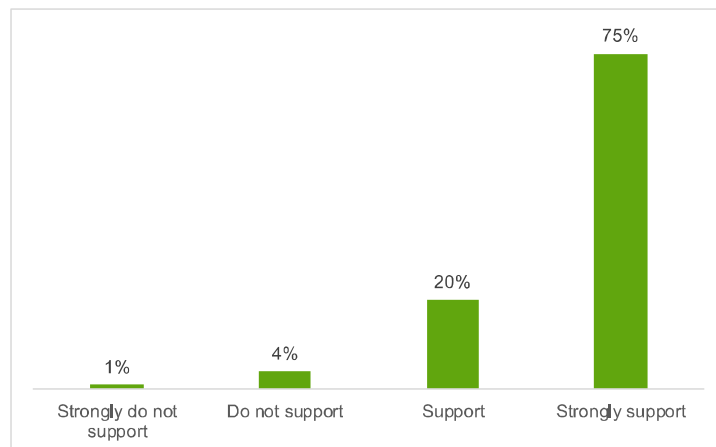
- 384 comments suggested the venue be kept as speedway.
- 381 comments suggested it be repurposed into a multisport/concert/big events venue. Specifically of these:
 - 111 mentioned a rugby stadium
 - 124 mentioned a concert/events venue
 - 146 mentioned a sports stadium
- 122 comments suggested the venue be repurposed to a variety of motorsport activities. E.g. motocross, skid track, drift track, nascar
- 98 other suggestions with a variety of comments (not themed)
- 42 suggestions related to function change such as giving the land back, housing, not housing, commercial/industrial space
- 27 comments suggested the future use be around greenspace, recreation or play.

Part 2: Non-Residents

How strongly would you support, or not support, Council extending the use of Mercury Baypark stadium for speedway through to 2039?



How strongly would you support, or not support, Council transferring ownership of the North stand to Speedway Racing?



Part 3: Notes

Comments sections not analysed:

1. Other purpose of visit to Mercury Bay park
2. Transferring ownership of the north stand - residents' comments
3. Do you have any other suggestions - residents' comments
4. None of the non-resident comments analysed (5 questions)



Baypark Speedway Stadium Financial Review

Prepared for Tauranga City Council

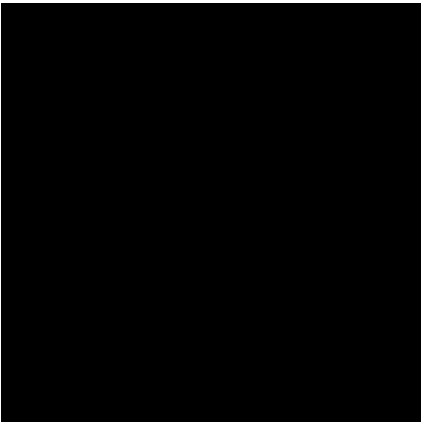
May 2024

Confidential



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Important Notice

This report is strictly private and confidential to the Recipient Parties (as defined in the Agreement dated 29 November 2023 (the “Agreement”)).

Save as expressly provided for in the Agreement, the report must not be recited or referred to in any document or copied or made available (in whole or in part) to any other party.

We accept no responsibility or liability for the contents of the report to any other party.

For your convenience, this report may have been made available to you in electronic and hard copy format. Multiple copies and versions of this report may, therefore, exist in different media. Only a final signed copy should be regarded as definitive.

Financial Review – Baypark Speedway Stadium - Final Report – 22 May 2024

This written communication is solely for Tauranga City Council’s benefit, and is not intended to be relied upon by any other person or entity.

2



Tauranga City Council
Attention: Ross Hudson
Private Bag 12022
Tauranga 3143



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New Zealand

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22 May 2024

Dear Ross

Tauranga City Council: Financial Review – Baypark Speedway Stadium

Tauranga City Council (you, the Client, or TCC) have engaged Deloitte Limited (Deloitte, we or us) to complete an independent review and assessment of the capital and operating costs required to operate Baypark Speedway Stadium (the Stadium).

We enclose our financial review report (the Report) prepared for TCC in relation to capital and operating costs required to operate the Stadium.

This analysis and report has been prepared for Tauranga City Council in accordance with our engagement letter dated 29 November 2023.

If you have any queries on the Report, please feel free to contact me on [REDACTED]

Yours faithfully

Doug Wilson

Partner

for Deloitte Limited (as trustee for the Deloitte Trading Trust)

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Introduction

Financial Summary



Executive Summary | Introduction

We have been engaged to complete an independent review and assessment of the capital and operating costs required to operate Baypark Speedway Stadium.

Introduction

- Tauranga City Council have engaged Deloitte Limited to complete an independent review and assessment of the capital and operating costs required to operate Baypark Speedway Stadium under continued use for speedway activities. We understand these services are required to assist Tauranga City Council's decision on the future operations of the Stadium. The financial review is required to cover the period until 2039, being the current speedway lease term (to 2029) and a further 10 years.
- As part of our engagement, we were asked to work collaboratively with authorised representatives of Tauranga City Council, Bay Venues Limited, Bay of Plenty Speedway Association and Speedway Racing Limited (collectively, the Stakeholders) as required. For the purposes of our report, we have referred to 'Speedway' as an entity, being representative of Bay of Plenty Speedway Associated, Speedway Racing Limited or a combination of the two.
- This report outlines the key financial inputs and resulting capital and operating costs to assess the financial impact of four proposed operating scenarios for Baypark Speedway Stadium.
- We note that Baypark Speedway Stadium is a component of a larger concept being considered within Tauranga City Council's Master Plan. Accordingly, the analysis attached has been prepared on a marginal basis. Therefore, it is based on the assumption that the Stadium will remain in use primarily to service speedway and other similar events and therefore the annual net costs of any other use of the Stadium have not been considered.
- We commenced our financial review on 29 November 2023 and completed our fieldwork on 30 April 2024.

Background

- Baypark Speedway Stadium was built in 2000 and has a capacity of ~18,000 seats with supporting facilities. The Stadium is owned and managed by Bay Venues Limited (a Council Controlled Organisation owned by Tauranga City Council). Bay Venues Limited (BVL) has an agreement with the Bay of Plenty Speedway Association (BoPSA) until 2029 to host speedway at the facility.
- Separate to the agreement between BVL and BoPSA, BVL has an agreement with Speedway Racing Limited (SRL) to promote speedway events from October to April each year at the Stadium. Speedway Racing Limited receives all revenue from the ticket sales under this agreement and all other revenues are generated and received by BVL.
- Baypark Speedway Stadium requires ongoing maintenance and renewal to ensure it remains safe and compliant with all relevant standards. When taking over ownership of the Stadium in 2007 Tauranga City Council chose not to depreciate the Stadium and as a result there has been no renewals funding available for the building and wider site (excluding the indoor arena). There is now significant deferred maintenance that is needed to maintain the facility in an acceptable condition. Further to this, Beca Group Limited (Beca) are in the process of completing a detailed seismic assessment for the Stadium. The draft report from Beca indicated that the Stadium is below 34% of New Building Standard so will require extensive work to bring it up to standard. The areas of the Stadium that are required for future use will require the earthquake strengthening work to be completed within the next 25 years.

Introduction

Financial Summary



Executive Summary | Introduction

We have modelled four operating scenarios to understand Baypark Speedway Stadium's expected annual net costs under varying operating arrangements for primarily speedway activity use.

Financial Review – Operational Scenarios Considered

- This report presents four operating scenarios that have been considered as part of our financial review for the period to 2039 of Baypark Speedway Stadium. Other scenarios have been considered over the course of our work, with several of these scenarios modelled and discussed with Stakeholders, however the following scenarios are those agreed by the Stakeholders as the most likely for future operations.

Scenario	Operational Nature	Key Benefits	Key Downsides
Scenario 1	<ul style="list-style-type: none"> This scenario is presented for illustrative purposes as it operates under the same terms as are currently in place and the annual net costs generally align with the financials submitted for Tauranga City Council's Long-Term Plan. 		
Scenario 2	<ul style="list-style-type: none"> This scenario is a 'normalised' version of Scenario 1 with financial inputs adjusted for information obtained through our enquiries. 	<ul style="list-style-type: none"> Lower administration costs for new agreements as the operations can continue under the current agreements. The current contract type are generally more adaptable than joint ventures or lease arrangements. 	<ul style="list-style-type: none"> Responsibilities for repairs & maintenance of the Stadium remain with BVL. The contract timelines do not imply long-term commitment, with the current agreement due to end in 2029, which could result in increased tensions between BVL and speedway representatives to unknown future operations.
Scenario 3	<ul style="list-style-type: none"> This scenario considers a modified contractual arrangement from the current agreement whereby BVL and Speedway split responsibilities and share a portion of gross revenue. 	<ul style="list-style-type: none"> Potential for increased revenue if the events succeed. Greater working relationship as BVL and Speedway both benefit from increased performance. 	<ul style="list-style-type: none"> One party may carry more of the burden of the operations so might not be fairly compensated for the respective responsibilities. There can be some legal complexities in setting up agreements of this nature.
Scenario 4	<ul style="list-style-type: none"> This scenario operates under a land lease agreement whereby Speedway are given control of event operations at the Stadium. This scenario also considers the sale of the North Stand to Speedway. 	<ul style="list-style-type: none"> Reduced capital expenditure with the North Stand sold to Speedway. Removes BVL's requirement to fund the operational losses (based on historical data) associated with events held at the Stadium. 	<ul style="list-style-type: none"> TCC lose ownership control of parts of the facility from an operational point of view. It may restrict their ability to potentially repurpose the land for other uses that benefit the community in the future.

Financial Review – Baypark Speedway Stadium - Final Report – 22 May 2024

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Executive Summary | Introduction

BVL and Speedway have taken the opportunity to table four 'Stadium Functionality' options to improve use of the Baypark site and Speedway's operational experience.

Financial Review – Stadium Functionality Capital Works

- Baypark Speedway Stadium is just one part of the Baypark site. The wider Baypark site is included within TCC's Master Plan and is expected to have major renovations occur over the next 10+ years. BVL and Speedway have taken the opportunity to table four 'Stadium Functionality' options to improve the use of the space and Speedway's experience that work in with the adopted Master Plan of Baypark. This work has been conducted by Stellar Projects.

Stadium Functionality Works – Option 1

- Option 1 leaves the operations of Speedway similar to current operations but due to the movement of car parking options, this option builds pedestrian walkway access around Speedway's pit area for entry into the Stadium.

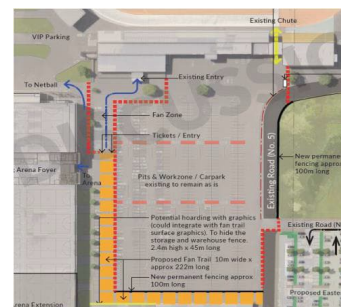
Stadium Functionality Works – Option 2a (Permanent Bridge) / Option 2b (Temporary Bridge)

- Options 2a & 2b utilise more space on the eastern edge of the Stadium to reduce the current area used by Speedway for their pits. This increases the level of parking for patrons for all events at the site. This option incorporates a new vehicle chute (which is in a better located for Speedway operations) however due to the expected location of the pits, the plans require a pedestrian bridge over the path of the race cars from the chute to the new pits so pedestrians can access the Stadium. The difference between Option 2a and Option 2b is a permanent pedestrian bridge as opposed to a temporary bridge.

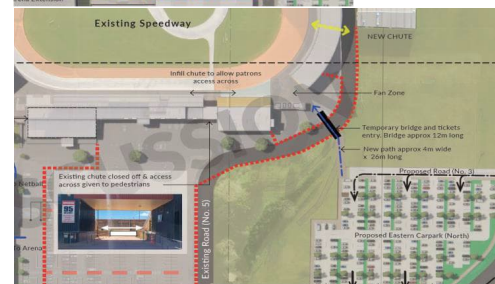
Stadium Functionality Works – Option 3

- Option 3 considers moving speedway operations to the eastern side of the Stadium to ground currently unutilised. This would open up all of the current carparking area at Baypark utilised for Speedway pits to be usable for event patrons at netball, Baypark Arena or Baypark Speedway Stadium.

Option 1



Option 2a/2b



Option 3





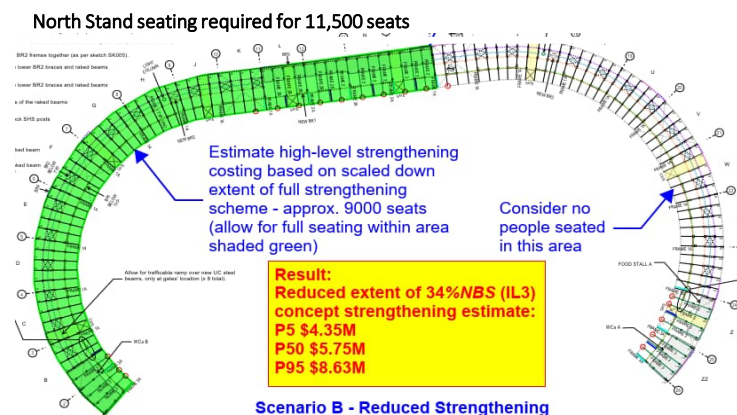
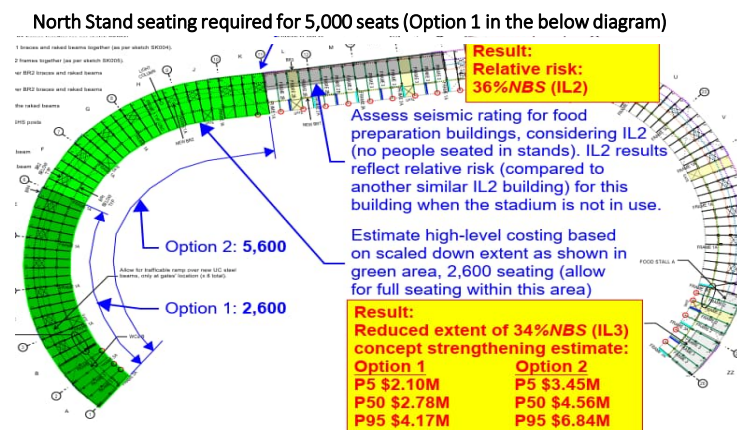
Executive Summary | Introduction

For the purposes of our financial review, we have considered two reduced seating capacity options of the Stadium, being a 5,000-seat capacity stadium and an 11,500-seat capacity stadium.

Financial Review – Stadium Layout and Usage

- The Baypark Speedway Stadium currently has a total capacity of ~18,000 people who can be seated in either of the two stands in the stadium:
 - The North Stand – seating capacity of ~15,600
 - Main Stand – seating capacity of ~2,400
- For the purposes of our financial review, we have considered two reduced seating capacity options of the Stadium, being a 5,000-seat capacity stadium and an 11,500-seat capacity stadium which utilise the full seating capacity of the Main Stand and then a portion of the North Stand.
- The diagrams to the right outline the required portions of the North Stand for the 5,000-seat and 11,500-seat capacity stadiums. Option 1 within the top diagram (darker green) is the proportion of seating required for 5,000 seats.
- We note this analysis uses the front four rows of seating which we understand would likely be not fit for purpose for speedway attendees. We consider the cost differential for this minor adjustment would be immaterial in the scheme of total capital expenditure so have not adjusted our financial analysis.
- We have considered these seating configurations for the following reasons:
 - The seismic assessment report indicated that only 8% of the estimated seismic strengthening costs were required to bring the Main Stand up to the required new building standard. With the Main Stand having greater versatility for a range of current and future purposes, we consider it beneficial for BVL to incur the cost to strengthen the entire Main Stand.
 - The North Stand requires significant seismic strengthening work to reinforce the total seating area (~\$8.3m at a mean assessment level). The reduced seating option reduces the required capital expenditure (seismic strengthening and renewals cost) and still leaves an appropriate level of seating for all events expected to be held at the Stadium, noting average speedway attendance has been ~2,500 per event this year.

Financial Review – Baypark Speedway Stadium - Final Report – 22 May 2024



Scenario B - Reduced Strengthening

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Executive Summary | Financial Summary

We have presented a comparison of the present value of the cash flows and impact to rates of the scenarios assessed. This indicates an annual cost to ratepayers of ~\$2.1m - \$2.6m.

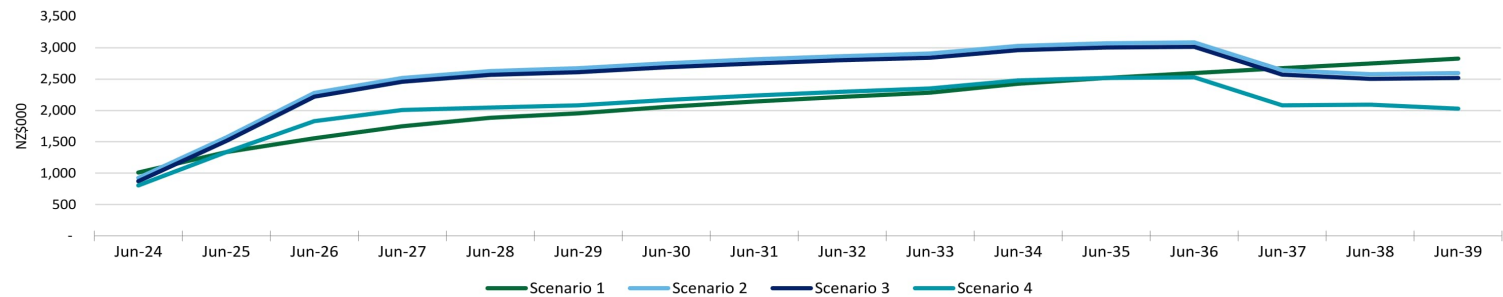
Financial Summary - Overview

- The table to the right presents a financial summary of the four operational scenarios through until the end of FY39 based on a 5,000-seat Stadium and undertaking a new carpark / Speedway pit area to the east of the current Stadium. Between the scenarios there is a:
 - Total annual cost (GST exc.) for ratepayers of ~\$2.1m - ~\$2.6m;
 - Impact to rates +/-0.16%;
 - Net Present Value +/- \$6.1m over the 16-year modelled period.
- The lowest cost option to TCC and ratepayers is Scenario 4 however TCC will need to consider the qualitative factors that accompany this scenario to assess the appropriateness of adopting this operating model.
- We have presented the 5,000-seat Stadium and the new carpark / Speedway pit area to the east of the Stadium as we believe these are the most cost beneficial options for the current and future use of the Stadium.

Baypark Speedway Stadium Scenario Comparison - ~16 Year Analysis				
NZ000s	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Scenario Description:	Long Term Plan	Modified LTP	Shared Revenue Model	Divested North Stand with Lease
Stadium Seating Capacity	5,000	5,000	5,000	5,000
Stadium Functionality Option	n/a	Option 3	Option 3	Option 3
Net Capital Expenditure Requirement	(28,010)	(31,796)	(31,796)	(26,617)
Statement of Financial Performance				
Revenue (Year One)	746	818	1,017	87
Expenditure (Year One)	867	854	997	-
EBITDA (Year One)	(121)	(36)	20	87
Project Metrics				
Cumulative Free Cash Flow	(30,512)	(32,468)	(31,415)	(24,978)
Net Present Value	(21,938)	(26,235)	(25,519)	(20,125)
Cost to Ratepayers				
Total Cost to Ratepayers	33,971	40,943	39,890	32,886
Cost to Ratepayers (Avg p.a. GST exclusive)	2,123	2,559	2,493	2,055
Rates (TCC 2025 LTP)	325,000	325,000	325,000	325,000
% of Current Rates	0.65%	0.79%	0.77%	0.63%

Source: 1 - Bay Venues Limited; 2 - Deloitte Limited; 3 - Beca Group Limited; 4 - Consultancy Stellar; Deloitte Analysis

Annual Impact to Rate Payers - 15+ Years



Source: Deloitte Analysis

Financial Review – Baypark Speedway Stadium - Final Report – 22 May 2024

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Executive Summary | Financial Summary

The renewals cost for the Stadium is representative of ~40 years of renewals being conducted over a 16-year timeframe due to no renewals being completed on the Stadium to date. The renewals cost is the main driver for the total cost to ratepayers.

Financial Summary – Capital Expenditure

- The capital expenditure requirements for the Stadium are significant. This is due to the deferred maintenance that has not been completed since the Stadium's purchase. Capital expenditure for TCC is expected to range from \$28.0m - \$31.8m until the end of FY39.
- The renewals cost for the Main Stand (\$17.0m) and North Stand (\$2.1m) comprise the majority of the capital expenditure requirement for the Stadium. These values represent the renewals over the 16-year modelled period but include catching up on the renewals not completed since the Stadium's purchase. We have benchmarked these amounts against other industry norms for calculating renewals and note the figure falls within the range \$16.9m - \$20.4m. Refer to the capital expenditure section of the report for more information.
- We understand developing a new car park / speedway pit area to the east of the current Stadium (Option 3 of the Stadium Functionality works) has potential operational benefits for Speedway and the wider Baypark site therefore we have modelled this as our base case. We also understand there is an allocation within the LTP for a new south-east car park and that these funds may be able to be reappropriated in the medium term for this development to take place. TCC is assumed to fund ~\$6.5m of the cost for Option 3 and Speedway is assumed to fund the remaining ~\$3.7m to complete the development.
- Under Scenario 4, it has been assumed that BVL will sell the North Stand to Speedway for nil value. This assumes Speedway will then be required to undertake the necessary capital works relating to earthquake strengthening, stadium seating or other renewals work on the North Stand.

Baypark Speedway Stadium Scenario Comparison - ~16 Year Analysis

NZ000s	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Scenario Description:	Long Term Plan	Modified LTP	Shared Revenue Model	Divested North Stand with Lease
Stadium Seating Capacity	5,000	5,000	5,000	5,000
Stadium Functionality Option	n/a	Option 3	Option 3	Option 3
Capital Expenditure Required				
Capital Expenditure				
Lighting	1,540	1,540	1,540	1,540
Stadium Seating	-	1,770	1,770	850
Earthquake Strengthening	-	2,908	2,908	757
Stadium Functionality Works	-	6,485	6,485	6,485
Stadium Renewals - Main Stand	24,363	16,985	16,985	16,985
Stadium Renewals - North Stand	2,108	2,108	2,108	-
Capital Expenditure Requirement	(28,010)	(31,796)	(31,796)	(26,617)
Speedway Contributions				
North Stand Purchase	-	-	-	-
Speedway Contributions	-	-	-	-
Net Capital Expenditure Requirement	(28,010)	(31,796)	(31,796)	(26,617)
Statement of Financial Performance				
Revenue (Year One)	746	818	1,017	87
Expenditure (Year One)	867	854	997	-
EBITDA (Year One)	(121)	(36)	20	87
Project Metrics				
Cumulative Free Cash Flow	(30,512)	(32,468)	(31,415)	(24,978)
Net Present Value	(21,938)	(26,235)	(25,519)	(20,125)
Cost to Ratepayers				
Total Cost to Ratepayers	33,971	40,943	39,890	32,886
Cost to Ratepayers (Avg p.a. GST exclusive)	2,123	2,559	2,493	2,055
Rates (TCC 2025 LTP)	325,000	325,000	325,000	325,000
% of Current Rates	0.65%	0.79%	0.77%	0.63%

Source: 1 - Bay Venues Limited; 2 - Deloitte Limited; 3 - Beca Group Limited; 4 - Consultancy Stellar; Deloitte Analysis

Introduction

Financial Summary



Executive Summary | Financial Summary

The average annual cost to ratepayers of operating the Stadium and maintaining the North Stand is estimated at \$424k - \$1.1m p.a.

Financial Summary – Operational Performance (EBITDA)

- The operational performance (EBITDA) of the Stadium across each of the scenarios is negligible in terms of the expected total cost to ratepayers. Year one EBITDA is expected to range from -\$121k to \$87k across the scenarios.
- Scenarios 3 and 4 appear the most beneficial from a financial perspective as well as from an operational relationship perspective.
- The lease cost in Scenario 4 is an indicative amount based on other understood arrangements for Speedway operations across New Zealand. This amount should be reviewed by TCC/BVL to ensure it appropriately reflects the items leased and aligns with their current lease policies.

Financial Summary – Main Stand Differential

- We understand the Main Stand of the Stadium has potential benefits for the site beyond Speedway use, whether this is due to other facilities within the Main Stand being utilised or the versatility of the Main Stand for other future community uses that might occur at the Baypark site.
- We have therefore analysed the cost to rate payers excluding the Main Stand costs (i.e. the cost of Speedway operating at the site inclusive of the Stadium functionality works undertaken to benefit Speedway).
- In total the average annual cost to ratepayers of operating the Stadium and maintaining the North Stand is estimated at \$424k - \$1.1m p.a.
- The shared revenue model or lease model (scenario 3 & 4) are the likely operational scenarios going forward, there is a ~\$458k annual cost differential between these two scenarios for operating the Stadium and maintaining the North Stand.

Baypark Speedway Stadium Scenario Comparison – ~16 Year Analysis

NZ000s	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Statement of Financial Performance				
Revenue (Year One)	746	818	1,017	87
Expenditure (Year One)	867	854	997	-
EBITDA (Year One)	(121)	(36)	20	87

Source: 1 - Bay Venues Limited; 2 - Deloitte Limited; 3 - Beca Group Limited; 4 - Consultancy Stellar; Deloitte Analysis

Cost to Rate Payers (Main Stand Capex Exclusive)

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Scenario Description:	Long Term Plan	Modified LTP	Shared Revenue Model	Divested North Stand with Lease
Stadium Seating Capacity	5,000	5,000	5,000	5,000
Stadium Functionality Option	n/a	Option 3	Option 3	Option 3
Cost to Rate Payers (per Financial Summary)	33,971	40,943	39,890	32,886
<i>Main Stand Costs</i>				
Stadium Seating Allocation		850	850	850
Earthquake Costs		757	757	757
Renewals	24,363	16,985	16,985	16,985
Depreciation Funding Available Beyond FY39	(11,853)	(8,780)	(8,780)	(8,011)
Apportioned Debt Cost	14,670	13,892	13,892	13,455
Main Stand Capital Cost	27,180	23,704	23,704	24,035
Cost to Rate Payers (Exc Main Stand Capex)	6,791	17,238	16,185	8,851
<i>Cost to Rate Payer Elements</i>				
Lighting	1,540	1,540	1,540	1,540
North Stand Seating (2,600 Seats)	-	921	921	-
Earthquake Costs (North Stand Only)	-	2,150	2,150	-
Stadium Functionality Works	-	6,485	6,485	6,485
Stadium Renewals - North Stand	2,108	2,108	2,108	-
Depreciation Funding Available Beyond FY39	(2,698)	(5,773)	(5,773)	(3,627)
EBITDA Performance	2,502	672	(381)	(1,639)
Apportioned Debt Cost	3,340	9,135	9,135	6,092
Total	6,791	17,238	16,185	8,851
Cost to Ratepayers				
Total Cost to Ratepayers	6,791	17,238	16,185	8,851
Cost to Ratepayers (Avg p.a. GST exclusive)	424	1,077	1,012	553
Rates (TCC 2025 LTP)	325,000	325,000	325,000	325,000
% of Current Rates	0.13%	0.33%	0.31%	0.17%

Source: Deloitte Analysis

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Financial Summary



Executive Summary | Financial Summary

We estimate based on the financial model that under Scenario 4, the ratepayers of Tauranga would be in a similar position to that budgeted within the long-term plan.

Financial Summary – Conclusion / Recommendations

- Future capital expenditure requirements is an integral cost over the 16-year modelled period. The expected capital expenditure requirements could range from \$20.5m - \$37.2m dependent on the stadium functionality option undertaken and the seating capacity requirements of the Stadium. TCC will need to make a decision on which capital expenditure options to undertake and when these works may be able to be undertaken based on their current funding constraints. Before any capital works are dismissed due to their cost, TCC should consider discussions with Speedway to determine if Speedway would be willing to contribute further or loan the funds to TCC for the capital expenditure that best suits the use of the Stadium.
- Scenario 4 is the lowest cost option to TCC and reduces the operational risk and capital expenditure requirements to TCC and BVL compared to the other scenarios presented. Careful consideration would need to be given to the terms of the lease to allow TCC to maintain appropriate control of the site so it can be best utilised for community purposes.
- We estimate based on the financial model that under Scenario 4, the ratepayers of Tauranga would be in a similar position to that budgeted within the long-term plan. It is anticipated that the extra capital expenditure modelled under Scenario 4 (stadium seating, earthquake strengthening, and stadium functionality works) compared to items within the long-term plan is likely able to be funded through applying a more reasonable level of renewals for the period and through the potential reallocation of long-term plan funds from a south-east car park to the stadium functionality works.
- Lastly, we highlight that our scope of work was to consider the annual net costs of Baypark Speedway Stadium under continued Speedway use. We have therefore not considered any alternative options that may be financially beneficial for BVL.

Financial Review – Baypark Speedway Stadium - Final Report – 22 May 2024

Baypark Speedway Stadium Scenario Comparison - ~16 Year Analysis

NZ000s	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Scenario Description:	Long Term Plan	Modified LTP	Shared Revenue Model	Divested North Stand with Lease
Stadium Seating Capacity	5,000	5,000	5,000	5,000
Stadium Functionality Option	n/a	Option 3	Option 3	Option 3
Capital Expenditure Required				
Capital Expenditure				
Lighting	1,540	1,540	1,540	1,540
Stadium Seating	-	1,770	1,770	850
Earthquake Strengthening	-	2,908	2,908	757
Stadium Functionality Works	-	6,485	6,485	6,485
Stadium Renewals - Main Stand	24,363	16,985	16,985	16,985
Stadium Renewals - North Stand	2,108	2,108	2,108	-
Capital Expenditure Requirement	(28,010)	(31,796)	(31,796)	(26,617)
Speedway Contributions				
North Stand Purchase	-	-	-	-
Speedway Contributions	-	-	-	-
Net Capital Expenditure Requirement	(28,010)	(31,796)	(31,796)	(26,617)
Statement of Financial Performance				
Revenue (Year One)	746	818	1,017	87
Expenditure (Year One)	867	854	997	-
EBITDA (Year One)	(121)	(36)	20	87
Project Metrics				
Cumulative Free Cash Flow	(30,512)	(32,468)	(31,415)	(24,978)
Net Present Value	(21,938)	(26,235)	(25,519)	(20,125)
Cost to Ratepayers				
Total Cost to Ratepayers	33,971	40,943	39,890	32,886
Cost to Ratepayers (Avg p.a. GST exclusive)	2,123	2,559	2,493	2,055
Rates (TCC 2025 LTP)	325,000	325,000	325,000	325,000
% of Current Rates	0.65%	0.79%	0.77%	0.63%

Source: 1 - Bay Venues Limited; 2 - Deloitte Limited; 3 - Beca Group Limited; 4 - Consultancy Stellar; Deloitte Analysis

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Introduction	Operating Revenue	Operating Expenditure	Capital Expenditure	Debt Funding	Financial Evaluation	Sensitivity Analysis	
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Introduction	Operating Revenue	Operating Expenditure	Capital Expenditure	Debt Funding	Financial Evaluation	Sensitivity Analysis
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Financial Review | Introduction

We have developed a financial model to consider the annual net costs of four operating scenarios for Baypark Speedway Stadium.

Overview of Approach

- The expected annual costs of Baypark Speedway Stadium were determined through the development of a financial model (the Model). The costs of Baypark Speedway Stadium comprise:
 - Capital costs for the earthquake strengthening, stadium seating, stadium lighting and stadium functionality works of the facility.
 - Operating costs and revenues relating to the operation of the facility.
 - Renewal (lifecycle) costs covering the refurbishment of the facility components.
- The financial model was constructed based on costs, revenue and funding assumptions and estimates obtained from Bay Venues Limited, Bay of Plenty Speedway Association, Speedway Racing Limited, Stellar Projects (Stellar), Beca Group Limited (Beca) and other appropriate public sources of information.
- The financial model estimates the costs and revenues associated with the operation over a 16-year period (FY24 – FY39).
- The financial model considers four operating scenarios as part of our financial review.
 - Scenario 1: Current Long-Term Plan Scenario
 - Scenario 2: Modified Long-Term Plan Scenario
 - Scenario 3: Shared Revenue Scenario
 - Scenario 4: Lease Arrangement Scenario with Asset Divestment
- A summary of the key inputs and assumptions utilised within the modelling, and their respective sources are detailed opposite.

Item	Assumption	Source
Construction Timing	Lighting – Year 1 Completion	BVL
	Stadium Seating – Completed over Years 2, 3 and 4	BVL
	Earthquake Strengthening – Completed in Years 3 and 4	Beca
	Functionality Works – Completed in Years 2 and 3	Stellar
Depreciation	Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives.	Inland Revenue Department
Model Period	~16 Years	Deloitte
Operational Period	16 Years	Deloitte
Inflation	~2% (applied to income and operating expenditure) Discount Rates and CPI Assumptions for Accounting Valuation Purposes The Treasury New Zealand	The Treasury New Zealand
Net Present Value Date	April 2024	Deloitte
GST and Tax	Excluded – all numbers are presented GST exclusive.	
	The facilities will be operated by a non-tax paying entity.	

Financial Review – Baypark Speedway Stadium - Final Report – 22 May 2024

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Financial Review | Operating Revenue

There are three primary revenue streams for BVL across Scenarios 1-3: venue hire, catering revenue and corporate box rental. The sole revenue stream in Scenario 4 is the lease revenue.

Forecast Assumptions

Operating Revenue

- Under the current operating model (Scenario 1 and Scenario 2), Baypark Speedway Stadium has three primary revenue streams for BVL: venue hire, catering and corporate box rental.
- Scenario 3 considers the three primary revenue streams from the current operating model however removes Speedway's venue hire income (fee payable under the promoter agreement) and replaces it with the revenue share expected to be received from the speedway ticket sales.
- In Scenario 4, lease income is the sole income stream. All the income streams have been removed. It is assumed with the land lease and sale of the North Stand that naming rights could not be guaranteed for the Stadium therefore the revenue has been removed from Scenario 4.
- Event attendees are forecast to be 2,500 per Speedway event and 5,000 per other event. These attendance numbers are based on the last twelve-month average attendee numbers provided. Event attendees influence catering revenue assumed under Scenarios 1-3 and ticketing revenue under Scenario 3. In our financial evaluation section, we provide a sensitivity analysis of EBITDA performance based on varying levels of attendees.
- Operating revenues are forecast to only increase by inflation each year unless otherwise stated.

Venue Hire

- Venue hire is forecast to be received from Speedway Racing Limited for \$165k p.a. in year one for all Speedway related activities within a season.
- Other venue hire is forecast for one drifting event and one other event under Scenario 1 and one drifting event and three other events under Scenarios 2 and 3. The venue hire rates are based on current rates offered to drifting for their event (\$35k) and the standard daily rate for the other events (\$13k).

Financial Review – Baypark Speedway Stadium - Final Report – 22 May 2024

Revenue Year 1

NZ000's	Ref	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Attendance					
Speedway Events Attendance	2	2,500	2,500	2,500	-
No. Speedway Events	2	15	14	14	-
Total Speedway Attendance		37,500	35,000	35,000	-
Other Events Attendance	2	5,000	5,000	5,000	-
No. Other Events	2	2	4	4	-
Total Other Events Attendance		10,000	20,000	20,000	-
Venue Hire					
Venue Hire - Speedway	1	165	165	-	-
Venue Hire - Other	1	48	75	75	-
Total Venue Hire Revenue		213	240	75	-
Catering Revenue					
Event Attendees	2	48	55	55	-
Spend per Head	1	6	6	6	-
Total Catering Revenue		292	338	338	-
Corporate Box Revenue					
Corporate Box Rental - Long Term	1	70	70	70	-
Corporate Box Rental - Casual	1	30	30	30	-
Total Corporate Box Revenue		100	100	100	-
Revenue Share Agreement (Ticket Revenue)					
Average Scanned Ticket Price	5	-	-	21	-
Speedway Attendees	2	-	-	35	-
Revenue Share %	2	-	-	50%	-
Total Revenue Share Agreement		-	-	363	-
Other Revenue					
Lease Revenue	2	-	-	-	87
Naming Rights	1	67	67	67	-
Stadium Lounge Rental	1	54	54	54	-
Commercial Kitchen Lease	1	20	20	20	-
Total Revenue		746	818	1,017	87

Source: 1- Bay Venues Limited; 2 - Deloitte Limited; 5 - Speedway Racing Limited; Deloitte Analysis

- Venue hire revenue is expected to range from \$75k to \$240k across Scenarios 1-3 in year one and is nil in Scenario 4.

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Financial Review | Operating Revenue

Catering revenue is forecast in year one to be ~\$292k to ~\$338k across Scenarios 1-3. Corporate box rental revenue across the same scenarios in year one are ~\$100k.

Forecast Assumptions

Catering Revenue

- Catering revenue is forecast based on a spend per head of attendance of \$6.20. This is based on the total 2022/2023 catering revenue received divided by the estimated number of attendees across all events during the period.
- Catering revenue is expected to range from ~\$292k to ~\$338k across Scenarios 1–3 in year one and is nil in Scenario 4.

Corporate Box Rental

- Corporate box revenue is split into long term and short term hire based on historic requirements.
- It is forecast that seven long term corporate boxes will be hired at a cost of \$10,000 per annum.
- It is estimated that 14 other/casual corporate boxes will be sold per year at a cost of \$2,120 per event.
- Corporate box rental revenue is expected to generate ~\$100k across Scenarios 1–3 in year one and is nil in Scenario 4.

Revenue Share Agreement – Scenario 3

- Under Scenario 3, it is assumed that Bay Venues Limited and a Speedway entity have entered into a revenue sharing agreement and will share 50% of the revenue they generate with the other party. All revenues presented opposite are gross of the revenue sharing agreement amounts, with BVL's revenue share allocation to Speedway recognised as an expense.
- Scenario 3 revenue therefore reflects the expected revenue to be received for ticket sales relating to Speedway only events.

Revenue Year 1

NZ000's	Ref	Scenario 1	Scenario 2	Scenario 3	Scenario 4
<i>Attendance</i>					
Speedway Events Attendance	2	2,500	2,500	2,500	-
No. Speedway Events	2	15	14	14	-
Total Speedway Attendance		37,500	35,000	35,000	-
Other Events Attendance	2	5,000	5,000	5,000	-
No. Other Events	2	2	4	4	-
Total Other Events Attendance		10,000	20,000	20,000	-
<i>Venue Hire</i>					
Venue Hire - Speedway	1	165	165	-	-
Venue Hire - Other	1	48	75	75	-
Total Venue Hire Revenue		213	240	75	-
<i>Catering Revenue</i>					
Event Attendees	2	48	55	55	-
Spend per Head	1	6	6	6	-
Total Catering Revenue		292	338	338	-
<i>Corporate Box Revenue</i>					
Corporate Box Rental - Long Term	1	70	70	70	-
Corporate Box Rental - Casual	1	30	30	30	-
Total Corporate Box Revenue		100	100	100	-
<i>Revenue Share Agreement (Ticket Revenue)</i>					
Average Scanned Ticket Price	5	-	-	21	-
Speedway Attendees	2	-	-	35	-
Revenue Share %	2	-	-	50%	-
Total Revenue Share Agreement		-	-	363	-
<i>Other Revenue</i>					
Lease Revenue	2	-	-	-	87
Naming Rights	1	67	67	67	-
Stadium Lounge Rental	1	54	54	54	-
Commercial Kitchen Lease	1	20	20	20	-
Total Revenue		746	818	1,017	87

Source: 1- Bay Venues Limited; 2 - Deloitte Limited; 5 - Speedway Racing Limited; Deloitte Analysis

- Speedway ticket revenue is forecast based on an annual attendance of 35,000 people at an average ticket price of ~\$21 per person. Speedway ticket revenue is forecast to be \$726k in year one. Given the shared revenue agreement, the estimated amount to be realised by Bay Venues Limited is ~\$363k.

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Revenue from lease agreements is exclusive to Scenario 4 and is its' sole income stream estimated to be ~\$87k in year one.

Forecast Assumptions

Lease Agreement

- Scenario 4 considers an operating model whereby Speedway lease the land of the Stadium and the Main Stand from Bay Venues Limited however purchase the North Stand.
- Public information on lease revenues for other Stadiums across New Zealand and Australia is limited due to most public stadiums owned and operated by local governments and individual stadium performance is not reported. We have been informed of instances within the Speedway domain whereby operators pay their local council an amount based on a percentage of revenue received by the operator.
- We have estimated an annual lease cost of ~\$87k in Scenario 4 based on 7% of the total gross revenue generated by activities at the Stadium for the purposes of this financial model. We highlight the lease term and amount would need to be negotiated and agreed by both parties and the amount estimated is indicative only.

Other Revenue

- Incorporated within the Model is ~\$67k per year of naming rights revenue. This is a proportion of Mercury's naming rights revenue paid for the entire Baypark Arena.
- Using historic data from FY23 and the year to date, we have estimated Stadium Lounge rental income at ~\$54k in year one.
- Bay Venues Limited currently leases out several of their kitchens for commercial purposes at ~\$20k per annum. This is expected to continue under Scenarios 1-3.
- No revenue has been incorporated in the model for BVL's use of the corporate boxes as offices as any revenue recognised is expected to be offset by a corresponding overhead expense allocation.

Revenue Year 1

NZ000's	Ref	Scenario 1	Scenario 2	Scenario 3	Scenario 4
<i>Attendance</i>					
Speedway Events Attendance	2	2,500	2,500	2,500	-
No. Speedway Events	2	15	14	14	-
Total Speedway Attendance		37,500	35,000	35,000	-
Other Events Attendance	2	5,000	5,000	5,000	-
No. Other Events	2	2	4	4	-
Total Other Events Attendance		10,000	20,000	20,000	-
<i>Venue Hire</i>					
Venue Hire - Speedway	1	165	165	-	-
Venue Hire - Other	1	48	75	75	-
Total Venue Hire Revenue		213	240	75	-
<i>Catering Revenue</i>					
Event Attendees	2	48	55	55	-
Spend per Head	1	6	6	6	-
Total Catering Revenue		292	338	338	-
<i>Corporate Box Revenue</i>					
Corporate Box Rental - Long Term	1	70	70	70	-
Corporate Box Rental - Casual	1	30	30	30	-
Total Corporate Box Revenue		100	100	100	-
<i>Revenue Share Agreement (Ticket Revenue)</i>					
Average Scanned Ticket Price	5	-	-	21	-
Speedway Attendees	2	-	-	35	-
Revenue Share %	2	-	-	50%	-
Total Revenue Share Agreement		-	-	363	-
<i>Other Revenue</i>					
Lease Revenue	2	-	-	-	87
Naming Rights	1	67	67	67	-
Stadium Lounge Rental	1	54	54	54	-
Commercial Kitchen Lease	1	20	20	20	-
Total Revenue		746	818	1,017	87

Source: 1- Bay Venues Limited; 2 - Deloitte Limited; 5 - Speedway Racing Limited; Deloitte Analysis

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Total operating expenditure is estimated to range from ~\$854k to ~\$997k per annum in year one across Scenarios 1-3. This primarily comprises of catering cost of sales, repairs and maintenance costs and BVL overhead allocations.

Forecast Assumptions

Operating Expenditure

- The primary costs of Baypark Speedway Stadium are catering cost of sales (\$250k to \$289k), repairs and maintenance costs (\$110k) and BVL overhead allocations (\$164k to \$176k). Total operating expenditure is estimated to range from \$854k to \$997k in year one across Scenarios 1–3.
- Operating expenses are forecast to only increase by inflation each year unless otherwise stated.
- No operating expenses are anticipated under Scenario 4.

Catering Cost of Sales

- A cost of sale assumption of 85% has been applied to forecast catering revenue based on the achieved margin of the 2022/2023 financial year.

Staffing

- It is estimated the following BVL staff will be required in running the operations of the Stadium. We have not applied a loading factor to account for ACC and superannuation costs as we have assumed this cost is a recharge to Bay Venues Limited and not the recognition of the wages themselves.
 - Event Coordinator: 20 hours per event, paid ~\$35 per hour
 - Operations Staff: 80 hours per event, paid ~\$32 per hour
 - Business Development: 12 hours per event, paid ~\$33 per hour
 - Asset Manager: 12 hours per event, paid ~\$34 per hour
 - Indirect Staff Costs (Management Overhead): 12 hours per event, paid ~\$59 per hour.
- Staffing expenditure is expected to range from ~\$81k to ~\$86k across the Scenarios in year one.

Operating Expenditure Year 1

NZ000's	Ref	Scenario 1	Scenario 2	Scenario 3	Scenario 4
<i>Catering Cost of Sales</i>					
Catering Revenue		292	338	338	-
Catering Cost of Sales	1	85%	85%	85%	-
Total Catering Cost of Sales		250	289	289	-
<i>Net Catering Income</i>		42	49	49	-
<i>Staff</i>					
Event Co-ordinator	1	12	12	12	-
Operations Staff	1	44	46	46	-
Business Development	1	7	7	7	-
Asset Manager	1	7	7	7	-
Indirect Staff Costs (Mgmt)	1	12	13	13	-
Total Staff Costs		81	86	86	-
<i>Other Expenses</i>					
Revenue Share Paid	2	-	-	143	-
Cleaning	1	45	54	54	-
Electricity	1 ADJ	106	53	53	-
Repairs & Maintenance	1	110	110	110	-
Storage	1	30	30	30	-
Water	1	25	25	25	-
Stadium Lounge Event Expenditure	1	43	43	43	-
BVL Overhead Allocation	1 ADJ	176	164	164	-
Total Operating Expenditure		867	854	997	-

Source: 1- Bay Venues Limited; 2 - Deloitte Limited; Deloitte Analysis

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50% of the revenue generated from catering and corporate box hiring at Speedway Events is recognised as 'revenue share paid' expense under Scenario 3.

Forecast Assumptions

Revenue Share Paid

- As outlined earlier, there is a revenue sharing agreement under Scenario 3. The revenue share paid line indicates the amount Bay Venues Limited will transfer to Speedway under this agreement (~\$143k in year one). This amount is calculated based on 50% of revenue from the following sources:
 - Catering from Speedway Events
 - Corporate boxes hired for Speedway Events

Cleaning

- Cleaning costs are estimated at \$3k per event which equates to ~\$45k to ~\$54k across the Scenarios in year one.

Electricity

- Bay Venues Limited have estimated electricity expenses at 20% of the total Baypark area's electricity costs, providing an estimate of \$106k under Scenario 1. Actual electricity expenses for the Stadium are not obtainable as the full Baypark area is billed as one.
- Under Scenario 2 and 3, we have applied 50% of the estimation of electricity costs by Bay Venues Limited in Scenario 1. This is due to publicly available information relating to Speedway events which appear to be ~\$10k per annum. However, the venues used for those speedway events do not appear to have the infrastructure Baypark Speedway Stadium has. Therefore, we have taken 50% of the Bay Venues Limited approximation as an estimation.

Operating Expenditure Year 1

NZ000's	Ref	Scenario 1	Scenario 2	Scenario 3	Scenario 4
<i>Catering Cost of Sales</i>					
Catering Revenue		292	338	338	-
Catering Cost of Sales	1	85%	85%	85%	-
Total Catering Cost of Sales		250	289	289	-
<i>Net Catering Income</i>		42	49	49	-
<i>Staff</i>					
Event Co-ordinator	1	12	12	12	-
Operations Staff	1	44	46	46	-
Business Development	1	7	7	7	-
Asset Manager	1	7	7	7	-
Indirect Staff Costs (Mgmt)	1	12	13	13	-
Total Staff Costs		81	86	86	-
<i>Other Expenses</i>					
Revenue Share Paid	2	-	-	143	-
Cleaning	1	45	54	54	-
Electricity	1 ADJ	106	53	53	-
Repairs & Maintenance	1	110	110	110	-
Storage	1	30	30	30	-
Water	1	25	25	25	-
Stadium Lounge Event Expenditure	1	43	43	43	-
BVL Overhead Allocation	1 ADJ	176	164	164	-
Total Operating Expenditure		867	854	997	-

Source: 1- Bay Venues Limited; 2 - Deloitte Limited; Deloitte Analysis

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The Model incorporates an overhead allocation for costs incurred by Bay Venues Limited with the allocation ranging from ~\$164k - ~\$176k across Scenarios 1 – 3.

Forecast Assumptions

Repairs and Maintenance

- Repairs and maintenance is comprised of Baypark's general allowance and a further allowance based on a report from Prendos. Repairs and maintenance is expected to be ~\$110k in year one.

Other Expenses

- Incorporated within the Model are other expenses for storage, water, stadium lounge event expenditure and an overhead allocation from Bay Venues Limited.
- Storage and water expenses are estimated at ~\$30k and ~\$25k per annum in year one across Scenarios 1–3.
- Stadium lounge expenditure incorporates all expenditure incurred by BVL for the events held in the lounge such as cleaning, staff costs and overhead expenses. BVL have estimated this cost at 80% of the venue revenue generated.
- The Model also incorporates an overhead allocation for costs incurred by Bay Venues Limited. The overhead allocation includes expenses for governance and management, corporate overheads (insurances etc), information technology, finance management and marketing. The total overhead allocation is expected to be ~\$176k in year one for Scenarios 1. We have reduced the overhead allocation under Scenarios 2 and 3 by the amount of indirect staff costs as management attendances to the Stadium appear high.

Operating Expenditure Year 1

NZ000's	Ref	Scenario 1	Scenario 2	Scenario 3	Scenario 4
<i>Catering Cost of Sales</i>					
Catering Revenue		292	338	338	-
Catering Cost of Sales	1	85%	85%	85%	-
Total Catering Cost of Sales		250	289	289	-
<i>Net Catering Income</i>		42	49	49	-
<i>Staff</i>					
Event Co-ordinator	1	12	12	12	-
Operations Staff	1	44	46	46	-
Business Development	1	7	7	7	-
Asset Manager	1	7	7	7	-
Indirect Staff Costs (Mgmt)	1	12	13	13	-
Total Staff Costs		81	86	86	-
<i>Other Expenses</i>					
Revenue Share Paid	2	-	-	143	-
Cleaning	1	45	54	54	-
Electricity	1 ADJ	106	53	53	-
Repairs & Maintenance	1	110	110	110	-
Storage	1	30	30	30	-
Water	1	25	25	25	-
Stadium Lounge Event Expenditure	1	43	43	43	-
BVL Overhead Allocation	1 ADJ	176	164	164	-
Total Operating Expenditure		867	854	997	-

Source: 1- Bay Venues Limited; 2 - Deloitte Limited; Deloitte Analysis

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There is significant deferred maintenance needed to maintain the Stadium in an acceptable condition as no renewals have been conducted on the Stadium since its purchase in 2007.

Forecast Assumptions

Capital Expenditure

- Capital expenditure has been split into six categories being lighting, stadium seating upgrades, earthquake strengthening works, stadium functionality works, ongoing renewals for the Main Stand and ongoing renewals for the North Stand. Our analysis represents the capital expenditure requirements for a 5,000-seat stadium and undertaking Option 3 of the stadium functionality works.
- The Stadium requires ongoing maintenance and renewal to ensure that it remains safe and compliant with all relevant standards. When taking over ownership of the Stadium in 2007 Tauranga City Council chose not to depreciate the Stadium and as a result there has been no renewals funding available for the building and wider site (excluding the indoor arena). There is now significant deferred maintenance that is needed to maintain the facility in an acceptable condition which is captured in the capital expenditure categories mentioned above.
- We highlight that under Scenario 4 it is assumed that the North Stand is sold to Speedway per their request. We have estimated an anticipated nominal sale cost of nil due to the significant level of earthquake strengthening and renewals work required for the stand to be functional. Any sale proceeds from the sale would have a positive impact on the cumulative cash flow position of the Stadium.

Lighting

- An allowance of \$1.54m has been incorporated into the Model to allow for a upgrade of the lighting at the Stadium. This amount is the value of the accepted tender per Bay Venues Limited. This value is expected to be incurred regardless of the scenario undertaken.

