



AGENDA

Ordinary Council meeting Tuesday, 5 August 2025

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

Date: Tuesday, 5 August 2025

Time: 9.30am

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

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

**Marty Grenfell
Chief Executive**

Terms of reference – 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	8
3.1	Genevieve Whitson - Downtown Tauranga	8
4	Acceptance of late items	9
5	Confidential business to be transferred into the open	9
6	Change to the order of business	9
7	Confirmation of minutes	10
7.1	Minutes of the Council meeting held on 14 July 2025.....	10
7.2	Minutes of the Council meeting held on 22 July 2025.....	25
8	Declaration of conflicts of interest	30
9	Deputations, presentations, petitions	30
	Nil	
10	Recommendations from other committees	30
	Nil	
11	Business	31
11.1	Status update on actions from prior Council meetings.....	31
11.2	Local Water Done Well - Preferred Delivery Model (Update Report)	38
11.3	Local Water Done Well - Preferred Water Services Delivery Model.....	42
11.4	City Centre Street Project - Public Engagement.....	79
11.5	Temporary Road Closures - Annual Events 2025 - 2026.....	119
11.6	Council-Controlled Organisations - Final Statements of Intent 2025/28	126
12	Discussion of late items	134
13	Public excluded session	135
13.1	Public Excluded Minutes of the Council meeting held on 10 June 2025	135
13.2	Public Excluded Minutes of the Council meeting held on 26 June 2025	135
13.3	Clarification on Council-Controlled Organisation Board appointment.....	135
13.4	Bay of Plenty Housing Equity Fund - Appointment of members to the Board.....	136
13.5	Harington Street carpark litigation - settlement recommendations.....	136
	Confidential Attachment 2 11.1 - Status update on actions from prior Council meetings 136	
14	Closing karakia	137

1 OPENING KARAKIA

2 APOLOGIES

3 PUBLIC FORUM

3.1 Genevieve Whitson - Downtown Tauranga

ATTACHMENTS

Nil

- 4 ACCEPTANCE OF LATE ITEMS**
- 5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN**
- 6 CHANGE TO THE ORDER OF BUSINESS**

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Council meeting held on 14 July 2025

File Number: **A18561644**

Author: **Anahera Dinsdale, Governance Advisor**

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

RECOMMENDATIONS

That the Minutes of the Council meeting held on 14 July 2025 be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of the Council meeting held on 14 July 2025



MINUTES

**Ordinary Council meeting
Monday, 14 July 2025**

Order of Business

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

**MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE TAURANGA CITY COUNCIL CHAMBERS, LEVEL 1 - 90 DEVONPORT ROAD,
TAURANGA
ON MONDAY, 14 JULY 2025 AT 9:30 AM**

MEMBERS PRESENT: 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, Cr Rod Taylor, Cr Hēmi Rolleston

IN ATTENDANCE: Marty Grenfell (Chief Executive), Paul Davidson (Chief Financial Officer), Barbara Dempsey (General Manager: Community Services), Nic Johansson (General Manager: Infrastructure), Christine Jones (General Manager: Strategy, Growth & Governance), Alastair McNeill (General Manager: Corporate Services), Sarah Omundsen (General Manager: Regulatory & Compliance), Gareth Wallis (General Manager: City Development & Partnerships), Alison Law, (Manager: Spaces & Places), Ross Hudson (Strategic Planning & Partnerships), Shawn Geard (Centre City Infrastructure Lead), Reece Wilkinson (Parking Strategy Manager), Clare Sullivan (Team Leader: Governance Services), Caroline Irvin (Governance Advisor),

EXTERNAL: Nicols Compton & Rick Powdrell (Tauranga Netball Centre), Barry Andrews (Vice President - Bay of Plenty Speedway Association), Melissa Webb (Speedway Manager at Baypark), Steve Daniel (Speedway), Marry Dillon, Des Heke (Kaiawha Ngā Tarati Whenua Māori o Maungatapu Marae, Kaitimako & Otanewainuku Whānau), Arthur Flintoff (Ngā Pōtiki, Te Rangapū Mana whenua o Tauranga Moana), Darlene Dinsdale (Te Arawa ki Tai), Hakopa Tapiata (Te Arawa), Ratahi Cross (Ngai Tukairangi Hapu and Te Awanui HukaPak)

1 OPENING KARAKIA

Cr Baker opened the meeting with a karakia.

2 APOLOGIES

Nil

3 PUBLIC FORUM

TIMESTAMP: :6:40

3.1 Nicola Compton & Rick Powdrell – Tauranga Netball Centre

Nicola Compton and Rick Powdrell from the Tauranga Netball Centre spoke to the Council regarding item 11.1 netball Relocation to Baypark. They supported the proposal and would appreciate a lead in-time for the lease commencing at \$70,000 increasing to \$100,000 to year 3.

TIMESTAMP: :19:10

3.2 Barry Andrews Vice-President, Bay of Plenty Speedway Association

Mr Andrews spoke in support of the proposal to Speedway Racing Ltd to continue at Baypark Stadium until 2039. He spoke on the continued and increasing participation and supporters of Speedway. The signing of the new speedway lease would continue to increase the growth of the sport. Speedway would invest money in the North Stand and pay costs of maintenance. He urged the Council to sign the new lease agreement.

TIMESTAMP: :28:38

3.3 Melissa Webb, Speedway Manager at Baypark

Melissa Webb, Speedway Manager at Baypark Racing Ltd, spoke in support of the proposal and noted that speedway was a local activity that the whole family could take part in together and was a supportive community. It kept people in the Bay of Plenty. It was a consistent and meaningful contributor to the local economy. Speedway was about giving young people a community and providing valuable lessons.

TIMESTAMP: 34:00

3.4 Steve Daniel - Speedway

Steve Daniel spoke in support of the proposal. He noted his whanau connection with the speedway, the history of speedway in Tauranga and the important place it had in the community.

TIMESTAMP: :40

3.5 Mary Dillon – Local Water Done Well

Mary Dillon spoke to the report regarding Local Water Done Well. She urged the need for consultation when developing the CCO, the issue of privatisation, the issue of the significance policy and how it should be applied.

TIMESTAMP: :47:30

3.6 Des Heke - Kaiawha Ngā Tarati Whenua Māori o Maungatapu Marae, Kaitimako & Otanewainuku Whānau

Mr Heke sought a delay in the decision following the new direction to partner with Thames-Coromandel District Council. He opposed this partnership. He also highlighted the need for genuine engagement with tangata whenua, fair and equitable service planning and redress for legacy issues and protection of Māori interests.