Baypark Speedway Stadium Scenario Comparison - ~16 Year Analysis

NZ000s	Ref	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Scenario Description:	Long Term Plan	Modified LTP	Shared Revenue Model	Divested North Stand with	
Stadium Seating Capacity	5,000	5,000	5,000	5,000	
Stadium Functionality Option	n/a	Option 3	Option 3	Option 3	
Capital Expenditure Required					
<i>Capital Expenditure</i>					
Lighting	1	1,540	1,540	1,540	1,540
Stadium Seating	1 ADJ	-	1,770	1,770	850
Earthquake Strengthening	3	-	2,908	2,908	757
Stadium Functionality Works	4	-	6,485	6,485	6,485
Stadium Renewals - Main Stand	1 ADJ	24,363	16,985	16,985	16,985
Stadium Renewals - North Stand	1	2,108	2,108	2,108	-
Capital Expenditure Requirement		(28,010)	(31,796)	(31,796)	(26,617)
<i>Speedway Contributions</i>					
North Stand Purchase	2	-	-	-	-
Speedway Contributions		-	-	-	-
Net Capital Expenditure Requirement		(28,010)	(31,796)	(31,796)	(26,617)

Source: 1 - Bay Venues Limited; 2 - Deloitte Limited; 3 - Beca Group Limited; 4 - Consultancy Stellar; Deloitte Analysis

Stadium Seating

- An allowance of \$6m had been incorporated in the LTP over years two, three and four to allow for a refresh of the seating at the Stadium. This has been based on estimates provided by Bay Venues Limited. We have pro-rated the stadium seating cost for Scenarios 1 – 3 based on a seating capacity of 5,000 as compared to the 18,000 seats that the \$6m estimate was provided for.
- Under Scenario 4, BVL is only expected to retain the Main Stand which has seating for approximately 2,400. We have pro-rated the stadium seating costing for this level of seating under this scenario.

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We note no earthquake strengthening costs have been allowed for in the Long-Term Plan but current estimates value the earthquake strengthening cost at ~\$2.8m - ~\$9.1m (FY24 real dollar terms) depending on Stadium capacity requirements.

Forecast Assumptions

Earthquake Strengthening

- Beca Limited (Beca) has undertaken a detailed seismic assessment on the buildings of Baypark Speedway Stadium. In summary, the draft findings are that Main Stand 1 and the North Stand are rated at 20% of New Building Standard (NBS) and Main Stand 2 is rated at 35% of NBS.
- It is a requirement for council buildings to be rated, at minimum, 35% of NBS therefore capital works are going to be required on Main Stand 1 and the North Stand to bring it up to standard. Once Beca has finalised their report TCC will have twenty-five years to complete the required upgrades. We have assumed for the Model that the earthquake strengthening work will be completed in years 2 and 3 of the forecast period for health and safety reasons.
- The table to the right (bottom) presents Beca's capital cost estimates, in FY24 real dollar terms, based on different stadium capacity requirements for the earthquake strengthening work to bring all buildings up to 35% of NBS. For the purposes of the Model we have assumed the 'mean assessments' as the expected cost of the earthquake strengthening work but have inflated these to incur in years 2 and 3 of the model. We highlight that Beca have provided an approximate split of the earthquake strengthening cost between the Main Stand and the North Stand is 8% and 92%, respectively.
- We note no earthquake strengthening costs have been allowed for in the Long-Term Plan for Baypark Speedway Stadium.

Baypark Speedway Stadium Scenario Comparison - ~16 Year Analysis

NZ000s	Ref	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Scenario Description:	Long Term Plan	Modified LTP	Shared Revenue Model	Divested North Stand with	
Stadium Seating Capacity	5,000	5,000	5,000	5,000	
Stadium Functionality Option	n/a	Option 3	Option 3	Option 3	
Capital Expenditure Required					
<i>Capital Expenditure</i>					
Lighting	1	1,540	1,540	1,540	1,540
Stadium Seating	1 ADJ	-	1,770	1,770	850
Earthquake Strengthening	3	-	2,908	2,908	757
Stadium Functionality Works	4	-	6,485	6,485	6,485
Stadium Renewals - Main Stand	1 ADJ	24,363	16,985	16,985	16,985
Stadium Renewals - North Stand	1	2,108	2,108	2,108	-
Capital Expenditure Requirement		(28,010)	(31,796)	(31,796)	(26,617)
<i>Speedway Contributions</i>					
North Stand Purchase	2	-	-	-	-
Speedway Contributions		-	-	-	-
Net Capital Expenditure Requirement		(28,010)	(31,796)	(31,796)	(26,617)

Source: 1 - Bay Venues Limited; 2 - Deloitte Limited; 3 - Beca Group Limited; 4 - Consultancy Stellar; Deloitte Analysis

Earthquake Strengthening (Uninflated)

NZ000's	5000 Seats	11500 Seats	All Seats
Physical Works (Construction)			5,926
Project/Non-Construction Costs			917
Total Base Estimate (Lower Bound Range)	2,100	4,350	6,843
Assessed Risk / Contingency			2,207
Total Expected Estimate (Mean Assessment)	2,780	5,750	9,050
Funding Risk			4,525
Total Project Estimate (Upper Bound Range)	4,170	8,630	13,575

Source: Beca Limited

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Total renewals are estimated at ~\$19.1m over the 16-year period which encompasses the deferred renewals expenditure not completed since the Stadium's construction.

Forecast Assumptions

Renewals

- Our modelling considers annual renewals for the Main Stand ranging between ~\$351k and ~\$2.9m per year. There is a high level of renewals factored in the early years (years 1 to 4) of the Model due to no renewals and maintenance being undertaken on the Stadium since its acquisition in 2007. The renewal figures have been calculated based on BVL's renewal cost within the long-term plan for years 1-10 and then Prendos' maintenance schedule for years 11-15. Adjustments to BVL's renewals cost as submitted for TCC's long term plan has been made for items that may not specifically relate to the Stadium.
- Our model incorporates annual renewals of \$2.1m for the North Stand which are for renewals as provided by BVL covering insulation for the roofing and other general items such as kitchens, toilets and painting.
- Total renewals are therefore estimated at \$19.1m over the ~16-year period.
- Due to the quantum of the renewals figure we have cross checked this against other industry norms for modelling and note our estimate falls within the range of two commonly applied measurements:
 - The first measurement norm applied indicates that renewal costs equate to approximately 1% of the Stadium cost per year. Adopting a \$36.6m cost (replacement value from the most recent accounting valuation) would indicate an annual expense of \$366k per year. Due to no renewals completed to date we anticipate costs of 39 years' worth of renewals will be required to the end of the Model period. Once inflated, we estimate the total renewals cost under this metric to be ~\$16.85m (\$2.2m less than our adopted estimate).

Baypark Speedway Stadium Scenario Comparison - ~16 Year Analysis

NZ000s	Ref	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Scenario Description:	Long Term Plan	Modified LTP	Shared Revenue Model	Divested North Stand with	
Stadium Seating Capacity	5,000	5,000	5,000	5,000	
Stadium Functionality Option	n/a	Option 3	Option 3	Option 3	
Capital Expenditure Required					
<i>Capital Expenditure</i>					
Lighting	1	1,540	1,540	1,540	1,540
Stadium Seating	1 ADJ	-	1,770	1,770	850
Earthquake Strengthening	3	-	2,908	2,908	757
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Stadium Renewals - Main Stand	1 ADJ	24,363	16,985	16,985	16,985
Stadium Renewals - North Stand	1	2,108	2,108	2,108	-
Capital Expenditure Requirement		(28,010)	(31,796)	(31,796)	(26,617)
<i>Speedway Contributions</i>					
North Stand Purchase	2	-	-	-	-
Speedway Contributions		-	-	-	-
Net Capital Expenditure Requirement		(28,010)	(31,796)	(31,796)	(26,617)

Source: 1 - Bay Venues Limited; 2 - Deloitte Limited; 3 - Beca Group Limited; 4 - Consultancy Stellar; Deloitte Analysis

- The second measurement that is often used for modelling is to rate for depreciation as a proxy for renewals spend. A valuation undertaken ~18 months ago indicated the annual depreciation expense should be ~\$1.1m. Once inflated, we estimate the total renewals cost under this metric to be ~\$20.4m (\$1.3m more than our adopted estimate).
- We note that these two metrics are best used from the beginning of a capital project as an estimate and where capital expenditure for renewals will be completed on a regular basis. We understand that where expenditure is deferred for renewals that this can often cost more due to a greater level of repair required and annual escalation costs.

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The cost for capital works range from ~\$387k to ~\$6.5m depending on the option agreed by Tauranga City Council and Speedway.

Forecast Assumptions

Stadium Functionality Works

- TCC and BVL have adopted a Master Plan for the wider site that Baypark Speedway Stadium operates from to consider how to best use the space going forward. This includes netball moving onto the site in future years to operate alongside Baypark Arena and Baypark Speedway Stadium.
- As part of this work, BVL and Speedway representatives have taken the opportunity to table four options to consider potential functional layouts of the site to improve use of the space and Speedway's experience.
- The capital works cost estimate for the four options has been provided by Stellar Projects. The costs are estimated between ~\$387k to ~\$6.5m for TCC depending on the option undertaken. Speedway have indicated they would be willing to fund the existing vehicle chute infill, new vehicle chute and TV relocation costs within these capital plans (along with all P&G, fees and contingency associated) so these costs have been excluded from the capital numbers presented. We have also estimated that due to capital constraints for TCC that Speedway would initially contribute to the new pit area and workshop.
- We understand a portion of the LTP costs may be able to be reallocated from Master Plan to these works once the whole functional layout of the site is considered, in particular for Option 3 by relocating a currently proposed car park on the Master Plan. For conservatism, we have modelled these costs as requiring to be funded above current LTP costs.

Stadium Functionality Works – Option 1

- Option 1 of the functionality works leaves the operations of Speedway similar to current operations but due to the movement of car parking options, this option builds pedestrian walkway access around Speedway's pit area for entry into the Stadium.
- An allowance of ~\$387k has been allowed for in the Model for Option 1.

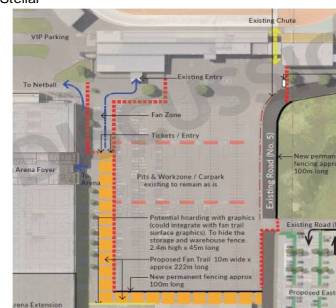
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Stadium Functionality Capital Works (Inflated to Occur in Years 2 & 3)

NZ000's	Option 1	Option 2a	Option 2b	Option 3
New Fan Trail	125	-	-	-
Temporary Hoarding	52	-	-	-
Permanent Fencing	34	-	-	-
Pedestrian Bridge	-	360	105	-
Existing Vehicle Chute Infill	Speedway Cost			
New Vehicle Chute	Speedway Cost			
Tickets Entry Area	-	51	75	158
TV Relocation	Speedway Cost			
Arena & Netball User Access	-	41	41	-
New Fan Zone Area	-	-	-	312
New Pits Area	-	-	-	3,258
New Workshop	Speedway Cost			
Sub-Total: Physical Works	211	453	222	3,729
Preliminaries & General	46	91	44	671
TM & Environmental Control	-	7	5	112
Sub-Total: Construction Costs	258	550	271	4,512
Professional Fees	52	110	54	677
Sub-Total (Excl Contingency)	309	660	325	5,188
Contingency (@25%)	77	165	81	1,297
Total	387	825	406	6,485
Cost Allocation				
Bay Venues Limited	387	825	406	6,485
Speedway	-	710	713	3,650

Source: Consultancy Stellar

Option 1



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The cost for capital works range from ~\$387k to ~\$6.5m depending on the option agreed by Tauranga City Council and Speedway.

Forecast Assumptions

Stadium Functionality Works – Option 2a

- Option 2a of the functionality works utilises more space on the eastern edge of the Stadium to reduce the current area used by Speedway for their pits. This increases the level of parking for patrons for all events at the site. This option incorporates a new vehicle chute (which is in a better located for Speedway operations) however due to the expected location of the pits, the plans require a pedestrian bridge over the path of the race cars from the chute to the new pits so pedestrians can access the Stadium.
- An allowance of ~\$825k has been allowed for in the Model for Option 2.

Stadium Functionality Works – Option 2b

- Option 2b considers the same functionality of Option 2a however reduces the cost by using containers as a temporary but functional alternative to the permanent bridge costed under Scenario 2a.
- An allowance of ~\$406k has been allowed for in the Model for Option 2b.

Stadium Functionality Works – Option 3

- Option 3 of the functionality works considers moving speedway operations to the eastern side of the Stadium to ground currently unutilised. This would open up all of the current carparking area at Baypark utilised for Speedway pits to be usable for event patrons at netball, Baypark Arena or Baypark Speedway Stadium.
- An allowance of ~\$6.5m has been allowed for in the Model for Option 3 with the majority of the cost required to prepare the new pit area to be suitable for use (~\$3.3m prior to P&G, professional fees or contingencies). We note that a significant contribution is required from Speedway for this option as the total cost for the development is \$10.1m.

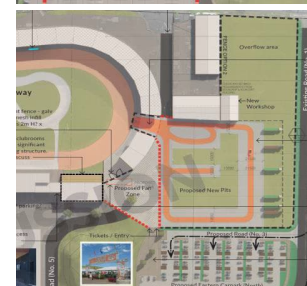
Option 2a



Option 2b



Option 3



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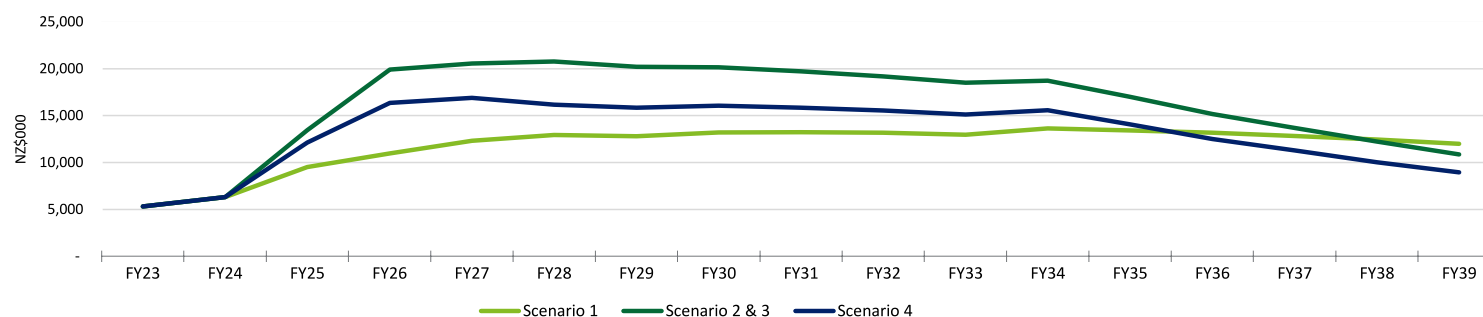
Financial Review | Debt Funding

Due to the size of the capital expenditure required, we have assumed that BVL and TCC may have to fund some of the capital expenditure for the Stadium via debt funding. All debt is assumed to be payable over a 30-year term at an interest rate of 5%.

Forecast Assumptions

- Due to the size of the capital expenditure required, we assume that BVL and TCC may have to fund some of the capital expenditure for the Stadium via debt funding.
- We have assumed for the Model that the difference between the level of depreciation (which is used by TCC as the proxy for renewals funding) and the level of capital expenditure required for each year will be funded by debt. Where the level of depreciation is greater than the level of capital expenditure required, we have assumed these excess funds would be used to reduce the debt balance.
- All debt is assumed to be payable over a 30-year term at an interest rate of 5%, being BVL's current interest rate.
- An initial debt level of ~\$5.3m is assumed in the Model based on an estimated loan balance from the initial purchase of the Stadium.
- The chart below illustrates the estimated debt balances under the four scenarios under the 5,000 seat stadium capacity and undertaking Option 3 of the stadium functionality works.

Estimated Debt Balance (5,000 Seats and Option 3 of Stadium Functionality Works)



Source: Deloitte Analysis

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Financial Review | Financial Evaluation

None of the scenarios contribute sufficient profit to cover debt and interest repayments nor a satisfactory contribution towards depreciation to fund renewals over time.

Financial Summary

- None of the scenarios contribute sufficient profit to fund renewals over time nor cover debt and interest repayments. Based on our analysis, the Stadium is approximately breakeven at the EBITDA level across the scenarios with small losses anticipated under Scenarios 1 and 2 and small profits under Scenarios 3 and 4.
- Capital expenditure requirements are the main driver for the negative cumulative cash flows of all scenarios and the resulting net present value.
- Further consideration will be required by TCC and BVL to evaluate the level of capital expenditure required as it is expected to have a direct impact on the cost to ratepayers. Our modelling opposite is based on a 5,000-seat stadium and undertaking Option 3 for the Stadium functionality works. Should different capital requirements be undertaken this would directly impact the costs to ratepayers which we have considered in our sensitivity analysis.
- The lowest cost option to TCC and ratepayers is Scenario 4 however TCC will need to consider the qualitative factors that accompany this scenario to assess the appropriateness of adopting this operating model.
- Between all of the scenarios there is:
 - Total annual cost (GST exc.) for ratepayers of ~\$2.1m - ~\$2.6m;
 - Impact to rates +/-~0.16%;
 - Net Present Value +/- ~\$6.1m over the 16 year modelled period.
- Detailed financial projections are provided within the Appendices.

Baypark Speedway Stadium Scenario Comparison - ~16 Year Analysis

NZ000s	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Scenario Description:	Long Term Plan	Modified LTP	Shared Revenue Model	Divested North Stand with Lease
Stadium Seating Capacity	5,000	5,000	5,000	5,000
Stadium Functionality Option	n/a	Option 3	Option 3	Option 3
Capital Expenditure Required				
Capital Expenditure				
Lighting	1,540	1,540	1,540	1,540
Stadium Seating	-	1,770	1,770	850
Earthquake Strengthening	-	2,908	2,908	757
Stadium Functionality Works	-	6,485	6,485	6,485
Stadium Renewals - Main Stand	24,363	16,985	16,985	16,985
Stadium Renewals - North Stand	2,108	2,108	2,108	-
Capital Expenditure Requirement	(28,010)	(31,796)	(31,796)	(26,617)
Speedway Contributions				
North Stand Purchase	-	-	-	-
Speedway Contributions	-	-	-	-
Net Capital Expenditure Requirement	(28,010)	(31,796)	(31,796)	(26,617)
Statement of Financial Performance				
Revenue (Year One)	746	818	1,017	87
Expenditure (Year One)	867	854	997	-
EBITDA (Year One)	(121)	(36)	20	87
Project Metrics				
Cumulative Free Cash Flow	(30,512)	(32,468)	(31,415)	(24,978)
Net Present Value	(21,938)	(26,235)	(25,519)	(20,125)
Cost to Ratepayers				
Total Cost to Ratepayers	33,971	40,943	39,890	32,886
Cost to Ratepayers (Avg p.a. GST exclusive)	2,123	2,559	2,493	2,055
Rates (TCC 2025 LTP)	325,000	325,000	325,000	325,000
% of Current Rates	0.65%	0.79%	0.77%	0.63%

Source: 1 - Bay Venues Limited; 2 - Deloitte Limited; 3 - Beca Group Limited; 4 - Consultancy Stellar; Deloitte Analysis

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The average annual cost to ratepayers of operating the Stadium and maintaining the North Stand is estimated at ~\$424k - ~\$1.1m.

Marginal Cost Analysis – Main Stand Differential

- We understand that the Main Stand of the Stadium has potential benefits for the site beyond Speedway use, whether this is due to other facilities within the Main Stand or the versatility of the Main Stand for other potential future community uses that might occur at the Baypark site.
- We have therefore analysed the cost to ratepayers excluding the Main Stand costs (i.e. the cost of Speedway operating at the site inclusive of the Stadium functionality works undertaken to benefit Speedway).
- We estimate the following costs as the costs of operating the Stadium (inclusive of a 5,000 total seating capacity):
 - Lighting upgrade;
 - North Stand seating;
 - North Stand earthquake strengthening costs;
 - The new eastern car park / pit lane;
 - North Stand renewals;
 - Depreciation funding available post FY39;
 - EBITDA performance over the period; and
 - The debt cost associated with the capital expenditure.
- In total the average annual cost to ratepayers of operating the Stadium and maintaining the North Stand is estimated at ~\$424k - ~\$1.1m p.a.
- The shared revenue model or lease model (scenario 3 & 4) are the likely operational scenarios going forward, there is a ~\$458k annual cost differential between these two scenarios for operating the Stadium and maintaining the North Stand.

Cost to Rate Payers (Main Stand Capex Exclusive)

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Scenario Description:	Long Term Plan	Modified LTP	Shared Revenue Model	Divested North Stand with Lease
Stadium Seating Capacity	5,000	5,000	5,000	5,000
Stadium Functionality Option	n/a	Option 3	Option 3	Option 3
Cost to Rate Payers (per Financial Summary)	33,971	40,943	39,890	32,886
<i>Main Stand Costs</i>				
Stadium Seating Allocation		850	850	850
Earthquake Costs		757	757	757
Renewals	24,363	16,985	16,985	16,985
Depreciation Funding Available Beyond FY39	(11,853)	(8,780)	(8,780)	(8,011)
Apportioned Debt Cost	14,670	13,892	13,892	13,455
Main Stand Capital Cost	27,180	23,704	23,704	24,035
Cost to Rate Payers (Exc Main Stand Capex)	6,791	17,238	16,185	8,851
<i>Cost to Rate Payer Elements</i>				
Lighting	1,540	1,540	1,540	1,540
North Stand Seating (2,600 Seats)	-	921	921	-
Earthquake Costs (North Stand Only)	-	2,150	2,150	-
Stadium Functionality Works	-	6,485	6,485	6,485
Stadium Renewals - North Stand	2,108	2,108	2,108	-
Depreciation Funding Available Beyond FY39	(2,698)	(5,773)	(5,773)	(3,627)
EBITDA Performance	2,502	672	(381)	(1,639)
Apportioned Debt Cost	3,340	9,135	9,135	6,092
Total	6,791	17,238	16,185	8,851
Cost to Ratepayers				
Total Cost to Ratepayers	6,791	17,238	16,185	8,851
Cost to Ratepayers (Avg p.a. GST exclusive)	424	1,077	1,012	553
Rates (TCC 2025 LTP)	325,000	325,000	325,000	325,000
% of Current Rates	0.13%	0.33%	0.31%	0.17%

Source: Deloitte Analysis

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We estimate the total cost to Speedway to be ~\$3.7m - ~\$4.8m prior to any earthquake strengthening works or renewals for the North Stand.

Cost to Speedway

- Due to the highly inter-related operations of BVL and Speedway we have analysed the likely financial impacts to Speedway of the scenarios and capital works undertaken.
- As mentioned in the capital expenditure section, under Scenario 4 it is assumed that the North Stand is sold to Speedway per their request. We have estimated an anticipated nominal sale cost of nil due to the significant level of earthquake strengthening and renewals work required for the stand to be functional. We note that we have not included any capital expenditure for earthquake strengthening or renewals as the level of works undertaken are subject to Speedway's discretion under Scenario 4.
- Speedway have indicated they would be willing to fund a portion of the stadium functionality works including the existing vehicle chute infill, new vehicle chute and TV relocation costs within the capital cost estimate (along with all P&G, fees and contingency associated). We have also estimated that due to capital constraints for TCC that Speedway would initially contribute to the speedway specific services of the new pit area and the workshop for Option 3 of the stadium functionality works. We estimate the total cost to Speedway of the stadium functionality works options to range from \$710k - \$3.7m.
- The table to the bottom right analyses the potential operational (EBITDA) financial change for Speedway as a result of the potential operational scenarios. These are based on the costs currently incurred by BVL for the Stadium so the result may differ if Speedway can gain synergies by being involved in additional aspects of Speedway's operation at the Stadium.
- We estimate that under a 5,000-seat capacity stadium and undertaking the new pit area to the east of the Stadium that the total cost to Speedway to be ~\$3.7m - ~\$4.8m prior to any earthquake strengthening works or renewals for the North Stand.

Baypark Speedway Stadium Scenario Comparison - ~16 Year Analysis

NZ000's	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Scenario Description:	Long Term Plan	Modified LTP	Shared Revenue Model	Divested North Stand with Lease
Stadium Seating Capacity	5,000	5,000	5,000	5,000
Stadium Functionality Option	n/a	Option 3	Option 3	Option 3
Cost to Speedway				
North Stand Purchase	-	-	-	-
Stadium Functionality Works Contribution	-	(3,650)	(3,650)	(3,650)
Additional Operational Funding Requirement	-	-	(836)	(1,148)
Total Cost to Speedway	-	(3,650)	(4,487)	(4,798)

Source: 1 - Bay Venues Limited; 2 - Deloitte Limited; 3 - Beca Group Limited; 4 - Consultancy Stellar; Deloitte Analysis

Stadium Functionality Capital Works

NZ000's	Option 1	Option 2a	Option 2b	Option 3
Cost Allocation				
Bay Venues Limited	387	825	406	6,485
Speedway	-	710	713	3,650

Source: Consultancy Stellar; Deloitte Analysis

Incremental Operational Change for Speedway

NZ000's	Scenario 1	Scenario 2	Scenario 3	Scenario 4
<i>Changes in Revenue</i>				
Ticket Revenue Forgone	-	-	(363)	-
Revenue Share	-	-	143	-
Venue Hire - Other Events	-	-	-	75
Catering Revenue	-	-	-	338
Corporate Box Revenue	-	-	-	100
Stadium Lounge Rental Revenue	-	-	-	54
Kitchen Lease	-	-	-	20
Total Increase/(Decrease) in Revenue	-	-	(221)	587
<i>Changes in Operating Expenses</i>				
Venue Hire Cost	-	-	165	165
Catering COGS	-	-	-	(289)
Lease Expense	-	-	-	(87)
Stadium Lounge Expenses	-	-	-	(43)
Operating Expenses	-	-	-	(409)
Total Decrease/(Increase) in Operating Expenses	-	-	165	(663)
Total Change in EBITDA	-	-	(56)	(77)

Source: Deloitte Analysis

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Baypark Speedway Stadium's EBITDA is sensitive to variability in Speedway and other event attendees. Under Scenarios 1 and 2 we do not anticipate that it will have a material effect on the Stadium's cumulative cashflows however it does have a material impact under Scenario 3.

Sensitivity Analysis

- To assess the potential impact of changes in key variables, sensitivity analysis has been conducted to evaluate the effect on EBITDA given potential changes to revenue.
- The revenue sensitivity analysis considers the effects of a decrease and increase in event attendees for Speedway and non-Speedway events. We have performed the sensitivity analysis based on a range of potential average attendance levels. The following sensitivity is noted.
 - A 500 person increase/decrease in Speedway attendance is projected to result in a +/-~\$6k impact on the EBITDA generated in year one in Scenarios 1 & 2 and a +/-~\$57k impact on the EBITDA generated in year one of Scenario 3.
 - A 1,000 person increase/decrease in other event attendance is projected to result in a +/-~\$4k impact on the EBITDA generated in year one in the three scenarios.
- The financial performance of the Baypark Speedway Stadium is sensitive to variability in Speedway and other event attendees. Under scenarios 1 and 2 we do not anticipate that it will have a material effect on the Stadium's cumulative cashflows however it does have a material impact under Scenario 3.

EBITDA / Attendance Sensitivity Scenario 1

NZ000's	Speedway Attendance					
	1,000	2,000	2,500	3,250	5,000	
3,000	(145)	(131)	(124)	(114)	(91)	
4,000	(143)	(129)	(123)	(113)	(89)	
Other Event Attendance						
5,000	(141)	(128)	(121)	(111)	(87)	
7,500	(136)	(123)	(116)	(106)	(83)	
10,000	(132)	(119)	(112)	(102)	(78)	

Source: Deloitte Analysis

EBITDA / Attendance Sensitivity Scenario 2

NZ000's	Speedway Attendance					
	1,000	2,000	2,500	3,250	5,000	
3,000	(62)	(49)	(43)	(33)	(11)	
4,000	(58)	(45)	(39)	(30)	(8)	
Other Event Attendance						
5,000	(54)	(42)	(36)	(26)	(4)	
7,500	(45)	(33)	(27)	(17)	5	
10,000	(36)	(24)	(18)	(8)	14	

Source: Deloitte Analysis

EBITDA / Attendance Sensitivity Scenario 3

NZ000's	Speedway Attendance					
	1,000	2,000	2,500	3,250	5,000	
3,000	(159)	(44)	13	99	300	
4,000	(156)	(41)	17	103	304	
Other Event Attendance						
5,000	(152)	(37)	20	106	307	
7,500	(143)	(28)	29	115	316	
10,000	(134)	(19)	38	124	325	

Source: Deloitte Analysis

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Financial Review | Sensitivity Analysis

Baypark Speedway Stadium's cumulative cash flow and net present value is significantly influenced by the level of net capital expenditure incurred. Dependent on the capital works profile chosen by the stakeholders, net capital expenditure could range between ~\$20.5m - ~\$37.2m.

Sensitivity Analysis – Capital Expenditure

- To assess the potential impact of changes in key variables, sensitivity analysis has been conducted to evaluate the effect on net capital expenditure of stadium functionality options and stadium seating capacity.
- The first sensitivity analysis in relation to capital expenditure considers the effects of a decrease and increase in the level of capital expenditure required for the four stadium functionality options presented. No changes in capital expenditure occur under Scenario 1 as this work is not deemed to occur under this Scenario.
- For scenarios 2, 3 and 4 the following movements in total capital expenditure occur from a base case of Option 3 for the Stadium Functionality works (noting this is just the movement of only TCC/BVL's expected capital expenditure):
 - Option 1: ~\$6.1m;
 - Option 2a: ~\$5.7m;
 - Option 2b: ~\$6.1m.
- The second sensitivity analysis in relation to capital expenditure considers the effects of a decrease and increase in the level of capital expenditure required for the seating capacity of the Stadium. No changes in capital expenditure occur under Scenarios 1 and 4 as this work is not deemed to occur under Scenario 1 and Scenario 4 is unaffected as the North Stand is sold under that Scenario.
- For Scenarios 2 and 3, the following movement in total capital expenditure occur from a base case of a 5,000-seat stadium:
 - 11,500-seat stadium: ~\$5.4m. This amount can be broken down into a further ~\$2.3m for the stadium seating renewals and a further ~\$3.1m for the extra required earthquake strengthening work on the North Stand.

Capital Expenditure Sensitivity

NZ000's		Scenario			
		1	2	3	4
Stadium Functionality Option	1	(28,010)	(25,697)	(25,697)	(20,518)
	2a	(28,010)	(26,136)	(26,136)	(20,957)
	2b	(28,010)	(25,716)	(25,716)	(20,538)
	3	(28,010)	(31,796)	(31,796)	(26,617)

Source: Deloitte Analysis

Capital Expenditure Sensitivity

NZ000's		Scenario			
		1	2	3	4
Seating Capacity	5,000	(28,010)	(31,796)	(31,796)	(26,617)
	11,500	(28,010)	(37,204)	(37,204)	(26,617)

Source: Deloitte Analysis

A1: Detailed Financial Forecasts	A2: Bases of work
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A1: Bases of Work

A2: Detailed
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A3: Glossary



Appendices | A1: Bases of Work

Restrictions, Reliance & Disclaimer

This appendix should be read in conjunction with the transmittal letter at the front of this report.

Restrictions

- This report has been prepared for Tauranga City Council to assist Tauranga City Council in quantifying the expected annual net costs of Baypark Speedway Stadium to assist their decision making on the future operations of the Stadium. It is not to be reproduced or used for any other purpose without prior written permission. Deloitte do not assume any liability or responsibility for losses occasioned by Tauranga City Council, Bay Venues Limited or other parties as a result of the circulation, publication, reproduction or use of this report contrary to the provisions of this paragraph.
- Deloitte reserve the right to review all calculations included or referred to in this report should any relevant information existing at the date of this report become known.

Reliance on Information

- In preparing this assessment, Deloitte have relied upon and assumed, without independent verification, the accuracy and completeness of all information that is available from public sources and all information that has been provided to us. The information has been evaluated through analysis, enquiry and examination for the purposes of forming this assessment. Deloitte do not warrant that these enquiries have identified or revealed any matters which a more extensive examination might disclose.
- The report is dated 22 May 2024, and is based on information made available to us as at that date.

Disclaimer

- This report has been prepared with care and diligence and the statements and conclusions in the report are given in good faith and in the belief, on reasonable grounds, that such statements and conclusions are not false or misleading. However, in no way do we guarantee or otherwise warrant the achievability of any forecasts of future income, expense, cash flow or capital cost.

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- Forecasts are inherently uncertain. They are predictions of future events, which cannot be assured. They are based upon inputs, many of which are beyond the control of Tauranga City Council, Bay Venues Limited, their management and advisers. Actual results will vary from the forecasts and these variations may be significantly more or less favourable.
- Deloitte assume no responsibility arising in any way whatsoever for errors or omissions (including responsibility to any person for negligence) for the preparation of this assessment to the extent that such errors or omissions result from our reasonable reliance on information provided by others or inputs disclosed in the report or inputs reasonably taken as implicit.

Forecast Financial Information

- To the extent that the Report relates to any forecasts or projections (Forecasts) prepared by Bay Venues Limited, we do not provide any assurance on the reliability of the Forecasts or the underlying assumptions.
- Forecasts relate to the future, as a result they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the Forecasts. Accordingly, actual results are likely to be different from those forecast because events and circumstances frequently do not occur as expected, and those differences may be material.

Use Of and Reliance on the Report

- The Report may only be used and relied on by Tauranga City Council and its advisors for the purpose of assisting Tauranga City Council in quantifying the expected annual net costs of Baypark Speedway Stadium to assist their decision making on the future operations of the Stadium. The Report is confidential. No one other than Tauranga City Council is entitled to rely on the Report for any other purpose. We accept no duty of care or liability to any one else who is shown or gains access to, or uses or relies on, the Report.
- This analysis and report have been prepared for Tauranga City Council in accordance with our engagement letter dated 29 November 2023.

This written communication is solely for Tauranga City Council's benefit, and is not intended to be relied upon by any other person or entity.

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A1: Bases of Work

A2: Detailed
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A3: Glossary



Appendices | A2: Detailed Scenario Analysis

Baypark Speedway Stadium Scenario 1: Current Long-Term Plan

Baypark Stadium - Financial Review Model

NZ000's	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39
Profit & Loss																
Catering Revenue	292	307	319	329	339	349	359	370	381	393	404	416	429	442	455	469
Corporate Box Revenue	100	105	109	112	115	119	123	126	130	134	138	142	146	151	155	160
Stadium Lounge Rental	54	56	59	60	62	64	66	68	70	72	74	76	79	81	83	86
Venue Hire - Speedway Promoter	165	173	180	186	191	197	203	209	215	222	228	235	242	249	257	265
Venue Hire - Other Events	48	51	53	55	56	58	60	61	63	65	67	69	71	73	76	78
Naming Rights - Mercury	67	70	73	75	77	80	82	84	87	90	92	95	98	101	104	107
Commercial Kitchen Lease	20	21	22	22	23	24	25	25	26	27	28	28	29	30	31	32
Revenue Share Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stadium Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	746	783	814	839	864	890	917	944	972	1,002	1,032	1,063	1,094	1,127	1,161	1,196
Catering Cost of Goods Sold	250	262	273	281	289	298	307	316	326	336	346	356	367	378	389	401
Revenue Share Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salary & Wages	81	85	89	91	94	97	100	103	106	109	112	116	119	123	126	130
Cleaning	45	47	49	51	52	54	55	57	59	60	62	64	66	68	70	72
Electricity	106	111	116	119	123	126	130	134	138	142	146	151	155	160	165	170
Repairs & Maintenance	110	116	120	124	128	131	135	139	144	148	152	157	162	166	171	176
Other Expenses	275	288	300	309	318	328	337	348	358	369	380	391	403	415	427	440
Total Expenses	867	910	946	975	1,004	1,034	1,065	1,097	1,130	1,164	1,199	1,235	1,272	1,310	1,349	1,390
EBITDA	(121)	(127)	(132)	(136)	(140)	(144)	(148)	(153)	(158)	(162)	(167)	(172)	(177)	(183)	(188)	(194)
Depreciation	359	449	552	628	694	740	783	832	875	917	974	1,034	1,082	1,130	1,180	1,230
EBIT	(479)	(576)	(684)	(764)	(834)	(884)	(932)	(985)	(1,033)	(1,079)	(1,141)	(1,206)	(1,259)	(1,313)	(1,368)	(1,424)
Interest	325	489	564	633	666	662	683	686	684	675	711	702	690	676	659	639
NPAT	(805)	(1,065)	(1,248)	(1,396)	(1,500)	(1,545)	(1,615)	(1,671)	(1,717)	(1,754)	(1,852)	(1,908)	(1,949)	(1,989)	(2,027)	(2,063)
Free Cash Flow																
Operating Cash Flows																
Cash Receipts from Customers	746	783	814	839	864	890	917	944	972	1,002	1,032	1,063	1,094	1,127	1,161	1,196
Cash Payment to Customers	(867)	(910)	(946)	(975)	(1,004)	(1,034)	(1,065)	(1,097)	(1,130)	(1,164)	(1,199)	(1,235)	(1,272)	(1,310)	(1,349)	(1,390)
	(121)	(127)	(132)	(136)	(140)	(144)	(148)	(153)	(158)	(162)	(167)	(172)	(177)	(183)	(188)	(194)
Investing Cash flows																
Core Construction Capex	(1,540)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Renewal Capex	-	(3,940)	(2,315)	(2,307)	(1,715)	(1,037)	(1,623)	(1,334)	(1,294)	(1,229)	(2,229)	(1,431)	(1,460)	(1,489)	(1,519)	(1,549)
	(1,540)	(3,940)	(2,315)	(2,307)	(1,715)	(1,037)	(1,623)	(1,334)	(1,294)	(1,229)	(2,229)	(1,431)	(1,460)	(1,489)	(1,519)	(1,549)
Free Cash Flow	(1,661)	(4,067)	(2,447)	(2,443)	(1,855)	(1,181)	(1,772)	(1,487)	(1,451)	(1,392)	(2,396)	(1,603)	(1,637)	(1,671)	(1,707)	(1,743)
Cumulative Free Cash Flow	(1,661)	(5,728)	(8,175)	(10,618)	(12,473)	(13,653)	(15,425)	(16,912)	(18,364)	(19,755)	(22,152)	(23,755)	(25,392)	(27,063)	(28,770)	(30,512)
Discount Rate	5.00%															
Discount Factor	0.976	0.929	0.885	0.843	0.803	0.765	0.728	0.694	0.661	0.629	0.599	0.571	0.543	0.518	0.493	0.469
Discounted Cash Flows	(1,621)	(3,780)	(2,166)	(2,059)	(1,489)	(903)	(1,290)	(1,032)	(959)	(875)	(1,436)	(915)	(889)	(865)	(841)	(818)
Net Present Value	(21,938)															
IRR	N/A															
Payback	N/A															
Ratepayer Analysis																
Expenses to Rate																
Operating Cash Flow s (EBITDA)	121	127	132	136	140	144	148	153	158	162	167	172	177	183	188	194
Depreciation	359	449	552	628	694	740	783	832	875	917	974	1,034	1,082	1,130	1,180	1,230
Principal Repayments	207	270	310	351	384	407	440	470	500	529	575	609	646	683	722	763
Interest	325	489	564	633	666	662	683	686	684	675	711	702	690	676	659	639
Annual Expenses to Rate	1,012	1,335	1,558	1,747	1,884	1,953	2,055	2,141	2,216	2,283	2,426	2,518	2,595	2,672	2,749	2,826
Total Attendance	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500	47,500
Subsidised Cost per Attendee	21	28	33	37	40	41	43	45	47	48	51	53	55	56	58	59
Total Ratepayers	57,803	58,803	59,803	60,803	61,803	62,803	63,803	64,803	65,803	66,803	67,803	68,803	69,803	70,803	71,803	72,803
Cost Per Ratepayer (GST exclusive)	18	23	26	29	30	31	32	33	34	34	36	37	37	38	38	39
Rates (TCC Annual Report 2023)	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
% of Current Rates	0.3%	0.4%	0.5%	0.5%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.9%
Cumulative % of Current Rates	0.3%	0.7%	1.2%	1.7%	2.3%	2.9%	3.6%	4.2%	4.9%	5.6%	6.3%	7.1%	7.9%	8.7%	9.6%	10.5%

Source: Management Information, Deloitte Analysis

Note: NPV calculated over ~6 years assumed operational period. No terminal value has been incorporated.

DISCLAIMER: These projections have been compiled from information and instructions furnished to us and estimates made by Deloitte. As these projections are based on assumptions about circumstances and events that have not yet taken place they are subject to variations that may arise as future events actually occur. Accordingly, we cannot give assurance that the predicted results will actually be achieved.

Deloitte, Chartered Accountants, May 2024

Financial Review – Baypark Speedway Stadium - Final Report – 22 May 2024

This written communication is solely for Tauranga City Council's benefit, and is not intended to be relied upon by any other person or entity.

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Appendices | A2: Detailed Scenario Analysis

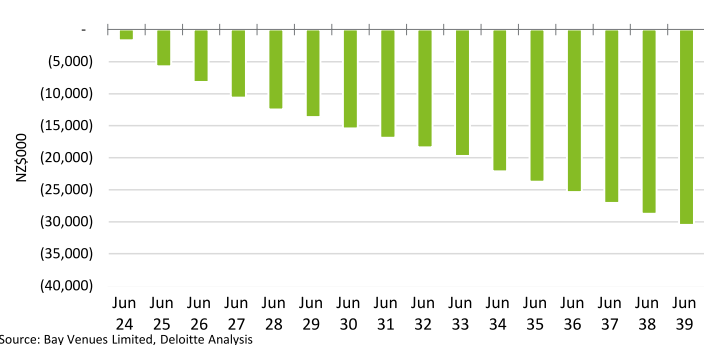
Baypark Speedway Stadium Scenario 1: Current Long-Term Plan

Baypark Speedway Stadium Options Analysis

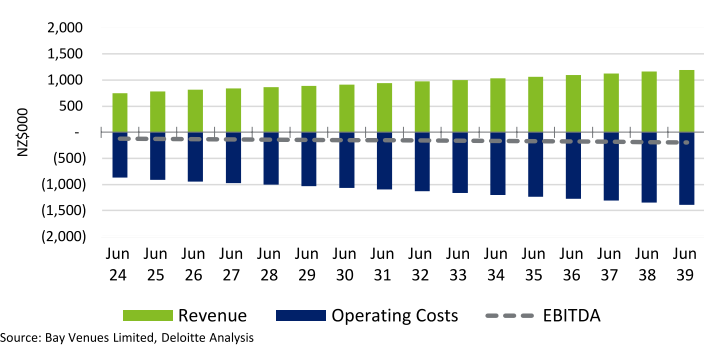
NZ000s		
Option:	Scenario 1	
Capital Expenditure Requirement	(28,010)	
	Year 1	FY39
Revenue	746	1,196
Expenditure	867	1,390
EBITDA	(121)	(194)
EBITDA %	(16%)	(16%)
Cumulative Free Cash Flow	(30,512)	
Net Present Value	(21,938)	
IRR	N/A	
Payback	N/A	
Cost to Rate Payers (avg per annum)	2,123	
Debt Repayments over 16 Years (30 year term @ 5%)	18,010	

Source: Deloitte Analysis

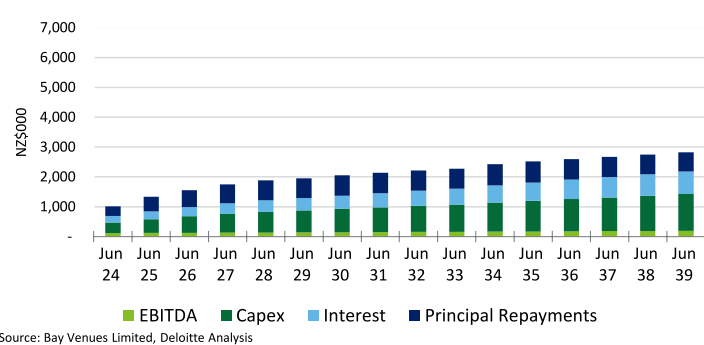
Cumulative Cash Flow - 16 Years



Operational Performance/EBITDA - 16 Years



Cost to Ratepayer- 16 Years



A1: Bases of Work

A2: Detailed
Scenario Analysis

A3: Glossary



Appendices | A2: Detailed Scenario Analysis

Baypark Speedway Stadium Scenario 2: Modified Long-Term Plan

Baypark Stadium - Financial Review Model

NZ000's	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39
Profit & Loss																
Catering Revenue	338	347	356	364	372	379	387	395	403	411	419	427	435	444	453	461
Corporate Box Revenue	100	102	105	107	109	112	114	116	119	121	123	126	128	131	133	136
Stadium Lounge Rental	54	55	56	58	59	60	61	63	64	65	66	68	69	70	72	73
Venue Hire - Speedway Promoter	165	169	173	177	181	185	189	193	196	200	204	208	212	216	221	225
Venue Hire - Other Events	75	77	79	81	82	84	86	88	89	91	93	95	96	98	100	102
Naming Rights - Mercury	67	68	70	72	73	75	76	78	79	81	83	84	86	87	89	91
Commercial Kitchen Lease	20	21	21	21	22	22	23	23	24	24	25	25	26	26	27	27
Revenue Share Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stadium Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	818	840	860	880	898	917	936	955	974	993	1,013	1,033	1,053	1,073	1,094	1,115
Catering Cost of Goods Sold	289	297	304	311	318	324	331	338	344	351	358	365	372	379	387	394
Revenue Share Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salary & Wages	86	88	90	92	94	96	98	100	102	104	106	109	111	113	115	117
Cleaning	54	55	57	58	59	61	62	63	64	66	67	68	69	71	72	74
Electricity	53	54	56	57	58	59	61	62	63	64	66	67	68	69	71	72
Repairs & Maintenance	110	113	116	118	121	123	126	128	131	134	136	139	142	144	147	150
Other Expenses	262	269	275	281	287	293	299	305	311	318	324	330	337	343	350	357
Total Expenses	854	877	898	918	938	957	977	996	1,016	1,037	1,057	1,078	1,099	1,120	1,142	1,164
EBITDA	(36)	(37)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
Depreciation	359	515	774	935	998	1,043	1,087	1,135	1,179	1,220	1,277	1,320	1,331	1,343	1,355	1,371
EBIT	(394)	(552)	(811)	(973)	(1,037)	(1,083)	(1,127)	(1,177)	(1,221)	(1,263)	(1,321)	(1,365)	(1,377)	(1,390)	(1,403)	(1,420)
Interest	325	688	1,018	1,053	1,065	1,038	1,037	1,018	992	960	974	937	850	760	686	613
NPAT	(719)	(1,240)	(1,830)	(2,027)	(2,101)	(2,121)	(2,165)	(2,195)	(2,214)	(2,224)	(2,295)	(2,302)	(2,227)	(2,150)	(2,089)	(2,032)
Free Cash Flow																
Operating Cash Flows																
Cash Receipts from Customers	818	840	860	880	898	917	936	955	974	993	1,013	1,033	1,053	1,073	1,094	1,115
Cash Payment to Customers	(854)	(877)	(898)	(918)	(938)	(957)	(977)	(996)	(1,016)	(1,037)	(1,057)	(1,078)	(1,099)	(1,120)	(1,142)	(1,164)
Investing Cash Flows																
Core Construction Capex	(1,540)	(5,202)	(5,353)	(608)	-	-	-	-	-	-	-	-	-	-	-	-
Renewal Capex	(2,784)	(2,350)	(1,475)	(1,715)	(1,037)	(1,623)	(1,334)	(1,294)	(1,229)	(2,229)	(351)	(358)	(366)	(373)	(374)	(374)
Free Cash Flow	(1,576)	(8,023)	(7,740)	(2,121)	(1,754)	(1,076)	(1,664)	(1,376)	(1,336)	(1,273)	(2,273)	(396)	(404)	(412)	(420)	(623)
Cumulative Free Cash Flow	(1,576)	(9,598)	(17,339)	(19,460)	(21,214)	(22,290)	(23,954)	(25,330)	(26,666)	(27,939)	(30,212)	(30,608)	(31,013)	(31,425)	(31,845)	(32,468)
Discount Rate	5.00%															
Discount Factor	0.976	0.929	0.885	0.843	0.803	0.765	0.728	0.694	0.661	0.629	0.599	0.571	0.543	0.518	0.493	0.469
Discounted Cash Flows	(1,538)	(7,457)	(6,851)	(1,788)	(1,408)	(823)	(1,212)	(954)	(883)	(801)	(1,362)	(226)	(220)	(213)	(207)	(292)
Net Present Value	(26,235)															
IRR	N/A															
Payback	N/A															
Ratepayer Analysis																
Expenses to Rate																
Operating Cash Flows (EBITDA)	36	37	37	38	39	40	41	42	42	43	44	45	46	47	48	49
Depreciation	359	515	774	935	998	1,043	1,087	1,135	1,179	1,220	1,277	1,320	1,331	1,343	1,355	1,371
Principal Repayments	207	330	451	490	526	552	588	620	653	686	735	771	858	493	490	563
Interest	325	688	1,018	1,053	1,065	1,038	1,037	1,018	992	960	974	937	850	760	686	613
Annual Expenses to Rate	926	1,570	2,280	2,517	2,627	2,673	2,753	2,815	2,867	2,910	3,029	3,073	3,085	2,643	2,579	2,596
Total Attendance	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Subsidised Cost per Attendee	17	29	41	46	48	49	50	51	52	53	55	56	56	48	47	47
Total Ratepayers	57,803	58,803	59,803	60,803	61,803	62,803	63,803	64,803	65,803	66,803	67,803	68,803	69,803	70,803	71,803	72,803
Cost Per Ratepayer (GST exclusive)	16	27	38	41	43	43	43	43	44	44	45	45	44	37	36	36
Rates (TCC Annual Report 2023)	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
% of Current Rates	0.3%	0.5%	0.7%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%
Cumulative % of Current Rates	0.3%	0.8%	1.5%	2.2%	3.1%	3.9%	4.7%	5.6%	6.5%	7.4%	8.3%	9.2%	10.2%	11.0%	11.8%	12.6%

Source: Management information, Deloitte Analysis

Note: NPV calculated over ~65 years assumed operational period. No terminal value has been incorporated.

DISCLAIMER - These projections have been compiled from information and instructions furnished to us and estimates made by Deloitte. As these projections are based on assumptions about circumstances and events that have not yet taken place they are subject to variations that may arise as future events actually occur. Accordingly, we cannot give assurance that the predicted results will actually be achieved.

Deloitte, Chartered Accountants, May 2024

Financial Review – Baypark Speedway Stadium - Final Report – 22 May 2024

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Appendices | A2: Detailed Scenario Analysis

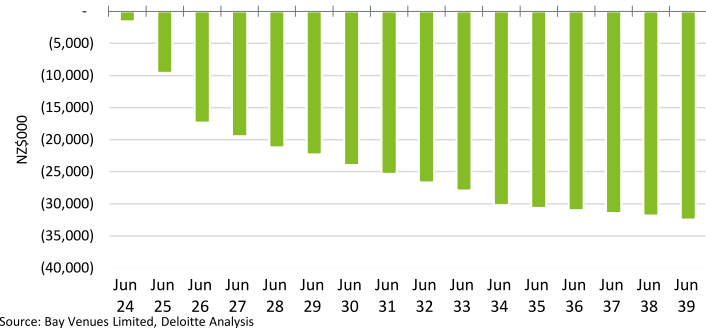
Baypark Speedway Stadium Scenario 2: Modified Long-Term Plan

Baypark Speedway Stadium Options Analysis

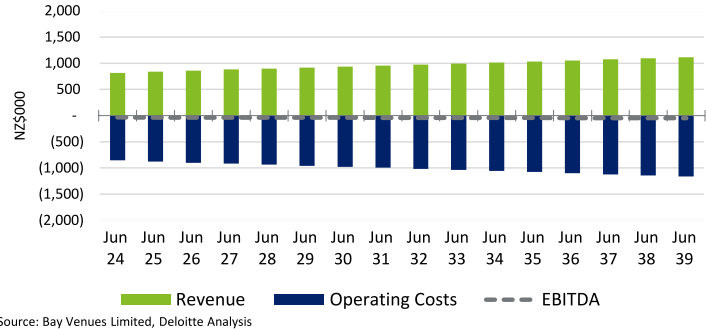
NZ000s		
Option:	Scenario 2	
Capital Expenditure Requirement	(31,796)	
	Year 1	FY39
Revenue	818	1,115
Expenditure	854	1,164
EBITDA	(36)	(49)
EBITDA %	(4%)	(4%)
Cumulative Free Cash Flow	(32,468)	
Net Present Value	(26,235)	
IRR	N/A	
Payback	N/A	
Cost to Rate Payers (avg per annum)	2,559	
Debt Repayments over 16 Years (30 year term @ 5%)	23,028	

Source: Deloitte Analysis

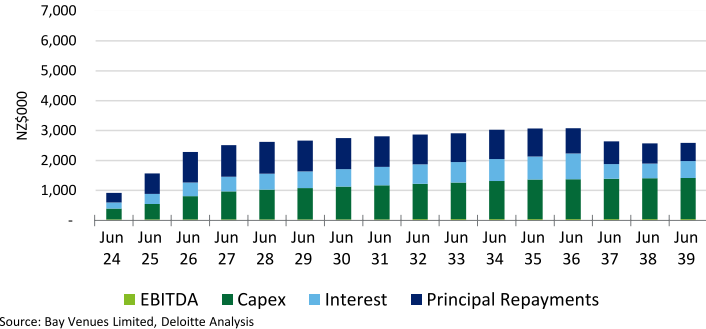
Cumulative Cash Flow - 16 Years



Operational Performance/EBITDA - 16 Years



Cost to Ratepayer- 16 Years



A1: Bases of Work

A2: Detailed
Scenario Analysis

A3: Glossary



Appendices | A2: Detailed Scenario Analysis

Baypark Speedway Stadium Scenario 3: Shared Revenue Model

Baypark Stadium - Financial Review Model

NZ000's	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39
Profit & Loss																
Catering Revenue	338	347	356	364	372	379	387	395	403	411	419	427	435	444	453	461
Corporate Box Revenue	100	102	105	107	109	112	114	116	119	121	123	126	128	131	133	136
Stadium Lounge Rental	54	55	56	58	59	60	61	63	64	65	66	68	69	70	72	73
Venue Hire - Speedway Promoter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Venue Hire - Other Events	75	77	79	81	82	84	86	88	89	91	93	95	96	98	100	102
Naming Rights - Mercury	67	68	70	72	73	75	76	78	79	81	83	84	86	87	89	91
Commercial Kitchen Lease	20	21	21	21	22	22	23	23	24	24	25	25	26	26	27	27
Revenue Share Received	363	373	382	391	399	407	416	424	433	441	450	459	468	477	486	495
Stadium Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	1,017	1,044	1,069	1,093	1,116	1,140	1,163	1,186	1,210	1,234	1,259	1,283	1,308	1,334	1,360	1,386
Catering Cost of Goods Sold	289	297	304	311	318	324	331	338	344	351	358	365	372	379	387	394
Revenue Share Paid	143	146	150	153	157	160	163	166	170	173	177	180	184	187	191	194
Salary & Wages	86	88	90	92	94	96	98	100	102	104	106	108	110	113	115	117
Cleaning	54	55	57	58	59	61	62	63	64	66	67	68	69	71	72	74
Electricity	53	54	56	57	58	59	61	62	63	64	66	67	68	69	71	72
Repairs & Maintenance	110	113	116	118	121	123	126	128	131	134	136	139	142	144	147	150
Other Expenses	262	269	275	281	287	293	299	305	311	318	324	330	337	343	350	357
Total Expenses	997	1,023	1,048	1,071	1,094	1,117	1,140	1,163	1,186	1,210	1,234	1,258	1,282	1,307	1,333	1,358
EBITDA	20	21	21	22	22	23	23	24	24	24	25	25	26	26	27	27
Depreciation	359	515	774	935	998	1,043	1,087	1,135	1,179	1,220	1,277	1,320	1,331	1,343	1,355	1,371
EBIT	(338)	(495)	(753)	(913)	(975)	(1,020)	(1,064)	(1,112)	(1,155)	(1,196)	(1,252)	(1,294)	(1,305)	(1,317)	(1,329)	(1,344)
Interest	325	688	1,018	1,053	1,065	1,038	1,037	1,018	992	960	974	937	850	760	686	613
NPAT	(664)	(1,183)	(1,771)	(1,967)	(2,040)	(2,059)	(2,101)	(2,130)	(2,147)	(2,156)	(2,226)	(2,231)	(2,155)	(2,077)	(2,015)	(1,956)
Free Cash Flow																
Operating Cash Flows																
Cash Receipts from Customers	1,017	1,044	1,069	1,093	1,116	1,140	1,163	1,186	1,210	1,234	1,259	1,283	1,308	1,334	1,360	1,386
Cash Payment to Customers	(997)	(1,023)	(1,048)	(1,071)	(1,094)	(1,117)	(1,140)	(1,163)	(1,186)	(1,210)	(1,234)	(1,258)	(1,282)	(1,307)	(1,333)	(1,358)
	20	21	21	22	22	23	23	24	24	24	25	25	26	26	27	27
Investing Cash flows																
Core Construction Capex	(1,540)	(5,202)	(5,353)	(608)	-	-	-	-	-	-	-	-	-	-	-	-
Renewal Capex	-	(2,784)	(2,350)	(1,475)	(1,715)	(1,037)	(1,623)	(1,334)	(1,294)	(1,229)	(2,229)	(351)	(358)	(366)	(373)	(574)
	(1,540)	(7,986)	(7,703)	(2,083)	(1,715)	(1,037)	(1,623)	(1,334)	(1,294)	(1,229)	(2,229)	(351)	(358)	(366)	(373)	(574)
Free Cash Flow	(1,520)	(7,966)	(7,682)	(2,061)	(1,693)	(1,014)	(1,608)	(1,311)	(1,270)	(1,205)	(2,204)	(326)	(332)	(339)	(346)	(547)
Cumulative Free Cash Flow	(1,520)	(9,485)	(17,167)	(19,228)	(20,921)	(21,935)	(23,535)	(24,846)	(26,116)	(27,321)	(29,525)	(29,851)	(30,183)	(30,522)	(30,868)	(31,415)
Discount Rate	5.00%															
Discount Factor	0.976	0.929	0.885	0.843	0.803	0.765	0.728	0.694	0.661	0.629	0.599	0.571	0.543	0.518	0.493	0.469
Discounted Cash Flows	(1,483)	(7,403)	(6,800)	(1,738)	(1,359)	(775)	(1,165)	(909)	(839)	(758)	(1,321)	(186)	(181)	(175)	(170)	(257)
Net Present Value	(25,519)															
IRR	N/A															
Payback	N/A															
Ratepayer Analysis																
Expenses to Rate																
Operating Cash Flow s (EBITDA)	(20)	(21)	(21)	(22)	(22)	(23)	(23)	(24)	(24)	(25)	(25)	(26)	(26)	(27)	(27)	
Depreciation	359	515	774	935	998	1,043	1,087	1,135	1,179	1,220	1,277	1,320	1,331	1,343	1,355	1,371
Principal Repayments	207	330	451	490	526	552	588	620	653	686	735	771	858	493	490	563
Interest	325	688	1,018	1,053	1,065	1,038	1,037	1,018	992	960	974	937	850	760	686	613
Annual Expenses to Rate	871	1,513	2,222	2,457	2,566	2,611	2,689	2,750	2,800	2,842	2,960	3,002	3,014	2,570	2,504	2,520
Total Attendance	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
Subsidised Cost per Attendee	16	28	40	45	47	47	49	50	51	52	54	55	55	47	46	46
Total Ratepayers	57,803	58,803	59,803	60,803	61,803	62,803	63,803	64,803	65,803	66,803	67,803	68,803	69,803	70,803	71,803	72,803
Cost Per Ratepayer (GST exclusive)	15	26	37	40	42	42	42	42	43	43	44	44	43	36	35	35
Rates (TCC Annual Report 2023)	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
% of Current Rates	0.3%	0.5%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.8%	0.8%
Cumulative % of Current Rates	0.3%	0.7%	1.4%	2.2%	3.0%	3.8%	4.6%	5.4%	6.3%	7.2%	8.1%	9.0%	9.9%	10.7%	11.5%	12.3%

Source: Management Information, Deloitte Analysis

Note: NPV calculated over 15 years assumed operational period. No terminal value has been incorporated.

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Deloitte, Chartered Accountants, May 2024

Financial Review – Baypark Speedway Stadium - Final Report – 22 May 2024

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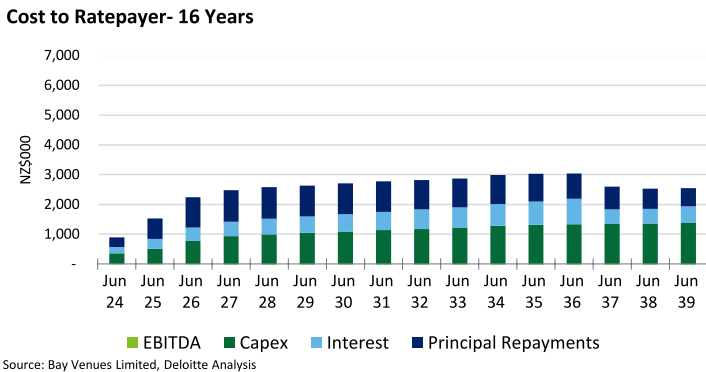
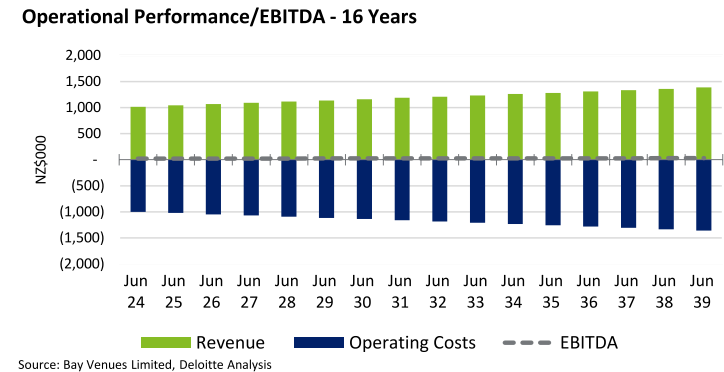
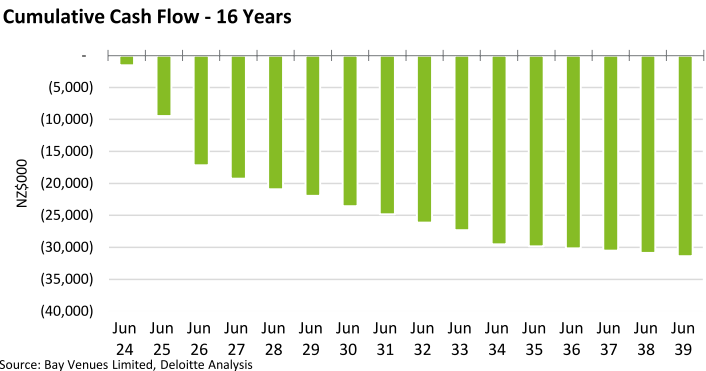
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Appendices | A2: Detailed Scenario Analysis

Baypark Speedway Stadium Scenario 3: Shared Revenue Model

Baypark Speedway Stadium Options Analysis		
NZ\$000s		
Option:	Scenario 3	
Capital Expenditure Requirement	(31,796)	
	Year 1	FY39
Revenue	1,017	1,386
Expenditure	997	1,358
EBITDA	20	27
EBITDA %	2%	2%
Cumulative Free Cash Flow	(31,415)	
Net Present Value	(25,519)	
IRR	N/A	
Payback	N/A	
Cost to Rate Payers (avg per annum)	2,493	
Debt Repayments over 16 Years (30 year term @ 5%)	23,028	
Source: Deloitte Analysis		



A1: Bases of Work

A2: Detailed
Scenario Analysis

A3: Glossary



Appendices | A2: Detailed Scenario Analysis

Baypark Speedway Stadium Scenario 4: Lease Arrangement with Asset Divestment

Baypark Stadium - Financial Review Model

NZ000's	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39
Profit & Loss																
Catering Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Box Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stadium Lounge Rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Venue Hire - Speedway Promoter	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Venue Hire - Other Events	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Naming Rights - Mercury	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Kitchen Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Share Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stadium Lease	87	89	91	93	95	97	99	101	103	105	107	110	112	114	116	118
Total Revenue	87	89	91	93	95	97	99	101	103	105	107	110	112	114	116	118
Catering Cost of Goods Sold	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Share Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salary & Wages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cleaning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	87	89	91	93	95	97	99	101	103	105	107	110	112	114	116	118
Depreciation	359	493	690	806	845	872	916	965	1,008	1,050	1,107	1,149	1,161	1,173	1,185	1,201
EBIT	(272)	(404)	(599)	(713)	(750)	(775)	(817)	(864)	(905)	(944)	(999)	(1,040)	(1,049)	(1,059)	(1,069)	(1,082)
Interest	325	622	837	866	844	818	829	821	807	787	812	779	704	627	567	503
NPAT	(597)	(1,026)	(1,436)	(1,579)	(1,594)	(1,593)	(1,645)	(1,684)	(1,712)	(1,731)	(1,811)	(1,819)	(1,753)	(1,686)	(1,636)	(1,586)
Free Cash Flow																
Operating Cash Flows																
Cash Receipts from Customers	87	89	91	93	95	97	99	101	103	105	107	110	112	114	116	118
Cash Payment to Customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investing Cash flows																
Core Construction Capex	(1,540)	(3,844)	(3,956)	(292)	-	-	-	-	-	-	-	-	-	-	-	-
Renewal Capex	(1,540)	(6,629)	(5,315)	(1,767)	(598)	(1,037)	(1,623)	(1,334)	(1,294)	(1,229)	(2,229)	(351)	(358)	(366)	(373)	(574)
Free Cash Flow	(1,453)	(6,540)	(5,224)	(1,673)	(503)	(939)	(1,524)	(1,233)	(1,191)	(1,124)	(2,122)	(242)	(247)	(252)	(257)	(456)
Cumulative Free Cash Flow	(1,453)	(7,993)	(13,216)	(14,890)	(15,392)	(16,332)	(17,856)	(19,089)	(20,279)	(21,403)	(23,525)	(23,767)	(24,014)	(24,265)	(24,522)	(24,978)
Discount Rate	5.00%															
Discount Factor	0.976	0.929	0.885	0.843	0.803	0.765	0.728	0.694	0.661	0.629	0.599	0.571	0.543	0.518	0.493	0.469
Discounted Cash Flows	(1,418)	(6,078)	(4,624)	(1,411)	(404)	(718)	(1,110)	(855)	(786)	(707)	(1,271)	(138)	(134)	(130)	(127)	(214)
Net Present Value	(20,125)															
IRR	N/A															
Payback	N/A															
Ratepayer Analysis																
Expenses to Rate																
Operating Cash Flow s (EBITDA)	(87)	(89)	(91)	(93)	(95)	(97)	(99)	(101)	(103)	(105)	(107)	(110)	(112)	(114)	(116)	(118)
Depreciation	359	493	690	806	845	872	916	965	1,008	1,050	1,107	1,149	1,161	1,173	1,185	1,201
Principal Repayments	207	310	395	429	450	488	523	555	587	619	666	700	775	396	457	443
Interest	325	622	837	866	844	818	829	821	807	787	812	779	704	627	567	503
Annual Expenses to Rate	804	1,335	1,831	2,008	2,045	2,080	2,168	2,239	2,299	2,350	2,478	2,518	2,528	2,082	2,092	2,029
Total Attendance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidised Cost per Attendee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Ratepayers	57,803	58,803	59,803	60,803	61,803	62,803	63,803	64,803	65,803	66,803	67,803	68,803	69,803	70,803	71,803	72,803
Cost Per Ratepayer (GST exclusive)	14	23	31	33	33	33	34	35	35	35	37	37	36	29	29	28
Rates (TCC Annual Report 2023)	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
% of Current Rates	0.2%	0.4%	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.6%	0.6%	0.6%
Cumulative % of Current Rates	0.2%	0.7%	1.2%	1.8%	2.5%	3.1%	3.8%	4.5%	5.2%	5.9%	6.7%	7.4%	8.2%	8.9%	9.5%	10.1%

Source: Management Information, Deloitte Analysis

Note: NPV calculated over ~16 years assumed operational period. No terminal value has been incorporated.

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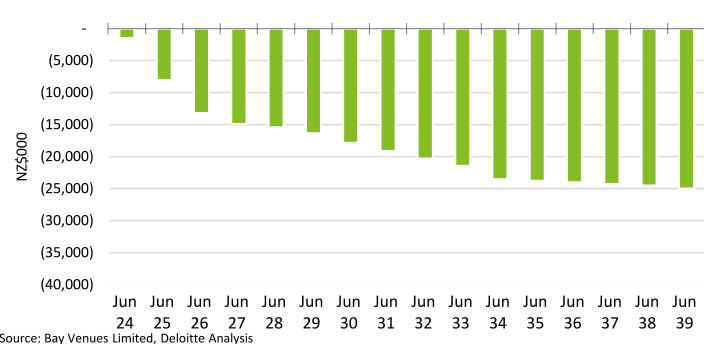
Appendices | A2: Detailed Scenario Analysis

Baypark Speedway Stadium Scenario 4: Lease Arrangement with Asset Divestment

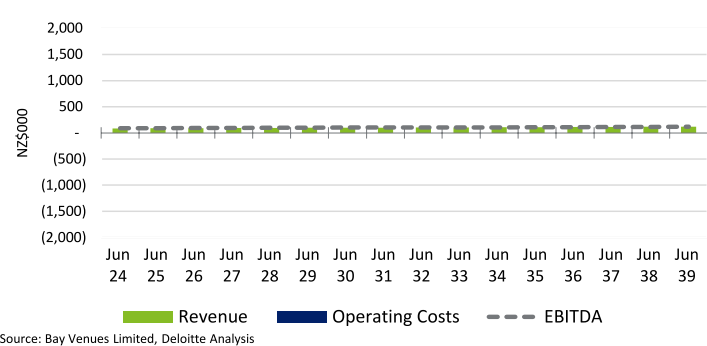
Baypark Speedway Stadium Options Analysis

NZ000s		
Option:	Scenario 4	
Capital Expenditure Requirement	(26,617)	
	Year 1	FY39
Revenue	87	118
Expenditure	-	-
EBITDA	87	118
EBITDA %	100%	100%
Cumulative Free Cash Flow	(24,978)	
Net Present Value	(20,125)	
IRR	N/A	
Payback	N/A	
Cost to Rate Payers (avg per annum)	2,055	
Debt Repayments over 16 Years (30 year term @ 5%)	19,546	
Source: Deloitte Analysis		

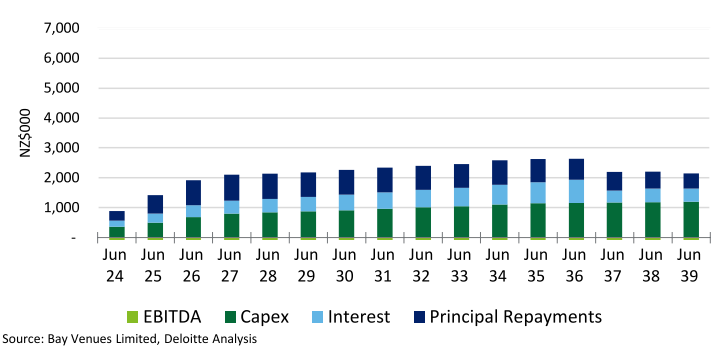
Cumulative Cash Flow - 16 Years



Operational Performance/EBITDA - 16 Years



Cost to Ratepayer- 16 Years



Appendices | A3: Glossary

Glossary

000s	Thousands
Beca	Beca Group Limited
BoPSA	Bay of Plenty Speedway Association
BVL	Bay Venues Limited
Capex	Capital expenditure
COGS	Cost of Goods Sold
CPI	Consumers Price Index (Inflation Measure)
EBITDA	Earnings before interest, tax, depreciation and amortisation
FY	Financial Year
GST	Goods and Services Tax
k	Thousands
LTP	Tauranga City Council’s Long-Term Plan
m	Millions
NBS	New Building Standard
NZ	New Zealand
p.a.	Per annum
P&G	Preliminaries & General
Ref	Reference
SRL	Speedway Racing Limited
Stadium	Baypark Speedway Stadium
Stakeholders	BoPSA, BVL, SRL & TCC
Stellar	Stellar Projects
TCC	Tauranga City Council



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**Submission to Tauranga City Council: Future of Speedway at Mercury Baypark**

Submitted by: Ngā Pōtiki ā Tamapahore

Date: 23 June 2025

Introduction

1. Ngā Pōtiki ā Tamapahore, as mana whenua of the area encompassing Mercury Baypark, appreciate the opportunity to provide feedback on the future of speedway operations at the site. We acknowledge the long-standing presence of speedway at Baypark and the role it has played in the community. However, we also recognise the evolving needs of our people and the wider Tauranga community.

Position on the Proposal

2. Following a hui held on 14 June 2025, the collective view of Ngā Pōtiki is a preference for the current lease to end in 2029, rather than be extended to 2039 for the following reasons:
 - 2.1. Community-Centered Use of Land: As mana whenua, we envision the Baypark site being repurposed to better serve the broader community through increased access to diverse recreational and sporting opportunities. There is a strong desire to see the land used in a way that supports whānau wellbeing, youth development, and inclusive community engagement.
 - 2.2. Limited Use of Speedway Facilities: The North Stand, which is central to the speedway proposal, is reportedly used only around 15 times a year [\[1\]](#). This limited use does not align with the potential the site holds for more frequent and varied community use.
 - 2.3. Environmental impacts: Iwi members have noted the traffic, noise and pollution is a factor. This particularly affects the members
 - 2.4. Future Planning and Partnership: Ending the lease in 2029 would allow for a collaborative planning process between Council, mana whenua, and the community to reimagine the site in a way that reflects shared aspirations and values.

Acknowledging Diverse Views

3. We acknowledge that within our iwi and the wider community, there are individuals who support the continuation of speedway. Their views are valid and respected. However, the consensus reached at our hui reflects a broader vision for the site that prioritises long-term community benefit and cultural alignment.

Conclusion

4. Ngā Pōtiki respectfully submit that the lease for speedway operations at Mercury Baypark should conclude in 2029. We look forward to working with Tauranga City Council and other stakeholders to explore future uses of the site that honour our role as mana whenua and enhance the wellbeing of all Tauranga residents.

11.3 City Centre Street Project - Public Engagement

File Number: A18148898

Author: Emily McLean, Programme Lead: City Centre
Nick Chester, Principal Strategic Advisor
Shawn Geard, City Centre Infrastructure Lead

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

PURPOSE OF THE REPORT

1. To brief the Council on the City Centre Movement Framework and City Centre Streetscape Implementation Plan.
2. To seek approval to undertake community engagement on the City Centre Movement Framework and Draft City Centre Streetscape Implementation Plan.
3. To inform the Council of next steps to approve final plans on both projects by the end of 2025.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "City Centre Street Project - Public Engagement".
- (b) Approves community engagement on:
 - (i) the City Centre Movement Framework, and
 - (ii) the Draft City Centre Streetscape Implementation Plan.
- (c) Notes that final versions of both the City Centre Movement Plan and City Centre Streetscape Implementation Plan will be presented to council for approval by the end of 2025.

EXECUTIVE SUMMARY

4. Revitalisation of the city centre is a key priority for Tauranga City Council. Significant developments, both by the council and private developers are currently underway to support the revitalisation of the city centre.
5. It is critical that the city's streets support these developments, and wider usage of the city centre more generally. Well designed and functioning streets ensure movement and public amenity usage is maximised.
6. Many of our current city centre street assets are over 30 years old and close to end-of-life, at times failing to provide for user safety and needs.
7. There are currently two projects underway to ensure streets and movement in the city centre can support this revitalisation. These are, the:
 - (a) City Centre Movement Framework; and
 - (b) City Centre Streetscape Implementation Plan.
8. The city centre movement pilot was introduced to parts of Harington, Hamilton, Wharf, Spring and Willow streets during March 2024, and is planned to remain in place for at least two years as a pilot during the city centre transformation.
9. Funding was allocated as part of the 2024-34 Long-term Plan for city centre streetscape upgrades. A total of \$80m was allocated over 10 years.

10. At a workshop on 3 April 2025, initial feedback was provided to staff by the Council and city centre stakeholders on potential next steps for both the City Centre Movement Framework, and the City Centre Streetscape Implementation Plan.
11. A City Centre Movement Framework and several options for streetscape improvements have been developed, based on feedback received through the workshop. Approval is being sought to undertake wider community engagement on the options that have been prepared.
12. Following engagement, final decisions will be sought by Council before the end of 2025, to be ready for implementation from 2026 onwards.

BACKGROUND

13. Creating a vibrant and well-planned city centre is a key objective sought by Tauranga City Council. The next decade will be transformational for the city centre as there are currently unprecedented levels of both public and private investment occurring.
14. Council adopted the [City Centre Action and Investment Plan](#) in August 2022, which has a focus on a city centre for people and accessibility as two of the strategic priorities.
15. Council has committed over \$400m of investment in the city centre on major projects (to date), including the Civic Precinct redevelopment – Te Manawataki o Te Papa, ongoing waterfront improvements, movement projects, and public realm upgrades. This is coupled with a number of large-scale projects being undertaken by private developers (e.g. 2 Devonport Rd, Northern Quarter, Panorama Towers etc.) and other institutions such as the University of Waikato.
16. Ensuring that people can move to and through the city centre safely and accessibly is central to the overall success of this transformation. The City Centre Movement Framework and the City Centre Streetscape Implementation Plan are therefore critical tools to enabling this outcome.

Movement Framework

17. The City Centre Movement Pilot was implemented March 2024 as a pilot under the Land Transport Rule: Street Layouts 2023. This enables a road controlling authority to change road layouts as a pilot for up to two years, enabling practical adjustments and enabling future designs to consider the on-the-ground experience.
18. The Movement Pilot was a trial to support elements of the Movement Framework, a key action of the City Centre Action and Investment Plan 2022, to improve the effectiveness and ease of traffic movement through the city centre. Anticipated benefits of the pilot were:
 - (a) safer streets by slowing down vehicles, reducing the number of intersections, and improving visibility;
 - (b) more space for wider footpaths, planter boxes, street art and other opportunities to make the city centre more attractive and accessible; and
 - (c) fewer road closures for the many building projects occurring in the city centre, because space can be provided beside the street for construction activities when needed.
19. In December 2024, the City Centre Movement Pilot was adjusted, reversing changes to Harington Street between Willow Street and The Strand to accommodate two-way travel.
20. In early 2025, approximately 400 people directly affected by the Movement Pilot were contacted for feedback resulting in 40 responses, with over 21 of these providing positive sentiment to the changes, nine providing a mixed sentiment, and five providing a negative response.
21. Two key components of the Movement Framework not included within the current Movement Pilot, are making The Strand and Grey St one-way. It is envisioned that this planned engagement will enable further development of what these options could consist of, and when a trial and their implementation would be appropriate.
22. A draft Movement Framework overview is included in **Attachment 1**.

Streetscape Implementation Plan

23. Well-designed streetscapes are essential to ensuring that people can move easily through both new and existing buildings and spaces. Safe, accessible, and inviting streetscapes are of benefit to a wide range of users and ensure the city centre can function both a key business and hospitality space, but can also support events when there are larger numbers of people using streets in a variety of ways.
24. Many streets in city centre are 30 years old and are coming to the end of their useful life. Some investment is required to ensure they continue to meet the needs of users, in the same way that streets in any part of the city would. Given the high use of city centre streets, and the need to attract visitors into these spaces, in most cases, a “do minimum” approach to repairing these streets is unlikely to meet the needs and expectations of the community.
25. The upgrading of streetscapes is important for creating real connections between existing and developing parts of the city centre, and to fulfil council’s strategic outcomes.
26. Some streetscapes have been upgraded recently, including Elizabeth Street East and Durham Street in the Knowledge Precinct. These newly designed streetscapes have improved the functionality of the streets but have been undertaken in isolation from the wider city centre.
27. As new developments occur in the city centre, there will be an increasing lack of integration between buildings and the streets that surround them. Integrating streetscapes with new developments is therefore a vitally important part of the plan.
28. The development of a City Centre Streetscape Implementation Plan for further streetscape upgrades will ensure that these spaces are improved to meet necessary safety and accessibility requirements, but are also developed in a holistic way that considers the needs of the city centre as a whole.
29. Funding of \$80m was allocated in the 2024-34 Long-term Plan to upgrade streetscapes in the city centre. The Streetscape Implementation Plan is being developed with a “right spend, right place, right time” approach to ensure this funding is spent effectively, demonstrating clear value-for-money.
30. A workshop with councillors and community representatives was held on 3 April 2025 to explore initial thinking on both streetscape upgrades and the City Centre Movement Framework.
31. A Draft City Centre Streetscape Implementation Plan has been developed, with this vision:
Empowering change in our city centre through timely, targeted investment – enhancing streetscapes that are safe, vibrant, connected, and sustainable, so every dollar delivers the right impact, in the right place, at the right time.
32. The draft plan has been developed aiming to fix several key issues:
 - (a) Many of our streets don’t meet the needs of today’s or tomorrow’s users – this includes basic pedestrian safety and accessibility needs.
 - (b) There’s no clear, unified plan – designs often don’t match up with other city developments.
 - (c) The streets need to reflect the needs and aspirations of the wide variety of people who will use them.
33. The draft plan has also been developed using the following investment objectives:
 - (a) Streetscapes encourage more people to spend productive time in the city centre.
 - (b) Streetscapes support the development of a city centre that is a central place for people to live, work, learn and play.
 - (c) Current streetscapes are improved to deliver a future-focused, multi-modal city centre.
 - (d) The plan is cohesive, connected and cost-effective, ensuring that streetscapes are improved to deliver a bold, enticing, and vibrant city centre.

34. The Draft City Centre Streetscape Implementation Plan has been developed based on analysis undertaken by staff and feedback provided at the 3 April 2025 workshop. The current recommended option aims to strike a balance between required streetscape upgrades, whilst also limiting costs and providing clear value-for-money.
35. Following community engagement, the proposed option will be analysed, adjusted and tested prior to a final approval by the council by December 2025.
36. A Draft Streetscape Implementation Plan overview is included in **Attachment 2**.

Community engagement on next steps

37. Following the 3 April 2025 workshop, staff undertook to:
 - (a) develop a final Movement Framework that could be consulted on and implemented to provide community certainty.
 - (b) develop a Draft City Centre Streetscape Implementation Plan that could be consulted on and approved by the end of 2025, ahead of implementation in 2026.
38. Staff recommend that community engagement is now undertaken on these two projects. The purpose of this engagement is to ensure community insights and perspectives are considered in order to finalise plans and move into a delivery phase.
39. Engagement is specifically focused on the Movement Framework and Draft City Centre Streetscape Implementation Plan. Following the formal adoption of these pieces of work, further engagement will be undertaken as detailed planning and delivery on individual streets and spaces is delivered over the coming years.
40. It is proposed that engagement will take place in August and September, followed by analysis of feedback and reporting back to Council in October 2025. Several engagement and communication tactics will be utilised, including surveys, face-to-face meetings, street intercepts, and event engagement.
41. A draft engagement overview is included in **Attachment 3**.

STATUTORY CONTEXT

42. The Movement Pilot is implemented under the Land Transport Rule: Street Layouts 2023. This enables changes to occur as lessons are learnt, prior to the more standard permanent statutory process.

STRATEGIC ALIGNMENT

43. 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	✓

44. The Movement Framework and Draft City Centre Streetscape Implementation Plan have broad alignment with TCC's community outcomes and strategic priorities. This is particularly evident through the following outcomes:
 - (a) We are an inclusive city – streetscape improvements and completed movement frameworks make the city more inclusive and accessible to all. Barriers will be removed as a result of on-street improvements, improving the accessibility and safety of the city centre as a result.

- (b) We can move around our city easily – the completed Movement Framework will provide certainty and allow people to plan trips in and around the city centre accordingly with certainty. It also provides greater clarity to city centre businesses and will reduce disruptions in the medium- to long-term.

OPTIONS ANALYSIS

45. Staff have determined there are three potential options, which are analysed below.
46. **Option 1** – Undertake community engagement with a view to approving final the Movement Framework and Streetscape Implementation Plan by the end of 2025 (**recommended**).

Advantages	Disadvantages and risks
<ul style="list-style-type: none"> There is a high level of interest in the development of the city centre – community engagement ensures there is public input prior to making any final decisions. Helps to ensure that the project will meet actual community needs. Provides an opportunity for community to raise issues and concerns prior to any significant work being undertaken. Provides an opportunity to include a diverse range of views and create more inclusive spaces as a result. 	<p>Disadvantages:</p> <ul style="list-style-type: none"> Engagement has an associated cost (however this is within budget). A large amount of community engagement on city centre issues has already been undertaken and further engagement may lead to fatigue, disengagement, or apathy. Undertaking engagement will add time to the project overall. <p>Risks:</p> <ul style="list-style-type: none"> May not provide a clear consensus for approving final plans. Engagement may create unrealistic expectations of what can be achieved within existing budgets.

47. **Option 2** – Complete both plans without further engagement (i.e. go straight to approving a final document) (**not recommended**).

Advantages	Disadvantages and risks
<ul style="list-style-type: none"> Faster decision making and implementation. No associated engagement costs. No associated engagement fatigue – significant engagement on city centre projects has already provided relevant feedback. 	<p>Disadvantages:</p> <ul style="list-style-type: none"> Misses an opportunity for public input which may identify further risks and opportunities. Those directly impacted may feel excluded, reducing support and increasing complaints or resistance post-implementation. Opportunities to improve functionality or accessibility based on direct feedback might be lost. <p>Risks:</p> <ul style="list-style-type: none"> Reputational risk of not fully engaging on the projects. Lack of feedback on practical details (e.g. parking, pedestrian routes etc.) could lead to design flaws or unintended consequences.

48. **Option 3** – End Movement Pilot, undertake critical/necessary street upgrades in the city centre only (effective status quo with minor upgrades for safety purposes) (**not recommended**).

Advantages	Disadvantages and risks
<ul style="list-style-type: none"> Minimal disruption in city centre. Can achieve some cost savings, both from no engagement and also larger streetscape work. 	<p>Disadvantages:</p> <ul style="list-style-type: none"> Missed opportunity for improvements – basic streetscape designs are unlikely to be inviting to visitors and will meet only the basic accessibility and safety criteria. There is a public expectation that vehicle movement and city streetscapes will compliment ongoing developments. Without further work, there will be a mismatch between developments and the streets that surround them. Minimal quality streetscapes can reduce foot traffic and negatively affect local businesses. Opportunities to improve functionality or accessibility based on direct feedback might be lost. <p>Risks:</p> <ul style="list-style-type: none"> Potential safety and accessibility concerns with basic upgrades only. Many streets are at the end of their useful life and will require upgrades – undertaking work without any tangible benefits is likely to lead to community dissatisfaction.

FINANCIAL CONSIDERATIONS

49. The Movement Framework and Streetscape Implementation Plan are both funded activities as part of the 2024-34 Long-term Plan.
50. Project costs noted in the Draft Streetscape Implementation Plan are indicative of a variety of potential investment packages. Once engagement is undertaken, a final investment case will be developed, including more detailed costing.
51. It is envisioned that the results of this investment case, including more detailed costings, will help inform decisions within the 2027-37 Long-term Plan.

TE AO MĀORI APPROACH

52. The Te Papa peninsula, and the city centre is a culturally significant site and Tauranga City Council is committed to working in partnership with Tangata Whenua on projects in the area.
53. The Movement Framework and Streetscape Implementation Plan align with the Te Ao Māori approach, particularly relating to the following principles:
 - (a) Rangatiratanga – Mana motuhake – self-determination, Tikanga – best practise, Tāuutuutu – reciprocity – council has worked closely with tangata whenua on all projects in the city centre, given the cultural significance of the area. This will continue as the plan is developed and implemented.
 - (b) Te Reo Māori – Active commitment to protect and promote this taonga, the Māori language, for future generations of all New Zealanders – streetscape upgrades provide opportunities for increased storytelling, wayfinding, and public art. Given the historical and cultural significance of the city centre to tangata whenua, ensuring a strong voice as part of this work will be critical to success.
54. Specific engagement will be undertaken with mana whenua as part of this project. Specific engagement will also occur as individual street upgrades are undertaken in the future.

CLIMATE IMPACT

55. The Movement Framework and City Centre Streetscape Implementation Plan contribute to all three climate impact areas in the following ways:
- (a) Adapting to a changing climate – streetscape upgrades can offset the impacts of urban heat islands through the introduction of more canopy cover and other measures. This will be a consideration in areas where possible.
 - (b) Reduce emissions – both the Movement Framework and Streetscape Implementation Plan can encourage people to use public transport and active forms of transport, thereby helping to reduce emissions in Tauranga. A reliable Movement Framework and safer, more accessible streetscapes will naturally encourage people to seek alternative transport options.
 - (c) Embrace nature and biodiversity – streetscape upgrades provide a unique opportunity to introduce a range of vegetation into the city centre where appropriate. This can have the effect of increasing biodiversity.

CONSULTATION / ENGAGEMENT

56. Community engagement has already occurred on both projects. This has been particularly evident for the Movement Framework, where community engagement has been coupled with targeted engagement with affected city centre businesses. It is understood that with topics such as outlined in this report, community engagement needs to take a continuous approach.

SIGNIFICANCE

57. 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.
58. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
- (a) the current and future social, economic, environmental, or cultural well-being of the district or region;
 - (b) any persons who are likely to be particularly affected by, or interested in, the decision; and
 - (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
59. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.




ENGAGEMENT

60. Taking into consideration the above assessment, that the decision is of medium significance, engagement is recommended as outlined in the report.

NEXT STEPS

61. Undertake community engagement on the Movement Framework, and Draft City Centre Streetscape Implementation Plan.
62. The Movement Framework and City Centre Streetscape Implementation Plan will be presented to the council for approval by December 2025.

ATTACHMENTS

1. **Attachment 1_Movement Framework - A18452895** [↓](#) 
2. **Attachment 2_Streetscapes Implementation - A18452897** [↓](#) 
3. **Attachment 3_Community Engagement Summarised Approach - A18452896** [↓](#) 











STREETSCAPES IMPLEMENTATION PLAN 2026-2036

TAURANGA CITY CENTRE

Time to upgrade

Tauranga's City Centre is undergoing big changes. Several projects, both private and public are completed or underway, and these will transform the city centre in the coming years. These include the new civic precinct Te Manawataki o Te Papa, ongoing waterfront improvements, movement projects and public realm upgrades.

As these developments occur, it is important that the surrounding streets support people to move easily through both new and existing buildings and spaces. Safe, accessible and inviting streetscapes are of benefit to a wide range of users and ensure the city centre can function not only as a hub for business and hospitality, but also as a vibrant location for events that attract larger crowds.

Many of our current streets in the city centre are nearly 30 years old and are in need of repair. Upgrading streetscapes is important to improve access and create better connections between existing and developing parts of the city centre, that fulfil our city's strategic outcomes. We also need to think about how our streets will work for an increasing number of people using them into the future.

We are currently planning streetscape upgrades that have been funded through the 2024-34 Long Term Plan. We have developed a draft investment plan for upgrading city centre streets that will ensure they work now and into the future. This programme of work will be assessed following community feedback, and work will be routinely assessed to ensure it is meeting identified outcomes.

Scope of streetscapes

Streetscapes are the visual and functional elements of a street, including the design, layout, and features that contribute to its overall appearance and usability. This normally encompasses elements such as:

- Footpaths,
- Vehicle lanes and parking
- Landscaping and trees
- Streetlights
- Street furniture (such as park benches)
- Bike lanes and stands
- Signage and wayfinding,

Changes that are needed for our streetscapes

Many streets in the city centre are outdated and need upgrades to make them safer and more accessible for everyone. These upgrades are also a chance to better connect key areas and attract more people to live, work, learn, and play in the city centre.

Streetscape upgrades aim to fix several key issues:

1. Many of our streets don't meet the needs of today's or tomorrow's users - this includes basic pedestrian safety and accessibility needs.
2. There's no clear, unified plan—designs often don't match up with other city developments.
3. The streets need to reflect the needs and aspirations of the wide variety of people who will use them.

Implementation approach

This plan is about taking a “right spend, right place, right time” approach to streetscape upgrades, with an aim for pragmatic changes that meet user's needs and address identified problems at a reasonable cost. The identified spending programme price and timings can be adjusted based on community input. Spending decisions will align to the following Investment Objectives:

- To encourage more people to spend productive time in the city centre,
- Streetscapes support the development of a city centre that is a central place for people to live, work, learn and play
- To improve current streetscapes to deliver a future-focused multi-modal city centre
- Cohesive connected and cost-effective plan that improves streetscapes, delivering a bold, enticing and vibrant city centre.

The proposed Implementation Plan is focussed on value, delivering quality but cost-effective streetscape upgrades across the city centre, with a particular investment focus on streets closest to Te Manawataki o Te Papa. These upgrades will complement existing and upcoming developments and support people to access key spaces in the city centre in a way that is safe and accessible. Although each street will be upgraded to meet the particular need of users there, it is intended that an overarching plan for look and feel will be incorporated to ensure that moving through the city is a cohesive experience for all users.

Investment and prioritisation tables

The following pages provide three options for an investment programme that takes into consideration several technical and strategic documents including:

- The Tauranga City Long-Term Plan 2024-2034
- The Tauranga City Centre Action and Investment Plan
- City Centre Public Realm Design Guidelines

Each option includes a breakdown of each of the streets and specific considerations.

Option 1. is the recommended approach as it strikes the balance of ensuring prudent spending, whilst our streets are maintained to a standard that supports the momentum of our city centre growth, and ultimately the growth of Tauranga.

















The final tables included outline the streetscape projects that are not within the 10 year scope but are in the pipeline to be upgraded.

Investment Level Descriptions

This table below outlines the different level of investment options considered for each of the streets.

Level	Description
Essential \$\$\$\$	A “do minimum” approach is the lowest reasonable spend to provide an acceptable level of service to the community (Note renewal of road assets to a residential street standard is approximately \$10m)
Basic \$\$\$\$	Providing a modest, low-cost improvement from what a simple “do minimum” replacement would offer but at a contained cost.
Improved \$\$\$\$	Moderate enhancements that improve amenity, safety and accessibility and provide good interface with existing and future surroundings.
Advanced \$\$\$\$	High level of amenity and strong interface with existing surroundings. Considers the anticipated rise in people using the space as the city grows and allows for new developments to easily interact.
Premium \$\$\$\$	High-quality, design-led interventions that create signature public spaces and deliver strong placemaking, economic uplift, and identity outcomes.


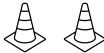
Recommended City Centre Streetscapes Implementation Plan – Option 1.

Area	Funding Level	Capex (approx.)	Opex (approx.)	Phasing	
The Strand extension	Essential	\$\$\$\$		2025/26	*Capital Expenditure
Underpass – Tunks Reserve	Basic	\$\$\$\$		2026/27	\$\$\$\$ = under \$5m (Essential)
					\$\$\$\$ = \$5m-8m (Basic)
Devonport Rd – Underpass	Essential	\$\$\$\$		2033/34	\$\$\$\$ = \$9 - \$14m (Improved)
					\$\$\$\$ = \$15 - \$25m (Advanced)
Willow St South	Essential	\$\$\$\$		2026/27	\$\$\$\$ = \$25m + (Premium)
Hamilton St	Advanced	\$\$\$\$	 	2027/28	Approximate Additional Operational Expenditure
Harington St	Basic	\$\$\$\$	 	2027/28	(per annum)  = \$5K
Willow St North	Basic	\$\$\$\$		2027/28	
Spring St	Essential	\$\$\$\$		2028/29	
Grey St	Improved	\$\$\$\$	 	2028/29	
Wharf St	Essential	\$\$\$\$		2029/30	
The Strand	Improved	\$\$\$\$	 	TBC	
Indicative capital cost = \$54m - \$89m, Opex Cost - \$72.5k p/a					

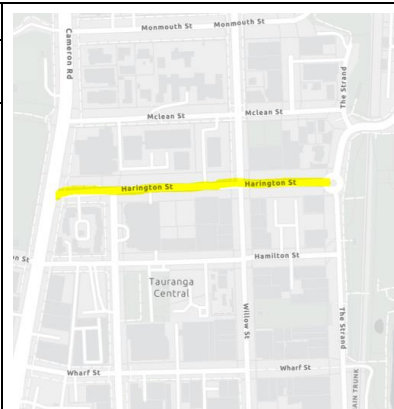

Recommended City Centre Streetscapes Implementation Plan – Staging Option 1.

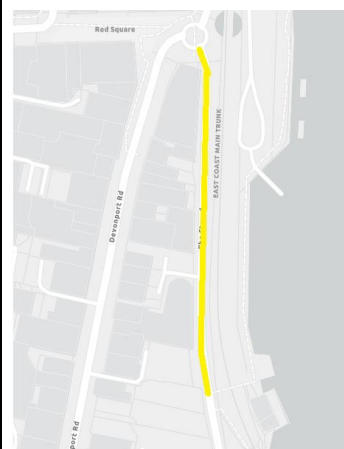

2026	2027(LTP)	2028	2029	2030 (LTP)	2031	2032	2033 (LTP)	Outside 10 years
The Strand Extension (Underpass – Tunks Reserve)								
Willow St South								
	Hamilton St							
	Harington St							
	Willow St North							
		Spring St						
		Grey St						
			Wharf St					
The Strand TBC								
							The Strand Extension (Underpass – Devonport Rd)	
								Devonport Rd
								The Strand North
								Durham St to Cameron Rd Connections (multiple Sts)
								Dive Cres
								Elizabeth St (completion)

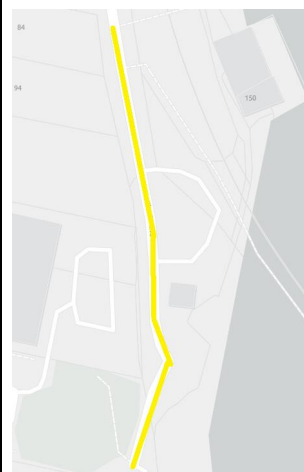


Street-by Street Overview

Area	Hamilton St – from Durham St to The Strand					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">• Renewal of footpaths and road, incorporating safety improvements• Develop appropriate interface of street edges with TMoTP, private development and surrounding businesses• Provide green space to enhance urban amenity, connect major green areas and increased seating• Integration opportunities with new developments at both ends of street					
Anticipated capital costs	\$\$\$\$ (\$15 - \$25m)		Anticipated operational costs (p/y)		 (\$10k p.a)	
Delivery timeframe	2027-2028					
Alignment to wider streetscape planning	<p>Hamilton Street provides a key east-west connection between the Wharepai Domain and the Waterfront (incl. significant view shaft) with critical interfaces with Te Manawataki o Te Papa, and new developments, Northern Quarter, and Panorama Towers.</p> <p>Streetscape upgrades in Hamilton Street will enable civic and private developments to be connected through a street that enables vehicle and bus access while providing high amenity pedestrian connections, the new Civic Stop bus stop and increasing vibrancy.</p>					
Other Options	More Investment		Less Investment			
	Higher quality hardscape area, additional canopy cover		Reduced seating and amenity, reduced green space on TMoTP edge			

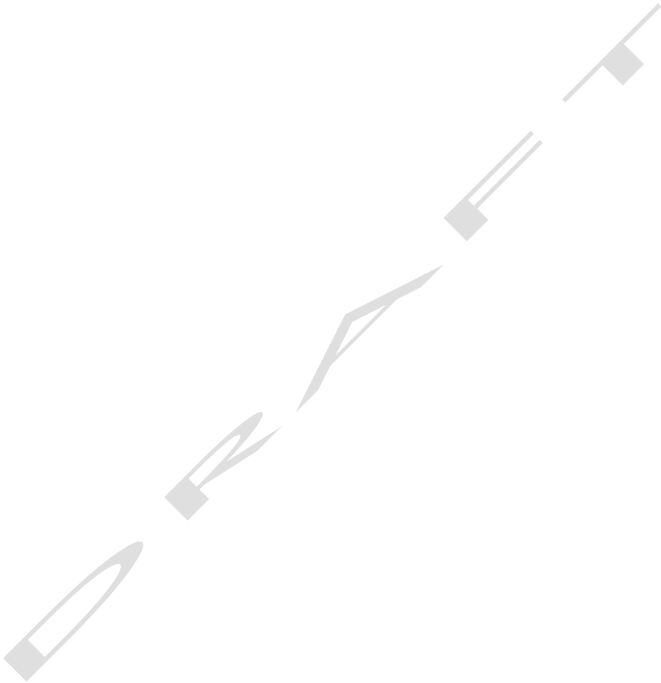


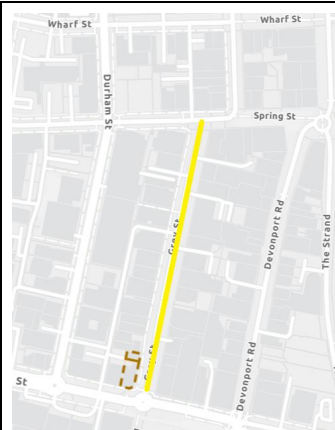


Area	Harington St – Cameron Rd to the Strand					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">• Priority is to increase the interface opportunities and amenity to section of Harington St between The Strand and Willow Street.• Increased lighting, minor improvements to green space.• Renewal of existing footpath and road safety improvements.• Improved bus stop facility					
Anticipated capital costs	\$\$\$\$ (\$5-8m)		Anticipated operational costs (p/y)		 (10k p.a.)	
Delivery timeframe	2027-2028					
Alignment to wider streetscape planning	<p>Harington Street serves dual functions of supporting ‘back-of-house’ for a number of buildings, while also providing for high quality access to multiple uses including new Civic Stop bus stop and future retail/hospitality. Enhanced amenity will be focussed in the section between The Strand and Willow Street.</p> <p>Access for all is paramount to this function, providing a cohesive connection that serves the wider access to the city centre.</p>					
Other Options	More Investment		Less Investment			
	Increased seating and amenity; additional canopy cover		Minor safety improvements only, reduced seating and amenity, reduced green space on private development edges; road renewal, replacement of footpath at end of life			



Area	The Strand extension – Devonport Road roundabout to Underpass					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">Renewal of footpaths (widened to 1.8m) and road, incorporating safety improvements enabling activation of street front while supporting back of house building functionsRetention of parking					
Anticipated capital costs	\$\$\$\$\$(>\$5m)		Anticipated operational costs (p/y)		 (\$2.5k p.a.)	
Delivery timeframe	2033+					
Alignment to wider streetscape planning	This section of The Strand functions predominantly to serve back of house access to Devonport Road businesses, with the pedestrian function predominantly being served on the Moana side of the railway line via the boardwalk.					
Other Options	More Investment		Less Investment			
	Safe provision for cyclists (choosing direct route into the city centre); Improved signage and wayfinding; additional amenity planting to railway bank		Retain current form, only undertake renewal works.			

Area	The Strand extension – Underpass to Tunks Reserve stairs					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">Renewal of footpaths and road, incorporating safety improvements (including lighting) and improving connection from stairs at the bottom of Tunks Reserve to the rest of the central cityIntegration with public realm from underpass to Tunks reserve incorporating seawall upgrades and other amenity improvements.					
Anticipated capital costs	\$\$\$\$\$\$ (>\$5m)		Anticipated operational costs (p/y)		  (\$7.5k p.a.)	
Delivery timeframe	2026-2027					
Alignment to wider streetscape planning	Delivery of part of the Green Necklace by connecting the waterfront boardwalk and the Matapihi rail bridge to Tunks Reserve and integration with public realm upgrades to the moana/waters edge. Will consider Bay of Plenty Regional Council aspirations for Harbourmaster requirements.					
Other Options	More Investment		Less Investment			
	Enhanced access to pedestrian path on Matapihi rail bridge; Inclusion of		Renewal of current surfacing, inclusion of painting to denote pedestrian route.			



	coastal planting and living seawall; additional amenity provision.	
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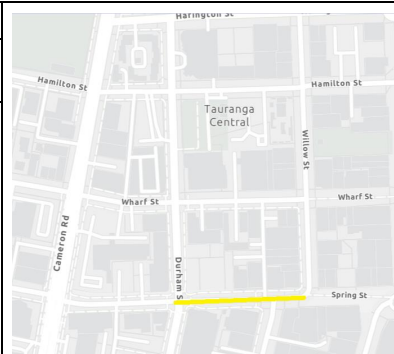



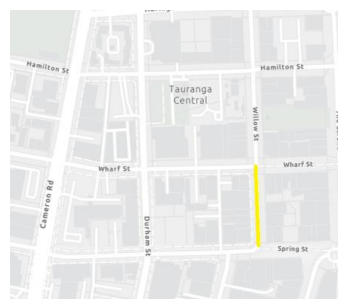

Area	Grey Street					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">• Renewal of footpaths and roads, replacing pavers with concrete• One-way Grey St, widened footpath with accessibility improvements, but retaining current car parking (as much as possible)• Increased planting and replacement of palm trees in favour of canopy trees• Upgrades to support retail uses					
Anticipated capital costs	\$\$\$\$\$ (\$9m-\$14m)		Anticipated operational costs (p/y)		  (\$10k p.a.)	
Delivery timeframe	2029-2030					
Alignment to wider streetscape planning	Grey Street is part of Te Manawa Huanui the pedestrian-focused north-south central walking route that connects key destinations and places with Te Manawataki o Te Papa, supported by laneways, wayfinding and storytelling. Improvements will consider the connections between retail activity currently on the street and other activities taking place in the city centre and create an improved route between residential development in the south of the city centre and the city's core.					
Other Options	More Investment		Less Investment			
	Increased seating and amenity, Increased integration with retail sector.		Minor and essential renewals only, replacement of existing footpath pavers with concrete, Replace existing road pavers with asphalt, less or no new plantings.			