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO THE ORDER OF BUSINESS

Item 11.1 of the supplementary agenda Local Water Done Well will be taken at 1pm.

7 CONFIRMATION OF MINUTES**7.1 Minutes of the Council meeting held on 10 June 2025****RESOLUTION CO/25/21/1**

Moved: Cr Rick Curach

Seconded: Cr Marten Rozeboom

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

CARRIED**7.2 Minutes of the Council meeting held on 26 June 2025****RESOLUTION CO/25/21/2**

Moved: Cr Hēmi Rolleston

Seconded: Cr Rod Taylor

That the Minutes of the Council meeting held on 26 June 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

Nil

11 BUSINESS

TIMESTAMP: 1:05

11.1 Netball Relocation to Baypark

Staff Barbara Dempsey, General Manager: Community Services
Alison Law, Manager: Spaces & Places
Ross Hudson, Strategic Planning & Partnerships

Action:

- That staff provide Councillors with the cost of signalisation or a right hand turn into Truman Lane.

At 1.30 am the meeting adjourned.

At 12 noon the meeting reconvened.

A MOTION WAS PROPOSED:

Moved: Mayor Mahé Drysdale

Seconded: Cr Kevin Schuler

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
 - (v) Total cost is within the budgeted cost of \$15.34m (being \$13.97 for the netball multi-sport centre, plus \$1.37 for the central road and landscaping).
- (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.
 - (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
 - (v) Total cost is within the budgeted cost of \$15.34m (being \$13.97 for the netball multi-sport centre, plus \$1.37 for the central road and landscaping).
- (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.

AN AMENDMENT WAS PROPOSED:

Moved: Deputy Mayor Jen Scoular

Seconded: Cr Hautapu Baker

That the Council:

Replace recommendation b(iv) with the following:

- (iv) Tauranga Netball centre may set in their annual plan, proposed bookings for the additional outdoor courts, for the following 12 months, acknowledging that significant fixtures from non-netball events that may have already been booked.

For: Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Hēmi Rolleston.

Against: Mayor Mahé Drysdale, Cr Marten Rozeboom, Cr Kevin Shuler, Cr Rod Taylor.

CARRIED

THE SUBSTANTIVE MOTION WAS THEN PUT TO THE MEETING

RESOLUTION CO/25/21/3

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 may set in their annual plan, proposed bookings for the additional outdoor courts, for the following 12 months, acknowledging that significant fixtures from non-netball events that may have already been booked.
- (v) Total cost is within the budgeted cost of \$15.34m (being \$13.97 for the netball multi-sport centre, plus \$1.37 for the central road and landscaping).
- (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.

For: Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Rick Curach, Cr Steve Morris, Cr Hēmi Rolleston, Cr Kevin Shuler, Cr Rod Taylor.

Against: Cr Glen Crowther, Cr Marten Rozeboom

CARRIED

TIMESTAMP: 2:11

11.2 Community Feedback on Speedway Proposals

Staff Barbara Dempsey, General Manager: Community Services
Alison Law, Manager: Spaces & Places
Ross Hudson, Strategic Planning & Partnerships

Action:

- That staff provide a copy of the draft lease agreement to Councillors.

A MOTION WAS PROPOSED:

Moved: Cr Marten Rozeboom
Seconded: Mayor Mahé Drysdale

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.

AN AMENDMENT WAS PUT

Moved: Cr Rick Curach

Seconded: Cr Steve Morris

That the Council:

- Add immediately before (b) i: 'and report back to Council with the final agreement prior to execution.'

For: Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Hēmi Rolleston and Cr Kevin Shuler.

Against: Cr Marten Rozeboom and Cr Rod Taylor.

THE SUBSTANTIVE MOTION WAS THEN PUT TO THE MEETING

RESOLUTION CO/25/21/4

Moved: Cr Marten Rozeboom

Seconded: Mayor Mahé Drysdale

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 and report back to Council with the final agreement prior to execution:
 - 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.

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 Shuler and Cr Rod Taylor.

Against: Cr Hēmi Rolleston

CARRIED

TIMESTAMP: 4:16

11.1 Local Water Done Well - Preferred Water Services Delivery Model

Staff Christine Jones, General Manager, Strategy, Growth and Governance
Charles Lane, Legal Counsel

Public forum

Cr Hēmi Rolleston gave a mihi welcome to the submitters.

Arthur Flintoff – Nga Potiki, Te Rangapū Mana Whenua o Tauranga Moana

- The timeframe to delay the decision until 3 September 2025 was still not sufficient as it did not provide the space to properly engage with the range of hapū across Tauranga Moana, each of whom had different relationships with the wai. This was a constitutional issue as it had deep indications for Treaty rights, relationships and kotahitanga.
- Tangata whenua had been asked to trust Council while they still had other issues that had not been resolved nor had they been given space, with comments made being treated as reactive rather than regenerative. Now they were expected to respond to pre-determined plans and not have input into shaping them. The process treated water as an infrastructure first rather than as a taonga, drawing sacred resources into a structure where they were valued for economic efficiency not cultural significance. Iwi's treatment of water reflected the way they valued life, guardianship and responsibility.
- Mr Flintoff sought to defer the decision, allowing more time for these important issues and continue meaningful engagement with tangata whenua and to reflect the shared responsibility.

Darlene Dinsdale – Te Arawa ki Tai

- Supported a CCO, in conjunction with the Western Bay of Plenty District Council. Partnership was important to the iwi noting the Environment Court decision on the Waiari. There had been a lack of due diligence with no rangatira to rangatira conversations, which was seen as a sign of disrespect. Any consultation going forward needed to be honourable, with good intent, in good faith needed to bode well into the future.

Hakopa Tapiata – Te Arawa

- The extension of the decision was an improvement from the hui held on 18 July 2025 where certain guarantees were given to the collective iwi present that the process would be more inclusive than it had been so far. Te Arawa stood in unity with Tauranga Moana.