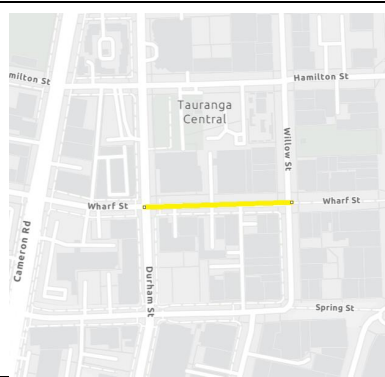

Area	The Strand					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">Renewal of footpaths and road, including rationalization of the Devonport Rd/ The Strand roundabout<ul style="list-style-type: none">Decluttering the Strand, simplifying paving and elementsReplacement of some existing palms with trees that enable a wider pedestrian space and greater canopy cover (shade in summer, light in winter)Footpath widening to better accommodate people and street dining.Increased lighting and street crossingEnhancements to support the Strand better accommodating eventsIncreased planting, providing for a water sensitive space connecting city with waterfrontWill consider relationship and integration with Strand Reserve including heritage and recent and future Waterfront developments.					
Anticipated capital costs	\$\$\$\$ (\$9m-\$14m)		Anticipated operational costs (p/y)		 (\$7.5k p.a.)	
Delivery timeframe	TBC					
Alignment to wider streetscape planning	The Strand is a critical space for increasing city centre vibrancy. It serves a variety of purposes and is an end point destination for many visiting the city centre for waterfront activities and events to hospitality. Ensuring that it is fully accessible and suitable for a variety of uses is a key driver of streetscape upgrades.					
Other Options	More Investment		Less Investment			
	Increased seating and amenity; Increased green space; Increased planting and water sensitivity linking the city centre to the waterfront.		Replace existing footpath pavers with concrete; renewal of road surface.			




















Area	Willow St North					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">• Renewal of existing footpaths that are end of life• Crossing points that acknowledge increased foot traffic in the area due to new use (Ministry of Justice Campus)• Safety improvements - increased lighting, tactile paving• some additional planting					
Anticipated capital costs	\$\$\$\$\$ (\$5-\$8m)		Anticipated operational costs (p/y)	 (\$2.5k p.a.)		
Delivery timeframe	2027/28					
Alignment to wider streetscape planning	Willow Street North is part of Te Manawa Huanui the pedestrian-focused north-south central walking route that connects key destinations and places with Te Manawataki o Te Papa, supported by laneways, wayfinding and storytelling. This section will also connect the new Ministry of Justice Campus with the city's core as well as integrate with the new Civic bus stop and Northern Quarter Stage 2 development.					
Other Options	More Investment		Less Investment			
	Increased seating and amenity; tree plantings with increased green space; higher quality footpath with widening Increased seating and amenity; clear integration with the new developments including Northern Quarter Stage 2 and Ministry of Justice Campus					

Area	Spring Street					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">Renewal of footpath pavers with concrete and road markingsFootpath widening to increase connections					
Anticipated capital costs	\$\$\$\$\$\$ (under \$5m)		Anticipated operational costs (p/y)	 (\$5k p.a.)		
Delivery timeframe	2028/29					
Alignment to wider streetscape planning	Spring Street is an important connector between Durham Street – University of Waikato Campus, new developments, the City South bus stops, and carparking – and the Waterfront/city core with significant opportunities for storytelling, wayfinding and celebration of key views.					
Other Options	More Investment		Less Investment			
	Increased lighting and street crossing; Increased seating and green space; Enhanced connection between Durham St and the waterfront; integration with future development sites (as they come online)					












Area	Willow Street South					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">• Renewal of footpath and road pavers with concrete (including resolution of mosaics)• Redesign of tree pits and gardens• Some minor safety improvements• Provision for taxi/ uber zone close to hospitality					
Anticipated capital costs	\$\$\$\$\$ (Under \$5m)		Anticipated operational costs (p/y)	 (\$5k p.a.)		
Delivery timeframe	2026/27					
Alignment to wider streetscape planning	Willow Street South is part of Te Manawa Huanui the pedestrian-focused north-south central walking route that connects key destinations and places with Te Manawataki o Te Papa, supported by laneways, wayfinding and storytelling. It is the key connector between the Retail and Commercial Precinct and the Civic Precinct and will provide a key accessible route into TMoTP.					
Other Options	More Investment		Less Investment			
	Additional re-leveling to provide for improved use; enhanced integration with TMoTP; increased seating, amenity, and tree planting for shade; Improvements to allow Willow St to become a shared space					

Area	Wharf Street					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">• Renewal of footpaths and road, some minor safety improvements.• Some additional green space to connect street to TMOTP and to existing ‘eat street’					
Anticipated capital costs	\$\$\$\$\$ (Under \$5m)		Anticipated operational costs (p/y)	 (\$5k p.a.)		
Delivery timeframe	2029/30					
Alignment to wider streetscape planning	Wharf Street will create an alternative pedestrian access point into TMoTP, particularly the new Library and Community Hub building. It will provide a direct connection to the existing hospitality section ‘eat street’ and the Waterfront, and an informal link to the Retail and Commercial Precinct of Grey Street via Waihirere Lane. Wharf Street will attract taxi and ride-share service access and be a choice for accessible pick-up-drop off access to TMoTP.					
Other Options	More Investment		Less Investment			
	Widened footpath with accessibility improvements to support TMoTP; strong integration with hospitality section (‘eat Street’) and TMoTP					

Option 2 – More ambitious



Area	Funding Level	Capex (approx.)	Opex (approx.)	
Hamilton St	Advanced	\$\$\$\$\$	 	*Capital Expenditure \$\$\$\$\$ = under \$5m (Essential) \$\$\$ = \$5m-8m (Basic) \$\$\$\$ = \$9 - \$14m (Improved) \$\$\$\$\$ = \$15 - \$25m (Advanced) \$\$\$\$\$ = \$25m + (Premium)
Harington St	Improved	\$\$\$\$\$	 	
The Strand extension	Basic	\$\$\$\$\$	 	
Grey St	Improved	\$\$\$\$\$	 	
Willow St North	Improved	\$\$\$\$\$	 	
The Strand	Advanced	\$\$\$\$\$	 	Approximate Additional Operational Expenditure (per annum)  = \$5K
Spring St	Basic	\$\$\$\$\$	 	
Willow St South	Essential	\$\$\$\$\$		
Wharf St	Basic	\$\$\$\$\$		
Indicative Capital cost = \$83 - \$108m, Opex Cost - \$73k p/a				

Option 3 – Less ambitious



Area	Funding Level	Capex (approx.)	Opex (approx.)	
Hamilton St	Improved	\$\$\$\$	 	*Capital Expenditure
Harington St	Essential	\$\$\$\$		\$ = under \$5m (Essential)
The Strand extension	Essential	\$\$\$\$		\$\$\$ = \$5m-8m (Basic)
Grey St	Basic	\$\$\$\$		\$\$\$ = \$9 - \$14m (Improved)
Willow St North	Essential	\$\$\$\$		\$\$\$ = \$15 - \$25m (Advanced)
The Strand	Basic	\$\$\$\$		\$\$\$ = \$25m + (Premium)
Spring St	Essential	\$\$\$\$		Approximate Additional Operational
Willow St South	Essential	\$\$\$\$		Expenditure (per annum)  = \$5K
Wharf St	Essential	\$\$\$\$		
Indicative Capital cost = \$31m - \$54m, Opex Cost - \$50k p/a				

Other streets Outside the 10 year plan



There are other areas of the city centre where developments would also be beneficial. However, these are currently not part of the proposed streetscape upgrade project. Plans could be amended if there was sufficient community interest in including them. Streetscape projects currently outside the 10 year plan are detailed below.



Area	Devonport Road					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of Potential upgrades	<ul style="list-style-type: none">Updating street lightingUpgrades to replace footpaths and pavers with high-quality concrete to reduce slips and improve look and feelRepaint road markings and crossing pointsIncreased landscape areas and canopy trees					
Anticipated capital costs	\$\$\$\$\$ (\$9m - \$14m)		Anticipated operational costs (p/y)		 (\$10k p.a)	
Delivery timeframe	2034+ (outside 10 years)					
Alignment to wider streetscape planning	Devonport Road upgrades would support new developments, such as the Tauranga City Council building and Craigs Investment (under construction).					
Why it is outside 10 Year Plan	Upgrades to Devonport Road have occurred more recently than other streets in the city centre and is therefore not a priority compared to these streets. The current street arrangement and streetscape condition supports the current and expected medium term use. It is however noted that the footpath pavers are a slip hazard in poor weather and lights are due for renewal in the short-medium term.					
Other Options	More Investment		Less Investment			
	Higher quality hardscape area; increased street furniture		Reduced replacement of pavers			

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Area	The Strand North					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">Improved footpath and pedestrian connectionsImproved landscaping and integration with public realm upgrades to create entrance to Historical and Cultural Precinct.					
Anticipated capital costs	\$\$\$\$\$\$ (>under \$5m)		Anticipated operational costs (p/y)		 (\$5k p.a)	
Delivery timeframe	2034+ (outside 10 years)					
Alignment to wider streetscape planning	Upgrades the Northern end of The Strand and ensures pedestrian connections to the Historical and Cultural Precinct, Monmouth St (and Ministry of Justice Campus) and back into the city centre. Through public realm and Reserve upgrades, this part of the Strand will create an entrance to the Historical and Cultural Precinct connecting to recent upgrade works at the Monmouth Redoubt.					
Why it is outside the 10 Year Plan	This section of the Strand is a lower priority compared to broader upgrades required to the Strand and the Historical and Cultural Precinct. It can be timed to complement the completion of other work in the area.					
Other Options	More Investment		Less Investment			
	More landscaping, amenity and street furniture; increased					

	lighting, storytelling and wayfinding.	
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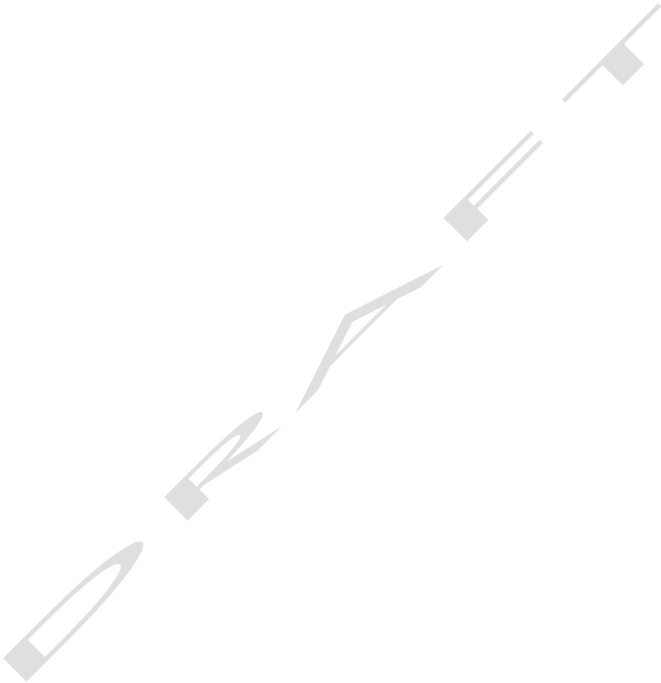
Area	Durham St-Cameron Rd connections (multiple Streets)					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">Streetscape upgrades that will complete connections between Durham St and Cameron Road on 3 streets – Hamilton, Wharf and Spring.					
Anticipated capital costs	\$\$\$\$\$ (>under \$5m)		Anticipated operational costs (p/y)		 (\$5k p.a)	
Delivery timeframe	2034+ (outside 10 years)					
Alignment to wider streetscape planning	These connections will complete work in their entirety on the three streets and fully connect them from Cameron Road to the Strand.					
Why it is outside the 10 Year Plan	Foot traffic in these particular areas is expected to be minimal and focusing investment in other areas ensures that those of highest use and where developments are planned or underway are prioritised. These connections to Cameron Road can then be made at a later date.					
Other Options	More Investment		Less Investment			
	Higher quality hardscape area; improved road marking, lighting and other amenity.					

Area	Dive Crescent					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">• Complete upgrades that link Dive Cres to The Strand, complementing the works to upgrade the Dive Crescent carpark, Beacon Wharf and the Cargo Shed.• Timing to integrate with new City North/Dive Crecent bus stop.					
Anticipated capital costs	\$\$\$\$\$ (>under \$5m)		Anticipated operational costs (p/y)		 (\$5k p.a)	
Delivery timeframe	2034+ (outside 10 years)					

Alignment to wider streetscape planning	Dive Crescent is a key connector for those travelling in and out of the city centre by car. The car park is also important for promoting parking options and encouraging people to enter the city centre on foot. Ensuring Dive Cres works as a connector is important and investment has already been made to accommodate this.	
Why it is outside the 10 Year Plan	A significant amount of investment has already been made in the area to ensure that it works well. Further investment is minor and can wait until other priority areas have been completed.	
Other Options	More Investment	Less Investment

Area	Elizabeth St (completion)					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">Completion of Elizabeth St upgrade from Grey St – Cameron Road and connection to the Green Necklace.Renewal of footpaths and road, incorporating safety improvements and additional planting to integrate with linear park section.Upgrades to support retail uses and recognise this as a key entry point into the city centre.					
Anticipated capital costs	\$\$\$ (\$5m - \$8m)		Anticipated operational costs (p/y)			
Delivery timeframe	2034+ (outside 10 years)					
Alignment to wider streetscape planning	Elizabeth Street is a key east-west connector and entrance point to the city centre, connecting main arterials to convenient carparking. This section will accommodate the Intercity Bus Stop and will continue the Green Necklace to connect into the linear park of the completed Elizabeth Street West.					
Why it is outside the 10 Year Plan	A significant amount of investment has already been made in the area to integrate it with a catalyst development. Further investment needs careful planning and will be prioritized after other areas have been completed.					
Other Options	More Investment					

	Increased planting, seating and amenity	
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City Centre Streets Project - Community Engagement

Aim:

The purpose of this engagement is to hear what our community think about the City Centre Movement Framework and Streetscape Investment Case. This will allow us to integrate the insights and feedback from our community to finalise the two overarching plans and move into a delivery phase next year. The delivery phase will allow for more targeted engagement focused on specific streets. Due to the changing dynamic of city centre development, feedback loops will be continuous at each stage of the project.

Approach:

- Speak with the right people, at the right time, about the right things
- Ensure key stakeholders are engaged early to build trust
- Run a community-wide online survey to collect a broad view of community perspectives, while also running targeted engagement sessions alongside for detailed feedback.
- Tailor feedback questions for different audiences
- It's important that people understand the need for investing in our city centre streets, alongside our focus on 'value for money' and the reality that all investments have trade-offs.
- Use this opportunity to build relationships to support further engagement and partnerships to bring people on the journey of our city centre development.

Stakeholder Groups:

City centre partners, businesses and investors Groups who have a significant stake in our city centre and the success of the Movement Framework and Streetscapes Investment Case.	Ensure direct engagement where possible – face-to-face, targeted workshops.
City centre users People who often use the streets – can provide insight into current street use as well as insights into what improvements they want to see in the future.	Target using advertising, office/business visits, on-street intercepts, and engagement at events.
Representative groups Organisations/representative groups/clubs who can help provide diverse perspectives to support engagement feedback. This insight will help us to see the big picture of planning for the diverse needs of a growing community.	Target groups by direct approach, in-person group presentations, email, online-survey and some direct email feedback.
City centre community / ratepayers Everyone who lives in our city, contributes to rates and will see the benefits of our city's investment and growth.	Media information, liaison with councillors, online information.

Engagement tactics

- Community Survey (primarily online)
- Event Engagement – pop-ups at existing city centre events (STEM Fest)
- Street intercepts – approaching people using city centre streets in person
- Councillor engagement – Information and engagement pack provided for councillors to speak with their constituents directly.
- Stakeholder feedback sessions – targeted conversations and questions that would inform the implementation plan with a more detailed focus.

Communications tactics

- Web page
- Media release / journalist liaison
- Newsletter content distribution (including external newsletters)
- Social media
- Advertising (print, digital)

Proposed timeline for 2025 engagement

July	August	September	October
Planning and confirmation (14 July sign off at Council)	Early stakeholder engagement (6 August – 2 September)	Community wide engagement (3 September – 1 October)	Analysis of feedback and report back to Council.

Key messages:

- The City Centre Streets Project focuses on a vision for how city centre streets look and feel and how we move around within the city centre.
- This will be our north star to guide long term planning for the city centre whilst remaining agile to future development opportunities.
- We know our streets are over 30 years old and are nearing their end of life, so we must do something. We are creating an implementation plan to outline the how we will prioritise investment in our streets over the next 10 years.
- We want to hear your thoughts – have we got it right? Are there any missed opportunities?
- Through a range of channels, we are seeking feedback on the vision for our city centre streets and the plan for how we are going to make it happen.
- We have a vision around Empowering change in our city centre through timely, targeted investment — enhancing streetscapes that are safe, vibrant, connected, and sustainable, so every dollar delivers the right impact, in the right place, at the right moment.

11.4 Council-Controlled Organisations - Final Statements of Intent 2025/28

File Number: A18151002

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 to provide the final Statements of Intent (SOI) 2025/28 for Tauranga City Council's (TCC or Council) six council-controlled organisations (CCOs), as required by the Local Government Act (2002).

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Council-Controlled Organisations - Final Statements of Intent 2025/28".
- (b) Receives the final SOI 2025/28 for Bay Venues Limited (Bay Venues), Tauranga Art Gallery Trust (TAGT), Tourism Bay of Plenty (TBOP), Te Manawataki o Te Papa Limited (TMOTPL), Te Manawataki o Te Papa Charitable Trust (The Charitable Trust), and Bay of Plenty Local Authority Shared Services Limited (BOPLASS) (**Attachments 1 to 6**).
- (c) Receives **Attachment 7** – TBOP's letter to Mayor Mahé Drysdale regarding its final SOI.
- (d) Notes that as joint shareholder of TBOP, Western Bay of Plenty District Council (WBOPDC) received TBOP's final SOI 2025/28 at their 26 June 2025 Council meeting.

EXECUTIVE SUMMARY

2. Council's CCOs are required by the Local Government Act (2002) (Part 5, Section 64, Schedule 8) to prepare an SOI consisting of information about the organisation's activities, performance measures, and financials over a three-year financial period, and is prepared and adopted by each of the CCO boards annually.
3. The draft SOIs must be provided to their shareholder, TCC, by 1 March each year for shareholder feedback, and Council has an opportunity to comment by 1 May each year on the draft SOIs before they are finalised and adopted by the CCO boards by 30 June each year.
4. Draft SOIs for Bay Venues, TAGT, TBOP, TMOTPL, the Charitable Trust and BOPLASS were received and considered by Council on 28 April 2025, and feedback was subsequently provided to the Bay Venues, TAGT, TBOP and TMOTPL Boards, Council's substantive CCOs.
5. As Council and the Otamataha Trust jointly govern the Charitable Trust, and as Council is one of nine shareholder councils of BOPLASS, it is not expected that TCC provides a Letter of Expectations (LOE) nor feedback to their draft SOIs, unless there are areas of significant concern.
6. Council's meeting scheduled for 14 July 2025 is the first appropriate opportunity to formally receive the CCOs' final SOI 2025/28. It is noted that the Local Government Funding Agency's final SOI 2025/28 will be received at the City Delivery Committee meeting scheduled for 22 July 2025.

7. Each CCO's final SOI is provided as **Attachments 1 to 6**. All six SOIs have met the statutory requirements as outlined in the Local Government Act.
8. An analysis of each CCO's final SOI was undertaken by staff. For Bay Venues, TAGT, TBOP and TMOTPL, this was done with reference to the shareholder feedback provided to assess whether Council's suggestions were considered further.
9. After receiving and considering Council's feedback on their draft SOI, the boards of Bay Venues, TAGT, TBOP and TMOTPL have finalised and adopted their final SOI for 2025/28.
10. The final SOI for TBOP has also be considered by their joint shareholder WBOPDC at their 26 June 2025 Council meeting.
11. Overall, the CCOs have constructively responded to shareholder feedback, with the final SOIs reflecting the key points raised during the consultation process, as well as the expectation from Council to find a minimum of 7% in opex saving.
12. Staff are satisfied that the CCOs have responded appropriately to Council's shareholder feedback in their final SOI and that their final SOIs are aligned to Council's LOEs provided on 20 December 2024.
13. There are no identified financial or legal risks associated with the final SOIs. These documents include financial forecasts for the 2025/26, 2026/27, and 2027/28 financial years.
14. No options analysis is required, as this report serves to formally present the final SOIs to Council as part of its annual reporting responsibilities.
15. The following background section outlines, in more detail, Council's feedback and changes from draft to final SOI for the substantive CCOs.

BACKGROUND

Highlights of changes from draft to final SOI

Bay Venues

16. Bay Venues' final SOI is provided as **Attachment 1**.
17. Staff are satisfied that the Bay Venues Board has responded appropriately to Council's shareholder feedback in their final SOI and aligned to Council's LOE.
18. Council's expectation of a minimum of 7% opex savings has been met and is reflected on page 9 of **Attachment 1**.
19. Council's feedback on the draft SOI, in no particular order of priority, and Bay Venues' response in the final SOI are outlined in the following table:

Bay Venues' Draft SOI – shareholder feedback:	Bay Venues' final SOI – changes reflect shareholder feedback:
<ol style="list-style-type: none"> (a) Consider a greater emphasis on using tangible examples to describe how the ratepayer is receiving value for money from Bay Venues. (b) Provide specific examples of how Bay Venues has improved systems or processes to reduce operating costs, including providing information on how Bay Venues will achieve a minimum 7% operational grant saving in the upcoming financial year. (c) Include a note that Bay Venues will have regular reporting and bi-monthly meetings with the Mayor, Deputy Mayor, and Councilors. 	<ul style="list-style-type: none"> • Please refer to Attachment 1 – pages 7 to 9 – which outlines the specific responses to Council's feedback. <p>Note:</p> <ul style="list-style-type: none"> • Final SOI on page 17 reflects the change of meeting frequency with Elected Members from quarterly to bi-monthly as per the request from Council. • Final SOI reflects a change to page 13 regarding the KPI on visitation – target reduced from 2.2 million to 2.1 million (to reflect final approved budget).

<p>(d) Provide more information about the Bay Venues asset renewals project(s).</p> <p>(e) Consider updating information to clearly illustrate the number of responses that are received when reporting on KPIs and relevant benchmarking.</p> <p>(f) Consider including information about what good looks like, and how Bay Venues is measuring and working towards achieving that i.e. qualitative benchmarking.</p>	<ul style="list-style-type: none"> Final SOI reflects a change to page 14 regarding the KPI on Team Engagement – target reduced from >75% to >65% (to reflect current year staff engagement results).
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TAGT

20. TAGT's final SOI is provided as **Attachment 2**.
21. Staff are satisfied that the TAGT Board has responded appropriately to Council's shareholder feedback in their final SOI and aligned to Council's LOE.
22. Council's expectation of a minimum of 7% opex savings has been met and is reflected on pages 12 and 19 of **Attachment 2**.
23. Council's feedback on the draft SOI, in no particular order of priority, and TAGT's response in the final SOI are outlined in the following table:

<p>TAGT's Draft SOI – shareholder feedback:</p> <p>(a) If TAGT is focused on being the best, consider demonstrating how this can be achieved and measured, both the current status and ongoing year-on-year improvements.</p> <p>(b) Consider using industry-relevant benchmarking to demonstrate progress against TAGT's goals and illustrate how TAGT compares to galleries of a similar size, scale and offering throughout the country.</p> <p>(c) Consider setting stretch targets (e.g. five years) and describe how TAGT will work towards achieving them.</p> <p>(d) Collect more information about what visitors like and dislike, and how that information will feed into ongoing gallery improvements.</p>	<p>TAGT's final SOI – changes reflect shareholder feedback:</p> <p>a) Relevant sections:</p> <ul style="list-style-type: none"> The final SOI (Attachment 2) addresses this by outlining clear metrics in Section 3.3 'Looking to the future'. TAGT will measure its ambition to be a renowned gallery through community response, including positive regional media coverage, visitor satisfaction and engagement surveys, and financial contributions. Reputation metrics include national benchmarking, media reviews, awards, touring exhibitions, and partnerships. Year-on-year improvements are implied through annual increases in engagement and satisfaction, and redevelopment milestones. <p>(b) Relevant sections:</p> <ul style="list-style-type: none"> TAGT commits to benchmarking against similar galleries as part of its strategy to be recognised nationally. This is mentioned in Section 3.3, where benchmarking is listed as a key measure of success. The document also references a review of other galleries post-COVID to contextualise visitation expectations (Section 3.2).
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	<p>(c) Relevant sections:</p> <ul style="list-style-type: none"> Stretch targets are discussed in Section 3.2, with expectations of annual growth from 2026/27 following the reopening. The final SOI outlines a major exhibition in 2027 aimed at attracting national visitation (Section 6). The Gallery's redevelopment and strategic partnerships are framed as enablers for achieving these targets. <p>(d) Relevant sections:</p> <ul style="list-style-type: none"> A Visitor Experience Strategy is being implemented (Sections 3.4 and 5), with surveys and analytics to measure engagement and appreciation. Specific feedback mechanisms include asking visitors where they've travelled from and satisfaction surveys (Section 3.3). The strategy is designed to inform ongoing improvements and demonstrate value for money. <p>Note:</p> <ul style="list-style-type: none"> Page 6 addresses establishing a baseline and from there, stretch targets can be set from 2026 onwards. This was an approach the TAGT Board discussed with Elected Members at the Governance to Governance meeting on 17 June 2025.
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TBOP

24. TBOP's final SOI is provided as **Attachment 3**.
25. Staff are satisfied that the TBOP Board has responded appropriately to Council's shareholder feedback in their final SOI and aligned to Council's LOE.
26. Council's expectation of a minimum of 7% opex savings has been met and is reflected on pages 4 and 20 of **Attachment 3**.
27. Council's feedback on the draft SOI, in no particular order of priority, and TBOP's response in the final SOI, are outlined in the following table:

<p>TBOP's Draft SOI – shareholder feedback:</p> <ol style="list-style-type: none"> (a) If TBOP is focused on being the best, consider demonstrating how this can be achieved and measured, both the current status, and ongoing year-on year improvements. (b) Consider including information about what good looks like and how TBOP is measuring and working towards achieving that i.e. qualitative benchmarking. 	<p>TBOP's final SOI – changes reflect shareholder feedback:</p> <ul style="list-style-type: none"> Please refer to Attachment 7 which outlines the responses to Council's feedback. <p>Note:</p> <ul style="list-style-type: none"> Whakatāne District Council will no longer be part of TBOP's regional tourism organisation from 1 July 2025, which is reflected in the financial section on page 20 of Attachment 3.
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(c) Consider demonstrating the economic impact of the work TBOP does and the return on investment the Tauranga ratepayers receive for TCC's investment.	
(d) Include regular reporting on the Tauranga Destination Brand project.	

TMOTPL

28. TMOTPL's final SOI is provided as **Attachment 4**.
29. Staff are satisfied that the TMOTPL Board has responded appropriately to Council's shareholder feedback in their final SOI and aligned to Council's LOE.
30. Council's expectation of a minimum of 7% opex savings has been met and is reflected on page 15 of **Attachment 4**.
31. Council's feedback on the draft SOI and TMOTPL's response in the final SOI, are outlined in the following table:

TMOTPL's Draft SOI – shareholder feedback: <ol style="list-style-type: none"> (a) Provide clearer key performance indicators and specific information on delivery in full, on time, in scope, and on budget. 	TMOTPL's final SOI – changes reflect shareholder feedback: <ul style="list-style-type: none"> • Please refer to page 10 of Attachment 4.
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The Charitable Trust

32. As Council and the Otamataha Trust jointly govern the Charitable Trust, there was no LOE provided to this CCO.
33. **Attachment 5** is this CCO's final SOI 2025/28. TCC staff worked with the Otamataha Trust on the development of the new SOI 2025/28, following the CCO's half-yearly meeting, which took place on 8 April 2025.
34. The final SOI confirms the Charitable Trust's purpose is to:
 - Own the land referred to as Site A of the civic precinct – the land bounded by Willow Street, Wharf Street, Durham Street, and Hamilton Street.
 - Support and encourage 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.
35. The final SOI notes the founding documentation of this CCO and outlines the five key deliverables supporting the Charitable Trust's core objective of restoring mana of the whenua to hapū and iwi, and provide certainty for how the land will be used in the future for the community.

BOPLASS

36. As Council is one of nine shareholder members, there was no LOE provided to BOPLASS.
37. BOPLASS' final SOI 2025/28 is provided as **Attachment 6**.
38. There are no significant changes between the draft and the final document.
39. BOPLASS' final SOI has six key performance targets to maximise value for money, benefits, and best practice to BOPLASS councils.

40. BOPLASS has confirmed that it will continue to manage a variety of joint procurement projects, which require ongoing management for performance, renewal or replacement. These joint procurement projects will continue across the three financial years.
41. BOPLASS has also confirmed that it will continue to manage a variety of shared services. These shared services will continue across the three financial years.
42. The BOPLASS Board has appreciated the support received from Council in the past year and looks forward to another successful year.

STATUTORY CONTEXT

43. The SOI is one of the CCO's key governance and planning documents.
44. Engaging with the CCOs throughout the development of the annual SOIs is one of the main ways Council can influence its CCOs while ensuring they are aligned with Council's strategic outcomes.
45. In accordance with the SOI and the Local Government Act (2002), CCOs are required to report to Council on its financial and non-financial performance six monthly and annually.
46. Bay Venues also provides quarterly updates and the latest Quarter 3 FY2025 can be found [here](#).
47. 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

48. 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	✓

49. 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

50. There are no options analysis as Council is formally receiving the final SOIs.

FINANCIAL CONSIDERATIONS

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

LEGAL IMPLICATIONS / RISKS

52. There are no legal implications.
53. Each of the CCOs has met their legislative requirements outlined in Part 5, Section 64, Schedule 8 of the Local Government Act (2002).
54. Staff believe that there is no strong justification for Council to require additional changes to the SOIs that have been signed off by the boards as their final documents.

TE AO MĀORI APPROACH

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

CLIMATE IMPACT

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

CONSULTATION / ENGAGEMENT

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

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; and
 - (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. CCOs will be informed of Council's consideration of this report.
63. The final SOIs will be made available to the public via Council's website.

ATTACHMENTS

1. Attachment 1: Bay Venues - Final Statement of Intent 2025-2028 - A18437788  
2. Attachment 2: TAGT - Final Statement of Intent 2025-2028 - A18435933  
3. Attachment 3: TBOP - Final Statement of Intent 2025-2028 - A18431772  
4. Attachment 4: TMOTPL - Final Statement of Intent 2025-2028 - A18456888  
5. Attachment 5: TMOTP Charitable Trust - Final Statement of Intent 2025-2028 - A17911163  
6. Attachment 6: BOPLASS - Final Statement of Intent 2025-2028 - A18437798  
7. Attachment 7: TBOP - Letter re Final Statement of Intent 2025-2028 - A18431776  



STATEMENT OF INTENT FY26



Facilities

- Mercury Baypark (Arena & Stadium)
- Adams Centre for High Performance
- Three Community Centres
- Four Sports Centres
- Five Aquatic Facilities
- Seven Community Halls

BayAudioVisual

COMMUNITY
CENTRES & HALLSTAURANGA
POOLS BayActive

BaySwim

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**Tauranga City**

These facilities are operated by Bay Venues, a Tauranga City Council organisation.



BOARD STATEMENT

Bay Venues is proud to be the kaitiaki of Tauranga City Council's network of community facilities; providing exceptional experiences that enhance the health and wellbeing of residents and visitors to our popular and growing city.

Our team of dedicated experts in our four key focus areas (sports & fitness, aquatics, events & entertainment and community hubs) pride themselves on creating inclusive, innovative and enjoyable spaces that enable everyone to participate, learn and grow. We are always listening and ready to meet the evolving needs of our community.

As Tauranga City Council's largest Council Controlled Organisation, we are well positioned to leverage our venues and activities to generate profits from some activities to help offset the cost of operating accessible, sustainable and fit-for-purpose venues.

Over the last year we have generated new revenue from leases, commercial partnerships, new catering opportunities and a new digital billboard on State Highway 29A at Mercury Baypark. Further developments are planned in this space, particularly in catering and partnerships, and we will continue to actively seek relevant opportunities to drive additional revenue in future.

Being commercial in mind has been invaluable as economic pressures have affected events and event related revenue, as well as spend per head in aquatic facilities over the last year. While we have been able to generate additional revenue streams, these have only partially offset the impact in events and aquatics. This led to the tough decision during FY25 to find cost savings that did impact our team, with a handful of roles being disestablished.

This has been a challenging time for the organisation, but we are working hard to minimise the impact on the community and over this period our overall customer satisfaction results have remained above 85%.

We look forward to improved economic conditions in the future but remain financially prudent for the foreseeable future. We have a plan to reduce costs further to absorb

a 8.5% reduction* in the operating grant we receive from Council in the FY26 financial year. We will also prioritise investment in health & safety, Māori engagement, digital customer experiences and AI efficiencies. Beyond the recent opening of The University of Waikato Haumaru Sport & Recreation Centre in the central city, we have not factored new venues/projects into our FY26 operating budget. We look forward to working with Council and key partners to plan a considered, networked approach to future facilities in due course.

Collaboration and connection are at the heart of what we do every day. We look forward to working with Council to deliver value for money to the ratepayers of Tauranga. Through transparent reporting and clear storytelling we will demonstrate our joint role in providing spaces and activities that contribute to a vibrant, thriving city.

Ki te kotahi te kākaho, ka whati; ki te kāpuia, e kore e whati

When we stand alone, we are vulnerable, but together we are unbreakable



Simon Clarke

Chair, Bay Venues Limited

This is the Bay Venues Statement of Intent (SOI) for FY26. This document outlines Bay Venues' strategic approach to meeting Tauranga City Council's expectation of "delivering more for less".

This SOI meets the requirement of Section 64 (i) of the Local Government Act 2002 and incorporates the expectations of Council as outlined in the revised Enduring Statement of Expectations adopted in December 2023 along with the annual Letter of Expectation dated 20 December 2024. It outlines what we do, our strategy and objectives for the year ahead and the performance targets by which we will be measured.

**This 8.5% reduction takes into account both the reduction in our operating grant as well as the reduction in our interest grant.*



WHO WE ARE AND WHAT WE DO

We are the kaitiaki of more than 20 community facilities across Tauranga – aquatic centres, indoor sport , recreation and fitness facilities, event venues, and community halls and centres – and we manage these facilities on behalf of Tauranga City Council and our community.

Connecting the community through exceptional experiences is the driving force behind Bay Venues. We have the community at heart, while being commercial in mind. We have several commercial businesses, which help keep entry to our public facilities affordable and accessible for the whole community.



FACILITIES

- 1** Mercury Baypark Arena, Stadium & Pavilions
- 1** Adams Centre for High Performance
- 3** Community Centres
- 4** Sports Centres
- 5** Aquatic Facilities
- 7** Community Halls



ASSETS

\$160,465m



VISITORS

2.20m



CUSTOMER SATISFACTION

86% Overall Satisfaction

85% Satisfaction with Facility

88% Satisfaction with Service



EMPLOYEES

146 Full Time Staff

142 Part Time Staff

122 Casual Staff

Data as at 30 June 2024.

See appendix 1 for a detailed breakdown of Bay Venues Facilities and Activities.



STRATEGIC ALIGNMENT

We will ensure our strategic focus is aligned with Tauranga City Council. To achieve our vision, mission and purpose we will work in partnership with Council and collaborate with a range of partners throughout the wider community.

TAURANGA CITY VISION

Council's *Our Direction Tauranga 2050* provides a strategic framework for the city and informs the community outcomes under a vision of:

Tauranga, together we can prioritise nature, lift each other up, fuel possibility.

TAURANGA CITY COUNCIL'S VALUES

Pono / Integrity – We do what we say we will do.

Manaakitanga / Respect – We listen to all views and show we care.

Whaia te Tika / Service – We do the right thing for the community and each other.

Whanaungatanga / Collaboration – We work together and create connections.

The Council's vision and values are closely aligned with Bay Venues' vision, mission, purpose and values noted over page.

COMMUNITY OUTCOMES

We acknowledge Council's desire for us to focus on the following strategic areas:

- **Delivering more for less**

We will provide value for money to the ratepayers of Tauranga by maximising the use of community facilities, looking after our current assets and prioritising energy saving initiatives within venues to reduce operating costs. With the community at heart, we will continue to be commercial in mind by maintaining (and introducing new and appropriate) revenue streams that offset the cost of operating community facilities. We will demonstrate how we provide value for money through our storytelling, stakeholder engagement, transparent reporting and financial analysis.

- **Delivering on Council's priority strategic community outcomes**

We will continue to deliver diversity and inclusion initiatives, grow our cultural awareness, implement sustainability initiatives and support emergency management. We will also continue to report on our social return on investment and implement any outcomes from this analysis.

- **Working collaboratively in a direction consistent with Council's objectives**

We will continue to proactively engage and partner with Council, key stakeholders and mana whenua on current and future facility projects. We will also continue to acknowledge Tauranga City Council as a provider of our operating subsidy and the benefits of those operations for the people of Tauranga.

Our four strategic focus areas, including key projects and KPIs related to each, are detailed over subsequent pages (8-13) to demonstrate our commitment to these community outcomes.

BAY VENUES BOARD

We are pleased to continue being a part of Council's Board Intern Programme, supporting diversity and fresh thinking in governance. A summary of Board meeting activity will continue to be published to our website for public reference.

FINANCIAL CARE

As requested, we will implement the required operational savings from the 2026 Financial Year to ensure the most effective economical use of public resources, while still delivering exceptional experiences to the community. We will continue to provide transparent and timely financial reporting of operational and capital expenditure to ensure we are delivering value for money to the ratepayers of Tauranga.



STRATEGIC ALIGNMENT

RESPONSE TO COUNCIL FEEDBACK

CONSIDER A GREATER EMPHASIS ON USING TANGIBLE EXAMPLES TO DESCRIBE HOW THE RATEPAYER IS RECEIVING VALUE FOR MONEY FROM BAY VENUES.

Bay Venues is committed to delivering exceptional value from the city's investment in community facilities and we achieve this by maximising visitation, operating efficiently, focusing on meaningful community outcomes, and investing strategically to amplify our impact. Through continuous innovation and prudent financial management, we ensure our facilities remain vibrant, accessible, and sustainable for the people of Tauranga.

Maximising Visitation

The city has invested significantly in its community facilities and the capital cost of these investments is large. To get the most value from this investment we maximise the use of facilities wherever possible and drive as many people through the facilities as we reasonably can without negatively impacting upon the customer experience. More people visiting our facilities delivers higher value at the best possible cost, because it doesn't operationally cost much more to operate a venue for 1,000 people than 100 people and the capital cost is similar.

Visitation of over 2.1m people through our facilities annually is significant with our larger facilities attracting a high proportion of those numbers (Baypark >500,000; Baywave >420,000). Despite the increasing demand for space, ageing facilities and high visitation our customer satisfaction rating remains high at 86%.



All our key facilities are fully booked at peak times. Indoor court space and pool space have demand that well exceeds available space. For example, with the opening of four new indoor courts at The University of Waikato Haumaru Sport & Recreation Centre on Cameron Road our indoor court network was fully booked from day one and we still have significant demand for space from community sports groups.

Delivering Value Through Operational Efficiency

Bay Venues operates in a financially prudent and sustainable manner, consistently seeking ways to reduce costs and generate incremental revenue. We ran at a breakeven budget in FY25 and expect to do the same again in FY26, i.e. no unbudgeted operating funding is required from Council.

Bay Venues operates a range of commercial business units (e.g. catering, gyms, and a learn to swim school) within our venues or aligned with key partners. The profit generated by these commercial business units helps minimise the cost to users/ratepayers by ~\$0.4m per annum.

Efficiency initiatives have included:

- Focusing on cost control along with targeted staff restructures to generate annual savings of \$1.36m within 12 months.
- Successfully opening the new The University of Waikato Haumaru Sport & Recreation Centre with no extra resource.
- Renewing assets to reduce ongoing expenditure on repairs and maintenance (e.g. replacing a 25-year-old lift has reduced costs).
- Investing in solar panels on three of our venues will generate a return by reducing our electricity consumption.
- Agreeing new catering contracts with The University of Waikato and Historic Village will help to increase catering revenue and further offset the cost of running community facilities.
- Signing a new partnership agreement with The University of Waikato around our sport and fitness facilities. This agreement along with our agreement with Mercury at Baypark generates additional revenue that offsets operating costs and will help improve our facilities as a portion of the partnership fees are allocated for venue improvements.



STRATEGIC ALIGNMENT

Enhancing Community Outcomes and Delivering Value for Money

Bay Venues delivers strong social, cultural, and economic returns for the people of Tauranga by maximising the use of our facilities and ensuring they remain accessible and relevant to the diverse needs of our community. While overall visitation is an important measure, the breadth and impact of activity hosted within our venues demonstrates further value for our community.

We take a proactive approach to optimising the use of ratepayer-funded assets, ensuring they generate meaningful outcomes across a wide range of community groups.

Examples of our value-driven impact include:

- **Delivering high-impact events:** We host at least 75 events annually with 500+ participants, bringing significant social, cultural, and economic value to the city. These include kapa haka festivals, concerts, sports tournaments, exhibitions and business events.
- **Hosting major events:** We host numerous major events and are a key delivery partner for the annual AIMS Games, attracting around 20,000 participants and spectators, and contributing millions to the local economy through tourism, hospitality, and service sectors.
- **Maximising off-peak utilisation:** Programmes such as Tumble Time for preschoolers and inflatable play zones during school holidays increase utilisation during traditionally quieter periods, improving asset efficiency.
- **Targeting accessibility and inclusion:** To ensure our services are equitably available to as many residents as possible, we have initiatives such as our aquatic disability memberships, dedicated culturally appropriate swimming lessons for ethnic women, and specialist lessons and programmes for people with sensory sensitivities, as well as for children living in foster care. We have also introduced swimming lessons delivered in New Zealand Sign Language, Korean, and Chinese, as well as a "teach the teacher" programme that empowers kaiako to deliver swimming lessons to their own ākonga in te reo Māori.
- **Supporting community connection:** Our community centres and halls are extensively used for ethnic festivals and cultural celebrations, as well as community play sessions for Korean and Chinese youth, young people with intellectual disabilities, teenagers who have been excluded from mainstream schools, and there are also pop-in sessions in low socio-economic areas of the city. These initiatives build social cohesion and connection.
- **Demonstrating measurable benefit:** We track a network-wide Cost Benefit Analysis (CBA), which has remained at a steady 1.28 over the past two years – indicating a strong net positive return on community investment.
- **Employing local people:** We employ around 400 local staff (~235 FTE), with two-thirds in part-time or casual roles. Many of these are young people entering the workforce for the first time, gaining skills and work experience that contribute to broader economic wellbeing.

Together, these initiatives illustrate how Bay Venues delivers tangible outcomes from public investment – maximising facility use, expanding community access, and ensuring every dollar spent generates broad and lasting value.

Amplifying Impact with Strategic Investment

Bay Venues continually seeks to derive more value from the community facilities it operates with examples including:

- Increasing capacity for concerts at Baypark Arena.
- Upgrading Pāpāmoa Sports & Recreation Centre so it can better host functions and events.
- Installing badminton lines at Greerton Hall to increase the functionality of that facility for the community.
- Replacing old sports scoreboards with digital screens that provide greater flexibility for a wider range of events and activities.
- Purchasing a new stage, mothergrid and installing a permanent drape solution for Baypark Arena that are all safer and faster to install, improving the turnaround time between events.
- Investing in new back-of-house finance and HR systems along with increased use of AI to improve staff productivity.
- Planning future asset renewal projects for FY26 to provide additional benefits.





STRATEGIC ALIGNMENT

PROVIDE SPECIFIC EXAMPLES OF HOW BAY VENUES HAS IMPROVED SYSTEMS OR PROCESSES TO REDUCE OPERATING COSTS, INCLUDING PROVIDING INFORMATION ON HOW BAY VENUES WILL ACHIEVE A MINIMUM 7% OPERATIONAL GRANT SAVING IN THE UPCOMING FINANCIAL YEAR.

- Bay Venues went through two staff restructures during FY25 and reduced overall staffing by ~10 FTEs including reducing the number of General Managers from five to four.
- The implementation of a new digital rostering system is enabling managers to more closely manage staff scheduling and costs.
- The renewals expenditure at several sites, most notably Baypark, has seen reduced maintenance expenditure. Old and failing building components are being replaced and this subsequently reduces the need to repair and maintain them.
- The installation of solar panels at three of our venues so far will reduce electricity costs.
- We have leased out underutilised space at Baypark as well as installing a digital billboard at Baypark to generate additional revenue.
- We are recovering credit card fees from customers at point of sale.
- We regularly assess opportunities to leverage off Council's investment in new systems. For example, we are currently investigating the use of Council's financial planning and budgeting software (IBIS).

INCLUDE A NOTE THAT BAY VENUES WILL HAVE REGULAR REPORTING AND BI-MONTHLY MEETINGS WITH THE MAYOR, DEPUTY MAYOR, AND COUNCILLORS.

- The Reporting section (page 17) includes quarterly reporting and has been updated to include bi-monthly meetings with Councillors instead of quarterly.
- Our quarterly reporting highlights achievements and key events and activities within our facilities along with tracking against KPIs.

PROVIDE MORE INFORMATION ABOUT THE BAY VENUES ASSET RENEWALS PROJECT(S).

Bay Venues continues to invest in the renewal of its capital assets to ensure that they remain functional, safe and fit for purpose for the community to benefit from. A key focus on renewals is investing in projects that help reduce operating



costs or increase revenue. Key projects planned in FY26 include:

- Baypark main kitchen refurbishment
- Arena café refurbishment
- Baywave maintenance closure planning
- Adams Centre lift replacement
- Baypark Arena six court floor resurfacing
- Replacement of storage space at Baypark
- Replacing the generator at Baypark
- As well as several other projects replacing end of life building components across our network of venues

CONSIDER UPDATING INFORMATION TO CLEARLY ILLUSTRATE THE NUMBER OF RESPONSES THAT ARE RECEIVED WHEN REPORTING ON KPIS AND RELEVANT BENCHMARKING.

- The two KPIs this would be most relevant to are Customer Satisfaction and Staff Engagement. We will include the number of responses when reporting on these.

CONSIDER INCLUDING INFORMATION ABOUT WHAT GOOD LOOKS LIKE AND HOW BAY VENUES IS MEASURING AND WORKING TOWARDS ACHIEVING THAT I.E. QUALITATIVE BENCHMARKING.

- Our KPIs are consistent with other similar organisation across New Zealand and when considered together are a good indicator of performance.
- We are happy to explore benchmarking opportunities and will discuss this further with Councillors to ensure that this delivers the required benefits.



VISION

Ngā tino wāhi o Tauranga Moana
The best venues for the Bay

MISSION

**Ko mātou ngā kaitiaki o te whatunga
 o ngā rawa ā-hapori o Tauranga**
**We are the kaitiaki of Tauranga's
 network of community facilities**

PURPOSE

**E tūhono ana i te hapori mā
 ngā wheako rawe rawa atu**
**Connecting our community
 through exceptional experiences**





STRATEGIC FOCUS AREAS

MAXIMISING ACTIVITY & EVENTS

- We host a wide range of successful activities and events (sporting, cultural, service, recreation, and business) within our facilities that collectively enhance the social, cultural, and economic wellbeing of Tauranga.
- We have a strong focus on the recreation needs of our community and encouraging participation for diverse groups.
- We actively look for opportunities; targeting new events and attracting new and diverse community activities through a community led development approach.
- We create unforgettable customer experiences, powered by innovative technology.
- We keep people safe through a proactive Health & Safety culture and good systems.
- We collaborate with Council, Tourism Bay of Plenty, Priority One and other key stakeholders to actively progress the Tauranga Events Action and Investment Plan.
- We proactively share stories from our facilities celebrating our diverse community.
- We are committed to engaging with our community to ensure our facilities are inclusive and accessible and meet the needs of a diverse community.
- We measure and report on the social return on investment (ROI) from our activities.

LEVERAGING OUR CAPABILITY

- We utilise our existing skills, expertise, spaces, and equipment to deliver revenue where it is appropriate and aligned with our core business of providing community facilities.
- We continue to provide a range of existing commercial business operations to offset the cost of running community facilities.
- We actively explore and capitalise on appropriate new revenue opportunities.
- We are committed to gaining efficiencies through shared services with Council, including providing our services to Council where appropriate.
- We make our facilities and people available to support Civil Defence training and emergencies as needed.

LOOKING AFTER OUR ASSETS

- We provide facilities and assets that are safe, well maintained, professionally managed and fit for purpose.
- We provide facilities for our community that are welcoming, accessible, and inclusive.
- We have a long-term Venue Strategy including agreed priorities for facilities and asset renewals planning, embedded within the 2024-34 Long Term Plan.
- We recognise that our venues are part of a wider network of facilities across the city, region and country.
- We recognise Council funding of facilities through venue signage and our websites.
- We partner to deliver major recreation projects for the city.
- We have a Sustainability Action Plan to measure, monitor and mitigate our greenhouse gas emissions.
- We develop facilities sustainably and implement energy saving projects across our network.

BUILDING OUR CAPABILITY

- We strive for excellence and foster collaboration and partnership to achieve the best possible outcomes.
- We work hard to build a positive, high performance team culture.
- We focus on developing our team and our leaders.
- We cultivate constructive working relationships with Council, mana whenua and key partners.
- We are committed to biculturalism and partnership with mana whenua.
- We have systems that enable our teams to be productive and successful and create efficiencies through technology.
- We clearly and transparently communicate financial information and show how ratepayers help to fund our activities.
- We make our Board agenda and summary information available on our website and we publish quarterly reports incorporating storytelling to highlight our community impact.





OUR GAME PLAN

Vision The best venues for the Bay

Mission We are the kaitiaki of Tauranga's network of community facilities

Purpose Connecting our community through exceptional experiences

Focus Area: Maximising Activity & Events		Weighting
Strategic Objectives	<ol style="list-style-type: none">1. Maximise activity across our venues2. Proactively attract new events and activities3. Consistently deliver exceptional customer experiences4. Embed a strong health & safety culture supported by good systems	50%
KPIs	<ul style="list-style-type: none">• Visitation• Significant events (>500 pax)• Customer feedback rating• Preventable serious harm incidents	
Focus Area: Looking After our Assets		Weighting
Strategic Objectives	<ol style="list-style-type: none">1. Look after and enhance our assets and actively plan for and manage asset renewals2. Implement our venue strategy and provide for future needs3. Deliver venue projects to a high standard and partner on key projects4. Operate our venues safely and sustainably	25%
KPIs	<ul style="list-style-type: none">• Preventable unplanned facility closures (>4 hours)• Capital projects on time and on budget• Capital programme vs. budget• Energy consumption	
Focus Area: Leveraging our Capability		Weighting
Strategic Objectives	<ol style="list-style-type: none">1. Continue to create value in our existing commercial business operations2. Actively progress appropriate new complementary revenue opportunities	10%
KPIs	<ul style="list-style-type: none">• Financial performance against budget• Commercial partnerships	
Focus Area: Building our Capability		Weighting
Strategic Objectives	<ol style="list-style-type: none">1. Build a positive, high performance team culture2. Provide technology & systems that support our people and our customers3. Develop strong working relationships with key partners (inc Council, Mana whenua and TECT)4. Provide consistent and transparent reporting that supports decision making	15%
KPIs	<ul style="list-style-type: none">• Team engagement• Staff turnover• Delivery of Stakeholder Engagement Plan and Māori Engagement Plan	
Key Projects & Initiatives Change Annually – Refer Next Section		



OUR KEY PROJECTS & INITIATIVES

Focus Area	Maximising Activity & Events			
Strategic Objectives	Maximise activity across our venues	Proactively attract new events and activities	Consistently deliver exceptional customer experiences	Develop a strong Health & Safety culture supported by good systems
Key Projects & Initiatives FY26	<ul style="list-style-type: none"> • Install Permanent Truss System at Mercury Baypark • Operate QEYC & Haumarū Efficiently to Support User Growth & Optimise Facility Use 	<ul style="list-style-type: none"> • Secure Tenant for Pavilion 2 at Baypark • Support the Development of a Māori Events Strategy • Stadium Lounge & Corporate Lounge Improvements to Attract Additional Event Activity at Baypark 	<ul style="list-style-type: none"> • Digital Customer Experience Improvements i.e. digital signage, kiosks, online functionality • Customer Service Toolkit for Managers 	<ul style="list-style-type: none"> • Implement New Contractor Management Process • External Security Audit • Embed New Emergency Management Framework • Crowded Places Audits of Event Venues • Implement Actions from H&S Audit
Future Projects & Initiatives	<ul style="list-style-type: none"> • Baywave 3 Yearly Closure • Investigate Clubfit 24-Hour Access 		<ul style="list-style-type: none"> • Digital Customer Experience Improvements (cont.) 	<ul style="list-style-type: none"> • Implement Actions from Security Audit
			FY26	
KPIs	Visitation Significant Events (>500 pax) Customer Satisfaction Preventable Serious Harm Incidents		>2.1m visits >75 events >85% overall satisfaction 0 incidents	

Focus Area	Look After Our Assets			
Strategic Objectives	Look after and enhance our assets and actively plan for and manage asset renewals	Implement our Venue Strategy and provide for future needs	Deliver venue projects to a high standard and partner on key projects	Operate our venues safely and sustainably
Key Projects & Initiatives FY26	<ul style="list-style-type: none"> • Baypark Arena 6 Court Re-surfacing • Baypark Stadium Kitchen Upgrade 	<ul style="list-style-type: none"> • Review Venue Strategy • Digital Facility Improvements 	<ul style="list-style-type: none"> • Support Council Facility Projects, i.e. Memorial Aquatic Centre Project 	<ul style="list-style-type: none"> • Implement Accessibility Actions, e.g. site signage, replace pool lifts, install accessible handrails in wave pool • Implement Sustainability Action Plan Initiatives, e.g. waste minimisation, rainwater harvesting
Future Projects & Initiatives	<ul style="list-style-type: none"> • Baywave Gym Equipment Upgrade • Arena Seismic Strengthening • Baywave 3 Yearly Closure 	<ul style="list-style-type: none"> • 28 - 37 AMP and Integrated Venue Strategy 	<ul style="list-style-type: none"> • Continue to Support Council on Facility Projects 	<ul style="list-style-type: none"> • Continue Permit to Work Process Improvements
			FY26	
KPIs	Preventable Unplanned Facility Closures Key Capital Projects Capital Programme Budget Energy Consumption		0 Unplanned closures (>4hrs) Within 5% of budget Within 5% of budget 5% reduction at key facilities	



OUR KEY PROJECTS & INITIATIVES

Focus Area	Leveraging our Capability	
Strategic Objectives	Continue our existing commercial business operations	Actively progress appropriate new complementary revenue opportunities
Key Projects & Initiatives FY26	<ul style="list-style-type: none"> • Launch New Retail Café Concept • Secure One New External Venue Catering Agreement 	<ul style="list-style-type: none"> • Investigate Additional Digital Billboard Opportunities • Secure One New Commercial Partner
Future Projects & Initiatives	<ul style="list-style-type: none"> • Roll Out Retail Café to Additional Venues • Expand Event Catering Venues/Partners 	<ul style="list-style-type: none"> • Secure One New Commercial Partner

		FY26
KPIs	Financial Performance Commercial Partnerships	Achieve Budget One New Partner

Focus Area	Build Our Capability			
Strategic Objectives	Build a positive, high performance team culture	Provide technology & systems that support our people	Develop strong working relationships with key partners (inc mana whenua)	Provide consistent reporting that supports decision making
Key Projects & Initiatives FY26	<ul style="list-style-type: none"> • Creation of a Diversity, Equity & Inclusion Plan • Investigate NZQA Opportunities • Continue to Build HRIS System 	<ul style="list-style-type: none"> • Digital Workplace Improvements for Staff • Improved H&S Staff Induction • Implement Business Planning Software for Budgeting & Forecasting 	<ul style="list-style-type: none"> • Implement Stakeholder Engagement Plan • Implement Māori Engagement Plan 	<ul style="list-style-type: none"> • Streamline Operational Reporting • Create Data Strategy
Future Projects & Initiatives	<ul style="list-style-type: none"> • Career Pathway Articulation • Continue to Build HRIS System 	<ul style="list-style-type: none"> • Digital Workplace Improvements for Staff (cont.) • Review of Anti-Social Behaviour Training • Security Training for Managers 		<ul style="list-style-type: none"> • Implement Data Strategy

		FY26
KPIs	Team Engagement Staff Turnover Stateholder Engagement	>65% <30% Implement Plan





FINANCIAL PERFORMANCE

Bay Venues Statement of Comprehensive Income & Expenses (000's)	Actual 23/24	Forecast 24/25	Budget 25/26	Forecast 26/27	Forecast 27/28
Revenue					
User Revenue	20,621	22,219	22,516	22,916	23,375
Other Revenue	1,276	432	414	426	439
TCC Operational Grant	5,167	7,567	7,355	7,566	7,939
Total Operational Revenue	27,070	30,218	30,284	30,908	31,753
Expenditure					
Employee Expense	17,416	17,877	18,112	18,464	18,926
Administrative Expense	1,659	1,651	1,792	1,837	1,883
Consulting & Governance Expenses	1,251	955	757	776	795
Operating Expenses (incl. COGs)	7,967	8,191	8,340	8,548	8,762
Repairs & Maintenance Expense	1,191	911	978	1,002	1,027
Total Operation Expenses	29,484	29,584	29,978	30,628	31,394
EBITDA	(2,414)	634	306	281	359
Additional Transactions:					
Add: TCC Renewal Funding	5,894	15,442	7,667	15,026	10,386
TCC Debt Servicing Grant	1,317	1,098	929	966	1,053
Less: Profit/Loss on Disposal	144	-	-	-	-
Finance Expense	1,305	1,095	1,145	1,100	1,100
Depreciation & Amortisation Expense	7,981	9,928	10,180	11,476	11,981
Surplus/(Deficit) Before Tax	(4,633)	6,152	(2,423)	3,697	(1,283)
TCC New Capital Funding	-	3,334	800	6,915	2,696

note: surplus in years 24/25 and 26/27 is driven by significant LTP renewals programme (renewal income is fully recognised when asset is acquired)

Bay Venues Ltd Statement of Financial Position (000's)	Actual 23/24	Forecast 24/25	Budget 25/26	Forecast 26/27	Forecast 27/28
Assets					
Current Assets					
Cash & Cash Equivalents	1,526	826	787	209	570
Inventories	475	475	475	475	475
Debtors & Other Receivables	1,231	1,231	1,231	1,231	1,231
Total Current Assets	3,232	2,532	2,493	1,915	2,276
Non-Current Assets					
Other Non-Current Assets	5,425	5,630	5,670	5,753	5,769
Intangible Assets	208	208	208	208	208
Property, Plant & Equipment	157,035	166,998	162,388	174,444	176,160
Total Non-Current Assets	162,668	172,836	168,266	180,405	182,137
Total Assets	165,900	175,367	170,759	182,320	184,413
Liabilities					
Current Liabilities					
Employee Entitlements	2,195	1,976	1,373	1,236	1,112
Creditors & Other Payables	3,597	3,597	828	828	828
Borrowings - UoW Adams Centre Loan	1,000	1,000	1,000	1,000	1,000
Total Current Liabilities	6,792	6,573	3,201	3,064	2,940
Non-Current Liabilities					
Borrowings	34,565	19,766	20,153	21,238	22,043
Deferred Tax	21,339	21,339	21,339	21,339	21,339
Total Non-Current Liabilities	55,904	41,105	41,492	42,577	43,382
Total Liabilities	62,696	47,677	44,693	45,641	46,322
Net Assets	103,204	127,690	126,066	136,679	138,091
Equity					
Share Capital	84,232	102,566	103,366	110,281	112,976
Retained Earnings	(38,000)	(32,048)	(34,671)	(31,173)	(32,656)
Other Reserves	131	331	531	731	931
Revaluation Reserves	56,841	56,840	56,840	56,840	56,840
Total Equity	103,204	127,689	126,067	136,679	138,092

Bay Venues Ltd Statement of Cashflows (000's)	Actual 23/24	Forecast 24/25	Budget 25/26	Forecast 26/27	Forecast 27/28
Operating Activities					
Cash Received From Customers	22,908	22,219	22,516	22,916	23,375
Grants Received	12,378	24,108	15,951	23,559	19,379
Dividend Received	6	6	6	6	6
Cash Received From Other Sources	356	427	408	421	433
	35,688	46,759	38,880	46,901	43,192
Payments to Employees	(16,975)	(17,877)	(18,112)	(18,464)	(18,926)
Payments to Suppliers	(12,719)	(11,708)	(11,867)	(12,163)	(12,467)
Interest Paid	(1,305)	(1,095)	(1,145)	(1,100)	(1,100)
	(30,999)	(30,679)	(31,124)	(31,727)	(32,493)
Net Cash Flow From Operating Activities	4,690	16,080	7,757	15,173	10,699
Cash Flows From Investing Activities					
Purchases of Property, Plant And Equipment	(9,513)	(20,110)	(8,942)	(23,669)	(13,755)
Transfer to Depreciation Investment	(1,070)	(205)	(40)	(83)	(83)
Net Cash Flow From Investing Activities	(10,584)	(20,315)	(8,982)	(23,752)	(13,838)
Cash Flows from Financing Activities					
Proceeds from Borrowings	11,292	5,535	1,187	9,500	8,650
Repayment of TCC Borrowings	(4,500)	(2,000)	-	(1,500)	(5,150)
Net Cash Flow From Financing Activities	6,792	3,535	1,187	8,000	3,500
Net Increase / Decrease in Cash Held	897	(700)	(38)	(578)	361
Cash & Cash Equivalents at Beginning of Year	629	1,526	826	787	209
Cash, Cash Equivalents, and Bank Overdrafts at the End of the Year	1,526	826	787	209	570

Bay Venues Ltd Statement of Changes in Equity (000's)	Share Capital	Retained Earnings	Revaluation Surplus	Other Reserves	Total Equity
Balances as at 1 July 2023	84,232	(27,448)	41,165	933	98,882
Comprehensive Income					
Surplus or Deficit for the Year	-	(11,354)	-	-	(11,354)
Other Comprehensive Income					
Surplus or Deficit for the Year	-	-	21,809	-	21,809
Tax on Revaluation of Plant, Property & Equipment	-	-	(6,134)	-	(6,134)
Transfer to Mercury Reserve	-	(131)	-	131	-
Transfer from Trustpower Reserve	-	933	-	(933)	-
Total Other Comprehensive Income, Net of Tax	-	802	15,675	(802)	15,675
Balance as at 30 June 2024	84,232	(38,000)	56,840	131	103,203
Balances as at 1 July 2024	84,232	(38,000)	56,840	131	103,203
Comprehensive Income					
Surplus or Deficit for the Year	-	6,152	-	-	6,152
New Capital Adjustment	18,334	-	-	-	18,334
Other Comprehensive Income					
Transfer to Mercury Reserve	-	(200)	-	200	-
Total Other Comprehensive Income, Net of Tax	-	(200)	-	200	-
Balance as at 30 June 2025	102,566	(32,048)	56,840	331	127,689
Balances as at 1 July 2025	102,566	(32,048)	56,840	331	127,689
Comprehensive Income					
Surplus or Deficit for the Year	-	(2,423)	-	-	(2,423)
New Capital Adjustment	800	-	-	-	800
Other Comprehensive Income					
Transfer to Mercury Reserve	-	(200)	-	200	-
Total Other Comprehensive Income, Net of Tax	-	(200)	-	200	-
Balance as at 30 June 2026	103,366	(34,671)	56,840	531	126,066
Balances as at 1 July 2026	103,366	(34,671)	56,840	531	126,066
Comprehensive Income					
Surplus or Deficit for the Year	-	3,697	-	-	3,697
New Capital Adjustment	6,915	-	-	-	6,915
Other Comprehensive Income					
Transfer to Trustpower Reserve	-	(200)	-	200	-
Total Other Comprehensive Income, Net of Tax	-	(200)	-	200	-
Balance as at 30 June 2027	110,281	(31,173)	56,840	731	136,678
Balances as at 1 July 2027	110,281	(31,173)	56,840	731	136,678
Comprehensive Income					
Surplus or Deficit for the Year	-	(1,283)	-	-	(1,283)
New Capital Adjustment	2,696	-	-	-	2,696
Other Comprehensive Income					
Transfer to Trustpower Reserve	-	(200)	-	200	-
Total Other Comprehensive Income, Net of Tax	-	(200)	-	200	-
Balance as at 30 June 2028	112,976	(32,656)	56,840	931	138,091



REPORTING

Bay Venues is committed to supporting Council's strategic priorities and objectives. Bay Venues will endeavour to respond promptly and appropriately on issues raised by Council and will provide Council with the following information:

Statement of Intent (SOI)

Provide Council with a draft SOI by 1 March 2025 and a final SOI by 30 June 2025.

Annual Report

Provide an Annual Report to Council within two months after the end of the financial year. This will comply with section 68 of the Local Government Act 2002 and include the following:

- i. Board report including summary of the financial results, a report of the operations, a comparison of performance in relation to objectives and any recommendation as to dividend;
- ii. Audited financial statements for the financial year in respect of the Company, and;
- iii. The Auditor's report on:
 - Those financial statements; and
 - The performance targets and other measures by which performance has been judged in relation to the objectives.
- iv. The audited financial statements shall consist of:
 - Statement of Financial Position; and
 - Statement of Comprehensive Income; and
 - Statement of Movements in Equity; and
 - Statement of Cashflows; and
 - Disclosure of Related Party Transactions; and
 - Notes to the Financial Statements; and
 - Such other statements as may be necessary to fairly reflect the financial position of the Company and its subsidiaries, the resources available to the Company and its subsidiaries and the financial results of the operations of the Company and its subsidiaries.

The Annual Report is to be presented in the format prescribed by Council to enable consolidation into the Group.

Quarterly Reports

As soon as practicable after the conclusion of each quarter, Bay Venues will provide Council with a report of performance against the SOI including:

- v. Summary of Financial Performance
- vi. Report on KPIs year to date
- vii. Commentary on performance for the preceding quarter
- viii. Commentary on expected performance for the next quarter

A Quarterly Report will not be required for Q2 where a Half Year Report is provided instead.

Bi-Monthly Meetings

Upon request by Council, members of the Board of Bay Venues will meet with Councillors and/or their appointed representative(s) bi-monthly in a confidential, informal workshop to discuss and review issues of common interest.

Half Yearly Governance to Governance Meetings

The Mayor and CEO of Council will meet with the Chair and CEO of Bay Venues every six months, to discuss and review any issues of common interest.

Regular meetings will be held (at least quarterly) with operational management/staff.

No Surprises

Notwithstanding the reporting requirements, the Board will operate on a 'no surprises' basis to ensure that Council is appraised as soon as is practicable, of any event or the possibility of an adverse effect of an economic, social or political nature.



OTHER MATTERS

The Board's Approach to Governance

The Directors of Bay Venues are responsible for the stewardship and future well-being of the organisation. The Directors assist the organisation to meet its objectives and requirements in the Statement of Intent. Directors exercise leadership, enterprise, integrity, and judgement in directing the organisation so as to provide assurance of its continuing and lasting prosperity and effectiveness. In discharging their responsibilities, Directors have a duty to act in the best interest of Bay Venues as a whole, irrespective of personal, professional, commercial, or other interests, loyalties or affiliations. Directors' first duty and loyalty must be to the Company as per section 131 of the Companies Act, noting however that under clause 11.2 of the Constitution that Directors may also act in the best interest of the Shareholder.

More detailed obligations in relation to both the Directors obligations to Bay Venues and Council's obligations to Bay Venues are outlined in the Enduring Statement of Expectations (ESE).

Board Performance Reviews

A Council-led bi-annual board review was undertaken in October 2023. The independent review's conclusions were very positive, and minor improvement opportunities were identified that the Board has implemented. The Board will engage with Council around future reviews..

Ratio of Consolidated Funds

In the 2023 ESE it was resolved that Bay Venues Debt to Equity Ratio should be maintained at 20:80. To help ensure this, 80% of the debt relating to all new assets added in the Bay Venues 'funded network' during the year is apportioned to Council.

Estimate of Commercial Value

The Board estimate that the commercial value of the Council's investment in Bay Venues is represented by the net assets of Bay Venues. This value is calculated from total assets less liabilities. As at 30 June 2024 this was \$98.8m.

Accounting Policies & Other Compliance

Financial statements will be prepared in accordance with generally accepted accounting practice (GAAP), NZ International Financial Reporting Standards, Companies Act 1993, Local Government Act 2002 and Financial Reporting Act 1993. It is noted that due to Bay Venues' revenue now exceeding \$30m that Tier 1 reporting for audit is required.

Procedures for Acquisition of Other Interests

Pursuant to the Constitution, Bay Venues will only invest in the shares of a new or existing company or organisation with the prior approval of Council. Where the Board consider the

size of the acquisition warrants it, they will have due diligence carried out prior to any binding agreement being made.

Dividend Policy

Bay Venues will not be in a position to pay a dividend anytime in the short to medium term and acknowledges that any retained surpluses over \$500,000 (net after depreciation and interest) must be approved by Council unless otherwise agreed or prevented due to legal requirements.

If a surplus over \$500,000 is achieved, Council may decide to retire debt and/or reinvest part or all the surplus into Bay Venues if Bay Venues establishes a sound investment proposal.

In determining funds that are 'surplus', Council will consider the operating result against budget including the accounting surplus, the underlying cash surplus, and surpluses generated from particular activities.

Other Matters Agreed Between the Board and Shareholder

Bay Venues shall enter, where necessary, such agreements with Council giving effect to any restrictions, requirements and obligations required by Council.

Under the new funding structure agreed in the 2024-34 LTP, Bay Venues is committed to achieving a breakeven budget to ensure long term financial sustainability.

Transactions between Related Parties

Transactions between Council and Bay Venues will be conducted on a commercial basis (fair and reasonable) and if appropriate, contestable basis.

Other related party transactions will be on a commercial basis and in accordance with Bay Venues' procurement policy.

Compensation from Local Authority

Compensation for any services provided to the Council has been agreed as per the revised Enduring Statement of Expectations and the Letter of Expectations.

Council will provide Bay Venues with an operating grant of \$7.28m in FY26 (as per 2024-34 Long Term Plan), which increases annually with CPI. Council's operating grant to Bay Venues helps deliver:

- Business related outputs, which apply across all facilities
- Community related outputs which apply only to the facilities and activities that have a community focus

The outputs expected of Bay Venues are detailed in this Statement of Intent.

APPENDIX 1: BAY VENUES FACILITIES & ACTIVITIES

AQUATIC FACILITIES

Mount Hot Pools



An iconic and unique hot ocean water pool complex and world-class tourist attraction, providing rest, relaxation, and rejuvenation/rehabilitation for a broad range of visitors and Tauranga locals. The Mount Hot Pools hosts close to 300,000 visits a year. There are five outdoor pools, including a hot relaxation pool, a mild hydrotherapy pool, a children's pool with a slide, and two outdoor spas, as well as three indoor private sanctuary pools. This popular facility at the base of Mauao also provides massage therapy and aqua exercise classes, as well as aqua play sessions for parents and their young ones.

The Mount Hot Pools had a maintenance closure in late 2023 that saw all the hot pools fully re-tiled, along with pool maintenance and renewals, and improvements to the changing facilities including the addition of underfloor heating.



Baywave



This is an aquatic and leisure centre, recognised regionally as providing a wide variety of recreation and leisure, competition, aquatic education, exercise, physical therapy, and health and wellbeing activities. There is a 25-metre lap pool, a leisure pool (with waves), a learners' pool, hydroslide, spa, sauna, and steam room.

The configuration of the lap pool also accommodates synchronised swimming, water polo and underwater hockey as well as regional and national aquatic events. Baywave hosts more than 400,000 visits a year and is home to several water-based sporting clubs/squads. In 2019, an aqua play facility for children was added. As this venue draws close to 20 years of operation, a regular renewals plan is required to maintain its efficiency. The last maintenance closure was in early 2023, the next closure is planned for FY27.

Several secondary business units operate within the complex and are complementary to the overall purpose of the facility:

- BaySwim (learn to swim and water safety programmes)
- Clubfit (health and fitness club)
- Café
- Merchandise
- Massage Therapy

APPENDIX: BAY VENUES FACILITIES & ACTIVITIES

Greerton Aquatic & Leisure Centre



An aquatic and leisure centre, providing a variety of fun, safe, and well-managed aquatic and physical therapy activities for the local community. There is a 25-metre lap pool, a learners' pool, and an 18-metre hydrotherapy pool, which is popular for rehabilitation and senior adults. Other activities that complement the centre include:

- BaySwim (learn to swim and water safety programmes)
- Aqua Exercise Classes
- Clubfit (health and fitness club)

Greerton Aquatic & Leisure Centre hosts about 90,000 visits a year and has had significant refurbishment improvements over the last few years to ensure this much-loved facility continues to deliver exceptional aquatic experiences now and into the future.



Memorial Pool & Ōtūmoetai Pool



Memorial Pool is an outdoor seasonal facility with a lap pool and learners pool, BBQ facilities, and green space. It is a safe, clean, maintained environment for families and recreational swimmers to enjoy during the summer months and hosts about 25,000 visits a year.

Ōtūmoetai Pool is open year-round and has a 25-metre lap pool and learners pool. It is a safe, clean, convenient aquatic facility for the local community, in particular the neighbouring college during school hours. This is an older outdoor pool that had a marquee-style roof installed over it more than 20 years ago. Ōtūmoetai Pool hosts approximately 40,000 visits annually.

Both of these facilities have been around for decades (since the 1950s and 60s) and have significant infrastructural and age-related issues that regularly result in expensive remedial and maintenance measures.

Bay Venues is proactively working with Tauranga City Council to deliver future outcomes for both of these facilities.



APPENDIX: BAY VENUES FACILITIES & ACTIVITIES

New Memorial Park Aquatic Centre

A new aquatic centre is proposed to be built at Memorial Park. It will be a modern, fit-for-purpose facility that will play a crucial role in addressing the current shortfall in the city's Aquatics network.

It will be a destination complex for the central city and surrounding suburbs.

Tauranga City Council is currently considering options for this project.

Aquatic Merchandise

Bay Venues operates small retail outlets at its aquatic facilities selling swimming apparel and associated products.

BaySwim



BaySwim delivers a quality Learn to Swim programme catering to all ages, at Baywave and Greerton Aquatic & Leisure Centre, and teaches thousands of people to swim each year. BaySwim also provides water safety education for primary school groups as part of our funded Water Safety NZ 'Water Safety for Life' programme. In recent years, BaySwim has extended its offering to include swimming lessons in te reo Māori, Korean, Mandarin and the deaf community. It has also supported an ethnic women's swimming initiative and created several other innovative programmes and initiatives to break down barriers and reach more people in the community.



Massage Suites

Massage suites are located at the Mount Hot Pools and Baywave and aid in recovery and relaxation.

APPENDIX: BAY VENUES FACILITIES & ACTIVITIES

INDOOR SPORTS FACILITIES

Mercury Baypark Arena



Mercury Baypark Arena is Tauranga's key sporting venue for indoor sports such as basketball, netball, volleyball, pickleball and futsal. The six-court side of the facility named the University of Waikato Sport and Recreation Centre, has a focus on community sport. The three-court side, the Lion Foundation Centre, is also utilised for community sport when it is not being used to host large events, including professional sports fixtures and tournaments such as ANZ Premiership netball and the New Zealand Festival of Squash.

Mercury Baypark Arena also provides a range of pay-for-play social sports leagues and sport and play programmes for the community. Within the facility is a licensed café providing a quality food and beverage service.



Queen Elizabeth Youth Centre (including Memorial Hall)



Located at Memorial Park, this facility has for decades provided the inner city with an indoor court venue suitable for hosting community sport and recreational activities, as well as cultural groups and events. It has also hosted a variety of regional and national sports tournaments and fixtures, as well as pay-for-play social sports leagues, and community programmes.

This facility hosts a variety of community sports, including badminton, volleyball, basketball, pickleball, table tennis, sports for disabled people, netball, and more.

Aquinas Action Centre (Community Share Facility)

Situated on the grounds of Aquinas College, this facility features a single court gymnasium suitable for hosting sport, recreational and cultural activities outside of agreed school access hours.

Merivale Action Centre (Community Share Facility)

This facility is located on the grounds of Merivale Primary and features a single court gymnasium suitable for hosting sporting/recreational groups and community activities outside of agreed school access hours. There are some issues with the facility suffering from condensation issues that leave the floor unsafe at times.

Mount Sports Centre

Located at Blake Park, this facility features a single court gymnasium suitable for hosting sporting and recreational groups, community activities and minor events.

APPENDIX: BAY VENUES FACILITIES & ACTIVITIES

The University of Waikato Haumaru Sport & Recreation Centre



Located on Cameron Road, this new facility opened in 2025 and is home to a variety of community sports, including badminton, volleyball, basketball, pickleball, table tennis, sports for disabled people, netball, and more.

There is enough space in the facility for four basketball-size courts, or three netball-size courts, or 13 badminton and pickleball-size courts, or six volleyball-size courts. There are also changing rooms, storage, and around 220 on-site car parks.

The primary use of this facility is structured community sport and recreation and also sports tournaments. There are also many regular opportunities for casual bookings as well as other use by the wider community.

COMMUNITY CENTRE-RUN PROGRAMMES

Bay Venues runs several community-focused programmes across the venue network for preschoolers, children, youth, and adults including the popular Tumble Time, Funky Fun Days, coaching clinics, sports days, birthday parties, social badminton and more. Team building, laser tag, paintball and school holiday offerings are also provided.

Sports Leagues

Bay Venues organises and facilitates social sports leagues at Mercury Baypark Arena, Queen Elizabeth Youth Centre, and Haumaru, for indoor netball and futsal.



Adams Centre for High Performance



Located at Blake Park, opposite Bay Oval, the Adams Centre for High Performance is a high quality facility that includes a state-of-the-art gym, plunge pools, physiotherapy, massage and rehabilitation rooms, a sport science laboratory with performance testing, research and acclimatisation facilities, meeting rooms and an athletes' lounge. It is a High Performance Sport NZ Approved Training Facility that caters to a wide range of athletes competing at a national and international level. High performance sport organisations, sports science research, and athlete medical support services are also based at the Adams Centre. Current tenants include New Zealand Rugby, Bay of Plenty Rugby, Body in Motion's High Performance Sports Clinic, and the University of Waikato. Strong demand for space in the facility along with potential development on neighbouring sites has prompted investigations into potential expansion options. Bay Venues also operates the Adams Academy, a development programme with around 130 aspiring and established local athletes across 27 sporting codes and counting.



Clubfit

Clubfit is made up of two gyms located at Baywave and Greerton Aquatic & Leisure Centre. Both facilities provide health and fitness programming to members who have access to mid-to-high quality equipment. The profit from Clubfit assists to offset the running of community facilities.

APPENDIX: BAY VENUES FACILITIES & ACTIVITIES

COMMUNITY HALLS & CENTRES

Arataki Community Centre

This venue provides a high quality, versatile indoor space with rooms of varying sizes and flooring as well as equipment, to enable community groups to host their activities. Early consideration is currently being given to possible expansion of the facility to cater to increasing demand for space.

Bethlehem Hall

This venue is primarily used for local community groups to host a variety of activities. Private functions are also held at this venue. This much-loved facility has recently been refurbished to improve its appearance and usability.

Cliff Road Building

This building provides a space for hire and is home to a small number of community users. This facility is in poor condition and the long-term future of this venue needs to be determined.

Elizabeth St Community & Arts Centre

This is a facility for community groups to host a variety of activities. It also provides space for individuals to host private functions. The facility is in average condition and its future needs to be considered in conjunction with Tauranga City Council's investment in the new civic precinct.

Greerton Hall

This is a facility for local community groups to host a variety of activities. It also provides space for individuals to host private functions. The hall has recently undergone a refurbishment to enhance its appearance, making it a more modern and appealing venue for users.

Matua Hall

This venue provides space for local community groups and individuals to host a variety of activities and private functions. The hall has recently been refurbished to improve user enjoyment.

Pāpāmoa Community Centre (at the Library)

This venue provides a high quality, versatile indoor space with rooms of varying sizes and flooring as well as equipment, to enable community groups to host their activities. During weekdays, PlayTime hosts an OSCAR programme at the facility. The venue also provides visitors with useful information including activities and services available in the community.

Pāpāmoa Sports & Recreation Centre

Located at Gordon Spratt Reserve, this indoor facility has rooms of varying sizes as well as a range of equipment, to enable community groups to host their activities. There is also a commercial kitchen and licensed bar for groups, businesses and individuals to host functions.

Waipuna Park Pavilion

This pavilion is for the users of Waipuna Park to utilise for registrations, after match functions and meetings at no charge. Other community groups can also utilise the facility to host their activities.

Welcome Bay Hall

This venue provides space within the local community for groups to host a variety of activities. It also provides space for individuals to host private functions. The hall has recently been refurbished, improving its appearance and usability. While not directly connected to the adjacent community centre, there remains an opportunity to further enhance and integrate the facility in the future.

Community-led Development

Bay Venues works closely with the local community, led by a dedicated Community Development Ambassador, to ensure our facilities are inclusive and cater to the whole community. 2024 activation initiatives include a yoga class for ethnic women held at Arataki Community Centre, Korean swim lessons with BaySwim, and a Gender Dynamix Aotearoa Trans Pride Ball at Bethlehem Hall, to name just a few.

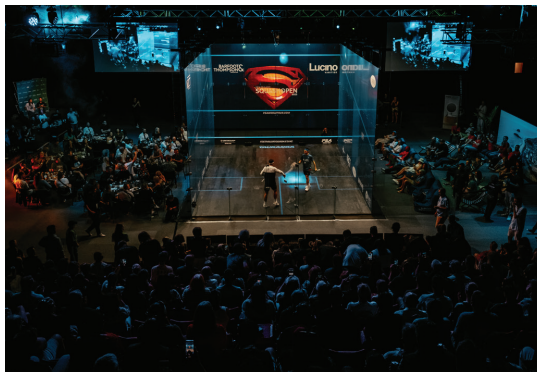


APPENDIX: BAY VENUES FACILITIES & ACTIVITIES

EVENT FACILITIES

Mercury Baypark Arena

This popular, versatile and multi-purpose facility is home to community sport and event entertainment across three distinct areas. The three-court Lion Foundation Centre is a key indoor event facility for the region, hosting everything from televised sport to black-tie gala dinners. The six court University of Waikato Sport & Recreation Centre is the home to indoor community sport, including basketball, volleyball, pickleball, sports leagues, children's recreation and much more! Upstairs is four versatile suites that are perfect for business meetings and smaller events.



Mercury Baypark Stadium

This is Tauranga's largest outdoor stadium. It has the capacity for crowds of up to 17,000 people, including seated and corporate hosting areas. It features a 480-metre oval clay speedway track and a basic grass area (inside the track). The primary activity is speedway race meetings (15-17 per annum). A promoter is contracted to promote and operate the speedway events. Mercury Baypark Stadium is also a venue for other events and activities suited to outdoor spaces (for example, drifting). Corporate boxes and a premium lounge are also available for businesses to utilise for hosting functions or meetings.

While Mercury Baypark Stadium is regarded as one of the better equipped speedway venues in New Zealand with a fast, wide clay track and a large well-serviced pit area, it is showing its age and significant future investment will be required to maintain it. The facility was not funded for depreciation prior to 2023, when this was changed in the Tauranga City Council 2024-34 Long Term Plan. The facility is now undergoing significant remedial investment to ensure it remains fit for purpose.

Mercury Baypark Stadium Lounge

Mercury Baypark Stadium Lounge is a self-contained venue connected to Mercury Baypark Stadium, offering a secure and private environment to host public and private functions. Suitable for meetings, conferences, gala dinners, school balls, private functions, weddings and small trade shows, this venue can comfortably accommodate up to 500 people for dinner or 900 for performances. For major stadium events, this facility offers the client added flexibility for hosting corporate hospitality or pre and post event activities. This facility was not funded for depreciation prior to 2023, when this was changed in the Tauranga City Council 2024-34 Long Term Plan. The facility will be undergoing significant remedial investment from FY27 to ensure it remains fit for purpose.

External Areas

Various external areas around Mercury Baypark are used for events, most notably concerts and festivals over the busy summer holiday period, as well as events like Polo in the Bay. Most of the infrastructure for events like these is brought in on a temporary basis. These larger outdoor events can draw crowds in excess of 15,000 people.

Bay Catering

This business unit primarily provides catering services at venues managed by Bay Venues as well as some off-site catering at other venues and events. Bay Catering also operates food and beverage outlets throughout Mercury Baypark venue as well as the cafes at Mercury Baypark Arena, Baywave, the University of Waikato Tauranga campus, and at the Historic Village.

Bay Audio Visual

A sound, lighting and audio-visual equipment and support business unit that provides services primarily at the Mercury Baypark Arena, Mercury Baypark Stadium Lounge, Mercury Baypark Stadium and some external off-site events and venues. Along with enhancing the event experience, this team also ensure the venues systems are fit for purpose to host a wide range of events, from community sport to large-scale events.



Tauranga Art Gallery Trust Statement of Intent 2025 – 2028



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1. Purpose of the Statement of Intent

3

In accordance with Section 64 of the Local Government Act 2002 and the Local Government Amendment Act 2019, this annual Statement of Intent (SOI) publicly outlines the activities and intentions of the Tauranga Art Gallery (TAG) for the next three years.

The purpose of the SOI is to:

1. Provide an opportunity for stakeholders to influence the direction of the organisation; and
2. Provide a basis on which directors are accountable to shareholders for the organisation's overall performance

The Statement of Intent is informed by the expectations of Tauranga City Council (TCC) as outlined in the Enduring Statement of Intent and the Letter of Expectation dated 20 December 2024. Through the Statement of Intent, Tauranga Art Gallery Trust (TAGT) is able to demonstrate synergies, alignment and outcomes.

2. About Tauranga Art Gallery Trust

Tauranga Art Gallery Trust is incorporated under the Charitable Trusts Act 1957 as a not-for-profit entity established to deliver and operate a public art gallery to serve residents of Tauranga, the Western Bay of Plenty and visitors to the region.

Tauranga Art Gallery Trust has charitable status with New Zealand's Inland Revenue Department.



3. Tauranga Art Gallery strategic priorities

4

Tauranga Art Gallery's purpose is to build enduring relationships with art. We achieve this through creating exceptional art experiences that engage, inspire, educate and challenge.

The following five guiding principles give focus to Tauranga Art Gallery as an organisation:

He Tauranga Auaha To be an anchor of *innovation and creativity*

Tauranga Art Gallery is a destination for both city visitors and residents, providing the opportunity for all to learn about, engage with and benefit from art, and enjoy unique art experiences.

He Tauranga Matarau To be an anchor for *diversity*

Tauranga Art Gallery is inclusive. The organisation promotes partnerships with tangata whenua, puts value on culture and diversity, and is a place in which people of all ages and backgrounds are included and feel safe, connected and healthy.

He Tauranga Whaihua To be an anchor of *enduring success*

Tauranga Art Gallery is an organisation committed to being financially sustainable and will pursue opportunities to secure funding. All funds will be managed with prudence and care.

He Tauranga Haumarū To be anchor for *development*

Tauranga Art Gallery will take all practical steps to ensure our people have the very best foundations to grow in their roles, are valued, supported and thriving, and feel safe and connected. The Gallery will offer the same care for artists.

He Tauranga Haukaha To be an anchor of *great shelter*

Tauranga Art Gallery is a regional asset that is fit-for-purpose and meets international museum standards.

He Tauranga Taiao To be anchor in *environmental sustainability*

Tauranga Art Gallery prioritises kaitiakitanga (guardianship) and sustainability of the natural environment through its redevelopment and operates in an environmentally responsible way.



3.1 Focus for Tauranga Art Gallery

5

In the Letter of Engagement dated 20 December 2024, Tauranga City Council has encouraged Tauranga Art Gallery Trust to consider how best to:

- Deliver ongoing financial, economic, social, cultural and environmental sustainability
- Work collaboratively, in alignment with Council's objectives
- Deliver value for money for ratepayers
- Demonstrate transparency and accountability in decision-making processes
- Demonstrate robust and transparent financial analysis; and
- Care for and maintain community assets and amenities

Further, Tauranga Art Gallery will work with the Tauranga City Council to achieve strategic community outcomes as follows:

Tauranga Mataraunui / We are inclusive

Tauranga is a city that celebrates our past, is connected in our present and invested in our future. Where people of all ages, beliefs, abilities and backgrounds are included and feel safe, connected and healthy.

Tauranga - Tātai Whenua / We have a well-planned city

Tauranga is a city that is well planned with a variety of successful and thriving compact centres, resilient infrastructure and community amenities.

Tauranga a te kura / We support business and education

Tauranga is a city that attracts and supports a range of business and educational opportunities, creating jobs and a skilled workforce.

The above intentions shall be delivered through the Tauranga Art Gallery Statement of Intent 2025-2026 priorities and measures outlined on the following page.



3.2 Establishing a baseline

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The Gallery has been closed to the public since October 2023. Visitation prior to this had been greatly impacted by COVID. A review of other galleries around New Zealand indicates that they are only now reaching pre-COVID levels (2019).

Tauranga Art Gallery shall reopen in November 2025 during a three-year period of construction at the site. Thus, the 2025-26 financial year measures shall not be quantified with the same detail that they will be for the following years, from 2026-27 onwards. A baseline must be established.

With the Tauranga Library reopening later in 2026 and the completion of the Tauranga Museum and Te Manawataki o Te Papa (TMoTP) expected in mid-2028, the Gallery will establish stretch targets and expect annual growth from 2026-27.

3.3 Looking to the Future

How will we measure our ambition to be a 'renowned gallery'?

Initially, this will be through our community response:

- Positive regional media coverage
- Annual increase in visitor satisfaction, measured through surveys
- Annual increase in visitor engagement, measured through attendance, surveys and financial contribution
- Annual increase in Friends of the Gallery engagement, measured through attendance, surveys and financial contribution

Then, to be recognised for the reputation of our programmes through:

- Benchmarking against other similar galleries
- Positive media and critical review coverage at a national level
- Being a destination for domestic and international tourists, measured through attendance, surveys and financial contribution
- National partnerships and our exhibitions tour to other institutions
- Over time, the success of the artists we have shown
- Recognition through awards such as LGFA Taituarā Local Government Excellence and BEST Design awards



3.4. Statement of Intent priorities 2025–2026

7

Priority	Objective	TCC Alignment	Measurables
He Tauranga Auaha To be an anchor of innovation and creativity	1. Deliver a variety of arts and culture offerings to our local, regional and international visitors	We are inclusive We have a well planned city We support business and education Value for money	Annual programme of re-opening exhibitions and enhanced experience programmes is delivered. Visitor experience strategy is implemented, and surveys and analytics demonstrate diverse audience engagement and appreciation beyond 2023 reporting. Analytics show increased engagement in events, online and audio experiences beyond 2023 reporting.
	2. Building reopens offering enhanced visitor and art experiences		
He Tauranga Matarau To be an anchor for diversity	3. Māori engagement framework is implemented	We are inclusive	Māori advisory group Te Kāhu ō Hinewa deliver identified outcomes.
	4. Diversity framework developed		Diversity framework completed and Advisory Group appointed.
He Tauranga Whaihua To be an anchor of enduring success	5. Effective storytelling clearly demonstrates how the gallery provides value for money	Demonstrate robust and transparent financial analysis	Half-yearly and Annual Reports loaded onto website. Audit report completed.
	6. TCC is clearly recognised as the principal funder across various platforms	Deliver value for money for ratepayers	Public speeches, print and online platforms clearly communicate the role of Tauranga City Council.
	7. Implement and monitor prudent financial management and processes including a savings of 7% in 2025/26 year to meet the operational grant reduction	Demonstrate transparency and accountability in decision-making processes Everyone pays a fair share	Visitor surveys demonstrate increased appreciation of gallery services. Overseas visitor charges implemented.
	8. Establish and diversify revenue streams that will achieve financial sustainability	Demonstrate robust and transparent financial analysis	Approved annual budget and targets met.

3.4. Statement of Intent priorities 2025–2026

8

Priority	Objective	TCC Alignment	Measurables
He Tauranga Haukaha To be an anchor of great shelter	9. Work closely with TMOPT partners to grow the profile of the precinct and city	Work collaboratively – in alignment with Council's objectives	Demonstrated collaboration including works from TAG collection installed in 90 Devonport Road
He Tauranga Taiao To be anchor in environmental sustainability	10. Complete the upgrade, and work on air conditioning and lighting, as part of the gallery's redevelopment, in alignment with TCC Climate Action and Investment Plan.	We have a well-planned City Care for and maintain community assets and amenities Looking after what we have	Upgrade completed and reported on. Building and infrastructure is properly maintained and fit for purpose.
	11. TAG Continues to use environmentally sustainable means through better sourcing of resources, reducing waste and recycling, and continuing to provide the ArtBus for students to attend educational programmes.		Waste Reduction Plan implemented and improves effectiveness. ArtBus utilised by schools.
He Tauranga Haumarū To be anchor for development	12. TAGT host a voluntary board intern to increase diversity and fresh thinking on the board.	Work collaboratively – in alignment with Council's objectives	Internship successfully completed.



4. Approach to governance

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Tauranga Art Gallery Trust is a Council Controlled Organisation (CCO) of the Tauranga City Council. The Tauranga Art Gallery Trust Board and management are committed to ensuring the organisation meets recommended best practice governance principles and maintains the highest ethical standards, as outlined in the Enduring Statement of Expectations. The Tauranga Art Gallery Trust Board of Trustees is appointed by the Council to govern and direct Tauranga Art Gallery activities. The Trustees appoint the Chair and Deputy. The Board is accountable to the TCC for the financial and non-financial performance of Tauranga Art Gallery. The Board works collaboratively with the TCC to ensure a bilateral “no surprises” relationship.

4.1 Trust Deed guiding objectives

The activities and operations laid out in this SOI are guided by our guiding objectives in the Tauranga Art Gallery Trust Deed (4.1) to:

- a) Provide the establishment and management of a sub-regional public art gallery and ensure that its assets and collections are managed to a high standard.
- b) Provide public art gallery facilities and art experiences which are relevant and accessible to the Western Bay of Plenty, sub-regional communities and visitors to the area.
- c) Lead and promote activities to raise funds for the Gallery.

4.2 List of Trustees

Rosemary Protheroe (Chair)
Wayne Werder (Deputy Chair)
Hannah Scott
Rachel Scott
Ciska Vogelzang
Allanah Winiata-Kelly
Alan Withrington
Grace Hakaria (Intern)



5. Nature and Scope of Activity

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Tauranga Art Gallery is pleased to be a partner in Tauranga City Council's civic precinct development. Tauranga Art Gallery's own redevelopment is a key precinct project that will showcase the vision of Te Manawataki o Te Papa and the value of the Tauranga City Council /Tauranga Art Gallery Council Controlled Organisation partnership to achieve strong community-focused outcomes.

Activity

During 2024–2025, the Trustees and staff have continued to focus on opportunities to review and streamline systems, processes and capabilities. Staff have reviewed exhibition, education, engagement programmes and are implementing a new visitor experience strategy that will, through exceptional art experiences, demonstrate (rate-payer) value for money. A new collection storage fit-out, funded through the New Zealand Lotteries Commission is underway and the art collection is to be relocated. As Tauranga Art Gallery positions itself as a leading regional art gallery, The Trust is confident that this work has enabled a solid foundation for the Gallery and builds towards a more resilient organisation.



Whakairo, Kereama Taepa



Tauranga Art Gallery reopening

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With a scheduled reopening in November 2025, the people of Tauranga will be wowed by the upgraded facility and exceptional art programmes.

From Masonic Park, visitors will be drawn inside by the hint of an exhibition they can see in the Craigs Investment Partners Atrium. As they enter they will be warmly greeted by visitor hosts and assisted as required to ensure the best experience. For families it may be a 'Curiosity Activity Booklet' that keeps them busy or, for the art lover, an audio guide. Low vision visitors may wish to refer to the scaled-up artwork labels designed to enhance their experience. All guests will be greeted with a question around where they have travelled from, to help the gallery understand the demographics of its visitors and to process international visitors' payment of \$15 for adults (under 16-year-olds are free).

Inside the Atrium, visitors will experience Kereama Taepa's *Whakairo* (image on previous page). Referencing the origins of carving, *Whakairo* is one of the most ambitious augmented reality experiences in a New Zealand gallery.

Moving around the Gallery spaces, audiences will appreciate a range of media, from moving image to painting, jewellery, sculpture, drawing and installation. There are nine exhibitions on show by artists that range in age from mid-30s to 80s. Highlights will be work by Samoan mother and daughter, Pusi and Vamaila Urale, portrait favourites from the Tauranga Art Gallery collections and, showing for the first time in Tauranga, renowned senior artist Darcy Nicholas (Ngāti Ranganui).

To enable our youth to develop a lifelong love of art and to offer opportunities for adults to participate in art classes, we will offer, through our upgraded Creativity Centre, a wide range of workshops and, for teachers and activity providers, professional development opportunities.

The overall experience will be further enhanced by upgraded lighting and Heating, Ventilation and Air Conditioning (HVAC) systems, ensuring an experience that meets international standards. The onsite cafe will nourish guests and the retail store be a destination shopping experience in the heart of the city centre.



Financials

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Tauranga Art Gallery is pleased to be a significant contributor to the local creative economy, employing a staff of creative professionals based in Tauranga and engaging (where possible) local suppliers.

The Trust and staff are committed to the realisation of Te Manawataki o Te Papa. Looking to the short term, staff are prepared for the challenges of being closed in Q1 and then, when open, the likelihood of reduced visitation, foot traffic, access and revenue generation as the city transforms and other infrastructure projects are completed.

A redeveloped building creates additional revenue streams with new hospitality, venue hire and retail options. We have forecast the value of these new revenue streams, but these will not be confidently known until the building has been operational for 12 to 24 months. On this basis, the Trust is taking a cautious approach to budgeting, covering regular operating costs, anticipated expenses and potential future costs – including those that depend on external funding or may require support from the Trust's reserves.

We are conscious that the Gallery will face more economic challenges over the next three years and we will continue to work diligently on building diverse revenue streams for operational expenditure and capital expenditure requirements, and exploring positive relationships to secure funding and sponsorship. We will continue to place an emphasis on communicating the value of Tauranga City Council and the city's investment in the gallery's activities to stakeholders and audiences.

We acknowledge the current fiscal environment across the country and support Tauranga City Council's 7% reduction in operating expenditure. We are adjusting accordingly in respect to the reduced grant we will receive for the forthcoming financial year. This has been achieved through reducing exhibition delivery costs and postponing a senior staff appointment.

The Trust and staff look forward to working in partnership with Tauranga City Council and Te Manawataki o Te Papa project, and we are excited about the opportunity to expand our capacity to deliver more enriching art and culture experiences for Tauranga.



6. The future and beyond

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The redevelopment of the Tauranga Art Gallery, including a major seismic upgrade, is an investment in future-proofing this civic asset for generations to come.

The key benefits to the capital development of Tauranga Art Gallery are:

- Through the calibre of art experiences, be known as a destination gallery, attracting locals and visitors alike
- To be a regional asset that is fit-for-purpose and meets international museum standards
- As a Te Manawataki o Te Papa and city centre partner, to uplift the cultural, environmental, social and economic wellbeing of our community
- To increase revenue, achieving a sustainable business model

2025 – 2026 and beyond is going to be an exciting period for the Gallery. A revitalised building, with expanded experiences and programmes, will attract residents and visitors to the city centre. Opening onto Masonic Park creates a beautiful public space for Tauranga Art Gallery. It generates opportunities for Tauranga Art Gallery in placemaking, programming and activation with art projects, events and activities.

We will continue to offer opportunities to showcase the work of regional, national and international creatives in the Gallery, and continue to inspire young people into art through our junior art awards.

Through our Māori Engagement Strategy we are committed to presenting a programme that showcases contemporary art practice, matauranga, knowledge and mahi toi, art of mana whenua and tangata whenua artists. In 2027 we are working towards a major exhibition that will attract visitation from across Aotearoa.

Developing the capability of our people at the governance and operational levels of the Gallery is a priority over the next few years. The challenges of the past few years have reinforced to us there is a need to make sure our people are not only capable of doing the work but have the resilience to be able to adapt to a changing and unpredictable environment.

Working with our Te Manawataki o Te Papa partners – Tauranga Libraries, Tauranga Museum and Baycourt Community and Arts Centre – will showcase the richness of art, culture and heritage in Tauranga. Together, we are committed to building a vibrant city centre.





7. Planning

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Tauranga Art Gallery Trust will prepare and update a three-year Strategic Plan and Annual Business Plan with:

- Indicative rolling three-year forecasts of financial performance and position, separately identifying any significant intended expenditure
- Any likely requests for increased levels of funding from Tauranga City Council
- Key actions or initiatives to deliver on the objectives of the Trust
- Upcoming challenges, risks and opportunities for the Trust

Tauranga Art Gallery Trust will work collaboratively with Tauranga City Council to review, and as necessary update, the Enduring Statement of Expectation and the annual Letter of Expectation.

8. Reporting

Tauranga Art Gallery Trust will:

- Keep Tauranga City Council informed of matters affecting the Trust as outlined in Enduring Statement of Expectation
- Produce an annual report on both financial and non-financial performance
- Appraise the performance of the Trust Board / Trustees at least every two years

Annual Report

Within two months following the end of each financial year, Tauranga Art Gallery Trust shall deliver to the Tauranga City Council a draft Annual Report and, within three months after the end of each financial year, audited financial statements in respect of that financial year, containing the following information:

- A Trustees' report, including a summary of the financial results, a report of the operations and comparison of performance in relation to its objectives and recommendations for further funding requirements or opportunities
- Audited financial statements for that financial year
- An auditor's report



9. Financial performance targets

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The Trust's financial performance targets are:

- Gross revenue is consistent with the agreed budget
- Expenditure is managed within the agreed budget
- Working capital ratio of no less than 1 (excluding current portion of term debt)
- Consolidated funds (total equity) are not less than 90% of total assets (all current and non-current assets)
- No debt is to be raised to finance operating expenses
- No distribution of income or capital to Tauranga City Council

Non-Financial Performance Targets:

- Indicative Non-Financial Performance Targets of planning and reporting requirements are met as per priorities framework above.

10. Accounting policies

Financial statements will be prepared and applied consistently in accordance with New Zealand Generally Accepted Accounting Policies (GAAP). They will comply with International Financial Reporting Standards (IFRS) and other applicable Financial Reporting Standards, as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

11. Asset management

Tauranga Art Gallery Trust will prepare and implement Asset Management Plans for the building and other assets.

Commercial Values of Assets

Tauranga Art Gallery Trust operates a public service and not a commercial activity. It is not practical to provide a commercial value to assets. Fair value of land, building and artworks are determined by an independent valuer every three years and changes reflected in the financial statements. Fair value is reviewed annually. The next valuation is to be undertaken in the year ended 30 June 2026.



12. Transactions between related parties

Transactions between Tauranga City Council and Tauranga Art Gallery Trust will be conducted on an arms-length basis.

13. Significant decisions

Tauranga Art Gallery Trust will not undertake any activity of a significant nature or scope not outlined in the Enduring Statement of Expectation or the Statement of Intent without prior approval of Tauranga City Council. In particular, the prior approval would be required for Tauranga Art Gallery Trust to:

- Form any subsidiary entity
- Purchase shares in any other entity
- Dispose of any significant assets, e.g., land or buildings
- Dispose of or deaccession any works within the Tauranga City Council Civic Art Collection
- Purchase any significant assets, e.g., land or buildings

14. Investment from TCC

2025–26

Management and operation of Tauranga Art Gallery \$1,427,122

2026–27

Management and operation of Tauranga Art Gallery \$1,427,122

2027–28

Management and operation of Tauranga Art Gallery \$1,427,122

Any increases of the management and operational funding or Trustee fees would be subject to TCC approval as an internal submission via the Annual Plan process.



15. Payment

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Payment of the Tauranga Art Gallery management and operation will be made monthly in advance, as per the schedule.

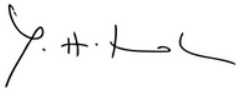
Compensation for any other services provided to or by the Council will be based on a service delivery agreement entered into by both parties.