Ratahi Cross – Ngai Tukairangi Hapū and Te Awanui Huka Pak

- The submission had been done under duress with insufficient time to allow a robust exchange and dialogue with iwi and hapū. Te Rangapū was not the entity that decided on such issues as the parameters of 'water done well' went way beyond their scope. Water was a taonga and natural resource and they would not support anything that suggested a Council owned the water, therefore requiring any partnership to be a binding ethic of operation for which the narrative about water was better canvassed.
- Any joint water service to a CCO must include co-governance, co-design and a permanent hapū seat or seats at all levels of the discussion. As there were judicial cases still being decided by the High Court, the submitters insisted that Council adopt a sunset clause that a new water structure could be negotiated once the Judgement was released. The submitter indicated that TCC must avoid entering into any long term contracts that would restrain future rangatiratanga rights or dilute local voices. Iwi from outside Tauranga Moana must not override the local mana whenua and requested that a clear hierarchy for primary decision

making sat with the local mana whenua of each area.

- The submitter outlined the process Ngai Tukairangi requested the Council to consider as outlined in their submission.

In response to questions to submitters

- The submitter acknowledged the complexity of the issue, the mana of Tauranga and the extension into other rohe and Council areas. They were not adverse to Water Done Well and asked why it was not dealt with correctly from the beginning. The steps to deal with outside rohe needed to be done later. Care for water was paramount and iwi had a green footprint. They were seeking the respect of the greenbelt and to participate in the journey forward and the future of water.
- Information on 'making an informed decision' on the joining of TCC with Thames-Coromandel District Council had not been made available, so they were unable to comment on the CCO proposal. There were also issues between the iwi of these areas.
- Tangata whenua were always being asked to react and the submitters noted that Council needed to be having conversations with them. It was easy to call iwi leaders and set up a dialogue before making any decisions.

RESOLUTION CO/25/21/5

Moved: Mayor Mahé Drysdale

Seconded: Cr Hautapu Baker

That the Council:

- (a) Lets the report lie on the table until the 5 August 2025 Council meeting.

For: Mayor Mahé Drysdale, Deputy Mayor Jen Scouler, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Hēmi Rolleston, Cr Kevin Shuler, Cr Rod Taylor.

Against: Cr Marten Rozeboom

CARRIED

Reason for decision:

- The decision to let the report lie on the table was because Council sought more information and time to engage with iwi and hapu.

At 3.06pm the meeting adjourned.

At 3.13pm the meeting reconvened.

The remaining business agenda items were dealt with in the following order.

TIMESTAMP: 5:43

11.6 Remits to Local Government New Zealand

RESOLUTION CO/25/21/6

Moved: Mayor Mahé Drysdale

Seconded: Cr Marten Rozeboom

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	Support
2	Improving Joint Management Agreements	Support
3	Alcohol Licensing Fees	Support
4	Aligning public and school bus services	Support
5	Review of local government arrangements to achieve better balance	Support

Cr Rod Taylor abstained on consideration of Remit (b) 3.

Priorities

- (c) 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.

CARRIED

TIMESTAMP: 5:55

11.5 Transport Resolutions Report No.56

Staff Nic Johansson, General Manager: Infrastructure
Shawn Geard, Centre City Infrastructure Lead
Reece Wilkinson, Parking Strategy Manager

RESOLUTION CO/25/21/7

Moved: Cr Rod Taylor

Seconded: Cr Kevin Schuler

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 as outlined in Appendix A, Attachment 7.9, 7.12. 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 as outlined in Appendix A, Attachments 3.1, 7.2, 7.7, 7.9 (Maunganui Road), 7.16. 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.

When put to the meeting recommendations (a and c) were declared **CARRIED**

Recommendation (b):

For: Cr Hautapu Baker, Cr Marten Rozeboom, Cr Hēmi Rolleston, Cr Kevin Shuler, Cr Rod Taylor

Against: Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris

EQUAL

The Mayor did not use his casting vote.

The following motion was then moved:

Moved: Cr Rod Taylor

Seconded: Cr Kevin Schuler

That the Council:

- (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 as outlined in Appendix A, Attachment 7.9, 7.12. These controls will take effect on 4 August 2025, except for the residents permits where more investigation will be done and reported back.

For: Mayor Mahé Drysdale, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Marten Rozeboom, Cr Hēmi Rolleston, Cr Kevin Shuler, Cr Rod Taylor.

Against: Deputy Mayor Jen Scoular, Cr Steve Morris

CARRIED

The following open agenda items were deferred to a future meeting:

- Item 11.2: Status updates on actions from prior Council meetings
- Item 11.3: City Centre Steet Project – Public Engagement
- Item 11.4: Council Controlled Organisations – Final Statements of Intent 2025/28

The following public excluded agenda items were deferred to a future meeting:

- Items 13.1 & 13.2: Confirmation of minutes from Council meetings on 10 & 26 June 2025
- Item 13.3: Clarification on CCO Board Appointment
- Item 13.4: Bay of Plenty Housing Equity Fund – Appointment of Members to the Board

12 CLOSING KARAKIA

Cr Baker closed the meeting with a karakia.

The meeting closed at 4.04 pm.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 22 July 2025.

.....
Mayor Mahé Drysdale
CHAIR

7.2 Minutes of the Council meeting held on 22 July 2025

File Number: A18577671

Author: Anahera Dinsdale, Governance Advisor

Authoriser: Coral Hair, Manager: Democracy and Governance Services

RECOMMENDATIONS

That the Minutes of the Council meeting held on 22 July 2025 be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of the Council meeting held on 22 July 2025



MINUTES

**Ordinary Council meeting
Tuesday, 22 July 2025**

Order of Business

1	Opening karakia.....	3
2	Apologies	3
3	Declaration of conflicts of interest	3
4	Business.....	3
4.1	Submissions on Phase 2 of the Resource Management Reforms - National Direction.....	3

**MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE TAURANGA CITY COUNCIL CHAMBERS, L1, 90 DEVONPORT ROAD,
TAURANGA
ON TUESDAY, 22 JULY 2025 AT 4.02 PM**

MEMBERS PRESENT: 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, Cr Rod Taylor, Cr Hēmi Rolleston

IN ATTENDANCE: Christine Jones (General Manager: Strategy, Growth & Governance), Janine Speedy (Team Leader: City Planning), Carl Lucca (Team Leader: Structure Planning), Coral Hair (Manager: Democracy & Governance Services), Caroline Irvin (Governance Advisor),

1 OPENING KARAKIA

Conducted at City Delivery Committee meeting earlier in the day.