Signed by:

Rosemary Protheroe

Chair, Tauranga Art Gallery Trust



Signed by:

Sonya Korohina

Director, Tauranga Art Gallery



16. Three-year forecasted budget

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Tauranga Art Gallery		3 Year Forecast		
Indicative Three Year Operational Forecast		2025-26	2026-27	2027-28
Income				
Revenue from providing goods or services	109,713	206,763	262,744	267,745
Donations, fundraising or similar revenue	2,820	218,180	257,525	269,891
Interest, dividends or other investment revenue	86,414	44,000	44,000	44,000
TCC operational	1,546,525	1,427,122	1,427,122	1,427,122
WBOPDC	44,000	47,696	48,708	49,741
Other Income	376	6,253	25,496	26,006
Total Income	1,789,847	1,950,015	2,065,595	2,084,505
Less Operating Expenses				
Building	301,120	186,975	202,518	205,455
Expenses from providing goods or services	127,204	281,973	289,823	292,485
Volunteer & employee related costs	909,486	1,085,202	1,160,138	1,173,621
Trustees & governance	79,951	77,403	73,933	73,933
Other expenses	155,115	130,184	126,616	118,065
Total Operating Expenses	1,572,876	1,761,736	1,853,028	1,863,558
Operating Surplus/(Deficit)	216,971	188,279	212,567	220,946
Non-operating Expenses				
Depreciation	150,580	192,859	213,789	213,789
Net Surplus/(Deficit)	66,391	(4,581)	(1,222)	7,157

17. Assumptions and notes

1. The Gallery will reopen to the public in November 2025
2. The Trust acknowledges that construction time may increase which will impact reopening and have a direct impact on visitor numbers and correlating revenue
3. The projections do not reflect the final impact of the redevelopment of the Tauranga Art Gallery as there are a number of unknowns in terms of complex accounting treatment and final costs. These will not be able to be accurately forecast until the project has been completed. The projections do, however, reflect the Gallery reopening in November 2025.
4. Income and expenses have been phased, where applicable, to reflect the timing of the Gallery reopening.
5. Inflation has been applied nominally, reflecting a fiscally-constrained environment.







STATEMENT OF INTENT

2025-2026 TO 2027-2028

TOURISM BAY OF PLENTY | TĀPOI TE MOANANUI Ā TOI

(WESTERN BAY OF PLENTY TOURISM AND VISITOR TRUST)



**KO MĀTOU WAAHI HE NGĀKAU PAI, HE
TAKUTAI HAUMAKO RAWA, HE WAAHI PITO
MATA.**

**HE WAAHI AWHINA O NGĀ AHUREA
TUAKIRI KĀTOA. KO TE WAIRUA
MĀHORAHORA O TE TANGATA HE ORITE KI
TE PARITANGA HUANGĀ PAI O TE WHENUA.**

**HE WAAHI HURANGA – KO TĀ MĀTOU
PŪMANAWATANGA, TE MOTUHAKETANGA
ME TE WHAKAARO MURAMURA E
HONOHONO ANA MĀTOU KI TE AO.**

HE TAURANGA MAI. HE TAURANGA ATU.

TE MOANANUI Ā TOI – HE WAAHI MŌU.

**OURS IS A PLACE OF POSITIVE ENERGY; A
RICH COASTAL PARADISE BLESSED WITH
RAW POTENTIAL.**

**WHERE CULTURES EMBRACE
AND THE NATURAL GENEROSITY
OF OUR PEOPLE IS AS ABUNDANT AS OUR
FERTILE LAND AND OPEN SEAS.**

**A PLACE OF DISCOVERY –
OUR INGENUITY, DETERMINATION
AND BOLD THINKING CONNECT
US TO THE WORLD.**

A LANDING PLACE. A LAUNCH PAD.

**THE COASTAL BAY OF PLENTY –
A PLACE FOR YOU.**



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1. Kia Ora from the Board Chair

The coastal Bay of Plenty has many exciting opportunities right now, led by the significant legacy investment of Tauranga City Council and the private sector in Te Manawataki o Te Papa which will be a game-changer for our city and region.

We have strong leadership and talent within our Tourism Bay of Plenty (TBOP) team and the ability to deliver on the expectations prescribed in the Letter of Expectation for the 2025/26 financial year. We appreciate the support and confidence Tauranga City and Western Bay of Plenty District councils have in our ability to deliver outcomes for our people and place through the visitor economy. With the recently increased focus by central government on the value and growth of the tourism sector in 2025 and coming years, we feel well positioned to maximise any potential opportunities.

We understand the imperative to deliver value for money to ratepayers and recognise Council's commitment to transparency, accountability, and collaboration in achieving strategic community outcomes.

TBOP will continue to focus on key deliverables, including:

- destination marketing in showcasing our region,
- promotion of key Council projects and investment
- enhancing tourism-related economic activities that boost vibrancy in the Bay of Plenty
- development of a sustainable tourism environment
- collaboration with mana whenua to enrich our cultural narrative and unique experiences
- leading regional information and storytelling innovation through digital channels, including online, social media, and our expanding network of digital kiosks and destination applications.

We acknowledge the expectation to show a 7% saving in our 2025/26 operating expenditure as part of our contribution to TCC's goals. Following the \$610,000 reduction to our baseline funding in 2022/23 (with the withdrawal of Tauranga Airport Reserves funding) and the STAPP (Strategic Tourism Asset Protection Programme) support from MBIE during Covid - this is a significant find for us, but one we know is required and has been applied across TCC and associated CCO partners.

Accordingly, a 7% reduction in our 2025/26 TCC baseline funding equates to circa \$150,000 (refer section 11.3). To achieve this, we have reevaluated and identified efficiencies and savings through cessation, reduction, consolidation, or collaboration in delivering programmes across:

- Destination marketing campaigns and event promotions,
- Operator environmental programmes, travel trade training, and capacity building,
- iSITE contact service hours and various operational efficiencies,
- Research, insights, and data subscription reviews and partnerships,
- Shared service cost-savings with other RTOs and our CCO partners.



It is critical that this undertaken in a manner that retains the trust and confidence of stakeholders, while maintaining our momentum as an efficient and effective CCO.

Finally, we note that given the tightening funding environment we are in, it is essential to continue to explore alternative funding mechanisms. We are actively engaged in a series of conversations with other RTOs, national entities, and central government regarding alternate funding opportunities and solutions for regional tourism and the communities we serve.



Russ Browne

Board of Trustees Chair

Tāpoi Te Moananui ā Toi | Tourism Bay of Plenty



2. Purpose of Statement of Intent

In accordance with section 64 of the Local Government Act 2002 and the Local Government Amendment Act 2019, this annual Statement of Intent (SOI) publicly states the activities and intentions of the Western Bay of Plenty Tourism and Visitors Trust (Tourism Bay of Plenty) for the next three years. This SOI sets out Tourism Bay of Plenty's strategic framework, activities, and performance measures, as the basis of organisational accountability.

Tourism Bay of Plenty (TBOP) acknowledges the Enduring Statement of Expectations (ESE) and Letter of Expectation (LOE) from Tauranga City Council and Western Bay of Plenty District Council. These articulate the focus areas for TBOP that will contribute to advancing the western bay's economic prosperity.

3. About Tourism Bay of Plenty

TBOP is incorporated under the Charitable Trusts Act (1957) and is a not-for-profit entity, established to promote and manage the western bay sub-region as a visitor and tourist destination. TBOP is a Council Controlled Organisation (CCO) which is accountable to Tauranga City Council (TCC) and Western Bay of Plenty District Council (WBOPDC) through separate Letters of Expectation. TBOP is also accountable to Whakatāne District Council (WDC) by a separate Letter of Intent. This collective region is known as Te Moananui ā Toi | the Coastal Bay of Plenty.



4. Objectives of Tourism Bay of Plenty

TBOP's purpose, as described in its Trust Deed, is to promote the economic welfare and development of the western bay region and its citizens through destination marketing, destination management, and other related activities which impact on the region as a visitor destination. TBOP is also responsible for providing visitor information services in the region.

TBOP's role as a Destination Management Organisation (DMO) is to lead, advocate, and coordinate a cohesive, collaborative, and balanced approach to the promotion and management of the region. This is a partnership approach which requires genuine engagement with local communities, businesses, iwi, and stakeholder councils to ensure an enhanced visitor experience.

4.1 Alignment with Tauranga City Council's Community Outcomes

TCC have made a commitment to "put the community at the heart of everything we do" and to create a vibrant city. The *Our Direction Tauranga 2050* document explains the Council's strategic framework, outlining desired community outcomes, guiding further decision-making, and supporting its overarching *City Vision, Together we can*.

As per TCC's Letter of Expectations, TBOP will ensure its activity contributes to the following three TCC community outcomes, which align with the three pillars of the Council's City Vision:

- **We fuel possibility and vibrancy**
Tauranga is a vibrant city where we fuel possibility by fostering creativity, innovation, celebrating arts and culture and empowering change makers to create a vibrant city.
- **We are inclusive and lift each other up**
Tauranga is a city that recognises and promotes partnership with tangata whenua, values culture and diversity, and where people of all ages and backgrounds feel included.
- **We value and protect our environment and prioritise nature**
Tauranga is a city that values our natural environment and outdoor lifestyle, and actively works to protect and enhance it.

4.2 Alignment with Western Bay of Plenty District Council's Focus

WBOPDC desires to have economic wellbeing integrated with environmental, social, and cultural wellbeing. WBOPDC value TBOP's Destination Management Plan, which has regenerative tourism at its core. Council supports regenerative tourism that aims to:

- Have net benefit across the environment.
- Improve residents' quality of life.
- Elevate Te Ao Māori.
- Add value to the economy.



4.3 Principal Objectives

TBOP takes the lead role in the sustainable growth of the visitor economy and destination management of Te Moananui ā Toi | the Coastal Bay of Plenty. TBOP's purpose is 'to lead the prosperity of our people and place through tourism'. As such, our principal objectives are to:

1. Help manage and promote the reputation of Tauranga and the wider coastal region nationally and internationally, to increase awareness and appeal.
2. Create, identify, and support opportunities for tourism to have positive economic, social, cultural, and environmental outcomes for the region and residents.
3. Share positive visitor sector stories to engage communities and to demonstrate the value of tourism to local residents (i.e., maintaining social license).
4. Provide leadership, advocacy, and engagement across the visitor economy, in areas such as events, cruise, conferencing, destination management, destination marketing, and storytelling.
5. Participate in conversations with both councils and in their subsequent workstreams, in relation to the development of their strategic directions. This includes contributing to Long-Term Plan conversations, the Te Manawataki o Te Papa project, and other similar large-scale council projects or reviews.
6. Ensure the TBOP business continuity plan is up to date and that it includes contingency strategies, being mindful of relevant health and safety legislation whenever we're providing services to support the wellbeing of our communities.

4.4 Operating Principles

TBOP will adhere to the following operating principles whereby:

- We deliver value for our communities through prudent financial management, ensuring we plan and provide affordable fit-for-purpose services.
- Sustainability and resilience underpin our decision-making and service delivery, protecting the future of our city.
- We work in partnership with tangata whenua, our communities, sub-regional stakeholders, and central government.
- We manage the balance between the social, economic, cultural, and environmental wellbeing of our communities.
- We listen to our communities and make transparent, evidence-based decisions.

TBOP will also align to the council's [Our Direction 2050 Strategy](#) and vision of 'Tauranga, together we can prioritise nature, lift each other up to and fuel possibilities.'



5. Approach to Governance

TBOP is a CCO of the Tauranga City and Western Bay of Plenty District Councils. The TBOP Board and management are committed to ensuring the organisation meets recommended best practice governance principles and maintains the highest ethical standards, as outlined in the ESE.

The TBOP Board of Trustees is appointed by both councils to govern and direct TBOP's activities. The Board is accountable to the councils for the financial and non-financial performance of TBOP. The Board works collaboratively with the councils to ensure a bilateral 'no surprises' relationship.

For transparency, TBOP will continue to publish up-to-date information online about what it does and how it operates on this page on our website: bayofplentynz.com/media-and-resources/resources/. TBOP will also consider the online publication of minutes of public sections of Board meetings.

5.1 The Role of the Tourism Bay of Plenty Board of Trustees

The Board of Trustees is responsible for the direction of TBOP. In accordance with the ESE, this responsibility includes:

- Acting in accordance with the Trust Deed.
- Developing and overseeing TBOP's Visitor Economy Strategy 2018-2028 (VES).
- Advocating on behalf of TBOP with key stakeholders.
- Approving Annual Plans, budgets, and the Statement of Intent (SOI).
- Maintaining Enterprise Risk and Health and Safety systems, policies, and controls.
- Monitoring financial performance and achievement of key initiatives and SOI objectives.
- Appointing and monitoring the performance and remuneration of the General Manager (GM).
- Ensuring the integrity of management information systems and policies.
- Assessing business opportunities and business risks.
- Ensuring TBOP policies enable a healthy organisational culture and staff engagement.
- Complying with relevant law.
- Ensuring TBOP exhibits a sense of social and environmental responsibility.
- Reporting to the councils.
- Following the decision-making guidelines in the ESE and the TCC Appointment of Directors to Council Organisations Policy and the Significance and Engagement Policies.

The Trustees operate under the TBOP Code of Conduct and the Tauranga City Council Code of Conduct for Directors Appointed by Council-to-Council Organisations.

The Trustees delegate the day-to-day operation of TBOP to the General Manager (GM) of TBOP, who reports to the Board.



5.2 Tourism Bay of Plenty Trustees

As of 30 November 2023, the TBOP Board comprises of the following trustees:

- Russ Browne (Chairperson)
- Clare Swallow (Deputy Chairperson)
- Jason Hill
- Peter Blakeway
- Janine Tulloch
- Andrea Webster

5.3 Communication Protocol

The Chairperson, Board members, and officers of TBOP will adhere to the following communication protocols with the councils, in addition to the formal reporting requirements:

- Regular governance-to-governance meetings with each council's Councillors.
- Presentations of the Six-Month Report and Annual Report to both councils.
- Two-way dialogue and consideration of each council's strategic priorities and objectives.
- A bilateral 'no-surprises' approach to governance and the management of the organisation.
- Consultation, prior to external release, of any significant changes and/or developments.
- Early notification and collaboration on key matters of risk or reputation.
- Appraise the performance of the TBOP Board of Trustees at a minimum of every two years, alternating annually between a Board-led review and a Council-led review.
- Share the details of any substantive engagement with central government and/or external agencies.
- Acknowledge our relationship with councils and use of logos where appropriate.

5.4 Statement of Intent

The draft SOI for the ensuing financial year will be provided by TBOP to the councils by 1 March, 2025. Feedback from the councils will be considered by April, and the final SOI will be submitted by 30 June, 2025.

The draft SOI provides a three-year view, which is consistent with the ESE, to identify:

- An indicative rolling three-year forecast of performance and position.
- Identification of any significant intended expenditure.
- Any likely requests for increased funding from either council.
- Key actions or initiatives to deliver on the objectives of TBOP.
- Upcoming challenges, risks and opportunities for TBOP.



6. Nature and Scope of Activities

TBOP's purpose:

To lead the prosperity of our people and place through tourism.

TBOP's growing role as a Destination Management Organisation requires it to *lead*, *advocate* and *coordinate* the visitor economy, while considering environmental, social, and cultural interests. We also need to ensure we preserve the region's unique identity, and that visitor-related development is cognisant of the interests of local residents and iwi.

Lead	Advocate	Coordinate
<ul style="list-style-type: none"> •Lead the sustainable growth of the tourism sector, for the benefit of our community. 	<ul style="list-style-type: none"> •Manage, develop and plan growth, taking into consideration social, environmental and cultural interests. 	<ul style="list-style-type: none"> •Work with public, private and Iwi led organisations as a key collaborator in order to make the region a more regenerative, compelling and attractive visitor destination.

Destination management is an ongoing process, which reflects the need for regions to plan for the future. Destination management brings different stakeholders together in a collaborative manner to achieve the common goal to which they are all committed: developing a well-managed, sustainable destination for locals and visitors alike. This requires inclusive and coordinated leadership. Destination management needs to engage residents, tourism enterprises, businesses, Māori (iwi and hapū), Regional Tourism Organisations, Economic Development Organisations, Tourism New Zealand, and local, regional and central government whenever necessary or appropriate. To be successful, Tourism Bay of Plenty requires support from our local councils.

To ensure effective planning for population and urban growth, councils can provide opportunities for TBOP to actively contribute their expertise and knowledge of the tourism industry and economic development. This will help to ensure effective destination management of the region going forward.

As part of this, TBOP commits to liaising with the appropriate teams at both councils to better understand the destination opportunities they have already identified, such as Te Manawataki o Te Papa, Mount Maunganui, Ōmanawa Falls, TECT Park, and other recreational reserves, walking trails, cycling trails, and more.



6.1 Significant Areas of Activity

This section outlines the significant activities TBOP will undertake across Tauranga City and Western Bay of Plenty District. Activity will be apportioned per territorial authority area based on funding allocations, unless otherwise specified or if the activity is deemed to have regional benefit or there are extenuating circumstances that would require upweighting. Activity undertaken for Whakatāne District is project-based and is limited to direct funding received.

Activity to be undertaken across the western bay region

MARKETING

Market the destination domestically and internationally through relevant channels to target markets. Including:

- A campaign aimed at domestic and local markets.
- Targeted Australian marketing activity. Trade marketing to partner organisations in New Zealand and key overseas markets (Australia, UK and USA).
- Media hosting.

CYCLE TRAILS & WALKWAYS

- Support the development of recreational cycle trails and walkways.
- Support tourism ventures that make use of this infrastructure.
- Promote cycle trails in the western bay area through digital channels and an annual updates of the western bay cycle trails booklet, including printing and distribution.

PUBLIC RELATIONS & STORYTELLING

- Share information and news that shows why the region is a desirable place to live and visit, and to demonstrate the value of tourism to the local community.
- Manage any destination reputation risks that may arise.



ELEVATE MĀORI CULTURAL TOURISM OFFERING

- Support new and existing Māori cultural operators and developments to provide authentic cultural experiences to visitors.
- Incorporate cultural histories and stories into digital storytelling and wayfinding platforms managed by TBOP.

SOCIAL LICENCE & INSIGHTS

- Continue to measure the impact of the tourism industry across the four wellbeing areas (where data are available) and use information to inform actions.

SUPPORT TOURISM OPERATORS

- Help new and existing operators to enhance their offering by supporting provision, access, and engagement with suitable training and upskilling opportunities.
- Includes resilience building, environmental sustainability, and digital marketing.

FLAVOURS OF PLENTY PLATFORM

Grow the profile of the region as a foodie destination through:

- Promoting the region's foodscape through paid and owned marketing channels.
- Engaging with the foodie ecosystem via e-communications and face-to-face meets ups with industry.
- Retain Flavours of Plenty Festival as a key in-house marketing platform for local businesses to leverage and support sustainable partnerships.

CRUISE SECTOR OPPORTUNITIES

- Continue to manage the cruise sector and work to enhance the benefits it brings to the local community.
- Focus on recommended next steps of cruise study.

ACCESSIBLE TOURISM

- Continue to update the bayofplentynz.com website with wayfinding and accessibility options in the western bay region.
- Continue to encourage operators to look at universal design options.



Additional opportunities (Requested by TCC for TBOP to lead, with finalised funding pending)

DIGITAL WAYFINDING NETWORK

TBOP to continue to be the lead agency for a network of 'in-destination' digital kiosks to better enable visitor, event, and location specific wayfinding and cultural storytelling across the region. We are also supporting the wider TCC wayfinding and signage strategy.

BRAND TAURANGA

TBOP to lead the development of the Tauranga regional brand project.

ALTERNATIVE FUNDING OPTIONS

TBOP to investigate additional or alternative funding options.

Tauranga City Activity

EVENTS

Continue to implement the key actions **(1b and 4c)** in the Tauranga Events Actions and Investment Plan that TBOP is responsible for delivering. Timeframe for both actions is 1 to 3 years.

AIP Goal 1: Develop a strategic and collaborative approach to priorities and investment in major events and business events.

TBOP Action 1b: Lead the development of a business events framework to provide a clear and coordinated framework for investment for the city.

AIP Goal 4: Improving the promotion and marketing of events to both local and national audiences.

TBOP Action 4c: Promote Tauranga as a premier event destination for visitors nationally and internationally. Adopt a collaborative approach to the promotion of events.

PLACEMAKING

Support regional development and initiatives that support tourism, such as Te Manawataki o Te Papa, and the Mount Spatial Plan.



Western Bay of Plenty District Activity

MAJOR EVENTS PROMOTION

Support major events in the Western Bay of Plenty District such as the Waihi Beach Summer Fair, and Katikati Avocado Festival with promotional opportunities where appropriate.

7. Accounting Policies

Financial statements will be prepared in accordance with Tier 2 Public Benefit Entity Accounting Standards. The accounting policies that have been adopted are detailed in the Tourism Bay of Plenty Annual Report.

7.1 Asset Management

TBOP will prepare and implement Asset Management Plans for all assets where relevant.

7.2 Transactions Between Related Parties

Transactions between the councils and TBOP will be conducted on a wholly commercial basis.

8. Performance Targets (for western bay)

FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	TARGET BY JUNE 2025	TARGET BY JUNE 2026*
ECONOMIC Wellbeing	Grow the value of tourism to the western bay economy.	Trends in visitor spending via electronic card transactions.	Direct Partnered Indirect	Marketview	Increased visitor spend in the western bay compared to YE June 2024.	Increased visitor spend in the western bay compared to previous YE.
SOCIAL Wellbeing	Enhance the value of tourism to our community (according to the community).	Residents' sentiment towards tourism. Measured by the percentage of residents who agree that tourism has a positive impact on their community. Residents provide a rating of 1 to 10, where 1 is strongly disagree and 10 is strongly agree.	Direct Partnered Indirect	Annual Resident Surveys.	Tauranga City Residents: 60% NB: In addition, TBOP measures domestic, international and business sentiment.	Tauranga City Residents: 62% NB: In addition, TBOP measures domestic, international and business sentiment.
CULTURAL Wellbeing	Improving the cultural wellbeing of the community through tourism.	Facilitation of programmes that elevate the Māori cultural tourism proposition in the western bay region.	Direct Partnered	TBOP Six-Month and Annual Reports.	Incorporated Western Bay of Plenty District cultural history and stories into digital storytelling and wayfinding platforms managed by TBOP.	Supported a minimum of 3 Māori tourism operators to connect their experience offering to a digital platform.
ENVIRONMENTAL Wellbeing	Improving the environmental wellbeing of the region via environmental sustainability and regeneration projects.	Industry-focused environmental sustainability and regeneration initiatives facilitated or enabled by TBOP.	Direct Partnered	Programme Reports.	An additional 35 organisations have completed The Green Room Sustainability programme.	Key actions and programmes are in place which build on climate change mitigation and adaptation progress relating to tourism (connecting with the Tauranga Climate Change AIP, where relevant).
TBOP ORGANISATION Wellbeing	Enhance TBOP's ability to achieve its goals through high staff engagement.	TBOP staff engagement.	Direct	Employee Engagement Survey.	Employee Engagement score of ≥80%.	Employee Engagement score of ≥80%.



FOCUS AREA	PROJECT DELIVERABLE	MEASURE	TBOP	SOURCE	TARGET BY JUNE 2025	TARGET BY JUNE 2026*
DESTINATION MANAGEMENT & MARKETING	Elevate the region’s cycling proposition.	Develop, update, and promote informative material on cycle trail options in the western bay.	Direct Partnered	Council’s feedback.	Cycle trails booklet updated with new trails, supported by an initial print run and digital deployment. Support the development of tourism ventures that make use of this experience.	Cycle trails booklet updated. The western bay region becoming known as a destination for cycling within New Zealand.
	Build operator capability to enhance the quality of the region’s tourism offering.	Provide opportunities for western bay operators to train or upskill in sales, marketing and trade capability areas while also gaining, retaining or achieving higher Qualmark rated certification.	Direct Partnered Indirect	Capability programme report.	Operators supported to engage in capability building programmes, with a minimum of five additional operators being endorsed with Qualmark certification.	Operators supported to engage in capability building programmes, with a minimum of five additional operators being endorsed with Qualmark certification.
	Coordinate activity that attracts key business events to the western bay region.	Facilitate leads and bids for business events in the region.	Direct Partnered	TBOP Six-Month and Annual Reports.	Facilitated 25 leads or bids for business events in the region and won 7.	Facilitated 30 leads or bids for business events in the region and won 10.
	Elevate the region’s food story and proposition.	Promote and support the delivery of the Flavours of Plenty Festival to draw visitors to the Coastal Bay of Plenty region.	Direct Partnered	Festival delivery.	Continued TBOP support of Flavours of Plenty, via key visitor marketing channels, reaffirms the festival as a signature DNA™ event for the region.	Continued TBOP support of Flavours of Plenty, via key visitor marketing channels, reaffirms the festival as a signature DNA™ event for the region.
	Promotion of the western bay region to key target markets (cultural explorers, surf & beach lovers, outdoor adventurers, and eco-travellers).	Annual development and delivery of marketing campaigns that incorporate our key DNA™ pillars that reach and convert the travel intentions of our target markets to visit, stay and spend in the region.	Direct Partnered	Campaign collateral.	Review previous campaign results and deliver an updated/renewed domestic marketing campaign which incorporates the destination’s DNA™, converting the travel intentions of our target markets to visit, stay and spend in the region.	Annual review and delivery of relevant campaigns and related PR activity that incorporates our DNA™ pillars and converts the travel intentions of our key target markets to visit, stay and spend in the region.

*June 2027 & June 2028 targets to be confirmed, but initially baselined against June 2026 targets with scope for further development.



9. Expected Shareholder Distributions

TBOP is not expected to make profits. Any surplus funds remaining from annual operations are carried forward to the ensuing year, to continue to pursue the primary objectives of TBOP.

10. Financial and Non-Financial Reporting

10.1 Financial Performance Targets and Measures

- Gross revenue is consistent with the agreed budget.
- Expenditure is managed within the agreed budget.
- Working capital ratio of no less than 1 (excluding current portion of term debt).
- Equity to assets ratio is reported on (equity divided by total assets).
- No debt is to be raised to finance operating expenses.

10.2 Reporting

TBOP has adopted 30 June as its balance date.

10.2.1.1 Six Month Report

By 28 February each year, the Trustees shall deliver to the councils an unaudited report containing the following information, in respect of the six months under review:

- Statement of Financial Performance, disclosing revenue and expenditure and comparative prior period and budget figures.
- Statement of Financial Position.
- Progress towards Non-Financial Performance Targets.
- A commentary on the financial and non-financial results for the first six months and a forecast of these results for the full year.

10.2.1.2 Annual Report

By 31 August each year, the Trustees shall deliver to the councils a draft Annual Report, and by 30 September a final version of the Annual Report which will include audited financial statements (dependent on Audit New Zealand timeframes) in respect to the previous financial year, and containing the following information:

- Chairperson's and GM's reports.
- Audited financial statements for the financial year, including Statement of Financial Performance and the Statement of Financial Position and Changes in Equity.
- Notes to the financial statements, including accounting policies.
- Service Delivery Report summarising TBOP's performance against the SOI strategic priorities.
- Independent Auditor's report on the financial statements and non-financial performance measures.



11. Activities for Compensation

11.1 Funding Principles

There are six high-level funding principles:

- As a general principle, TCC and WBOPDC will provide ongoing funding to TBOP as a contribution towards operational expenses.
- The role of the councils is to hold TBOP accountable for the use of funds provided by TCC and WBOPDC, which will ideally be consistent with the councils' strategies.
- TBOP is encouraged to seek funding opportunities from the private sector and central government to maximise the best outcomes for the organisation and the region.
- The TBOP Board must be empowered with sufficient flexibility to determine the best use and allocation of funding to meet required levels of service to the community and visitors.
- TBOP is expected to meet the approved annual budget.
- Any net surpluses are to be disclosed through Six Month and Annual Reports.

11.2 Approach to Funding

TBOP receives an operating grant from both councils for the purpose of marketing and managing the destination. The operating grant is set through the Long-Term Plan (LTP) process, with the contribution from each council updated annually, in line with the Consumer Price Index (CPI), when TBOP creates its budgets for the coming year.

Council funding for additional operating grants and ad hoc new capital projects is to be assessed on a case-by-case basis through the LTP or Annual Plan process.



11.3 Compensation from Local Authorities

TCC and WBOPDC intend to purchase services from TBOP over the long term and agree to the level of funding on a rolling three-year basis, aligned to the three-year Business Plan of TBOP.

The services for the next three years are currently forecast as per the table below. Note that this excludes separate funding for TBOP to lead the Tauranga Moana Brand and Digital Kiosk Network projects.

Funder	2024/25	2025/26	2026/27	2027/28
TCC	1,513,574	1,574,612	1,595,911	1,679,866
TCC (VIC, Including cruise)	542,949	558,697	574,569	586,657
TCC Total	2,056,523	2,133,309	2,170,480	2,266,523
Less 7%		(149,332)	(151,934)	(158,657)
TCC new Total		1,983,977	2,018,546	2,107,866
WBOPDC Total	268,000	350,000	325,000	367,575
Total	2,324,523	2,333,977	2,343,546	2,475,441

The payments will be made quarterly, in advance, on receipt of a GST invoice, with payments one and two each being 30% of the annual sum, and payments three and four each being 20% of the annual sum.

Budget	2024/25	2025/26	2026/27	2027/28
Revenue				
Funding - Tauranga City Council	2,056,523	1,983,977	2,018,546	2,107,866
Funding - Western BOP District Council	268,000	350,000	325,000	367,575
Funding - Whakatāne District Council	86,520			
Retail Gross Profit	3,500	5,250	7,500	7,725
Other Revenue	256,291	271,450	279,594	293,573
Total Revenue	2,670,834	2,610,677	2,630,640	2,776,739
Less Expenditure				
Operating & Marketing	791,966	607,150	625,365	644,125
Administration & Overheads	492,405	535,723	551,795	568,349
Employee Expenses	1,655,851	1,684,954	1,727,078	1,778,890
Depreciation and Amortisation	49,320	51,684	50,000	50,000
Total Expenditure	2,989,542	2,879,511	2,954,237	3,041,364
Surplus / Deficit	(318,708)	(268,834)	(323,598)	(264,625)



12. Estimated Value of Tourism Bay of Plenty

The TBOP Board estimate that the commercial value of the shareholders' investment in TBOP is represented by the net assets of TBOP. This value is calculated from total assets less liabilities.

13. Significant Decisions

In accordance with the TCC Significance and Engagement Policy, TBOP will not undertake any activity of a nature or scope not provided for in this SOI without prior approval of both councils. Specifically, prior approval would be required for TBOP to:

- Form any subsidiary entity.
- Purchase shares in any other entity.
- Dispose of any significant assets e.g., land or buildings.
- Purchase any significant assets e.g., land or buildings.
- Seek partnering solutions that involve the dilution of assets or the commitment of councils.

14. Termination

If any party wishes to terminate this three-year rolling arrangement, due to non-performance or any other substantive reason within the control of either of the parties:

- the party may give written notice to the other party specifying the issue and, if possible, requiring remedy within twenty-eight (28) days, and/or
- mediation is set to investigate any remedy of the issue, and/or
- if the issue is unable to be remedied to the party's satisfaction, the party must give written notice of its intention to terminate this arrangement from a date being not less than one year commencing the forthcoming 1 July (that is, the secondary party must have at least one full financial year's notice commencing on 1 July and ending on 30 June).

15. Signed

Chairperson
Russ Browne
Tourism Bay of Plenty

General Manager
Oscar Nathan
Tourism Bay of Plenty



16. Glossary of Terms

AIP	Action and Investment Plan
CCO	Council Controlled Organisation
CPI	Consumer Price Index
ESE	Enduring Statement of Expectations
GM	General Manager
GST	Goods and Services Tax
LOE	Letter of Expectation
MBIE	Ministry of Business, Innovation and Employment
RTO	Regional Tourism Organisation
SOI	Statement of Intent
TBOP	Tourism Bay of Plenty
TCC	Tauranga City Council
VES	Tourism Bay of Plenty's Visitor Economy Strategy 2018-2028
VIC	Visitor Information Centre
WBOPDC	Western Bay of Plenty District Council
WDC	Whakatāne District Council
YE	Year end

Note, 'western bay' refers to the total combined area which is governed by Western Bay of Plenty District Council and Tauranga City Council.

Te Manawataki o Te Papa Limited

**Statement of Intent
to Tauranga City Council
2025-2028**



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Foreword

Te Manawataki o Te Papa "Te Papa mana whenua, Te Papa Houkura, Te Papa o ngā waka, Te Papa kainga o te iwi"

"The heartbeat of Te Papa – the deep springs, the richness of the land, the landing of many canoes, the home of the people"

The Te Manawataki o Te Papa civic development project is the realisation of the Tauranga community's long-held vision and aspirations for the Tauranga City Centre (city centre).

As set out in the Tauranga Civic Precinct Masterplan (revised and approved by Tauranga City Council's Commission in December 2021), the civic development project will feature a progressive new library and community hub with a research and archives facility, café, children's section and community meeting rooms; a new civic whare (public meeting space); and a museum and exhibition gallery that will offer direct access to the city's taonga and heritage collection. The new Civic Precinct is being complemented with a suite of Council-led developments and development opportunities including a redeveloped Public Realm and Waterfront, Memorial Park Aquatics / Recreational hub, Indoor Courts facility and Council offices at 90 Devonport Road. These are intended to establish the city centre as the commercial, civic and cultural heart of Tauranga.

Redevelopment of the northern waterfront was completed in 2024 which included the upgrade of Beacon Wharf, the new northern reserve and playground and the Dive Crescent carpark. The southern waterfront saw the opening of Tunks Reserve leading to the stunning new underpass and boardwalk to the Strand. In 2025 we will see the completion and opening of the Council Offices at 90 Devonport Road (March) and the Indoor Court Facility at 483 Cameron Road (April). Redevelopment of the Waterfront Central Plaza will commence in April and completed by December 2025 and the construction Whare waka on the South Reserve will commence in July 2025. Construction of the Civic Whare, Exhibition and Museum structure will also begin in May 2025. Construction of the Library and Community Hub is well underway and due for completion in September 2026.

The facilities and activities planned will draw people in from near and far, helping to add vibrancy and breathe life into the city. The benefits of the city centre projects will be felt by communities right across Tauranga, its wider region, and those who choose to visit, work, invest and live in the city centre.

The projects will promote opportunities for welcoming and expression, learning and discovery, appreciating our past and shaping our future, and places for entertaining and enjoyment.

This statement is presented in accordance with the requirement of section 64(1) of the Local Government Act 2002 and incorporates the expectations of Tauranga City Council as outlined in its Letter of Expectations dated 13 April 2023. It outlines Te Manawataki o Te Papa Limited's objectives, nature and scope of activities undertaken, and the performance targets by which we will be measured for the years 1 July 2025 to 30 June 2028.

We look forward to updating you during the year as we progress throughout the design and construction phases of the Te Manawataki o Te Papa Civic Development Project.

*Kim Wallace
Chair
Te Manawataki o Te Papa Limited*

1 Introduction

Te Manawataki o Te Papa Limited (**TMoTPL**) is responsible for governing the delivery of a suite of projects across Tauranga City. This includes the Te Manawataki o Te Papa Civic Precinct; redevelopment of the Public Realm and Waterfront; the Memorial Park Aquatics/Recreational hub; the Indoor Courts facility and the fitout of 90 Devonport Road offices (collectively the **Programme**).

TMoTPL is a council-controlled organisation (**CCO**) for the purposes of the Local Government Act 2002 (**LGA**) and a public benefit entity for financial reporting and tax purposes. The company is 100% owned by the Tauranga City Council (**Council**). TMoTPL was registered and began operations in February 2023.

This Statement of Intent (**SOI**) is prepared by TMoTPL in accordance with section 64(1) of the LGA and in response to Council's Letter of Expectation dated 20 December 2024. It covers the tendering, design and construction phases. It includes information on key deliverables, financial information and performance measures and targets to enable organisational accountability and transparency.

The SOI is a public and legally required document which is reviewed and agreed annually with the Council, as TMoTPL's sole shareholder. This SOI covers the period from 1 July 2025 to 30 June 2028.

2 Nature, scope and purpose

The scope of the Programme under the governance of the TMoTPL includes:

- Te Manawataki o Te Papa Civic Precinct including the new Library and Community Hub (ComHub), Civic Whare, Exhibition and Museum (CWEM), refurbishment of the Baycourt Community Theatre, and the Public Realm including adjacent road pedestrian footpaths.
- Continuation of the Tauranga Moana Waterfront Development including the completion of the Central Waterfront Plaza, The Strand South Reserve, the Wharewaka and The Strand streetscape.
- The Memorial Park Aquatic Centre development is on hold pending a further Council decision.

TMoTPL is responsible for the governance of the delivery of the Programme, including execution, monitoring, and control, through to completion of construction, in a way that provides the best community outcomes possible and in accordance with the Tauranga Civic Precinct Masterplan (December 2021), the Tauranga Moana Masterplan September 2022, the Memorial Park Aquatic Centre (December 2024) and the stated priorities and expectations of Tauranga City Council.

TMoTPL will actively identify, quantify, and mitigate risks in a timely manner to the Council, as the agency responsible for delivering the Programme including (without limitation) financial risk, delivery risk and reputational risk. It will also advocate with the Council to maximise opportunities to obtain third party contributions to the Programme.

TMoTPL's purpose is to deliver the Programme for and with the community, on behalf of the Council to achieve the expected outcomes, rather than to operate a business for profit.

3 Vision

The vision of TMoTPL is to transform the heart of the city, the Tauranga Waterfront and Memorial Park Aquatic Centre into a place where people will want to live, work, play, learn and visit. Achievement of this vision will enable the following objectives set by Council for this Programme to be delivered:

- Promote opportunities for welcoming and expression, learning and discovery, appreciating our past and shaping our future, and places for entertaining and enjoyment.
- Stimulate the region's economy, including attracting domestic and international visitors, experiences and events.
- Enable the region to host a range of events and activities, including art exhibitions, museum displays, entertainment activities and other community and business events.
- Promote opportunities for recreation and play.
- Increase the vibrancy of the civic precinct and support the connection of central Tauranga with the surrounding region.
- Provide confidence to the investment markets to invest further in the city centre area.
- Enhance the region's social, cultural, entertainment and artistic reputation and identity.

4 Goals

To achieve its purpose and vision, TMOPL will work towards the following key deliverables:

- Ensure everyone involved in the Programme are kept safe and well.
- Ensure that the Programme is delivered within budget and cost savings continue to be achieved through value engineering.
- Identify and implement expenditure savings of at least 7% in the 2025/2026 TMOPL operating budget.
- Conduct a review of the Programme to ensure every opportunity to save/reduce costs are considered to deliver maximum value for money for our community.
- Oversee the contracts for the construction of the Library and Community Hub, Civic Whare, Exhibition, Gallery and Museum building, and associated landscaping in accordance with the Tauranga Civic Precinct Masterplan and any further approvals or variations advised by Council.
- Oversee the continued development of the Tauranga Moana Waterfront in accordance with the Tauranga Moana Waterfront Masterplan (September 2022).
- Oversee the development of the Memorial Park Aquatic Centre as directed by Council.
- Ensure that the total capital project cost does not exceed approved budgets and appropriately balance the capital cost of initial construction, the cost of operation, and the cost of refurbishments over the lifetime of the delivery Programme.
- Meet contracted delegations, New Zealand legislation and regulations, and New Zealand construction industry best practice, including adopting/exceeding New Zealand construction industry best practice standards for health, safety, and wellbeing of all involved in the Programme.
- Deliver a sustainable approach to the design and construction of the Projects, including consideration of 6 Green Star sustainability and WELL certifications for the buildings associated with the Project.
- Ensure that the Programme engages with, recognises, and reflects the inherent connection with mana whenua.
- Respect the name gifted by mana whenua representatives from Otamataha Trust for the Project being Te Manawataki o Te Papa for the Civic Precinct Programme.
- Ensure the design fundamentals are met to provide an uplifting, enjoyable experience for those enjoying the civic precinct, waterfront and facilities at Memorial Park area for recreation, enjoyment, and business, and for those bringing events or experiences to the precinct.

- Ensure that the precinct, waterfront and facilities at Memorial Park provides universal access for all. Both within the built facilities and across the entire precinct site and waterfront.
- Minimise the disruption to stakeholders from the project delivery activities.
- Keep stakeholders well informed of all project delivery activities.
- Work with TCC to build excitement and awareness of the benefits of the new facilities.

5 Approach

TMoTPL is dedicated to the Programme and to delivering a uniquely local Civic Precinct, waterfront and aquatic experience that provides the best community outcomes possible for Tauranga, and delights those who visit the city centre.

TMoTPL commits to upholding the intent of Te Tiriti o Waitangi (The Treaty of Waitangi). TMoTPL acknowledge tangata whenua and will continue to commit to working with mana whenua and other local stakeholders in the delivery of the Programme, and in building the narrative and symbols at, surrounding, and leading to the Programme, such as: the visual connection from the Civic Whare through to the moana (ocean); pou whenua and waharoa to formally welcome prospective manuhiri (guests) to the site; and the concepts of paparanga ngahere (the forest layer) and ahi kaa (past and present occupation of the site), all of which form an important part of the design of the programme.

An important principle recognised within this Statement of Intent is the three-way partnership between Tauranga City Council, TMoTPL and the Otamataha Trust (delegated mana whenua representatives) to deliver the Te Manawataki o Te Papa Civic Precinct Programme, Tauranga Moana Waterfront Masterplan and the Memorial Park Aquatic Facility.

It is critical that TMoTPL work closely with Council to ensure that the Programme is delivered in a way that meets operational effectiveness and efficiency, both currently and in terms of the foreseeable future. This will mean TMoTPL must adopt a "whole of life" cost approach balancing capital costs, operating costs, and periodic refurbishment costs.

The partnership must be effective and underpinned by trust, commitment, understanding and shared values.

6 Key Project Actions

To achieve the goals, vision and purpose as set out in this SOI, TMoTPL will take the following key actions:

Health, safety and wellbeing

- Continue to implement the now refined Health, Safety and Wellbeing system with Council employees, contractors, sub-contractors, and advisors working on the Project that ensure a commitment to achieving no harm incidents and wellness for all during the delivery of the Project.
- The safety and wellbeing of all people connected with the Project, including the Project team, visitors and third-party stakeholders, is a paramount principle underpinning all decisions associated with the Project.
- Ensure all hazards are identified and effective controls are implemented to eliminate or effectively manage those hazards.

Partnerships

- The TMoTPL Board and Otamataha Trust will formally meet regularly to ensure that there is a close relationship and continued alignment of the two entities.

- Foster ongoing and effective collaboration with Willis Bond (development managers for TMoTP) and other major contractors to enhance overall performance and ensure success of the Programme.
- Foster ongoing and effective collaboration with Bay Venues Limited (BVL), Tourism Bay of Plenty, Priority One to enhance engagement and contribution to the Programme. Utilise Governance to Governance forums as a pivotal opportunity to enhance collaborative and transparent relationships with Council.
- Proactively engage with TCC Departments and in particular with the GM Community Services Group as a key client.

Governance

- Clearly define, and agree with Council, the delegation's hierarchy between Council, TMoTPL, and key project contractors.
- Provide expert advice to Council in relation to its entering into design and construction contracts.
- Identify, and mitigate or manage, works connected with both procurement and construction phases of the Programme, including reporting regularly to the Council on the health and safety, scope, budget, programme, and the management of significant risks.
- Develop and manage processes to provide assurance that the Programme is progressing according to all expectations and ensure regular reporting by project management to the TMoTPL Board.
- Convene robust processes to use external project auditors, probity auditors, and peer reviewers as necessary to provide an agreed level of independence to the Council.
- Support the Council strategic framework outcomes of a liveable city, resilient communities, healthy environment, and prosperous economy.

Creating a vibrant precinct

- Ensure the developed design creates a vibrant inner-city precinct for the Tauranga community and visitors to the city.
- Evaluate 'value-add' opportunities against the Project budgets and on a cost benefit basis, before adopting or recommending to Council for a budget revision.

Project management

- Prepare detailed project plans that identifies activities, timelines, and financial budgets from the inception of the projects to completion of the Programme.
- Provide review and oversight of all contracts, expenditure, and progress during the construction of the Programme.
- Ensure compliance with all legislation, Council procurement policies, and codes of practice of public sector entities during the Programme.
- Proactively engage with the Council's consenting team to ensure an effective approach is co-adopted in support of successful delivery of the Programme of projects.
- Provide local procurement opportunities where practical and commercially feasible, for local stakeholders including mana whenua.
- Consult with key stakeholders to ensure the developed design specifications will deliver the goals set out in this SOI.
- Ensure the Projects are delivered to specification, within the approved budgets, within the agreed timelines, and to a quality that meets the goals set out in this SOI. All material changes to significant risks or new significant risks, will be communicated to Council as early as possible.

- TMOPL will only undertake the responsibility of delivering additional projects (outside of the current programme of works), upon receiving instruction to proceed, provided at a Council meeting.

Financial management

- Ensure the Programme is properly costed with appropriate allowance for both cost escalation over the life of the Projects, and contingencies for variations during the life of the Programme.
- Ensure in establishing the initial capital expenditure and cash flow, whole of life costs are considered to minimise the total costs of the Programme.
- Ensure the Projects remain within the budgets agreed with Council. Where there is risk that the budget will be exceeded, disclose and discuss this with Council prior to any approval for such additional expectation is given.
- Ensure that the overheads and administration costs of TMOPL are appropriately budgeted and agreed with Council and are managed within that budget.
- Work with the design engineers and construction management to identify areas where costs may be saved to the Programme (without compromising other outcomes set for the Project).
- Advocate / promote with Council to identify and bring opportunities for third party contributions to the funding of the Programme.

Sustainability

- Establish clear standards in respect of the various dimensions of sustainability that are to be achieved during the Programme design and delivery phases. Demonstrate delivery of those sustainability standards.

Shareholder relationships

- Prepare and agree with Council, a programme of regular reporting and dialogue which ensures Council, as Programme owner, is fully informed in a timely manner, on all material risks, progress against plan and opportunities for further enhancement.
- Nurture a respectful and open relationship in the best interests of Tauranga and continue to develop a close and collaborative partnership.
- Keep the Council fully informed of all material matters and operate on a 'no surprises' basis.

Stakeholder engagement

- Ensure all significant stakeholders in the Programme – the Council, key regular users and visitors to the precinct, mana whenua, and the community – regularly receive factual project delivery updates.
- Establish a lessons-learned process to enable strengthening of outcomes and approaches over the lifetime of the Programme.
- Support the delivery of an integrated communications plan that builds excitement and pride of ownership among the people of Tauranga.
- Ensure the developed design recognises Te Manawataki o Te Papa being the name gifted for the whenua surrounding and within the precinct.

Future proof

- Future proof as best as possible, the venues to ensure they are fit for purpose for a changing events landscape.

Regional Impact

- Where possible and underpinned by commercial viability, procure project services and products from the Bay of Plenty region.
- Deliver the Programme to enable long-term direct economic contribution to the region.

7 Performance measures and targets

Objective and Strategy	Performance Measure		
	2025 - 2026	2026 - 2027	2027-2028
Health, safety and wellbeing			
Establish a health, safety and wellbeing system to ensure all involved with the Project are kept safe and well	Comply with health, safety and wellbeing system.	Comply with health, safety and wellbeing system.	Comply with health, safety and wellbeing system.
Critical hazards are managed effectively	For all work, the programme of critical risk inspections carried out on schedule and report that the critical controls are in place and are effective.	For all work, the programme of critical risk inspections carried out on schedule and report that the critical controls are in place and are effective.	For all work, the programme of critical risk inspections carried out on schedule and report that the critical controls are in place and are effective.
Baseline lead and lag indicators are monitored to ensure safety for all	No harm incidents during both the Pre-Construction Services (PCS) and Design and Construction (D&C) phases.	No harm incidents during the PCS and D&C phases.	No harm incidents during the PCS and D&C phases.
Assurance			
Delegations	Comply with delegations' hierarchy.	Comply with delegations' hierarchy.	Comply with delegations' hierarchy.
Independence	Comply with the Assurance Programme.	Comply with the Assurance Programme.	Comply with the Assurance Programme.
Programme/Project management			
Recommend Project delivery to Council	Recommend developed and detailed design following stakeholder consultation for each project within the broader Programme of projects.	Recommend developed and detailed design following stakeholder consultation for each project within the broader Programme of projects.	Recommend developed and detailed design following stakeholder consultation for each project within the broader Programme of projects.
	Recommend contracts for each project within the broader Programme of projects.	Recommend contracts for each project within the broader Programme of projects.	Recommend contracts for each project within the broader Programme of projects.

Contract management and legal compliance	Provide oversight of all contracts, expenditure and progress during all phases of the Project in 100% compliance with all standards.	Provide oversight of all contracts, expenditure and progress during all phases of the Project in 100% compliance with all standards.	Provide oversight of all contracts, expenditure and progress during all phases of the Project in 100% compliance with all standards.
Source local	Consider local procurement opportunities through incorporating Broader Outcomes assessments as per Council's Procurement Policy.	Consider local procurement opportunities through incorporating Broader Outcomes assessments as per Council's Procurement Policy.	Consider local procurement opportunities through incorporating Broader Outcomes assessments as per Council's Procurement Policy.
Lesson Learnt	Complete and review lessons learnt to ensure effective uptake across the lifetime of the Programme.	Complete and review lessons learnt to ensure effective uptake across the lifetime of the Programme.	Complete and review lessons learnt to ensure effective uptake across the lifetime of the Programme.
Risk Management	Proactive risk management through oversight of appropriate risk registers, timely risk workshops and leadership of all delivery risks through the Contract Oversight Group (COG).	Proactive risk management through oversight of appropriate risk registers, timely risk workshops and leadership of all delivery risks through the Contract Oversight Group (COG).	Proactive risk management through oversight of appropriate risk registers, timely risk workshops and leadership of all delivery risks through the Contract Oversight Group (COG).
Delivery in full, on time and in specification (DIFOTIS)	Ensure that all approved projects are delivered in full, on time and within specification.	Ensure that all approved projects are delivered in full, on time and within specification.	Ensure that all approved projects are delivered in full, on time and within specification.
	Future deviations to be communicated to Council at the earliest opportunity.	Future deviations to be communicated to Council at the earliest opportunity.	Future deviations to be communicated to Council at the earliest opportunity.
Financial management			
The Programme is delivered on or below budget	All projects are delivered on or below budget. Capital and whole of life costs optimised. Operational implications considered.	All projects are delivered on or below budget. Capital and whole of life costs optimised. Operational implications considered.	All projects are delivered on or below budget. Capital and whole of life costs optimised. Operational implications considered.

Reporting and consultation	Any risk of budget being exceeded must be disclosed to and discussed with Council prior to any approval for increased budget.	Any risk of budget being exceeded must be disclosed to and discussed with Council prior to any approval for increased budget.	Any risk of budget being exceeded must be disclosed to and discussed with Council prior to any approval for increased budget.
Advocate efforts by Council or other opportunities for third party contributions and funding partners	Third party funding opportunities advocated.	Third party funding opportunities advocated.	Third party funding opportunities advocated.
Shareholder relationship and stakeholder engagement			
Prepare and agree regular reporting programme which ensures Council is fully informed in a timely manner of all major issues, Project progress against PMP and opportunities for further enhancement	100% compliance with reporting requirements outlined in SOI and major issues are raised on a no surprises basis.	100% compliance with reporting requirements outlined in SOI and major issues are raised on a no surprises basis.	100% compliance with reporting requirements outlined in SOI and major issues are raised on a no surprises basis.
Nurture a respectful and open relationship in the best interest of the city and develop close and collaborative relationships	Ensure all stakeholders, key regular users, tangata whenua and community receive regular updates on progress towards completion of the Programme.	Ensure all stakeholders, key regular users, tangata whenua and community receive regular updates on progress towards completion of the Programme.	Ensure all stakeholders, key regular users, tangata whenua and community receive regular updates on progress towards completion of the Programme.
	Evaluate, review and adhere to communications plan and strategy.	Evaluate, review and adhere to communications plan and strategy.	Evaluate, review and adhere to communications plan and strategy.
Cultural connection	Consult with mana whenua to ensure cultural narrative incorporated into design.	Consult with mana whenua that cultural design has been delivered.	Consult with mana whenua that cultural design has been delivered.
Sustainability, kaitiakitanga and the environment			
Clear sustainability standards developed for the Project during the PCS and D&C phases	Best practice sustainability building standards, long-term operational sustainability delivered	Best practice sustainability building standards, long-term operational sustainability delivered.	Best practice sustainability building standards, long-term operational sustainability delivered.

8 Governance

The TMOtPL Board of Directors are responsible for the oversight and performance of TMOtPL, and ensuring decisions are made in the interests of Council and the people of Tauranga and the Bay of Plenty region.