2 APOLOGIES

Nil

3 DECLARATION OF CONFLICTS OF INTEREST

Nil

4 BUSINESS

4.1 Submissions on Phase 2 of the Resource Management Reforms - National Direction

Staff Christine Jones, General Manager Strategy, Growth & Governance
Janine Speedy, Team Leader: City Planning
Carl Lucca, Team Leader: Structure Planning

Timestamp: 11:09

Refer to the tabled document with amendments to the submission on Package 1: National Policy Statement for Infrastructure (attachment 1) and Package 2: National Policy Statement for Highly Productive Land (attachment 2) that came from working with SmartGrowth partner's to get alignment.

Attention was drawn to section 6.5.1, page 44 of the agenda, and members were asked to confirm that this wording reflected the feedback from the Council workshop relating to the location of new telecommunication poles. The submission point sought an amendment to the National Code of Practice for Utility Operators to Transport Corridors 2024 (Code) to require meaningful engagement with councils to consider the impact on local communities in relation to the location of the poles.

It was requested that the telecommunications general submission point 6.5.1 be amended to make it clear that telecommunications poles should be able to be permitted within the open space zone as feedback from the utility operators indicated that permission to locate poles on council reserves

was difficult to achieve.

RESOLUTION CO/25/0/1

Moved: Cr Rod Taylor

Seconded: Cr Marten Rozeboom

That the Council:

- (a) Receives the report "Submissions on Phase 2 of the Resource Management Reforms - National Direction".
- (b) Endorses the following submissions with tabled amendments to central Government on Phase 2 the Resource Management Reforms - National Direction:
 - (i) Submission on Package 1: Infrastructure and Development (Attachment 1)
 - (ii) Submission on Package 2: Primary Sector (Attachment 2)
 - (iii) Submission on Package 3: Freshwater (Attachment 3)

CARRIED

Attachments

- 1 Amendments to Item 4.1 Submissions on Phase 2 of the Resource Management Reforms - National Direction - pdf

The meeting closed at 4.18 pm.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 5 August 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 Status update on actions from prior Council meetings

File Number: A18453815

Author: Caroline Irvin, Governance Advisor

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

Please note that this report contains confidential attachments.

Public Excluded Attachment	Reason why Public Excluded
Item 11.1 - Status update on actions from prior Council meetings - Attachment 2 - Actions from Council (public excluded) - status update 4 July 2025	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities.

PURPOSE OF THE REPORT

1. This report provides a status update on actions requested during previous Council meetings.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Status update on actions from prior Council meetings".
- (a) **Attachment 2** can be transferred into the open when the report that generated the action is no longer confidential.

BACKGROUND

2. This is a recurring report provided to every second Council meeting. The next report will be to the 26 August Council meeting.
3. The attached update includes all open actions and actions completed since the last report on 10 June 2025.
4. Once reported, completed actions are archived and will be made available in the Stellar library by mid-late July 2025.

DISCUSSION



5. A summary of outstanding and recently-closed actions is provided in the table below:

Status of actions	No. actions
Closed (completed since the last report)	4
Pending (waiting on something)	9
In progress	4

To be actioned	1
Total actions included in this report	18

6. The full status update information is provided as **Attachment 1** (17 actions from public agenda items) and **Attachment 2** (1 action from public excluded agenda items).

ATTACHMENTS

1. **Actions from Council (Open agenda) - status update 4 July 2025 - A18482926**  
2. **Actions from Council (public excluded) - status update 4 July 2025 - A18482930 - Public Excluded**

Council (Public excluded)				Actions status update as at: 4 July 2025			
Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
26 Jun 2025	11.13	Annual Plan 2025/26 Deliberations – Further Issues and Options Paper: Domain Road	Follow up with staff to ensure that: Resolution C from item 'Domain Road' is being implemented. (Resolution C directed staff to work with the submitter to investigate the option of a shared pathway).		To be actioned		Nic Johansson
10 Jun 2025	1.1	Status update on actions from prior Council meetings	That staff set up a folder in Stellar for Councillors that contains a folder for each committee and records previous closed actions from each of those committees.	Working on this action, will advise when available.	In progress		Christine Jones
10 Jun 2025	11.1	Status update on actions from prior Council meetings	That staff provide Councillors confirmation on what information on the Sale of Marine Precinct has been released and what hasn't.	Information released is on TCC website https://www.tauranga.govt.nz/parks-and-recreation/marine-and-boating/tauranga-marine-precinct . Privileged legal advice during the course of the proceeding and public excluded officer's reports have not been released.	Closed	25 Jun 2025	Paul Davidson
28 Apr 2025	3.1	Public Forum: Peter and Kate Mulligan - Cell Phone Towers	Several Councillors were in agreement with holding an open meeting.	Meetings scheduled for 9 July, with Councillors, MP Uffindall, Connexa, residents and staff	Pending		Sarah Omundsen
28 Apr 2025	11.2	Draft Alcohol Licensing Fees Bylaw - Deliberations	Provide comparisons with similar sized Councils in relation to the amount charged and time spent with applications.	This information will be provided through the next steps in the licensing fees process, when Council are asked to set the new fees.	Pending		Sarah Omundsen

Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
28 Apr 2025	11.3	Dog Registration Fee 2025/2026 Year	Consideration needed to be given to relevant annual plan submissions when setting dog registration fees in the future.	User fees and charges review will consider the setting of dog registration fees, and will include the petition information tabled at the City Delivery Committee as well as submissions received through the AP process.	Pending		Sarah Omundsen
28 Apr 2025	11.5	Elected Members' Expenses and Resources Policy - proposed leave of absence section	Elected Members would like to workshop this item further	Workshop request form submitted 6/5/25 for approval for time slot. Workshop was scheduled for 3 July, subsequently cancelled by elected members. Suggested through Mayoral Office that this matter be added to EM informal meeting agenda, and staff to be advised when EM's are ready to consider a formal report on the matter.	Pending		Christine Jones
28 Apr 2025	11.10	Haumaru (Cameron Road Courts) Ownership and Operation	A further report to be provided for Council to consider a wider context and whether Council should own and lease properties or whether these should be managed by one of the CCOs.	Workshop request form re: 'BVL asset ownership' submitted, awaiting confirmation on timing.	Pending		Gareth Wallis
28 Apr 2025	11.10	Haumaru (Cameron Road Courts) Ownership and Operation	The Bay Venues Limited request for an additional annual grant is to be considered as part of the annual plan process.	This was requested in the Executive Report to the 2025/26 Annual Plan presented to Council on 26 May 2025. The budget requested by BVL for operation of Haumaru was approved and included in the Annual Plan 2025/26, adopted 26 June 2025.	Closed	26 Jun 2025	Gareth Wallis
28 Apr 2025	11.11	Appointments to the Board Bay Venues Limited, the Tauranga Art Gallery Trust and Tourism Bay of Plenty	Defer the consideration of the appointments of Councillors to CCO Boards to six months time.	Diary note made on 28 Apr 25 for GM/staff to revisit this action in six months (i.e. late October 2025)	Pending		Gareth Wallis

Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
25 Mar 2025	7.1	Draft Alcohol Licensing Fees Bylaw - Hearings	Comparison information from other local authorities and an analysis of the decisions would be provided to Council in the upcoming report to set the fees. It would include a number of relevant factors including the number of staff, the time taken, the cost, the ratio of ratepayer and business to provide a benchmark and to ensure that all processss were being undertaken as efficiently as possible.	This information will be provided through the next steps in the licensing fees process, when Council are asked to set the new fees.	Pending		Sarah Omundsen
3 Mar 2025	3.2	Public Forum: Brian Cavit and Sandra Johnston on behalf of the Wairakei Community Centre Trust	The Community Development Team worked with Non-Government Organisations to facilitate support for areas. An update would be provided on specific work in the Pāpāmoa East area.	Council staff have met three times with representatives of Wairakei Community Centre Trust and other organisations including CAB and TECT to better understand the needs of the Pāpāmoa East Community, the aspirations of the trust and explain funding options. Council staff are searching properties in the area to identify options for the trust. TCC has contracted Socialink to undertake a Community and Social Services Needs Assessment for Pāpāmoa East. This will be completed by the end of 2025.	In progress		Barbara Dempsey

Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
3 Mar 2025	11.6	Background Information - Marine Park Reclassification	Ensure executive summaries included high level of what needed to be considered, any risks and financial information.	Guidance issued to staff on Report Executive Summaries (presentation to senior leadership group 7 March 2025, material distributed later that day and then updated and redistributed on 13 March 2025 to better address 'risk' in Executive Summaries). Recent Executive Summaries have been fuller as requested by EMs. GMs to speak to Chairs and Deputy Chairs of the Committees as to whether they are comfortable with the content and completeness of Executive Summaries in reports to their Committees. Meeting scheduled between Cr Scoular and Jeremy Boase to discuss further. Meeting deferred by Cr Scoular. Understand Cr Scoular will contact Jeremy to reschedule.	In progress		Christine Jones
24 Feb 2025	11.4	Draft Annual Plan 2025/26 Decision Making	Provide information on the cost of use of consultants for City Waters.		In progress		Nic Johansson
24 Feb 2025	11.4	Draft Annual Plan 2025/26 Decision Making	Provide a breakdown of the cost of \$338,000 of the new Bay Venues facility at Cameron Road.	Provided as part of Annual Plan preparation reports	Closed		Barbara Dempsey
24 Feb 2025	11.4	Draft Annual Plan 2025/26 Decision Making	Provide information on difference of the allocator activity for customer service, with the libraries & community hub.	Allocations are re-run every Annual Plan and will be updated for changes in activities such as the libraries and community hub. This forms part of future Annual Plan as these projects are completed. Will be included in Annual Plan process 26/27 and action can therefore be closed	Closed	11 Jun 2025	Paul Davidson

Meeting Date	Item No.	Report Name	Action Required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
2024							
29 Oct 2024	11.6	Delegations Manual Review	It was agreed that more time was needed to consider other issues and it was requested that a report be presented to the an Audit and Risk Committee to clarify the financial delegations	A workshop was scheduled for earlier in the year but has been delayed and needs to be rescheduled. Given the reset underway it is suggested that changes to delegations should be reviewed following the completion of the reset.	Pending		Paul Davidson

11.2 Local Water Done Well - Preferred Delivery Model (Update Report)

File Number: A18528585

Author: Fiona Nalder, Principal Strategic Advisor

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

PURPOSE OF THE REPORT

1. This report provides a summary of work completed since the Council meeting on 14 July 2025, primarily engagement with Tangata Whenua and information sharing with the wider community, and discussions with Thames Coromandel District Council.
2. The Council report from 14 July 2025, which provided water delivery models for Council consideration, is being re-presented at this 5 August 2025 Council meeting, and the information provided by this report is complementary to the original report.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Local Water Done Well - Preferred Delivery Model (Update Report)".

DISCUSSION

3. On 14 July 2025 Council considered future service delivery models for water, as part of responding to government's Local Water Done Well initiative. The 14 July report recommended that Council approve the establishment of a multi-council water organisation (**Water Organisation**), initially with Western Bay of Plenty District Council (WBOPDC) and Thames-Coromandel District Council (TCDC), to deliver water, wastewater and stormwater services.
4. Prior to this report Council had consulted with the community regarding the potential establishment of a Water Organisation as part of its 2025-2026 Annual Plan consultation. This consultation mentioned that Council was considering partnering with WBOPDC 'and/or other councils.'
5. Following completion of the consultation period, TCDC approached Council indicating a preference to join a Water Organisation with Council and WBOPDC. On 24 June 2025 they confirmed this via resolution and decided to formally commence negotiations and associated work needed to establish a Water Organisation with Council and WBOPDC.
6. Due to this timing, Council did not consult specifically on the potential of partnering with TCDC, although the possibility of partnering with other councils (in addition to WBOPDC) had been referred to in consultation documents, as per point 5 above.
7. On 11 July 2025 Council held a hui with Tangata Whenua to discuss the recommendations of the 14 July 2025 Council report.
8. On 14 July 2025 Des Heke (Kiawah Ngā Tarati Whenua Māori o Maungatapu Marae, Kaitimako & Otanewainuku Whānau), Arthur Flintoff (Nga Potiki, Te Rangapū Mana Whenua o Tauranga Moana), Darlene Dinsdale (Te Arawa ki Tai), Hakopa Tapiata (Te Arawa) and Ratahi Cross (Ngai Tukairangi Hapū and Te Awanui Huka Pak) spoke regarding the proposal to establish a Water Organisation with WBOPDC and TCDC. Two primary concerns were expressed:

- i. That consultation with Iwi and Hapū had been insufficient, given importance of the proposed decision and the value of water as a taonga, and that consulting with the Te Rangapū Mana Whenua o Tauranga Moana Partnership cannot be used as a substitute for consulting directly with Iwi and Hapū.
 - ii. The proposal to partner with TCDC, given that this had not be directly referenced in prior consultation and that there is currently an open Treaty of Waitangi claim by the Hauraki Collective, which cites interests in Tauranga Moana and is an active source of contention with Tauranga Moana Iwi.
9. Following the presentations by Iwi representatives, Council decided to leave the 14 July Council report to lie on the table until 5 August 2025, and to use the interim period to hold further discussions with Iwi, Hapū and also provide information to the wider community regarding the potential of partnering with TCDC.
10. The 14 July 2025 Council report ("Local Water Done Well: Preferred Water Services Delivery Model" is re-presented at this 5 August Council meeting, and is the agenda item immediately following this update report. Additional supplementary information, tabled at the 14 July 2025 meeting, is provided as attachments to the re-presented "Local Water Done Well: Preferred Water Services Delivery Model" report.
11. This report provides an update of the work completed during the interim period between the Council meeting of 14 July 2025 and 5 August 2025.

Further engagement

12. During the period of 15 July to 5 August 2025, Council engaged further as follows:
 - Friday 18 July 2025 – Tangata Whenua Hui hosted by Mayor Mahé, attended by Iwi leaders and chairs of water related Committees and Boards and TCC elected members.
 - Wednesday 23 July 2025 – Tangata Whenua nominated persons / TCC staff working team hui to share information, respond to questions, and explore options.
 - Thursday 24 July 2025 – Why wai matters: a water update, an open community meeting providing information on the current project status, consultation feedback and the potential addition of TCDC as a Water Organisation partner.
 - Monday 28 July 2025 – Second hui of Tangata Whenua / TCC staff working team.
 - Week of 28 July 2025 – Second hui with Iwi leaders / chairs and Elected Members (note that was to occur after the finalisation of this paper).
 - Thursday 31 July 2025 – Meeting with Te Rangapū Mana Whenua o Tauranga Moana Partnership (note that this was to occur after the finalisation of this paper).
13. The presentations given to Tangata Whenua and the community can be viewed on Council's website on the [Local Water Done Well page](#). The hui presentations sought to address the feedback from Tangata Whenua (refer paragraph 14 below for key themes), and also questions raised.

Feedback from Tangata Whenua

14. Tauranga Moana Tangata Whenua have highlighted several key issues with Council. These key issues have been raised at the hui held on 11 July and 18 July, by speakers at the 14 July Council meeting, and in the working team hui of 23 July. In summary key issues are:
 - Lack of consultation. The consultation that did occur focused on sharing information, rather than engaging on opportunities for Iwi and Hapū to be involved in the delivery of water moving forward. Additionally, Tangata Whenua have emphasised that consulting with the Te Rangapū Mana Whenua o Tauranga Moana Partnership is not a substitute for consultation directly with Iwi and Hapū, particularly regarding issues of significance such as the delivery and management of water.

- The need to clearly identify and articulate opportunities for Iwi and Hapū to be involved in water delivery moving forward. Any Water Organisation (including a multi-council Water Organisation) must include co-governance, co-design and permanent Iwi/Hapū seat or seats at all levels of the discussion. Tangata Whenua need to be involved in shaping plans for water delivery, rather than reacting to them.
 - Concern that a multi-council Water Organisation would see dilution of the Tangata Whenua relationship with Council and dilution of local voices and local issues. Concern that a multi-council Water Organisation would compromise the ability for Tauranga Moana Tangata Whenua to have their voices heard and to be involved in decision making and outcomes related to their rohe areas. Iwi from outside Tauranga Moana must not have any say or override local mana whenua and a clear hierarchy would need to be established ensuring that primary connection and influence sat with the local Mana Whenua of each area
 - Concern with the prospect of TCDC being part of a multi-council Water Organisation with Council and WBOPDC, given the ongoing Treaty Settlement issues with the Hauraki Collective.
 - The importance of wai (water) to Tangata Whenua. Wai is viewed by Tangata Whenua as a taonga, and as possessing mauri (life force). It is natural resource and care for wai is of fundamental importance.
15. Council staff understand it is likely that Tangata Whenua will seek to provide a collective view to Council on the service delivery options, and once this is received it will be circulated as a supplementary attachment to this report or tabled on the day of the Council meeting (5 August), depending on when Council receives it.

Discussions with other Councils

Western Bay of Plenty District Council

16. WBOP will consider their approach to water services delivery, and which model they wish to proceed with, at the WBOPDC 5 August 2025 Council meeting.

Thames Coromandel District Council

17. The recommended option in the 14 July Council report was a multi-Council water organisation with both WBOPDC and TCDC.
18. TCC could alternatively choose to form a Water Organisation entirely without TCDC, or not to include as them as formal partner at the outset (for example, this could look like enabling TCDC to participate in due diligence processes and to provide input into foundation documents) but keeping the option open for TCDC to join formally later.
19. If either of the options in paragraph 18 are chosen, TCDC have advised that in the short-term TCDC would likely continue delivery of water in-house with changes made as per legislative requirements (and this is what would be reflected in their Water Services Delivery Plan). They would also revisit partnership discussions with Waikato Water Done Well and the Hamilton City/Waikato District pairing.
20. TCDC's decision to prioritise a partnership with TCC and WBOPDC was due to:
- These organisations being open to partnership, based on discussions to-date
 - The ability for Thames Coromandel to influence set-up and composition from the outset
 - Efficiency gains would be achieved sooner, versus waiting 2 to 3 years to see efficiencies from an updated in-house delivery model
 - Being in a partnership with a large metro would deliver larger long-term savings for their communities
 - There are communities of interest shared between Thames Coromandel and Western Bay

- A three-way partnership between a large metro (Council) and two smaller councils (Thames Coromandel and Western Bay) provides balance.