The Board recommends TMOtPL's SOI to Council as shareholder, and is accountable for delivering the purpose, vision, objectives and strategies set out in this SOI, complying with its constitution and the provisions of the Companies Act and the LGA.

The Board is committed to a high standard of corporate compliance in guiding the company's activities and providing expert governance and financial control of the delivery of the Programme. The Board guides and monitors the business and affairs of TMOtPL. It draws on relevant corporate governance best practice principles to assist and contribute to the performance of the company. All directors are required to comply with a formal code of conduct which is based on New Zealand Institute of Directors' Code of Proper Practice for Directors.

A Board performance review will be undertaken by an independent entity every two years, alternating between a Board-led review and a Council-led review in 2026. The report will provide assessment on the Board's performance within:

- Chair and individual director effectiveness.
- Board policies and procedures/effectiveness.
- Overall Board effectiveness, dynamics and connectivity to stakeholders and the community.

9 Governance principles

The following principles are required for a strong governance relationship between Council and TMOtPL:

- **Leadership:** Council is responsible for clearly and proactively setting strategic direction for the city of Tauranga and communicating how TMOtPL is expected to give effect and contribute to these strategic aspirations via the Letter of Expectations and other mechanisms. While TMOtPL will show leadership in its area of expertise, this must be consistent with Council expectations and obligations.
- **Community focus:** TMOtPL directors must ensure they behave in a manner that is consistent with having a community focus and require the same from their executives. This requires them to be cognisant with the fact that the Project is ultimately owned by Council, and to ensure opportunities are provided for facility users to engage with TMOtPL.
- **Empowerment:** TMOtPL directors must be empowered to fulfil their statutory, constitutional and LOE responsibilities. If they are unnecessarily constrained, they cannot fulfil their obligations and are unable to add value.
- **Compliance:** TMOtPL directors must be aware of their duty to comply with legislative obligations, including but not limited to the Companies Act, the LGA, the Health and Safety at Work Act 2015 and the Resource Management Act 1991 and all relevant amendments.
- **Accountability:** TMOtPL directors are accountable for meeting the objectives of the company's sole shareholder (Council) as specified in this SOI, being a good employer, and exhibiting a sense of social and environmental responsibility. Their decision-making must recognise and reflect that Council is held to account by the public for its use of ratepayer funding and for their stewardship of Council-owned assets.
- **Transparency:** Transparency requires a high level of visibility to ensure that funding has been used for intended public good outcomes.
- **Trust:** Productive relationships require a culture of cooperation and trust. The "no surprises" approach is a critical part of this and ensures that TMOtPL and Council keep each other informed before matters are in the public arena.

10 Board composition

The Board of Directors comprises four directors, all appointed by the Council. Director appointments are for the period determined by Council as shareholder but will not be for longer than two terms (or six years), as per Council's [Appointment of Directors to Council Organisations Policy](#).

11 Reporting

TMoTPL is governed by the LGA which requires, among other things:

- *TMoTPL to provide a draft SOI to Council.*
- *Half-year and full year reporting against SOI performance targets.*
- *Quarterly reporting has been sought by the shareholder against SOI performance targets.*
- *SOI letter of expectations and period accountability reports and project reports are published on the Tauranga City Council website.*

12 Statement of intent

Each year TMoTPL will deliver its draft SOI for the following year to the Council as shareholder. It will be in the form required by clause 9(1) of Schedule 8 and section 64(1) of the LGA and will be delivered by 1 March each year.

The Board, when developing its SOI and work programme, will consider the Letter of Expectation issued by Council as shareholder.

Having considered any comments received from the Council, the Board will deliver the completed SOI to the Council as shareholder on or before 30 June each year.

As referenced above, this SOI is written to cover the period from 2025 to 2028 until the completion of the project (no later than 30 June 2029) and the decommissioning of TMoTPL as the project delivery company – anticipated to be during the 2028 calendar year. This SOI therefore covers a three-year period.

13 Quarterly reporting

The Board of TMoTP will meet with representatives of the Council governance body quarterly in a confidential, informal workshop setting to discuss and review issues of common interest.

14 Half-year reporting

TMoTPL will provide Council as shareholder with a half-year report by the end of February each year (being within two months after the end of the first half of the financial year), complying with section 66 of the LGA. The half-yearly report must include the information required by this SOI including the following unaudited financial statements:

- Statement of comprehensive income.
- Statement of financial position.
- Report on non-financial KPIs year to date.
- Commentary on performance year to date.
- Commentary on expected performance for the next 6 months.

15 Annual Reporting

To comply with section 67 of the LGA, TMoTPL will provide Council as shareholder with a draft annual report by the end of August each year (being within two months after the end of the financial year). The final annual report will be made available to the public once audited.

The annual report must include the information required by this SOI and sections 68 and 69 of the LGA, including audited financial statements prepared in accordance with NZGAAP and that also comply with Public Benefit Entity Standards.

The annual report shall also contain an Auditor's Report on both those financial statements and the performance targets and other measures by which performance was judged in relation to TMoTP's objectives.

The annual report is to be presented in the format prescribed by Council to enable consolidation into the Council group, if required.

16 Shareholder meetings

The Board may hold an annual general meeting (**AGM**) between 30 September and 30 November each year to present the annual report to Council as shareholder. If no AGM is held, then the Council as shareholder will consider, and if thought fit, pass any required resolutions.

17 Briefings

TMoTPL will also attend and participate in Council meetings, workshops and briefings in respect of the project as requested by TMoTPL or Council. This may include:

- Briefings sought by TMoTPL;
- Briefings sought by the Council; or
- Attendance at Council and/or committee meetings.

18 No surprises approach

It is expected that TMoTPL will keep Council advised of any issues that may generate public interest – this is referred to as the "no surprises" approach. A failure to keep Council informed on significant issues at appropriate times will be viewed as a governance failure.

Council expects TMoTPL to:

- Present a unified front on issues that affect both Council and TMoTPL. Where TMoTPL and Council have divergent opinions on an issue, the expectation is that both parties will work together to find common ground before the issue enters the public arena.
- Be aware that the Council has interests that are wider than those of TMoTPL.
- Be cognisant of wider Council policy issues as part of their decision-making.
- Be aware of the potential implications of TMoTPL-specific issues on the Council and/or its balance sheet.
- Be cognisant of demand for accountability and transparency placed on councillors from residents and ratepayers of Tauranga.
- Ensure that Council is informed in a timely manner of any issue that may generate significant public interest, as it unfolds. Likewise, Council commits to ensuring issues relating to TMoTPL are communicated with TMoTPL staff and governance (as appropriate) in a timely manner and before issues enter the public arena.

19 Publication of reports

The SOI, Letter of Expectation, periodic accountability reports and Project reports are published on the Tauranga City Council website.

20 Financial performance

TMoTPL aims to operate in a financially sustainable manner. As a CCO governing the delivery of the project, long-term financial performance and position is sustainable where planned deliverables are met without unplanned increases in funding or cuts in deliverables.

Indicative financial performance targets:

- Capital expenditure and the project delivery costs are consistent with the agreed budget.
- TMoTPL has supported TCC advocating to raise at least \$151.5 million from external sources.

21 Compensation from Council

TMoTPL expects to receive funding from the Council for the financial year beginning 1 July 2025, acknowledging Councils intention to potentially cut funding by at least seven percent.

The activity undertaken in exchange for the compensation is set out in the Tauranga City Council Long-term Plan, as per the levels of service and the outcomes in this SOL.

22 Accounting policies

Financial statements will be prepared in accordance with generally accepted accounting practice (GAAP), NZ International Financial Reporting Standards, Companies Act 1993, Local Government Act 2002 and Financial Reporting Act 1993.

23 Contact details

Contact details for the Chair and Directors are as follows:

Address: 90 Devonport Road, Tauranga, 3110

Registered office: 90 Devonport Road, Tauranga, 3110

Chair: Kim Wallace

Directors: Barry Bragg

Peter Neven

Nathan Speir

Website: www.tauranga.govt.nz

TE MANAWATAKI O TE PAPA CHARITABLE TRUST - STATEMENT OF INTENT 2025-28

April 2025



Recognising our past as we shape our future
Joint land ownership of Te Manawataki o Te Papa – the heartbeat of Te Papa



OBJECTIVES	KEY DELIVERABLES – to be undertaken by TCC staff	NATURE AND SCOPE OF ACTIVITIES	PERFORMANCE MEASURES
<p>Te Manawataki o Te Papa – the Heartbeat of Te Papa - a \$306.3 million transformative redevelopment of Tauranga’s civic precinct, which will reinvigorate our city centre and make it the cultural, historic, economic and social centrepiece of New Zealand’s fastest growing city.</p> <p>The land underlying the Civic Precinct has been the subject of disputed ownership since it was gifted to the Crown by the Church Missionary Society (CMS) in the 1860s, in contravention of mana whenua’s understanding when it was sold to the CMS in 1838, that the land would be held for the benefit of Māori.</p> <p>In undertaking this project, Tauranga City Council (TCC), in collaboration with iwi and hapū, sought and implemented a joint ownership solution which has restored the mana of the whenua to its original owners.</p> <p>Joint land ownership – the right thing to do To achieve the objectives of restoring mana of the whenua to hapū and iwi and provide certainty for how the land will be used in the future for the community, a new council-controlled organisation (CCO) was established as a charitable trust, called Te Manawataki o Te Papa Charitable Trust (CCO Charitable Trust). The Council and Otamataha Trust each appointed 50 percent of the trustees to the CCO Charitable Trust.</p> <p>The purpose of the CCO Charitable Trust is to:</p> <ul style="list-style-type: none">Own the land referred to as Site A of the civic precinct – the land bounded by Willow Street, Wharf Street, Durham Street, and Hamilton Street.Support and encourage 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>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.</p> <p>Ensure that Te Manawataki o Te Papa development respects and reflects the significant history and importance of the area to mana whenua.</p> <p>Restore the original trust relationship to which our ancestors (both Māori and the CMS) 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> <p>Founding Documentation: The CCO Charitable Trust has two founding documents in place in place –</p> <ul style="list-style-type: none">Accord between Otamataha Trust and TCC signed 11 July 2022; andTe Manawataki O Te Papa Charitable Trust Deed signed 3 November 2022. <p>The CCO Charitable Trust commits to respect and uphold the outlined intentions of both documents.</p>	<ul style="list-style-type: none">Review annually the Statement of Intent and finalise by 30 June.Provide Annual and Half-Yearly reporting and monitoring.Annual Audit.Review redevelopment projectsEnsure that the history of Te Papa is captured and protected for future generations by establishing an archive of stories and knowledge.	<p>Support and encourage the development of a vibrant civic precinct</p> <p>Ensure that the project respects and reflects the significant history and importance of the area to mana whenua.</p> <p>Stakeholder relationships</p> <p>LOCAL GOVERNMENT ACT REQUIREMENTS</p> <p>Approach to governance</p> <p>Ratio of funds to assets</p> <p>Accounting policies</p> <p>Expected shareholder distributions</p> <p>Financial reporting</p> <p>Procedures for purchase of shares</p> <p>Activities for which the Charitable Trust Board seeks compensation</p> <p>Board’s estimate of value of the group</p> <p>Any other matters that are agreed by the shareholder and the Board</p>	<p>Quarterly meetings with Te Manawataki o Te Papa Limited Board.</p> <p>Representative of Otamataha Trust to act as Cultural Advisor to the Te Manawataki o Te Papa Limited Civic Development Advisory Group.</p> <p>Nurture respectful and open relationships in the best interest of the community and the city. Develop close and collaborative relationships.</p> <p>The Trust Deed outlines that Otamataha Trust and Tauranga City Council both “<i>have the power, exercisable by deed, to appoint up to two persons as Trustees</i>”. In addition, where Council considers it to be practicable, their Trustees should be the Mayor and Chief Executive.</p> <p>Te Manawataki o Te Papa Charitable Trust will have one Half-Yearly board meeting and one Annual General Meeting.</p> <p>N/A</p> <p>The CCO Charitable Trust will adopt accounting practices that comply with NZIFRS, the requirements of the Local Government Act (2002), and the Financial Reporting Act (1993).</p> <p>The CCO Charitable Trust is not expected to make profits that would ordinarily be distributed by way of dividends.</p> <p>Within three months after the end of each financial year, the CCO Charitable Trust will deliver audited financial statements in respect of that financial year.</p> <p>The CCO Charitable Trust is not expected to purchase or acquire shares.</p> <p>The ongoing activities of the CCO Charitable Trust will be budgeted for in advance and funded by TCC.</p> <p>The Board estimates that Te Manawataki o Te Papa Charitable Trust has limited commercial value.</p> <p>Te Manawataki o Te Papa Charitable Trust will not undertake any activity of a significant nature or scope not provided for in the Enduring Statement of Expectations or Statement of Intent without prior consultation with Tauranga City Council and Otamataha Trust.</p>

JOINT LAND OWNERSHIP – THE RIGHT THING TO DO



STATEMENT OF INTENT FOR 2025-2028



June 2025

“COUNCILS PARTNERING FOR VALUE AND SERVICE”

1. Introduction

This Statement of Intent (SOI), developed under Schedule 8 of the Local Government Act 2002:

- Declares a public statement of the activities and intentions of BOPLASS Ltd and the objectives to which those activities will contribute.
- Provides an opportunity for the shareholders to influence the direction of BOPLASS Ltd, and
- Provides a basis for the accountability of the Directors to the Shareholders for the performance of BOPLASS Ltd.
- Covers BOPLASS Ltd and any subsidiary company established in pursuance of the objectives herein.

2. Background and Benefits

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

Since inception, estimated financial savings of over \$34 million have been achieved by the participating councils through undertaking joint initiatives. BOPLASS is forecast to return in excess of \$2.5 million in savings in the 2024-25 financial year.

Other benefits that have been achieved through collaboration are:

- improved levels and quality of service;
- a co-ordinated and consistent approach to the provision of services;
- reductions in the cost of support and administrative services;
- opportunities to develop new initiatives;
- economies of scale resulting from a single entity representing many councils in procurement.

These benefits and opportunities can apply to all councils irrespective of location or size.

Business processes, information architectures and functional tools differ in each council to varying degrees. The BOPLASS strategies facilitate a journey of progressive development using the approach identified in the BOPLASS Strategy and Action Plan to:

- enhance the capability to collaborate;
- encourage the elimination of barriers to collaborative action; and
- identify services that deliver viable business cases.

A generic sequence or stages of collaboration between multiple councils is followed to develop Shared Services, as shown in *Figure 1*.

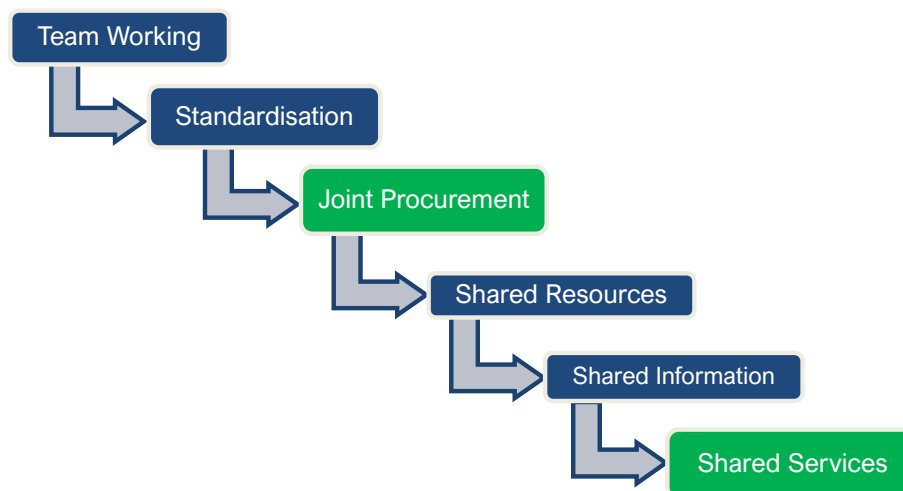


Figure 1

Many of the BOPLASS Joint Procurement projects have supported the development of standard products, services or solutions across the councils. These standards assist in creating a foundation for the delivery of collaboration within the councils.

Examples of Joint Procurement and Shared Service projects are:

- Infrastructure Insurance
- Collective Training
- Aerial Imagery and LiDAR
- Provincial Growth Fund Co-funding for LiDAR Capture
- Standardised Community Engagement App
- Lone Worker Field Solutions
- Robotic Process Automation
- Accounts Payable Automation Software
- Print Media Licencing
- Insurance Valuations
- Contractor Online Inductions
- Health and Safety Management Software
- Radio Telephony (RT) Strategy
- Solid Waste Management
- Health and Safety Inter-Council Audits
- Asbestos Protocols
- Sustainable Public Procurement
- Health and Safety Benchmarking
- Video Conferencing Services
- Archive Services
- Inter-Council Network (ICN) Review, Redesign and Renegotiation
- Debt Collections
- Collaboration Portal
- Capital Construction and Civil Works Projects
- Fortigate Firewall Services
- Wireless WAN
- Inter-LASS Collaboration
- Human Resources Information Systems
- CCTV and monitoring

A full list of projects is provided in Appendix B.

3. Our Vision

“COUNCILS PARTNERING FOR VALUE AND SERVICE”

4. Objectives of BOPLASS Ltd

Working together with the full support and involvement of staff, we will provide benefit to councils and their stakeholders through improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

These will be achieved primarily through:

Joint Procurement

Being the procurement of services or products by two or more councils from an external provider regardless of whether the service is paid for through BOPLASS or individually by participating councils.

Shared Services

Being the participation of two or more councils in the provision of a common service which may be jointly or severally hosted.

5. Nature and Scope of Activities

The principal nature and scope of the activities of BOPLASS Ltd is to:

- Use Joint Procurement to add value to goods and services sourced for its constituent councils.
- Establish the underlying technology, framework, platform and policies to enable and support collaboration.
- Facilitate initiatives that benefit councils and their stakeholders through improved levels of service, reduced costs, improved efficiency, innovation and/or increased value.
- Pursue best practice in the management of all activities to obtain best value and minimise risk.
- Demonstrate fiduciary responsibility by ensuring that its activities are adequately funded from savings achieved, levies, council contributions, or Government funding where available.
- Allow other councils or organisations to participate in its activities where this will benefit its constituent councils directly or indirectly.
- Actively monitor and engage with Shared Service developments across the public sector to identify opportunities for further development and establishing best practice.
- Represent the collective views of its Shareholders in matters with which it is associated.

6. Sustainable Future: Environmental, Social and Governance (ESG)

The board recognises the importance of ESG in BOPLASS' role and ensuring that integrated risk management, non-financial outcomes, and Te Tiriti are considered in all BOPLASS joint procurement and shared services initiatives.

The company is committed to operating all aspects of its business with a focus on protecting and enhancing our communities today and in the future through sustainable environmentally responsible business practices, social contribution, and good governance.

The company has always had a stakeholder-centric approach, ensuring the company's objectives, goals and the undertaking of business are aligned with our constituent councils, our wider communities and supporting ESG outcomes that have wide-ranging benefits.

While achieving financial savings for member councils through BOPLASS joint procurement is a key objective, the company recognises the importance and responsibility of social procurement and will continue to consider the broader environmental, social and cultural outcomes as part of all BOPLASS procurement processes.

As examples, BOPLASS is working towards satisfying ESG criteria within social procurement by:

- Increasing access to BOPLASS procurement contracts for NZ businesses and local businesses, with particular focus on those groups that may have limited access to opportunities (such as Māori and Pacific Peoples' businesses).
- Giving consideration to organisations that provide employment opportunities to targeted groups and promote inclusion and diversity within their workforce.
- Recognising vendors that will help future-proof the ability of New Zealand businesses to trade.

With a focus on *Social Sustainability*, BOPLASS ensures a balanced approach is taken with the company's activities to create positive social and cultural outcomes for the local communities it serves while also maximising positive outcomes for Māori and the broader community.

Environmental Sustainability is a priority in all BOPLASS business activities – internal and external. Through collaboration and partnership with its constituent councils, BOPLASS will operate in an environmentally responsible way and will embed sustainability considerations (including ethical considerations, for example, the impact on people and communities), a culture of excellence across its wider business and all joint procurement and shared services initiatives.

Te Tiriti o Waitangi responsibilities and outcomes are a driver for governance and management decisions within BOPLASS, include acknowledging and involving mana whenua as Kaitiaki o Te Taiao in project decisions impacting on land or natural resources. The company is committed to providing and improving opportunities for

Māori to contribute to local government decision-making processes and establishing collaborative partnerships and processes that reflect mutual outcomes.

7. Governance Structure

BOPLASS Ltd will conduct itself in accordance with its Constitution, its annual Statement of Intent, and the provisions of the Companies Act 1993 and the Local Government Act 2002.

The Company is governed by its directors. To ensure total synergy between the Company's activities and its council shareholders' activities, nine Directors are also the current Chief Executives of their respective shareholding councils. The dual roles recognise the interdependence of BOPLASS and its councils in the undertaking of its activities.

The Board also includes an independent Chair, appointed with specific skills and knowledge to add incremental value. This appointment brings experience and specialist skills that are complementary to those held by the other Directors.

Shareholder	Appointed Director
Bay of Plenty Regional Council	Fiona McTavish
Gisborne District Council	Nedine Thatcher-Swann
Kawerau District Council	Morgan Godfery
Ōpōtiki District Council	Stace Lewer
Rotorua Lakes Council	Andrew Moraes
Taupō District Council	Julie Gardyne
Tauranga City Council	Marty Grenfell
Western Bay of Plenty District Council	Miriam Taris
Whakatāne District Council	Steven Perdia
Independent Director and Chair	Craig O'Connell

Sub-groups of council subject matter experts have responsibility for regular monitoring of operational aspects of BOPLASS projects, allowing the Board to primarily focus on supporting the strategic development of the organisation.

Each activity or project is managed by an Advisory Group, nominated by the shareholding councils in that particular service. The Board retains the right to approve nominations to the Advisory Groups and all of their material decisions – there is only one Board of Directors and that remains at the umbrella or holding company level.

The Board has established a principle that participation in each initiative is decided by individual councils on an 'opt in' basis.

Services delivered are subject to a formal service level agreement between BOPLASS Ltd and the participating councils, outlining the services and activities provided, where when and how; and reflecting the capital and operational costs being met by each service shareholder.

Joint Procurement initiatives consistent with their nominated role may be undertaken by any advisory group or as approved by the Operations Committee. In considering Joint Procurement initiatives, the Company will take into account the opportunities available through All of Government (AoG) purchasing arrangements and, where there is demonstrated benefit to the Company or its constituent councils, support such initiatives. In assessing the benefits of a Joint Procurement initiative, opportunities for integration shall be considered. The Board has recognised that the availability of All of Government Procurement options has the potential to impact on BOPLASS' ability to provide procurement options in some categories.

Subject to the approval of shareholders in accordance with the shareholder agreement the Directors may decide that a particular activity is best managed as a subsidiary company and proceed accordingly. Any subsidiary company whose objectives are in accordance with the objectives set out in this Statement of Intent shall not be required to have a separate Statement of Intent.

8. Future Developments

The company recognises the importance of remaining adaptive in what is a complex and changing working environment. BOPLASS continues to look at new opportunities or alternative approaches to progressing projects that benefit our shareholding councils.

The Board recognise that the drive for change and/or collaboration in some key areas of council business will often be led by other groups, e.g., waters reform, RMA changes. Although BOPLASS may not be leading these specific projects, the organisation may be considered as one of the vehicles available to assist with managing collective regional outputs from these projects.

BOPLASS Joint Procurement opportunities will continue to be actively pursued to ensure maximum savings and benefits are delivered to the participating councils through existing and new contracts.

Joint Procurement initiatives will be considered by the Board and/or its advisory groups where there is demonstrated support from two or more member councils, with councils participating on an opt-in basis.

BOPLASS will explore opportunities for councils to develop ICT solutions using middleware and cloud technologies that allow for future sharing and the development of Shared Services without the wholesale replacement of IT systems.

Shared Services projects are approved by the board based upon identifying initiatives that will provide genuine value to all participating councils. Shared Services may be delivered by BOPLASS, partnering with a LASS, or in conjunction with multiple LASS.

The Board will be looking for commitment from councils to participate in collaborative services and to provide a lead in the identification and management of opportunities and projects.

9. Inter-Regional Collaboration

The board recognise the benefits of BOPLASS proactively partnering with other local authorities and Shared Services organisations where they are either developing or considering developing cost effective services or Joint Procurement initiatives that are of value to the BOPLASS councils. The Board is constantly looking to expand on this activity and the range of opportunities for inter-regional partnering. BOPLASS will work towards providing improved visibility of projects being undertaken in other regions that may provide opportunities for multiple councils to participate in.

Where practicable, BOPLASS will work with other LASS or councils to leverage off, or participate in, services established by other collective local government groups.

The Collaboration Portal, established by BOPLASS for the sharing of information on Shared Services or Joint Procurement opportunities, has been made available to the wider local government community to provide better visibility of common projects and to encourage further cross-regional collaboration. BOPLASS will continue to market the benefits of inter-region collaboration and assist other councils through providing support and access to the Collaboration Portal.

BOPLASS has provided substantial savings to its shareholding councils through joint procurement undertaken with neighbouring regions. The Board has tasked BOPLASS with leading further inter-regional joint procurement initiatives that will provide benefit to all parties through an aggregated approach.

Significant benefits and savings have been achieved in the placement of councils' insurance through working in conjunction with other LASS. BOPLASS is considered a leader in the development of the interLASS insurance collective. Promoting the size of the aggregated LASSes to provide critical mass and maintain our favourable position within the insurance industry will continue to be leveraged.

10. Stakeholder Engagement

BOPLASS recognises the ambitious plans our constituent councils have for their communities and endeavours to support these aspirations through:

- Regular engagement at project, management, and governance level.
- Including councils' short, medium, and long-term goals within BOPLASS planning.
- Using quality information from councils to guide our decision-making.
- Identifying and developing services that directly benefit councils and/or their communities.
- Monitoring councils' future plans and remaining agile to change to include these aspirations in our own planning.
- Ensuring there are regular communications about individual council's LTP developments to assist BOPLASS with aligning with councils' strategic direction.
- Regularly communicating to ensure stakeholders are aware of what we are doing and why we are doing it.
- Involving councils in our decision-making and planning.

11. Performance Targets

To ensure the Company continues to operate effectively in both governance and management terms over the next three years the targets are to:

Target	How	Measure
Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.	Manage and/or renegotiate existing contracts.	Contracts reviewed annually to test for market competitiveness. New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.
Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.	Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration. (Current identified projects are listed in Appendix B.)	A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.
Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.	BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.	Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.
Implement Shared Services demonstrating best practice and added value to participating councils and stakeholders.	Identify Shared Services projects of benefit to two or more councils and lead the implementation.	Initiate at least one new Shared Service each year and no less than two Shared Services successfully implemented within three years.
Communicate with each shareholding council at appropriate levels.	Actively engage in obtaining political support for identified projects.	Information provided to elected members, and feedback sought, on BOPLASS projects, benefits to local communities, and value added to each council.
Ensure current funding model is appropriate.	Review BOPLASS expenditure and income and review council contributions and other sources of funding.	Performance against budgets reviewed quarterly. Company remains financially viable.

12. Balance Sheet Ratios

The Local Government Act 2002 Schedule 8 (9) requires the SOI to include the projected ratio of shareholders' funds to total assets within the Forecast Statement of Financial Position. As at 30 June 2024 the consolidated Shareholder funds comprised \$27,197 and the total assets were \$1,608,694. The resulting ratio is 1.69%.

As asset owning Shared Services are approved, the Board will, if appropriate, provide a mechanism for the recognition of each council's contribution.

13. Accounting Policies

13.1 Statement of Accounting Principles

The Company will adopt accounting practices that comply with NZ IFRS, the requirements of the LGA and the Financial Reporting Act 1993.

13.2 IPSAS Accounting Standards

As a Public Sector Public Benefit Entity (PS PBE), the Company has elected to report using International Public Sector Accounting Standards for Public Benefit Entities under Tier 3 PBE standards.

13.3 Measurement Basis

The Company will follow generally accepted international accounting principles for reporting of earnings and financial position.

13.4 Specific Accounting Principles

The following are principles which will have a significant effect on the measurement of financial position:

- Accounts Receivable are stated at their expected realisable value after writing off any known bad debts and providing for doubtful debts.
- Investments are valued at the prevailing market value.
- Fixed assets are recorded at cost, less accumulated depreciation.
- Any liability for overseas funding of equipment, systems or services is based on the prevailing exchange rate as at balance date.
- Where intangible assets are purchased, such as intellectual property, these are capitalised and written off on a straight-line basis over their expected life, but no greater than four years.
- All assets are depreciated over their expected useful lives. Depreciation is provided on a diminishing value basis over the estimated useful life, at the same rate as is allowed by the Income Tax Act 1994.
- It is not envisaged that the Company will hold inventories, other than those that might relate to providing information services to a number of parties. They will be valued at net realisable value.
- Taxation will be provided as required in line with relevant legislation.
- In accordance with the Public Audit Act 2001 and the Local Government Act 2002, the office of the Auditor General will be responsible for the audit of the Company's financial statements.

14. Distributions to Shareholders

The Company is not expected to make profits that would ordinarily be distributed by way of dividends. Any surplus funds (after tax) remaining from an activity, or the annual operations of the Company shall be carried forward to the ensuing year and may be used to reduce service costs, invest in further developing other services, and/or as the Directors may decide.

15. Information to be Provided to Shareholders

The Company will deliver the following statements to shareholders:

- On a three-monthly basis the Financial Position and Cashflow.
- Within two months of the end of the first half of the financial year: Financial Performance and Financial Position.
- Within three months of the end of the financial year the following audited statements: Financial Position, Movements in Equity, Cashflows, Service Performance plus a summary of how the Company has tracked against its objectives and prospects for the next financial year, and a report on the Company's medium to long term plans.
- Six monthly summaries of project activities included in Half Yearly and Annual Reports.

16. Procedures for the Purchase and Acquisition of Shares

The Board will give approval before BOPLASS Ltd subscribes for, purchases, or otherwise acquires shares in any company or other organisation, which is external to the group.

17. Activities for Which the Board Seeks Compensation

The ongoing activities to identify, develop, procure Shared Services will be budgeted for in advance, subject to a business case and either funded by individual councils without BOPLASS Ltd involvement, or agreed by the Board to be funded by BOPLASS Ltd with consequent recovery from participating councils.

Shareholding councils will contribute to the operational costs of the Company on an annually agreed basis.

The Company will also seek contributions by way of a levy or administration charges on services provided or administered. In determining an appropriate charge, the Directors may take into account the cost of running the Company, its future operational requirements, the nature and cost of the service provided, benefits achieved and councils' ability to pay.

The Company may provide services (at a cost recovery or a cost-plus basis) to other non-shareholding councils within or beyond the region. Any surplus from such activity will be used to either reduce service costs and/or invest in further developing of that or other services, as agreed by the Advisory Group and by the Board.

18. Value of Shareholder's Investment

The Directors estimate that, at this stage, BOPLASS Ltd has limited commercial value. As each shareholder's investment in BOPLASS Ltd is less than \$20,000, the Board believe that fairly represents the value of their investment. The Directors will reassess the value of this shareholding on or about the 1st of March each year.

19. Financial Forecasts

The Forecast Financial Statements for the years 2025-2028 are included (Appendix A).

The Aerial Photography revenue/expenses reflects the flying programme determined by the participating councils which includes interim flying programmes and extensive region-wide flying programmes over the next five years.

A continued increase in Recoveries has been forecast to reflect the direct recovery of purchases made on behalf of councils through Joint Procurement projects.

It is the company's intention to always fully recover costs incurred on behalf of participating councils.

Appendix A

SOI Forecast 2025/28	Budget 2024/2025	Forecast 2025/2026	Forecast 2026/2027	Forecast 2027/2028
REVENUE				
Revenue - Core	367,615	379,630	388,871	402,131
Bank Interest Received	7,000	10,000	10,000	10,000
Council Contribution	360,615	369,630	378,871	392,131
Revenue - Projects	1,311,500	1,318,500	1,237,000	1,237,000
Aerial Photography Income	400,000	400,000	320,000	320,000
Bank Interest Received	1,500	1,500	2,000	2,000
Collaboration Portal	40,000	45,000	50,000	50,000
Lease Income - ICN	135,000	137,000	130,000	130,000
Lease Income - Video Confer.	15,000	15,000	15,000	15,000
Recoveries	720,000	720,000	720,000	720,000
Total Operating Revenue	1,679,115	1,698,130	1,625,871	1,639,131
EXPENSES				
Expenditure - Core	423,436	444,451	458,992	469,562
ACC	950	950	950	950
Accommodation & Travel	5,500	4,000	4,000	4,500
Accounting & Audit	24,000	25,000	26,000	26,000
Administration	20,000	20,000	22,000	22,000
Amortisation	5,000	2,000	2,000	2,000
Bank Fees	200	200	200	200
Conferences	2,500	2,500	2,500	2,500
Depreciation	4,300	4,000	4,000	4,000
Directors' costs	23,000	23,000	25,000	25,000
Fringe Benefit Tax	4,500	4,500	4,500	4,500
General & Catering	1,500	1,500	1,500	1,500
Health and Safety	1,000	1,000	1,000	1,000
Insurance	14,000	16,000	17,000	18,000
Interest Paid - TCC Loan	0	0	0	0
Legal	2,500	2,500	2,500	2,500
Salaries	300,723	316,101	323,642	332,712
Salaries - C'Portal Opex	-18,000	-10,000	-10,000	-10,000
Staff Support Costs	19,500	21,000	22,000	22,000
Staff Training Costs	2,500	2,500	2,500	2,500
Subscriptions	4,263	2,200	2,200	2,200
Tax Advice	5,500	5,500	5,500	5,500
Expenditure - Projects	1,255,679	1,253,679	1,166,879	1,169,569
Aerial Photography Expense	400,000	400,000	320,000	320,000
Collaboration Portal Opex	27,979	27,979	27,979	27,979
Lease Expense - ICN	129,600	131,600	124,800	124,800
Lease Expense - Video Confer.	14,100	14,100	14,100	14,100
Projects - Recoveries	684,000	680,000	680,000	682,690
Total Operating Expenditure	1,679,115	1,698,130	1,625,871	1,639,131
Operational Surplus/ (Deficit) before Tax	0	0	0	0

Appendix B

Undertaken Joint Procurement Projects

Requiring ongoing management for performance, renewal or replacement:

- Accounts Payable automation software
- Advertising services
- Aerial imagery and LiDAR
- Air travel services
- Antivirus software
- Archaeological services
- Asbestos protocols
- Banking
- Capital construction and civil works
- Cloud services
- Collective training services
- Community engagement app
- Courier services
- Cyber insurance
- Document management – EDRMS
- Document storage
- EFTPOS services
- Electricity
- Electronic purchasing
- EMA membership
- Firewall Services
- FME Server
- Fuel
- Geospatial training services
- GIS regional technical advisor
- GIS software
- GPS vehicle tracking
- Health & Safety benchmarking
- Health & Safety management software
- Health & Safety training services
- Health & Wellbeing online platform
- Historic imagery digitisation
- HR information systems
- Infrastructure as a Service
- Insurance brokerage services
- Insurance – General
- Insurance – Infrastructure
- Internet services
- IPWEA library
- Media monitoring
- N3/GSB membership
- Oblique imagery
- Office supplies
- Postal services
- Print media copyright services
- Provincial Growth Fund co-funding
- Radio telephony
- Rapid antigen tests
- Reprographic – printers/copiers
- Risk management workshops
- Security services
- Staff wellbeing portal
- Telephony – voice, data, mobile
- Tender facilitation
- Transactional banking
- Travel and accommodation services
- Valuation services provider
- Video conferencing services
- Website analytics
- Wireless WAN

Appendix B

Shared Services

Managed by BOPLASS or by one or more constituent councils:

- After hours call management
- Contractor H&S prequalification
- Debt recovery services
- Employee benefit schemes
- FME licensing pool
- GIS imagery data storage
- GIS support (inter-council)
- GIS web services
- Health and safety auditing
- Historic aerial imagery digitisation
- Insurance COE
- Inter-council network
- Internal audit services
- MahiTahi LG Collaboration Portal
- Media monitoring
- Occupational health services
- Radio telephony strategy
- Section 17a reviews
- Shared licence server
- Solid waste services
- Standards NZ
- Video conferencing hosting
- Waste Operator and Licensing Data System

Projects for Consideration

- Agenda management software
- Archive services
- Asset Management
- Building consents
- Business continuity planning
- CCTV monitoring
- Centralised insurance resource
- Chemicals
- Consents processing
- Contractor online inductions
- Debt Management
- Diversion of putrescible waste from landfill
- Driver training
- Drug & Alcohol testing
- Electoral Officer services
- Engineering Codes of Practice
- Fleet purchasing and management
- Geospatial services
- Health & Safety management system
- Health insurance
- High volume print
- ICT security policies
- Insurance valuations
- Inter-council secondments
- Joint software support
- LGOIMA requests
- Lone worker field solutions
- PPE & uniform
- Property valuation services
- Rates collection
- Regional contractor database
- Risk and total assurance
- Solid waste regional facilities strategy
- Staff engagement survey systems
- Vehicle monitoring
- Web services



TOURISM BAY OF PLENTY
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19 June 2025

Mahé Drysdale
Mayor of Tauranga
Tauranga City Council
Via email: mayor@tauranga.govt.nz

Dear Mayor Mahé,

Response to Feedback on Tourism Bay of Plenty Draft Statement of Intent 2025/26 – 2027/28

Thank you for your feedback on our draft Statement of Intent (SOI). Please find our responses below:

1. **Performance Measurement & Benchmarking**
While TBOP have not explicitly outlined a goal of being the “best” within its SOI, our performance data demonstrates strong ROI: In FY24, visitor spend per \$1 of funding was \$291 in Coastal BOP, compared to \$211 in Queenstown, \$205 in Taupō, and \$133 in Rotorua*. We will continue to share such comparative data annually.
2. **Defining Success & Qualitative Benchmarks**
We measure success through agreed KPIs (outlined in Section 8 of our SOI) and an annual research programme tracking resident, business, and visitor sentiment. We will explore publishing these findings online to increase transparency.
3. **Comparison with Other Regions**
As above, we already provide economic comparisons. Additionally, MBIE is launching a nationwide regional sentiment study from November 2025, which may offer further benchmarking opportunities.
4. **Stretch Targets**
Our current KPIs align with the 2034 Long-Term Plan. TBOP also supports national goals, such as doubling New Zealand’s export value within a decade.
5. **Visitor Insights for Improvement**
Our twice-yearly domestic and annual international visitor surveys identify preferences, gaps, and opportunities for product development.
6. **Economic Impact & ROI for Tauranga Ratepayers**
Our strong ROI highlights economic impact. However, our work also supports social licence and regenerative tourism to ensure long-term sustainability.

IT'S IN OUR NATURE



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7. Tauranga Destination Brand Reporting

A governance group has been established to oversee and report on the Tauranga Destination Brand project regularly.

To discuss further, please feel free to get in contact with me or Oscar Nathan on 021 801 559 or oscar@bayofplentynz.com.

Yours sincerely,

Russ Browne
 Chair, Tourism Bay of Plenty

Cc: Oscar Nathan, General Manager – oscar@bayofplentynz.com

Cc: Caroline Lim, CCO Specialist – caroline.lim@tauranga.govt.nz

*Sourced from Marketview electronic Worldpay data and RTO annual reports.

IT'S IN OUR NATURE

11.5 Transport Resolutions Report No.56

File Number: A18303348

Author: Karen Hay, Acting Manager: Safety and Sustainability
Reece Wilkinson, Parking Strategy Manager
Will Hyde, Senior Transportation Engineer

Authoriser: Nic Johansson, General Manager: Infrastructure

PURPOSE OF THE REPORT

1. This report proposes the introduction, removal or amendment of traffic controls throughout the city, and seeks a resolution from Council to implement these proposals.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Transport Resolutions Report No.56".
- (b) Resolves to adopt the proposed parking controls associated with the Parking Management Plan, including the expansion of the city centre paid parking zone and the introduction of time limits on certain streets and reserves surrounding the paid zone. These controls will take effect on 4 August 2025.
- (c) Resolves to adopt the proposed traffic and parking controls associated with general safety, operational or amenity purposes. The changes are to become effective on or after the 15th of July 2025 subject to installation of appropriate signs and road markings, where appropriate.

EXECUTIVE SUMMARY

2. As the city grows and changes, the demands on the road network also change. Often there can be conflict between the need to keep traffic lanes clear to enable an efficient network, the need to provide on-street parking and loading to support nearby activities, restrict parking to improve access and the need for vulnerable road users such as pedestrians and cyclists to move around the city safely.
3. Attachment A sets out changes for general access, parking, safety and operational reasons. Some of these are requests from the public or other stakeholders for numerous changes to parking controls which have been assessed to be appropriate.
4. This report formalises the restrictions associated with the parking management plan for implementation. The Council approved the Parking Management Plan at its 28th of April 2025 meeting.
5. The majority of changes relate to previously approved capital projects or historic parking controls that have already been completed, recently completed, or are nearing completion. These require an update to the bylaw to enable enforcement of the proposed controls.
6. Amendments include changes to the following attachments to the Traffic & Parking Bylaw (2023):
 - (a) Attachment 3.1: Shared Pedestrian / Cycle Paths & Cycle Paths (in Road Reserve)
 - (i) These changes relate to shared paths in close proximity to crossing facilities or providing short connections to accommodate the number of path users.

Consultation was undertaken when the project was developed and implemented. These changes are retrospective.

(b) Attachment 7.2: No Stopping at Any Time

- (i) A number of changes relate to capital projects that are complete, where broken yellow lines require to be resolved. The broken yellow lines are required for access and visibility reasons.
- (ii) There are fifty-two amendments to the bylaw required to capture the existing broken yellow lines at bus stops. These provide clear lead-in and lead-out spaces for buses to pull out of and back into kerbside traffic. A minimum standard is applied to ensure this. These changes are retrospective, with consultation completed at the time the project was delivered.
- (iii) Extending the existing broken yellow lines to improve access at the head of the cul-de-sac, as requested by a local resident. The change is retrospective.
- (iv) Other retrospective changes relate to projects completed to capture the changes associated with access or visibility at various locations.

(c) Attachment 7.7 Mobility Parking

- (i) Reinstating a mobility parking space on Grey Street. This was formerly a mobility parking space, which was disestablished approximately 10 years ago. Some markings still remain. The space is being used as a mobility bay in practice even if it is not legally one currently.
- (ii) Other retrospective mobility parking spaces requiring a resolution.

(d) Attachment 7.9 Parking Time Restrictions

The following key changes are being implemented as part of delivery of the parking management plan.

- (i) P60 Restrictions on Cameron Road and Maunganui Road previously consulted upon as part of the project. These resolutions are retrospective.
- (ii) P120 Restrictions as set out in Figures 1a and 1b in Attachment A.
- (iii) P240 Restrictions as agreed with spaces and places for a section of 7th Ave and for Memorial Park and as laid out in Figure 2 in Attachment A.

(e) Attachment 7.12 Pay Areas

- (i) Designating parking on the site of No.483 Cameron Rd (former site of The Warehouse) as paid parking, to enable effective management of the car parks.
- (ii) Expanding the city fringe paid parking area, as resolved in the Tauranga Parking Management Plan. The extent of the expanded paid parking area is shown in Figure 3 of Attachment A. This is to include a resident permit as detailed in Appendix B.

(f) Attachment 7.16 Loading Zones with Time Restriction

Formalising an existing loading zone in Pilot Bay to support boat ramp users, and establishing a new loading zone within a service lane on First Avenue to support adjacent businesses. These changes are retrospective.

BACKGROUND

7. The Traffic and Parking Bylaw 2023 includes attachments which list various traffic and parking restrictions. Council can impose traffic and parking resolution by Council resolution.
8. As the city grows and changes, the demands on the road network also change. Often there can be conflict between the need to keep traffic lanes clear to enable an efficient network, the need to provide on-street parking and loading to support nearby activities, and the need for vulnerable road users such as pedestrians and cyclists to move around the city safely.

9. The Tauranga Parking Strategy was adopted by Council on 15 November 2021.
10. Parking Management Plans (PMP's) are developed to provide a focus to parking in local areas. Each local area has its own challenges and expectation from customers, the Parking Management Plans are to be designed reflecting that.
11. Parking Management Plans are required to provide an environment where different parking users are able to coexist within boundaries set by Council.
12. The Tauranga Parking Management Plan was adopted by Council on the 28th of April 2025 alongside an agreement to engage on the Mount Maunganui Parking Management Plan. The Council resolved that (Resolution CO/25/6/18) :
 - (a) Approves implementation of the City Centre Parking Management Plan including paid parking in the city centre fringe and time restrictions, conditional on approval of appropriate bylaw updates and the agreement of a resident parking permit.
 - (b) Approves paid parking within a city centre fringe zone between Arundel Street and Park Street excluding the existing city centre paid parking zone.
 - (c) Approves additional P120 time restrictions, including a potential paid option for an extended duration, between Eleventh Avenue and Marsh Street (inclusive), excluding areas covered by a paid parking zone.
13. Limited engagement with the local community took place in 2022. Given the Council resolution in April 2025, no further consultation or engagement is envisaged. Adjacent properties will be notified of the changes prior to implementation.
14. The Council regularly adds, removes or amends traffic and parking controls to reflect and support operational and safety needs on the road network. The proposed amendments in Attachment A are minor changes to parking restrictions across the city which have arisen through requests from the public, transportation staff, or other stakeholders; or changes resulting from approved developments.

STATUTORY CONTEXT

15. The amendments help to achieve the vision and strategic transport priorities of making our network safer and easier for people to get around the city.

STRATEGIC ALIGNMENT

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

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

17. The recommendations address a number of issues affecting safety, access and/or amenity and contribute to the safe and efficient operation of the city's transport network. The provision of mobility parking enables a more inclusive city by making our amenities more accessible to less-abled members of our community.

OPTIONS ANALYSIS

18. For the proposed changes relate to general operations the reasons for each proposal are described in Appendix A. In each case the problem identified is expected to continue if the proposed amendment is not adopted.

19. The proposals are independent of each other, and Council may resolve to adopt some, all or none of them.

FINANCIAL CONSIDERATIONS

20. The signs and markings costs associated with general operational changes are minor and can be accommodated within existing project or operational budgets.

LEGAL IMPLICATIONS / RISKS

21. These proposals are required in order to allow enforcement of changes deemed necessary for safety and amenity purposes. Council has an obligation to address known safety issues on the road network.

TE AO MĀORI APPROACH

22. The proposals create safety, access and/or amenity improvements for our residents and visitors, and therefore align with the principal of manaakitanga. For the major projects, consultation with hapū was undertaken as part of the project development.

CLIMATE IMPACT

23. Given this report relates to regulatory procedure, no climate impact assessment is made.

CONSULTATION / ENGAGEMENT

24. Limited consultation/engagement was undertaken in relation to the parking management plan in 2022. The Council resolved to implement the Tauranga Parking Management Plan and hence no additional consultation is envisaged.
25. Changes will be notified to adjacent properties prior to implementation of the signage.

SIGNIFICANCE

26. 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.
27. 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.
28. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.
29. For the changes which are retrospective, these are likely to have a low public interest as these were previously consulted upon or responded to requests from adjacent landowners.
Parking changes for local residents and businesses is likely to be of high interest.

ENGAGEMENT

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

NEXT STEPS

31. The bylaw schedule will be updated in accordance with the resolution and implementation of associated line marking and signage as appropriate.
32. Adjacent business and residents to be notified of parking restriction changes, prior to implementation.

ATTACHMENTS

1. **Appendix A - Transport Resolutions Report 56 Proposals - A18408733** [↓](#) 
2. **Appendix B - Residents Parking Permit 2025 - A18409547** [↓](#) 

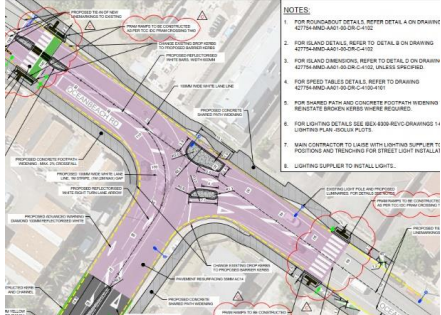
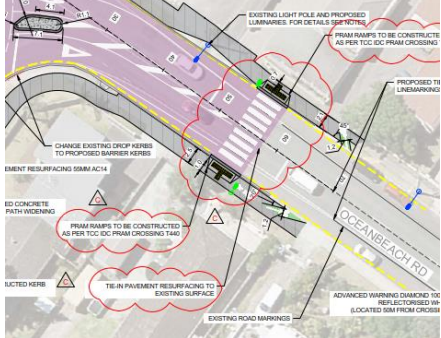

Appendix A: Details of Proposals for Transport Resolution Report No.56

Attachment 3.1: Shared Pedestrian / Cycle Paths & Cycle Paths (in Road Reserve)

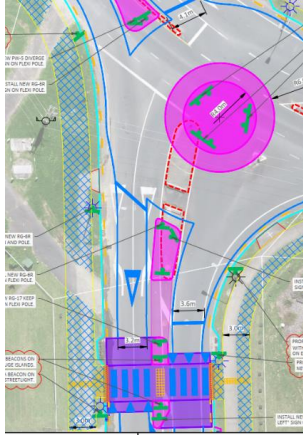

Location	Details	Direction	Use	Reason for implementing
Girven Rd South side	Amend: Gloucester Rd to Maranui St To: Gloucester Rd to Oceanbeach Rd	Both ways	Shared	Part of capital project upgrading the intersection of Girven Rd, Maranui Rd and Oceanbeach Rd. Consultation was undertaken as part of the project.
Oceanbeach Road Both sides	Amend: From the west boundary of No.355 to the west boundary of No.373 To: From the west boundary of No.346 to the west boundary of 375	Both ways	Shared	
Maranui St Both sides	Amend: From Girven Road south-eastwards for 4m To: From Girven Road south-eastwards for 40m	Both ways	Shared	
Waitaha Road West side	New: From the northern boundary of No. 5 and extending onto Welcome Bay for 38m westwards.	Both ways	Shared	Part of capital project upgrading the intersection of Wellcome Bay Road and Waitaha Rd. Consultation was undertaken as part of the project.
Waitaha Road East side	New: From 44m before Welcome Bay Road and extending onto Welcome Bay Road for 21m eastwards	Both ways	Shared	

Appendix A: Details of Proposals for Transport Resolution Report No.56

Attachment 7.2: Prohibited Stopping and Standing of Vehicles

Location	Details	Reason for implementing and image
Oceanbeach Road East Side	Addition: Extend existing restriction by 13m along frontage of No.375.	Part of capital project. Consultation was undertaken as part of the project.
Oceanbeach Road East Side	Amend: Commencing at a point 1 metre south from the adjoining properties No.373 and No.375, extending 122 metres north. To: Commencing at a point 3 metres south from the adjoining properties No.375 and No.377, extending 127 metres north.	Part of capital project. Consultation was undertaken as part of the project. 
Oceanbeach Road South side	Amend: From a point 9m southeast of the north-west boundary of No.358, south eastwards for 34m To: From a point 18m north of the north-west boundary of No. 358, south-eastwards for 102m	Part of capital project. Consultation was undertaken as part of the project. 
Maranui St Both sides	Amend: From Girven Road south-eastwards for 4m To: From Girven Road south-eastwards for 40m	Part of capital project. Consultation was undertaken as part of the project. 

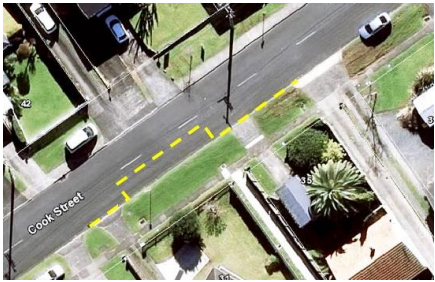

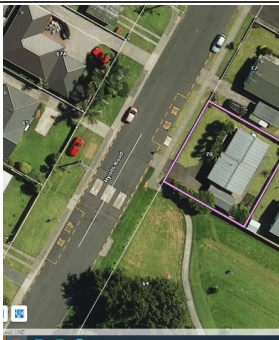

Appendix A: Details of Proposals for Transport Resolution Report No.56

Waitaha Road	Addition: Commencing at the intersection of Welcome Bay Road and extending 42m onto Waitaha Road on Both sides	Part of capital project. Consultation was undertaken as part of the project. 
Tirinui Crest Road North side	Addition: As a result of a request from a resident to improve access for rubbish truck collections, the existing yellow lines are extended on the northern side of cul-de-sac by 2m.	