Partnering with Thames Coromandel District Council to form a Water Organisation

21. The options section of the 14 July 2025 report (Attachment 1) provides expected advantages and disadvantages for each approach. As this is a supplementary report, these advantages and disadvantages are not repeated here, except to note that as the scale of a Water Organisation increases (i.e. the greater the number of councils that join) so do the expected efficiency gains.
22. Advantages specific to forming a Water Organisation which includes TCDC, along with TCC and WBOPDC, are:
 - TCDC debt levels are extremely low, their overall council debt level is currently 30% and peaks at 96% in 2031 (TCDC has a debt limit of 175%). This is significant in the early years for TCC and WBOPDC due to current high debt levels for both these organisations.
 - TCDC have good assets in place, a robust Long-Term Plan and a capital programme that is legislatively compliant (this has been independently reviewed by BECA).
 - TCDC rates are low, with an average rate of \$2,000. Thames Coromandel are not looking to harmonise any pricing currently due to their current low rates.
 - Having TCDC as a partner brings balance to the TCC/WBOPDC relationship (with an anticipated split of approximately 18% Thames Coromandel / 18% Western Bay / 64% Council).
 - There are common regulatory challenges with coastal outflows across the three partners meaning that the Water Organisation can leverage existing skills from across the three organisations.
 - TCDC have a low capital programme over the first 10 years which provides debt capacity.
 - There are mutual benefits to having a joint capital programme for the three councils, i.e. timing can be optimised for debt capacity.
23. The primary disadvantage, unique to the potential inclusion of TCDC, is the concern that Tauranga Moana Tangata Whenua have regarding this partnership, given the open Treaty of Waitangi claim by the Hauraki Collective, which cites interests in Tauranga Moana and which is strongly opposed by Tauranga Moana Tangata Whenua.
24. Water is of high value to Tangata Whenua, viewed as taonga with its own mauri (life force) and as such, decisions about the future management and delivery of water have particular significance.

NEXT STEPS

25. Following Council's decision regarding its preferred water delivery model, staff will complete the Water Services Delivery Plan.
26. The Water Services Delivery Plan will be provided to Council for consideration on 12 August, ahead of submitting the Plan to the Department of Internal Affairs by 3 September 2025 (the government prescribed deadline).
27. If Council decides to proceed with a multi-Council Water Organisation, then a Commitment Agreement will also be presented for Council consideration at the 12 August Council meeting.

ATTACHMENTS

Nil

11.3 Local Water Done Well - Preferred Water Services Delivery Model

File Number: A18566070

Author: Stephen Burton, Transformation Lead - Water Services
Cathy Davidson, Manager: Directorate Services
Fiona Nalder, Principal Strategic Advisor
Kathryn Sharplin, Manager: Finance
Charles Lane, Team Leader: Commercial Legal

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

PURPOSE OF THE REPORT

1. This report seeks Council decisions on:

- The preferred water services delivery model for Tauranga City Council.
- If a water organisation is approved, whether further work is required to be completed on aspects of stormwater management other than stormwater delivery, including asset ownership and charging options.
- If a water organisation is approved, the “go-live” operational date, which includes the transfer of all relevant assets and services to the new organisation by this date.

NOTE: this report was first presented to Council on 14 July 2025, when it was left to lie on the table, for reconsideration by Council on 5 August 2025. It remains unchanged except for:

- **Attachments 3 and 4, which provide supplementary information that were tabled during the meeting of 14 July 2025 (there has been a further minor update made to the flowchart provided as Attachment 3 to this report, following the presentation on 14 July 2025).**
- **Paragraphs 63(i) and 100 updated to reflect that the Water Services Delivery Plan and Commitment Agreement will be considered by Council on 12 August (not 5 August), and to specifically note that ongoing engagement with Tangata Whenua will occur.**

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Local Water Done Well - Preferred Water Services Delivery Model".

Creation of a multi-council water organisation

- (b) Approves the establishment of a multi-council water organisation, initially with Western Bay of Plenty District Council and Thames-Coromandel District Council, to deliver water, wastewater and stormwater services, subject to:
 - i) Western Bay of Plenty District Council's approval of the corresponding resolution at their meeting of 5 August 2025; and
 - ii) all three councils being satisfied with the results of the due diligence process.
 - (c) Approves a potential go-live operational date of 1 July 2027 for the multi-council water
-

organisation.

- (d) Confirms that ownership of water and wastewater assets will transfer to the multi-council water organisation, along with associated debt.
- (e) Confirms that whilst the multi-council water organisation will deliver stormwater services, further work will be completed to consider other aspects of stormwater management, including asset ownership and charging options.

Transition and establishment

- (f) Notes that regular reporting back to Council will occur throughout the transition phase, leading up to the 'go-live' date of 1 July 2027, with the next report providing the Water Services Delivery Plan and Commitment Agreement to Council for formal consideration, ahead of submitting the Plan to the Department of Internal Affairs by 3 September 2025.

EXECUTIVE SUMMARY

2. This report recommends establishment of a multi-council water organisation together with Western Bay of Plenty District Council and Thames-Coromandel District Council, to deliver water, wastewater, and stormwater. The proposed operational start date is 1 July 2027 (later than the 1 July 2026 anticipated in earlier Council reports), with all relevant assets and services transferred by that date.
3. The proposal to establish a multi-council water organisation responds to the Government's Local Water Done Well initiative, which provides councils with a choice of water service delivery models (in-house versus external). The aim of Local Water Done Well is to improve financial sustainability and establish enhanced regulatory and reporting requirements. It encourages the establishment of water organisations for the delivery of water services. Councils must submit a Water Services Delivery Plan (**WSDP**) to the Department of Internal Affairs by 3 September 2025 which outlines a financially sustainable model for water service delivery.
4. Council has evaluated and consulted on three service delivery models:
 - i. Multi-Council Water Organisation (**recommended**) – Offers regional collaboration, economies of scale, and increased borrowing capacity. Estimated average charge per connection (averaging both commercial and residential connections) by 2034 is \$3,400 (residential is \$2,605) in 2024 dollars. Including inflation, the average charge by 2034 would be \$4,344 and \$3,329 for an average residential connection.
 - ii. Standalone Tauranga City Council Water Organisation – Maintains local control but lacks scale and regional integration. Estimated average charge per connection by 2034 is \$3,437 (residential is \$2,633) in 2024 dollars. Including inflation, the average charge by 2034 would be \$4,391 and \$3,365 for an average residential connection.
 - iii. Current in-house model – Offers direct community accountability but limits financial flexibility and efficiency. Estimated average charge per connection by 2034 is \$3,767 (residential is \$2,911) in 2024 dollars. Including inflation, the average charge by 2034 would be \$4,812 for an average connection and \$3,719 for an average residential connection
 1. (Note: these numbers are from Council's in-house model)
5. Community consultation conducted in March and April 2025 showed no clear preference between the multi-council water organisation and the in-house model. The standalone Tauranga City Council water organisation was the least preferred. Financial modelling by Council and consultants (MartinJenkins) aligns and indicates that the multi-council water organisation offers modest but increasing savings over time, particularly in capital and operational expenditure. It also enables higher debt capacity, allowing for lower annual water

charges while maintaining infrastructure investment and aligns with Government's preferred approach for water delivery.