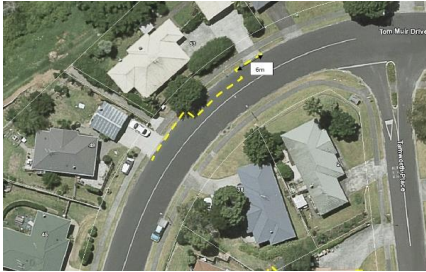



Appendix A: Details of Proposals for Transport Resolution Report No.56

Attachment 7.2: Prohibited Stopping and Standing of Vehicles





Bus Stops: Following engagement with affected neighbours, these changes were implemented as part of a project to enable a more efficient and reliable public transport network. Their purpose is to allow buses to enter and exit the bus stops without being blocked by parked vehicles. A standard bus stop design requires at least 15m lead of broken yellow lines on the approach to the bus stop and a minimum of 9m for a bus to exit.

Location	Details (No Stopping at any time)	Images
Cook Street ID 194	Addition: Commencing at the northern boundary of property No. 35 Cook Street and extending 42 metres south-west, excluding the marked bus stop	
Kiteroa Street ID 196	Addition: Commencing at a point, 10 metres to the south of the northern boundary of property 14B and extending to Carlisle Street, excluding the marked Bus Stop	
Hynds Road ID 200	Addition: Commencing at a point 9 metres to the south west of the northern boundary tip of property 72 Hynds Road and extending a distance of 52 metres, south-west, excluding the marked Bus Stop.	
Gravatt Road, ID 203	New: Commencing at a point 11.0 metres to the west of the eastern boundary of property 102 Gravatt Road and extending a distance of 42.0 metres west, excluding the marked Bus Stop.	





Appendix A: Details of Proposals for Transport Resolution Report No.56

Tom Muir Drive ID 210	New: Commencing at a point 3.0 metres to the west of the property boundary between the properties of 53 and 55 Tom Muir Drive and extending a distance of 35.0 metres to the west, excluding the marked Bus Stop.	
Levers Road ID 212	Addition: Commencing at the western property boundary of 115 Levers Road and extending a distance of 35.0 metres east, excluding the marked Bus Stop.	
Watling Street ID 220	Addition: Commencing at a point 5.0 metres to the west of property boundary between 10A and 10B Levers Road and extending a distance of 61.0 metres to the west, excluding the marked Bus Stop.	
Esmeralda Street ID 221	Addition: Commencing at a point 6.0 metres east of the property line between 11 and 15 Esmeralda Street and extending a distance of 34.0 metres to the west, excluding the marked Bus Stop.	





Appendix A: Details of Proposals for Transport Resolution Report No.56

Waitaha Road ID 223	Addition: Commencing at the property boundary line between 111 and 115 Waitaha Road and extending for a distance of 27.0 metres to the north, excluding the marked Bus Stop	
Waitaha Road ID 223	Addition: Commencing at the property boundary line between 5 and 7 Waitaha Road and extending south to the Village Park Drive intersection, excluding the marked Bus Stop	
Dickson Road ID 227	New: Commencing at a point 4 metres from the northern boundary point of house 46 and extending for 60.0 metres to the Southeast, excluding the marked Bus Stop.	
Gravatt Road ID 235	New: Commencing at the western property boundary of 1 Caymen Key and extending 37.0 metres Southeast, excluding the marked Bus Stop	





Appendix A: Details of Proposals for Transport Resolution Report No.56

Gravatt Road ID 237	New: Commencing at a point 9.0 metres to the east of property boundary of 59 Gravatt Road and extending for a distance of 37.0 metres, excluding the marked Bus Stop	
Hollister Lane ID 24	New: Commencing at a point 7.0 metres to the south of property boundary between 180 and 184 Hollister Lane and extending for a distance of 37.0 metres, excluding the marked Bus Stop	
Grenada Street 270	New: Commencing at the intersection of Aroha Close and extending for a distance of 205 metres to the south, excluding the marked Bus Stop on the east side and west side of Grenada Street.	
Monowai Street ID 279	New: Commencing at a point 6.0 metres to the south of the northern property boundary point of House 2 Monowai Street and extending a distance of 30 metres south, excluding the marked Bus Stop.	



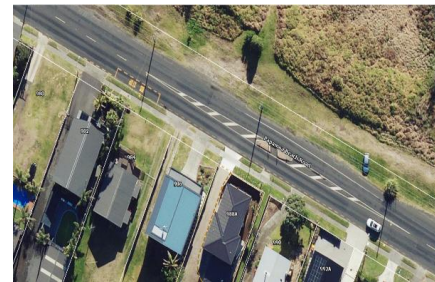
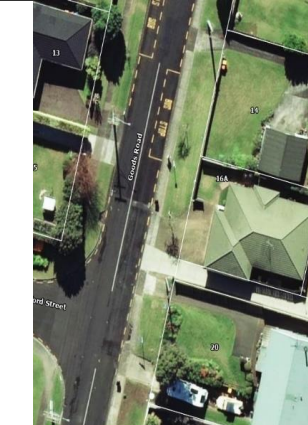
Appendix A: Details of Proposals for Transport Resolution Report No.56

Grenada Street ID 281	New: Commencing at the property boundary line between 631 and 633 Grenada Street and extending a distance of 30 metres to the west, excluding the marked Bus Stop	
Papamoa Beach Road ID 285	Addition: Commencing at the property boundary line between 1123 and 1125 Papamoa Beach Road and extending a distance of 103.0 metres east, excluding the marked Bus Stop	
Bethlehem Heights ID 296	New: Commencing at the south-western corner of property boundary at 88 Bethlehem Heights and extending a distance of 33 metres north-east, excluding the marked Bus Stop	
Milton Road ID 299	New: Commencing at a point 10 metres east of the western property boundary for house 5 Milton Road and extending a distance of 34 metres east, excluding the marked Bus Stop	





Appendix A: Details of Proposals for Transport Resolution Report No.56

<p>Maranui Street</p> <p>ID 303</p>	<p>New: Commencing at a point 11 metres east of the western property boundary at 150 Maranui Street and extending a distance of 40 metres southeast.</p>	
<p>Milton Road</p> <p>ID 310</p>	<p>New: Commencing at a point 3 metres west of the eastern property boundary of property number 2 Milton Road and extending west for 43 metres, excluding the marked Bus Stop</p>	
<p>Milton Road</p> <p>ID 311</p>	<p>New: Commencing at the corner of Karaka Road and extending a distance of 45 metres east, excluding the marked Bus Stop</p>	
<p>Welcome Bay Road</p> <p>ID 32</p>	<p>New: Commencing at the eastern property boundary of house number 111 Welcome Bay Road and extending a distance of 28 metres west, excluding the marked Bus Stop</p>	





Appendix A: Details of Proposals for Transport Resolution Report No.56

Papamoa Beach Road ID 328	New: Commencing at a point 2 metres east of the eastern property boundary of 1052A Papamoa Beach Road and extending a distance of 41 metres west, excluding the marked Bus Stop	
Ohauiti Road ID 33	Addition: Commencing at the northern property boundary of 1 Ohauiti Road, and extending a distance of 39 metres south, excluding the marked Bus Stop	
Papamoa Beach Road ID 330	Addition: Commencing at the property boundary between 980 and 982 Papamoa Beach Road and extending a distance of 106 metres south-east, excluding the marked Bus Stop	
Goods Road ID 331	Addition: Commencing at the point on the property boundary line between 20 and 22 Goods Road and extending a distance of 58 metres north, excluding the marked Bus Stop	





Appendix A: Details of Proposals for Transport Resolution Report No.56

Papamoa Beach Road ID 340	Commencing at a point 3 metres to the east of the property boundary of 1144 Papamoa Beach Road, extending 31 metres west, excluding the marked Bus Stop.	
Ranui Street ID 348	Commencing at a point 4 metres to the south of the northern property boundary line for property number 29 Ranui Street, extending south for a distance of 39 metres, excluding the marked Bus Stop	
Milton Road ID 350	Commencing at a point 8 metres to the west of the eastern property boundary of house 90, extending a distance of 32 metres west, excluding the marked Bus Stop	
Osprey Drive ID 361	Addition: Commencing at the eastern property boundary line of house 72 and extending a distance of 31 metres north-west, excluding the marked Bus Stop	





Appendix A: Details of Proposals for Transport Resolution Report No.56

Osprey Drive ID 362	Addition: Commencing at the western property boundary line of house number 15 and extending a distance of 28 metres east, excluding the marked Bus Stop	
Victory Street ID 363	New: Commencing at a point 4 metres south-west of property boundary line between house 75 and 77 and extending a distance of 44 metres southwest, excluding the marked Bus Stop	
Papamoa Beach Road ID 372	New: Commencing at a point 5 metres to the right of property boundary line of house number 1170A and extending a distance of 35 metres west, excluding the marked Bus Stop	
Maihi Crescent ID 390	New: Commencing at a point 7 metres to the right of property boundary line of house number 19 and extending a distance of 43 metres, excluding the marked Bus Stop	




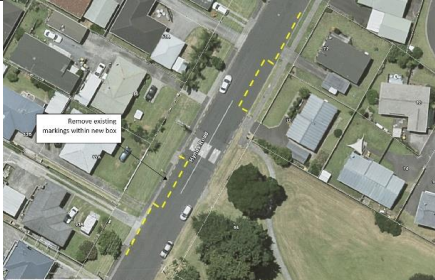

Appendix A: Details of Proposals for Transport Resolution Report No.56

Ohauti Road ID 396	Addition: Commencing at the western boundary line of property of house 28, and extending a distance of 16 metres, south-east.	
Papamoa Beach Road ID 406	New: Commencing at the western property boundary line of house 1157 and extending a distance of 37 metres south-east	
Te Hono Street ID 413	New: Commencing at the intersection of Te Wati Street and extending a distance of 38 metres east, excluding the marked Bus Stop	
Maunganui Road ID 417	Addition: Commencing at a point 12 metres before the Give Way at the Maunganui and Tay Street Round about and extending a distance of 55 metres, excluding the marked Bus Stop	





Appendix A: Details of Proposals for Transport Resolution Report No.56

Ranui Street ID 427	Addition: Commencing at Levers Road intersection and extending a distance of 61 metres north, excluding the marked Bus Stop	
Hynds Road ID 439	New: Commencing at the northern boundary of house 97 and extending a distance of 38 metres north-east, excluding the marked Bus Stop	
Coopers Road ID 444	New: Commencing at the intersection of Tuthill Street and extending a distance of 45 metres north-east, excluding the marked Bus Stop	
Matua Road ID 447	New: Commencing at the intersection of Eaton Crescent and extending a distance of 43 metres, excluding the marked Bus Stop	

Appendix A: Details of Proposals for Transport Resolution Report No.56

Ngatai Road ID 448	New: Commencing at a point 6 metres to the west of the eastern property boundary of house 456 and extending a distance of 30 metres east, excluding the marked Bus Stop	
Levers Road ID 449	New: Commencing at the Northwest corner of Matua Road and extending a distance of 26 metres north-east, excluding the marked Bus Stop.	
Ōtūmoetai Road ID 454	New: Commencing 4m south of house 435 for a distance of 4m after current bus stop	
Hynds Road ID 456	New: Commencing 10m north of start of property 51a Hynds road, finishing 2.5m north of start of property 67a Hynds Road; and: Commencing 25m south of start of property 70 Hynds Road to 10m north of start of property 72 Hynds Road.	
Cheyne Road ID 459	New: Commencing 2m west of 65 Cheyne Road and extending 35m including bus stop; and commencing start of 72 Cheyne Road heading west to Taramea Rise	

Appendix A: Details of Proposals for Transport Resolution Report No.56


Hynds Road ID 461	Commencing 3m south of property 99 Hynds Road extending 37m North including bus stop; and commencing 7m south inside property 104a Hynds road, extending 30m including bus stop.	
Tuthill Street ID 464	Commencing 5m east inside of property 8 Tuthill Street, extending west for 28m, including bus stop; and commencing 8m east inside property 5 Tuthill Street, extending east to Dunrobbin Place.	
Coopers Road ID 472	Commencing 8m north and inside of start of property at 85 Coopers Road, extending 35m South including bus stop; and commencing 3.5m south of property 90 Coopers Road, extending 34m north, including Bus Stop	
Bellevue Road ID 474	Commencing North/East of bus stop outside 1 Regent Street, extending North/East 9m; and commencing North/East of bus stop outside of 138 Bellevue Road, extending North/East 12m	

Appendix A: Details of Proposals for Transport Resolution Report No.56


Attachment 7.2: Prohibited Stopping and Standing of Vehicles

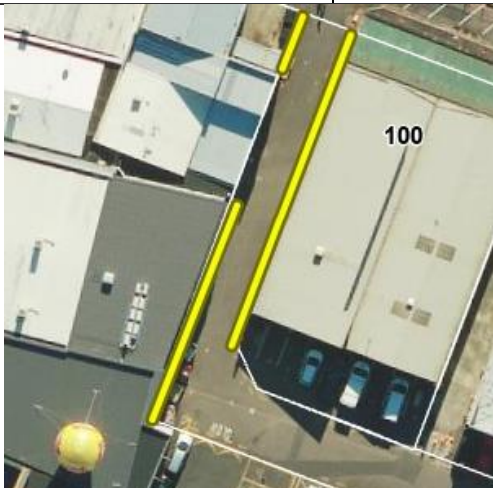
Other minor changes.

Location	Details (No Stopping at any time)	Reason for implementing
Karewa Parade	The west side of the beach access car park between Nos.105 and 107	These existing yellow lines are not listed in the bylaw attachments
		


Location	Details (No Stopping at any time)	Reason for implementing
Maleme Street North side	From a point 21m west of the eastern boundary of No.169 westwards for 122m. Applies to heavy vehicles only.	There are existing signs at this location that are not currently listed in the bylaw attachments. Heavy vehicles parked here obstruct the sight lines for fire trucks exiting the fire station during emergency callouts, resulting in delays to response times
		

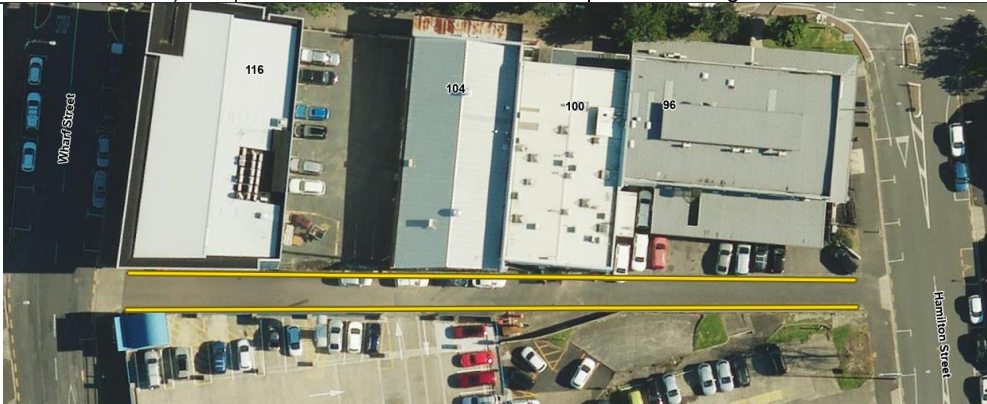
Appendix A: Details of Proposals for Transport Resolution Report No.56

Location	Details (No Stopping at any time)	Reason for implementing
Matakokiri Drive West side	From the southern boundary of No.140 to the intersection with Paraone Koikoi Drive Applies to heavy vehicles only.	Existing signs not currently listed in the bylaw attachments. Heavy vehicles parked at this location narrow the available road width for traffic, making it difficult and unsafe for large vehicles to pass.
		

Location	Details (No Stopping at any time)	Reason for implementing
Service lane on western side of No.100 First Avenue	Both sides except for marked loading zone	Completed at the request of adjacent business, to enable the function of the service lane in this commercial zone. Vehicles parking within the service lane make it difficult for service vehicles (trucks) to manoeuvre, load and unload.
		

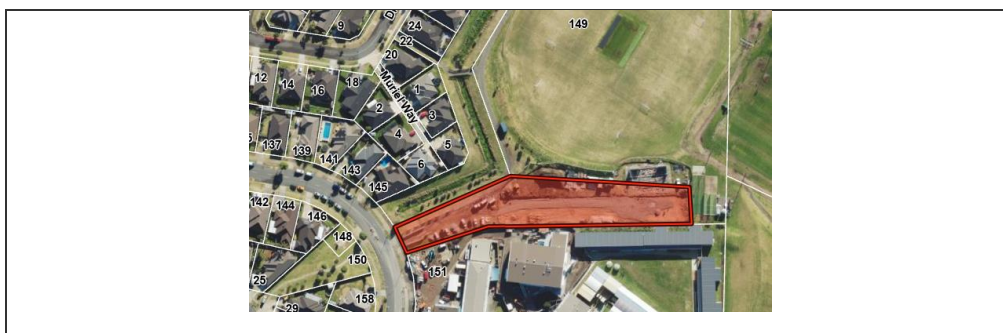
Appendix A: Details of Proposals for Transport Resolution Report No.56

Location	Details (No Stopping at any time)	Reason for implementing
Service lane on north side of Elizabeth Street	The west side of the service lane	Existing restriction not currently listed in the bylaw attachments. To prevent parked vehicles blocking access along the service lane.
		

Location	Details (No Stopping at any time)	Reason for implementing
Cameron Rd Service Lane (between Wharf St and Hamilton St)	Both sides of the service lane, entire length	Existing restriction not currently listed in the bylaw attachments. To prevent parked vehicles blocking access along the service lane.
		

Location	Details (No Stopping at any time)	Reason for implementing
Alice Johnson Reserve car park	All areas of the car park not otherwise marked as parking spaces.	A recently completed Spaces & Places project. Consultation was undertaken as part of the project. To keep the entry and circulating roadways clear so drivers can enter and exit the car park.


Appendix A: Details of Proposals for Transport Resolution Report No.56



Location	Details (No Stopping at any time)	Reason for implementing
Dickson Rd Parking lane on south side of Simpson Reserve	The southern side of the parking lane.	Existing yellow lines, not currently listed in attachments. Vehicles parked at this location hinder parking manoeuvres and access along the lane.




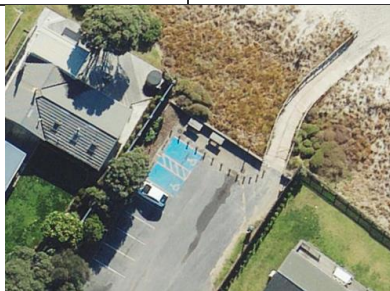
Appendix A: Details of Proposals for Transport Resolution Report No.56

Location	Details (No Stopping at any time)	Reason for implementing
Gloucester Rd Boths sides	Changes to both sides of the road as shown below.	Changes are required to accommodate an approved resource consent where the main site driveway is being relocated and a flush median is being introduced to allow safer turn movements.
		

Appendix A: Details of Proposals for Transport Resolution Report No.56

Attachment 7.7 Mobility Parking

Additions:

Mobility parking		Reason for implementing
Grey Street East side	Outside No.B/14 Grey St (approximately 27m south of Spring Street)	This was formerly a mobility parking space, which was disestablished approximately 10 years ago. Some markings still remain. The space is being used as a mobility bay in practice even if it is not legally one currently. Formalising this space as currently being utilised.
		
Karewa Parade North side	The two northernmost spaces on the west side of the beach access car park adjacent to No.105	These spaces were created as part of improvements to the beach access but are not currently listed in the bylaw attachments.
		

Appendix A: Details of Proposals for Transport Resolution Report No.56

Mobility parking		Reason for implementing
Harrison's Cut car park	The marked mobility space at the north-east end of the car park.	An existing space that has not previously been resolved.
		

Appendix A: Details of Proposals for Transport Resolution Report No.56

Attachment 7.9 Parking Time Restrictions

These amendments are associated with implementation of parking changes in accordance with the Council's resolution on the 28th of April 2025.

60 Minute Parking Time Restrictions		Reason for implementing
Cameron Road East side	All marked kerbside parking spaces between Sixth Ave and Eighth Ave.	These were created as part of the Cameron Rd project. Consultation was carried out as part of the project.
Maunganui Road West side	All marked spaces between Hinau St and Matai St.	These were changes from P15 and P120 to P60 as part of the Maunganui Rd project. Consultation was carried out as part of the project.

120 Minute Parking Time Restrictions		Reason for implementing
Various Roads Mon-Fri only	As set out in Figures 1a and 1b	Part of the approved Parking Management Plan

Figure 1a: Proposed P120 Parking Time Restrictions, Monday to Friday



Appendix A: Details of Proposals for Transport Resolution Report No.56

Figure 1b: Proposed P120 Parking Time Restrictions, Monday to Friday



240 Minute Parking Time Restrictions		Reason for implementing
Seventh Avenue and Memorial Park Mon-Fri only	As set out in Figure 2	Part of the approved Parking Management Plan, and required to ensure compliance with the Reserves Act 1977.

Appendix A: Details of Proposals for Transport Resolution Report No.56

Figure 2: Proposed P240 Parking Time Restrictions, Monday to Friday



Appendix A: Details of Proposals for Transport Resolution Report No.56

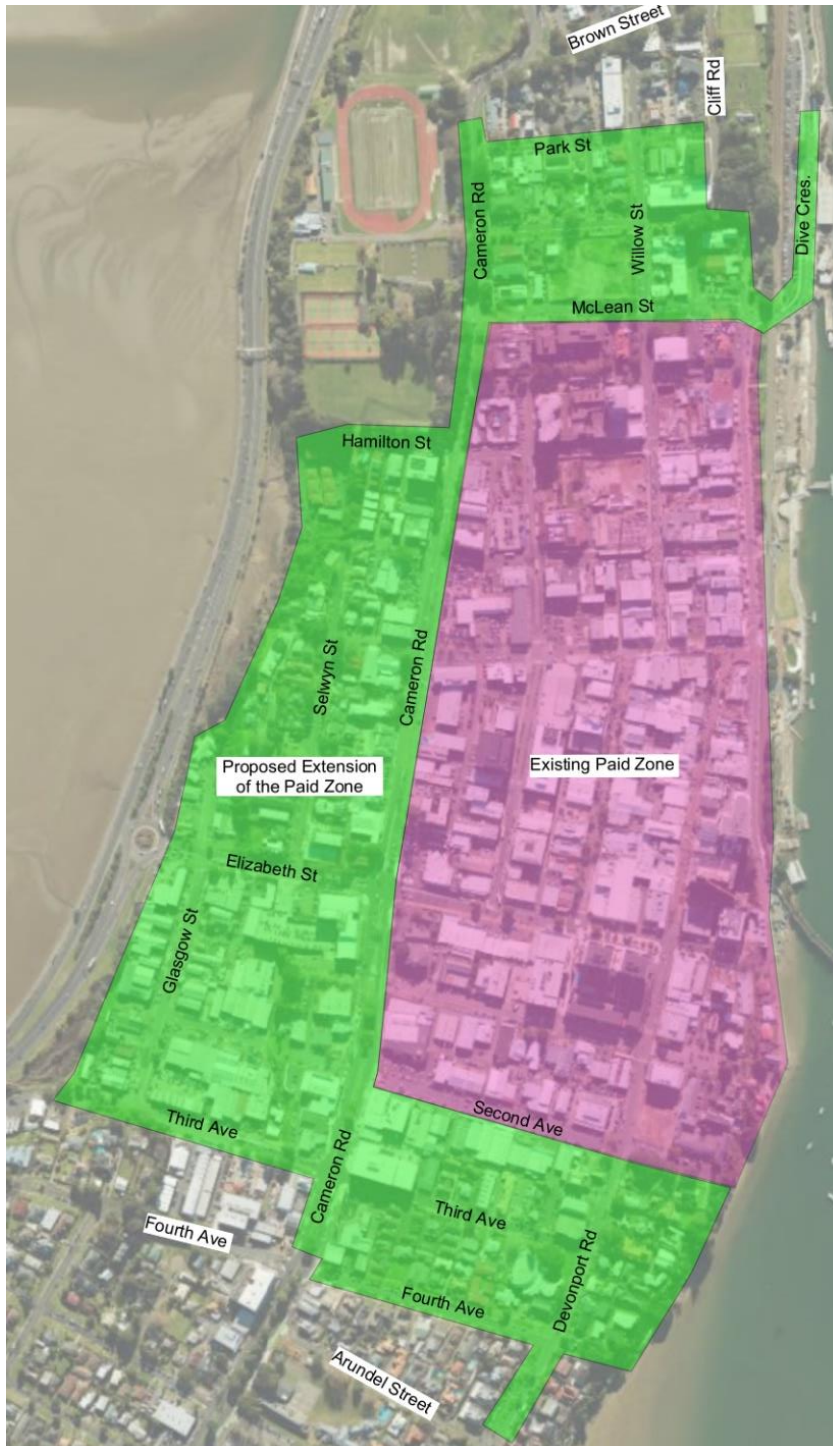
Attachment 7.12 Pay Areas

Amendments:

Pay Areas		Reason for implementing
26. City Centre Pay Area	<p>Existing: The area of road, land or buildings owned by Council bounded by and including the east side of Cameron Road (between the south side of Second Avenue and northwards to, but not including, the south side of McLean Street), the south side of Second Avenue, the waters edge of the Tauranga Harbour and all roads within this boundary northwards to, but not including the south side of McLean Street or any part of Dive Crescent.</p> <p>Addition: The area described in Figure 3</p>	Part of TCC's Parking Management Plan.

Appendix A: Details of Proposals for Transport Resolution Report No.56


Figure 3: Existing Paid Parking Zone and Proposed Extension




Appendix A: Details of Proposals for Transport Resolution Report No.56

Attachment 7.16 Loading Zones with Time Restriction

Additions:

Loading Zone with Time Restriction		Reason for implementing
Pilot Quay North side 15 minute time restriction	A 26m space marked at the eastern end of Pilot Quay	This existing loading zone is used by boat ramp users to secure trailers etc, freeing up space at the boat ramp. The space is not currently listed in the bylaw attachments.
		

Service lane on western side of No.100 First Avenue 10 minute time restriction	A 15m marked loading zone on the west side of the service lane.	Formalising a loading zone to improve access for service vehicles in this service lane. Requested by adjacent business, to enable the function of the service lane.
		

Details of Resident Parking Permit Implementation



Background

As part of the expanded city centre fringe paid parking area, it is planned that a resident parking permit will be available to impacted residents.

This city centre fringe area aims to balance use by residents and commuters, while encouraging developers and property purchasers to consider developing parking on their sites.

From the week of the 4 August we will be expanding the paid parking area for Tauranga City Centre into the city center fringe. This resident permit will be available to local residents to help mitigate impacts while providing the desired outcomes.

The Plan

Residents permits are to be used to reduce impacts of parking changes on current residents, while having future residents, in particular those through intensification, be subject to the restrictions, encouraging whole of life thought about parking (developers building, residents considering their needs). Permits are to be implemented based:

- Two permits per dwelling.
- Not available to residents of property sold after 31 August 2025.
- A 2 yearly permit expiry (changes can be made to vehicle registration linked to a permit).
- Permit applications prior to 1 July 2026 to not be charged a fee.

The Detail:

- The resident permit will be linked to an address, enabling us to easily track the 2-permit limit. This will also enable tracking property sales to enforce permit restrictions.
- The 31 August 2025 cut off for allows for current property owners and residents while also reinforcing that parking, especially close to the centre city has a value for new residents and developments.
- Waiving the initial fee aims to reduce potential negative perception from residents, also noting that initially due to requirements set we expect the administration cost to be low, noting that taking payment for this initial period could double the administration undertaken.
- Costs associated with this permit initially can be covered by current resource within parking, and the parking management implementation budget.

11.6 Remits to Local Government New Zealand**File Number: A18365831****Author: Jeremy Boase, Manager: Strategy & Corporate Planning****Authoriser: Christine Jones, General Manager: Strategy, Growth & Governance****PURPOSE OF THE REPORT**

1. To consider Council's position on five remits that will be voted on at the Local Government New Zealand annual general meeting on 16 July 2025.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Remits to Local Government New Zealand".

Voting

- (b) Provides the following direction to Council's representatives at the Local Government New Zealand annual general meeting on whether the remits to that meeting should be supported or not supported.

Remit	Topic	Support / not support
1	Security System Payments	
2	Improving Joint Management Agreements	
3	Alcohol Licensing Fees	
4	Aligning public and school bus services	
5	Review of local government arrangements to achieve better balance	

Priorities

- (c) Provides the following direction to those representatives regarding the relative priority of successful remits:

	Priority (A to E)
Remit 1 (if successful)	
Remit 2 (if successful)	
Remit 3 (if successful)	
Remit 4 (if successful)	
Remit 5 (if successful)	

OR

- (d) Delegates responsibility to those representatives to determine a view on the priorities of the successful remits and convey this to the annual general meeting as required.

EXECUTIVE SUMMARY

2. This report facilitates Council decision-making on five remits to be voted on at the upcoming Local Government New Zealand annual general meeting.
3. Staff commentary is provided on four of the five remits to assist Council in making a decision on whether to support the remit. The fifth remit was proposed by this Council and therefore support is assumed.
4. Supported remits form part of Local Government New Zealand's future work programme.
5. There are no financial implications, legal implications, or risks directly associated with the decisions required in this report.

BACKGROUND

6. Each year at the Local Government New Zealand ("LGNZ") annual general meeting ("AGM") member councils vote on 'remits'. Remits allow member councils to propose policy changes or work programmes for LGNZ. If a remit is passed at the AGM, it becomes official policy for LGNZ to action.
7. The 2025 AGM will be held on 16 July in Christchurch. At the time of writing, Mayor Drysdale and Deputy Mayor Scoular will be attending on Council's behalf. The Chief Executive will also be in attendance.
8. There are five remits to be considered at this year's AGM. They cover:
 - Security system payments for elected members
 - Improving joint management agreements (a Resource Management Act tool to enable councils and iwi/hapu to work together on environmental governance)
 - Alcohol licensing fees
 - Aligning public and school bus services
 - A review of local government arrangements to achieve better balance.
9. A full copy of each remit including the proposing council or councils, the support obtained to get the remit onto the agenda¹, and background information is included as **Attachment 1** to this report.
10. Remit 5, a review of local government arrangements to achieve better balance, was proposed by this council and supported by the LGNZ Metro Sector.
11. Staff commentary on the remits is included as **Attachment 2** to this report. This is included to assist Council's consideration of whether to support each remit. No commentary is provided on Remit 5 because, as proposing council, it is assumed that Council will be in support.
12. To ensure that LGNZ's workload is directed appropriately to meet its members' wishes, delegates to the AGM will also vote on the relative priority of all successful remits.

STATUTORY CONTEXT

13. The remits, if successful and prioritised, feed directly into LGNZ's work programme. The ambition of all five remits is to ultimately change legislation or other central government statutory tools.

¹ To be included on the AGM agenda, a remit must be supported by a zone, a sector, or at least five councils. Supporting a remit to get onto the agenda does not bind those supporting councils to formally vote to support the remit at the AGM.

STRATEGIC ALIGNMENT

14. 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 type="checkbox"/>
We are a city that supports business and education	<input type="checkbox"/>

15. Voting on the remits themselves has no direct impact on strategic community outcomes. However, if supported and then if LGNZ's further work leads to legislative or other change, significant impacts may occur.

OPTIONS ANALYSIS

16. There are three layers of decision to be made by Council, each with its own options. The layers are:
- (a) Whether to provide direction on each remit to the delegates, or to allow the delegates to determine Council's position on each remit and vote accordingly while at the AGM.
 - (b) Whether to support or not support each individual remit (assuming that the 'provide direction' approach is taken above).
 - (c) The relative priority for LGNZ's work programme of all remits supported at the AGM.
17. For layer 1, past elected councils have traditionally provided direction on each remit to the delegates.

FINANCIAL CONSIDERATIONS

18. There are no direct financial considerations associated to this report.

LEGAL IMPLICATIONS / RISKS

19. There are no direct legal implications or risks associated with this report.

TE AO MĀORI APPROACH

20. There are no direct implications on council's Te Ao Māori approach within this report or the decisions to be made. In the event that Remit 2 is supported at the LGNZ AGM and further work leads to changes in this area, there is a possibility that a joint management agreement may occur between council and tangata whenua.
21. Similarly, if Remit 5 is supported by the LGNZ AGM and leads to changes in the area of local government arrangements, there may be implications for future relationships between local government and Māori.

CLIMATE IMPACT

22. There are no direct climate impact implications associated with this report.

CONSULTATION / ENGAGEMENT

23. No specific formal engagement has occurred with stakeholders or the community on the five matters covered in the remits.

SIGNIFICANCE

24. 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.
25. 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.
26. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision as to how Council should cast its votes at the LGNZ AGM is of low significance.

ENGAGEMENT

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

NEXT STEPS

28. Council's delegates will take Council's direction to the LGNZ AGM on Wednesday 16 July.

ATTACHMENTS

1. **LGNZ AGM Remits_2025 - A18431462** [!\[\]\(e40bb48ad1470e3a14017c64c5673877_img.jpg\)](#) 
2. **2025 LGNZ remits - staff commentary - A18432589** [!\[\]\(2d84cfc19096ca16fe323c530253896b_img.jpg\)](#) 



2025 Remits



// 01 Security System Payments

Proposed by: Far North District Council and Central Otago District Council

Supported by: Zone 6 and Zone 1

Remit: *That LGNZ advocates for security system payments to be included as an allowance under the Local Government Members Determination, in line with those afforded to Members of Parliament.*

Why is this remit important?

The importance of safety for elected members has become more apparent in recent times. With an increase in animosity towards “government figures,” both online and in person, the time has come to address this. Recent examples of elected members being threatened, harassed and abused, including incidents occurring at or near their home address, highlights the need for changes to the Local Government Act to be updated. The ability for security system payments to be made as an allowance would go some way towards encouraging actual and perceived safety for existing elected members, as well as ensuring future candidates can feel safer while representing their communities.

Background and Context

Democracy worldwide is currently considered a “tinderbox” according to multiple news sites. In 2024, 37 candidates for election were murdered in Mexico. While this may seem extreme – our own Electoral Commission in NZ has a page dedicated to “security advice” for potential candidates. The rise of fringe groups, anonymity of online forums, general mistrust of government figures and polarising coverage of worldwide democratic outcomes has been creating a platform for those with singular or disaffected viewpoints. While we recognise that some of the sentiment is online, there have been instances of this spilling over into daily life for our elected members. Much of “being safe” is about “feeling safe.”

The Members of Parliament Determination 2023 (Section 48) allows for up to \$4500 to install a security system at a member’s primary place of residence, along with up to \$1000 per year to monitor this.

LGNZ’s own research carried out last year identified three quarters of elected members had suffered abuse or harassment at public meetings, a third at the supermarket or school pick up, and that half of EM’s felt it was worse than a year ago. Supporting new anti-stalking and harassment Legislation is a good start, but this is something that could immediately help our elected members to feel safer at home.

Some councils are already supporting elected members in personal safety. Central Otago District has paid for a member to install a camera at their home address where they live with young kids following an obnoxious campaign including items being left in their letterbox. There will be multiple other examples where councils are promoting personal safety, wellbeing initiatives and also installing or providing additional security measures at homes and council offices.

Far North and Central Otago Districts are just two examples of our huge, remote areas. Overnight Central Otago, all 9,968 square kilometres of it, is covered by two on-call Police officers, based 30km



apart. Feeling safe plays a big role in actual safety. Expectations of safety will be different for an older female to a young dad with kids, a large family or a person living alone, and they are also different between rural and urban areas.

This election, we want to ensure worry about how safe someone is in their own home is not a barrier to putting their hand up to fulfil a wonderful role for our communities.

How does this remit relate to LGNZ's current work programme?

Ties into the research on safety that LGNZ carried out last year, and also the support of the Crimes Legislation (Stalking and Harassment) Amendment Bill.

How will the proposing council help LGNZ to make progress on this remit?

Connect with Minister Mark Patterson (Minister for Rural Communities) for support

Investigate the possibility for a partnership with a national retailer/supplier of home security systems and/or trail cams

Timeframe - depends how quickly things could progress before the election?



// 02 Improving Joint Management Agreements

Proposed by: Northland Regional Council

Supported by: LGNZ Zone 1

Remit: *That LGNZ advocate to Government for: a) legislative change to make the Joint Management Agreement (JMA) mechanism more accessible for councils to use with iwi/hapū, b) for the provision of technical, legal and financial support to facilitate the use of JMAs for joint council and iwi/hapū environmental governance, and c) for a mechanism such as JMAs to be included in the Government's new resource management legislation.*

Why is this remit important?

JMAs are a valuable tool for councils and iwi / hapū to work together on environmental governance. Many councils support stronger partnerships with tangata whenua, but the statutory and practical barriers to formalising JMAs have severely limited their uptake by councils and iwi/hapū. There is thus a need to address the limitations of the current mechanism under the RMA, to make it more accessible to councils and tangata whenua, as well as to ensure a mechanism such as JMAs is included in the Government's new resource management legislation.

Recommended improvements include a) simplification or modification of the JMA statutory requirements and criteria; b) provision of a customisable JMA template and detailed guidance on when JMAs might be appropriate and how to establish them; c) explanation of the legal implications for the parties, and the Health & Safety obligations; d) making JMAs mandatory in appropriate circumstances in addition to Treaty settlements; and e) provision of funding to support iwi/hapū capacity to develop and implement JMAs.

Background and Context

JMAs under the Resource Management Act 1991 (RMA) provide for agreement between a local authority and an iwi authority and/or groups representing hapū to jointly perform or exercise any local authority functions, powers or duties under the RMA relating to a natural or physical resource.

Since inclusion as a mechanism under sections 36B-E of the RMA in 2005, only two JMAs have been established, apart from their mandatory use in some Treaty settlements.

For a JMA to be developed, the local authority must be satisfied that the agreement is an "efficient" method of exercising the function, power or duty. However, if a JMA were to require more funds and resources to support administrative costs and extra person-hours than what council would itself expend, the "efficiency" criterion might not be satisfied. Thus, "efficiency" could compel an iwi/hapū to contribute its own resources to the collaborative management process if it wished to conclude a JMA. A lack of financial resources is repeatedly identified by iwi/hapū as being the most significant barrier to their full participation under the RMA.

Another requirement of s36B is that the local authority must be satisfied that the other party to the JMA has the "technical or special capability or expertise to perform or exercise the function, power,



or duty jointly with the local authority". Many (especially unsettled) iwi/hapū are under-resourced, often having to rely on voluntary contributions of resources and expertise; thus funding and technical support may be needed to facilitate iwi/hapū participation in JMAs.

Another deterrent to JMA uptake is that the agreement can be cancelled by either party at any time. If conflict arises, the local authority will always have the "upper hand" because the function(s) shared under the JMA will revert exclusively to local authority control. More stringent cancellation requirements could be introduced that give JMA parties greater assurance of continuation.

Only those JMAs created as part of Treaty Settlements are currently mandatory for local authorities. A similar mandatory requirement under the RMA for councils to enter into JMAs in appropriate circumstances would facilitate uptake.

Currently there is very little information available on the legal implications of JMAs, and on the process and considerations for developing and implementing such an agreement. There is also no template provided for such agreements. Technical guidance from central government would further facilitate uptake.

In summary, very low uptake of JMAs reflects the high barriers to their uptake by councils and iwi/hapū. They remain a potentially useful tool if sufficient guidance, resourcing and technical support is provided, and if criteria for developing them are made more enabling.

How does this remit relate to LGNZ's current work programme?

This remit aligns with LGNZ's strategy, in particular the long-term goal that Te Tiriti partnerships between local government and Māori are authentic, strong and respected. We are not aware of any existing or planned work to advocate for improved legislative mechanisms and implementation support for Joint Management Agreements.

How will the proposing council help LGNZ to make progress on this remit?

We can provide some technical expertise to support analysis of specific options to improve how JMAs function and some advocacy support.



// 03 Alcohol Licensing Fees

Proposed by: Far North District Council

Supported by: LGNZ Zone 1

Remit: *That LGNZ advocates for the government to update the Sale and Supply of Alcohol (Fees) Regulations 18 December 2013 to account for inflation and include a mechanism for automatic annual inflation adjustments.*

Why is this remit important?

If a local council does not have a bylaw that sets alcohol licensing fees and charges it must default to the schedule of fees in the Sale and Supply of Alcohol (Fees) Regulations 2013. These default fees were set 12 years ago and, with the impact of inflation over this period, no longer enable local councils to reasonably recover the costs to administer the alcohol licensing system. This has led to increasing ratepayer subsidisation of these costs. Currently the only way that councils can increase these fees and charges is to make an Alcohol Fees Bylaw under an Order in Council associated with the Sale and Supply of Alcohol Act 2012. This is an inefficient and expensive way for councils to raise their alcohol licensing fees and charges, when this issue could be simply resolved by the government updating the schedule of fees in the Regulations.

Background and Context

Objectives relating to the setting of alcohol licensing fees were listed in the review of the Supply of Alcohol (Fees) Regulations 2013 conducted by the Ministry of Justice in 2017. These objectives include: - recovering the total reasonable costs incurred by local councils and ARLA in administering the alcohol licensing system - ensuring that those who create the greatest need for regulatory effort bear the commensurate costs.

Alcohol licensing fees and charges are intended to cover the reasonable costs of administering the alcohol licensing system via a 'user pays' approach. The fees and charges set in the Sale and Supply of Alcohol (Fees) Regulations 2013 are now 12 years out of date and have not been updated since 2013, despite two reviews of these fees conducted in 2018 and 2022 as required by section 404 of the Sale and Supply of Alcohol Act. With inflation since 2013, costs to manage alcohol licenses cannot be recovered through the fees prescribed in these Regulations. This means that every time Council processes an alcohol licence it costs more than the fee paid by the licensee and the difference must be covered by general rates.

To increase these fees and charges in their districts, local councils can make Alcohol Fees Bylaws under the Sale and Supply of Alcohol (Fee-setting Bylaws) Order 2013. However, making a bylaw is a relatively costly and inefficient way to address this issue as it involves: - time and effort to research and draft the bylaw - costs for public consultation - the need to regularly review the fees and charges set in the bylaw. A better solution would be for the government to update the fees and charges listed in the 2013 Regulations to reflect current costs. The schedule of fees in the revised Regulations should also allow for an annual CPI increase and allow cost recovery for hearings objections to District Licensing Committee decisions.

**How does this remit relate to LGNZ's current work programme?**

This remit sits within the Funding and Financing advocacy area within LGNZ's Advocacy Work Programme. Specifically, this relates to: - Advocating for changes to local government funding and financing - Building and working with a coalition of the willing to support LGNZ's advocacy for changes to local government funding and financing. Fees and charges are also specifically mentioned in LGNZ's funding and finance toolbox. We understand that the regulation of alcohol fees is not currently part of this Work Programme.

How will the proposing council help LGNZ to make progress on this remit?

We can provide detailed evidence of the current income received by FNDC from licensing fees based on applying the outdated fee schedule in the 2013 Regulations, compared with the costs to administer the alcohol licensing system. In summary, in the 2023/24 financial year FNDC received \$410,000 in income from licence application fees compared with costs of \$581,000. This means there was a shortfall of \$171,000 which has to be recovered from general rates. In 2023/24 licence application fees covered 71% of costs for the Council. By contrast, the 2017 Review of the 2013 Regulations reported that cost recovery across all local councils was 108%.



// 04 Aligning public and school bus services

Proposed by: Nelson City Council

Supported by: LGNZ Regional Sector

Remit: *That LGNZ advocate for the reform of the Ministry of Education funded school bus services to provide an improved service for families and to better integrate the services with council provided public transport services, including the option of Public Transport Authorities (e.g. regional and unitary councils) managing such services (with appropriate government funding), noting that:*

- a. councils better know their local communities; and*
- b. the potential to reduce congestion from better bus services for schools; and*
- c. the efficiency gains realised from integrating these two publicly funded bus services*
- d. the outdated and inflexible rules of the current centralised school bus system*

Why is this remit important?

The quality and efficiency of school and public bus services is compromised by school and public bus services being funded through two different arms of Government. Some services are funded through the New Zealand Transport Agency and councils, and others are through the Ministry of Education School Bus Transport Service. This remit proposes to align those functions by transferring the funding and management to Regional Public Transport authorities which are better placed to understand and respond to local transport needs. By improving our bus services for students, we can also reduce congestion which is noticeably less during the school holidays in towns and cities around New Zealand.

Background and Context

There are essentially two drivers for this reform. The first is that it makes no sense to have two different arms of Government separately planning and contracting publicly funded bus services. The second is that decisions about bus services are best made locally.

The co-ordination and contracting of public bus services, whether for getting students to school or for other passengers, is a complex job. Decisions about the routes, frequency, bus size and convenient bus stops are difficult, requiring the juggling the objectives of making the service as convenient as possible, maximising usage, managing costs and ensuring safety. These decisions are inherently local.

The centralised school bus transport system is a huge source of frustration to communities and councils all over New Zealand. It is governed centrally by archaic, rigid rules that date back nearly 100 years, and are unchanged to this day.



The Ministry of Education officials do the best they can within the current policy, but the system is fundamentally outdated and broken. It makes no sense for education officials to be running transport services, and it is impossible to run a community focused, flexible school transport system over thousands of schools and communities from Wellington.

One of the big opportunities of this reform is to reduce congestion by improving our bus service for students. The potential is highlighted in towns and cities all over New Zealand during school holidays when there is much less congestion. An improved bus service with timetables and routes tailored to students' needs would be a wise investment for the overall transport network.

Regional councils, unitary authorities and Auckland Transport are all public transport authorities with delegated responsibility for the development, planning and delivery of public transport services in New Zealand.

The current system has perverse incentives in that if a public transport authority uses rates to improve public transport service to an area, the Ministry of Education withdraws its service. The current system discourages councils to provide public transport services on routes and times that work for students.

Nelson/Tasman are exploring trialling the integration of the management of public and school transport services. We believe there is the opportunity to provide a more responsive service to families of school aged children, to expend our public transport network and to get efficiency gains from contracting for both types of services. If successful, the trial may result in wider reforms.

This is a significant proposal currently involving more than \$125 million of annual public expenditure on school bus services that would need to be transferred to public transport authorities. It would be a complex reform that requires careful attention to detail and consultation with parents, schools, bus service providers and councils. The prize is a better bus services in places like Nelson, less congestion on our roads and more efficient use of public money.

How does this remit relate to LGNZ's current work programme?

Transport is a critical issue facing all councils and we need to be proactively looking for way to better deliver services. This remit goes to the heart of LGNZ's vision of localism in that it proposes to localise the delivery of school bus services. This remit also compliments LGNZ's strategic relationship with Government in that it proposes reforms that improve efficiency, and is not just asking for more funding in fiscally constrained times. It also supports LGNZ's sustainability goals by providing opportunities for expansion of public transport services.

How will the proposing council help LGNZ to make progress on this remit?

Nelson City Council is keen to help advance the case for this reform. We have already engaged with the Ministry of Education, the Minister of Education and the Minister of Transport who are interested in the reforms and keen to trial this alternative approach for the delivery of school bus services. We also commit to sharing our experiences should Nelson Tasman proceed to trialling this reform.



// 05 Review of local government arrangements to achieve better balance

Proposed by: Tauranga City Council

Supported by: LGNZ Metro Sector

Remit: *That LGNZ works with the Government and Councils to review current local government arrangements, including the functions and structure of local government, to achieve a better balance between the need to efficiently and effectively deliver services and infrastructure, while enabling democratic local decision-making and action by, and on behalf of communities.*

Why is this remit important?

Efficient and effective local democracy and associated decision making is paramount.

Background and Context

A number of local government reviews undertaken previously, have concluded that the current structure and arrangement of the local government sector, is not conducive to ensuring that infrastructure and services delivered to communities, are always done so in a cost effective and efficient manner.

Current sector arrangements are a legacy, and do not always reflect how our communities have expanded, nor how modern services are delivered.

Central government is underway with key policy and legislations changes that both directly and indirectly significantly impact the local government sector. This will require an agile and well planned response by the sector.

How does this remit relate to LGNZ's current work programme?

This is an important issue for local government as the sector responds to the current central government policy and legislation changes and reforms underway. Seeks advocacy for a work programme between central government, local government and LGNZ, to undertake this review, and ensuring local communities are well considered.

This remit sits within the principles of the Local Government Act 2002 in that it would give local government a tool to provide services more efficiently. While this is not currently part of LGNZ's work programme, engaging with central government will be essential to making progress in this area.

How will the proposing council help LGNZ to make progress on this remit?

Metro sector councils will provide support and resource to participate and work on the programme established.

#	Remit title	Remit	Staff commentary	Recommendation (if any)
1	Security System Payments	That LGNZ advocates for security system payments to be included as an allowance under the Local Government Members Determination, in line with those afforded to Members of Parliament.	<p>The Local Government Elected Members (2025/26) Determination 2025 (available elsewhere on this meeting's agenda) includes at clause 15 a new 'home security system allowance'. This provides for payments of up to \$4,500 for the installation of a system, and up to \$1,000 per annum for monitoring, call-outs and repairs.</p> <p>As such, the remit appears to have been superseded by events (and potentially may therefore be withdrawn).</p> <p>Before the Determination was released (24 June 2025) staff supported the remit but in doing so noted that security threats are not restricted to elected members and may apply to some staff too. (This is not covered by the remit or the Determination and is effectively a council-by-council decision.)</p>	Support
2	Improving Joint Management Agreements	That LGNZ advocate to Government for: a) legislative change to make the Joint Management Agreement (JMA) mechanism more accessible for councils to use with iwi/hapū, b) for the provision of technical, legal and financial support to facilitate the use of JMAs for joint council and iwi/hapū environmental governance, and	<p>The use of JMAs has not been raised with council staff in Tauranga.</p> <p>The current system seems difficult, so improvements are a reasonable goal.</p> <p>While not included in the specific remit wording, the supporting information raises the possibility of making JMAs 'mandatory in</p>	Cautious support

#	Remit title	Remit	Staff commentary	Recommendation (if any)
		c) for a mechanism such as JMAs to be included in the Government's new resource management legislation.	<p>appropriate circumstances'. Staff express caution in this regard.</p> <p>Staff also note that the Resource Management Act is in the process of being replaced and that if JMAs are not transferred to the new legislation there is little point seeking improvements at this stage.</p>	
3	Alcohol Licensing Fees	That LGNZ advocates for the government to update the Sale and Supply of Alcohol (Fees) Regulations 18 December 2013 to account for inflation and include a mechanism for automatic annual inflation adjustments.	<p>This remit directly addresses the issue that led to Council adopting its new Alcohol Licensing Fees Bylaw in April 2025.</p> <p>If the referenced Regulations are updated and cost-recovery is therefore significantly improved, Council may not need to set its own fees via the new bylaw (though it retains the ability to do that if it chooses).</p> <p>Further, even if this council uses its own bylaw for future fee-setting, an update of the Regulations may allow other councils to avoid establishing their own bylaws to enable greater cost recovery.</p>	Support
4	Aligning public and school bus services	That LGNZ advocate for the reform of the Ministry of Education funded school bus services to provide an improved service for families and to better integrate the services with council provided public transport services,	While this is principally a regional and unitary council issue (and the remit is proposed by a unitary authority and supported by the regional sector), staff also support the intent.	Support

#	Remit title	Remit	Staff commentary	Recommendation (if any)
		including the option of Public Transport Authorities (e.g. regional and unitary councils) managing such services (with appropriate government funding), noting that: a. councils better know their local communities; and b. the potential to reduce congestion from better bus services for schools; and c. the efficiency gains realised from integrating these two publicly funded bus services d. the outdated and inflexible rules of the current centralised school bus system.	Changes which enable public transport services to better serve the public are supported. It is noted that the Tauranga and Western BoP Transport Committee recently reviewed the school bus service.	
5	Review of local government arrangements to achieve better balance	That LGNZ works with the Government and Councils to review current local government arrangements, including the functions and structure of local government, to achieve a better balance between the need to efficiently and effectively deliver services and infrastructure, while enabling democratic local decision-making and action by, and on behalf of communities.	Remit prepared by TCC – support is assumed	Support

12 DISCUSSION OF LATE ITEMS

13 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RECOMMENDATIONS

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
13.1 - Public Excluded Minutes of the Council meeting held on 10 June 2025	<p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.2 - Public Excluded Minutes of the Council meeting held on 26 June 2025	<p>s6(b) - The making available of the information would be likely to endanger the safety of any person</p> <p>s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.3 - Clarification on CCO Board appointment	<p>s6(b) - The making available of the information would be likely to endanger the safety of any person</p> <p>s7(2)(a) - The withholding of the</p>	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for

	information is necessary to protect the privacy of natural persons, including that of deceased natural persons	which good reason for withholding would exist under section 6 or section 7
13.4 - Bay of Plenty Housing Equity Fund - Appointment of members to the Board	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

14 CLOSING KARAKIA