6. Risks of the recommended approach include governance complexity, potential loss of local influence, and community concerns about accountability and perceived privatisation.
7. This report also provides a high-level outline of the legal and operational steps required to establish a Water Organisation in the event this is Council's chosen model.
8. There is a significant programme of work to be completed, including the transfer of staff, assets, liabilities, debt, contracts, consents etc. to the water organisation prior to 1 July 2027, and the establishment of systems and processes to support business delivery, such as digital platforms. It is expected that, at least initially, some of these services will continue to be provided by council (such as customer service functions like the contact centre), and service level agreements will need to be developed and agreed to by council.
9. In addition to this work, governance structures (such as a Board) need to be finalised and executive staff appointed and in place. Incorporation of the multi-council water organisation is noted in the draft implementation plan for early-mid 2026.
10. At this point, it is proposed that the delivery of stormwater services would be the responsibility of the multi-council water organisation (if this is the delivery model chosen by Council). However further work will be completed to consider other aspects of stormwater management, including asset ownership and charging options. For the avoidance of doubt, it is confirmed that ownership and control of stormwater assets which serve dual purposes, such as reserves and open spaces, will remain with Council (as noted in the [26 May 2025 Council report](#)).
11. Priority actions over the short-term include:
 - Report to Council on 5 August with a Water Services Delivery Plan, prior to finalising the Plan and submitting it to the Department of Internal Affairs by 3 September 2025 (this will need to occur, regardless of the water service delivery model Council chooses).
 - Finalising and executing a Commitment Agreement between Council, Western Bay of Plenty District Council and Thames-Coromandel District Council (if a multi-WO is approved).
 - Agreeing on a process (across the three councils) for engaging Elected Members for input on key commercial documents (and other key cross-council negotiations), including identifying key decisions which must be referred to Council for resolution.
12. Another immediate priority is initiating further engagement with Tangata Whenua regarding future governance and service delivery discussions. Te Rangapū Mana Whenua o Tauranga Moana support the multi-council water organisation concept, however work to-date has focused on which service delivery model Council will choose. It is now timely to move to discussions regarding next steps, and Iwi and Hapū involvement in these. A hui with Tangata Whenua is scheduled for 11 July to engage on these matters. The sub-regional approach towards water delivery recommended by this report means that Iwi and Hapū engagement will encompass more than just Tauranga's Tangata Whenua.

BACKGROUND

13. This report recommends the establishment of a multi-council water organisation for the delivery of water services to Tauranga, and the wider region, initially in partnership with Western Bay of Plenty District Council and Thames-Coromandel District Council, and with a go-live operational date of 1 July 2027.
14. This decision is required now so that Council can finalise its Water Services Delivery Plan (**WSDP**) and submit it to the Department of Internal Affairs by the government prescribed deadline of 3 September 2025.

Local Water Done Well

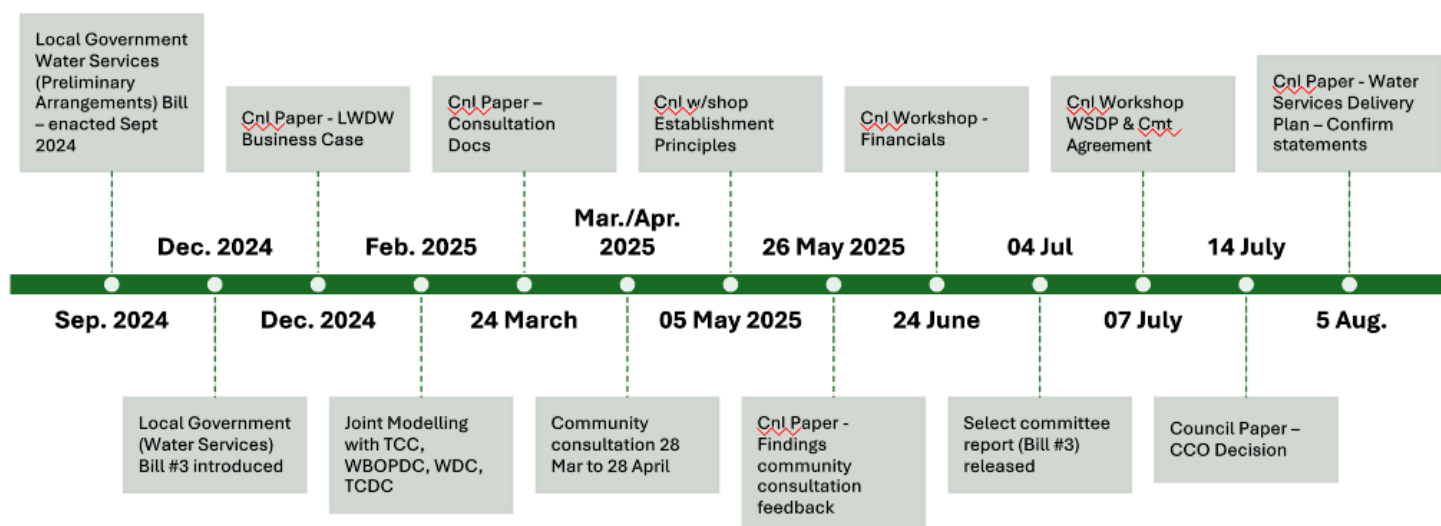
15. Government's Local Water Done Well aims to:

- Enable fit-for-purpose service delivery models and financing tools, primarily by encouraging councils to establish water organisations for the delivery of water services (having the effect of removing water-related debt and expenditure from council balance sheets).
- Ensure water services are financially sustainable. Each council must submit a financially sustainable WSDP to Government by 3 September 2025.
- Introduce greater central government oversight via increased regulatory requirements.

Progressing Local Water Done Well: Council's work programme and past decisions

16. Council has completed significant work to ensure that Tauranga is positioned to meet its new legislative requirements under Local Water Done Well and that Tauranga's water, wastewater and stormwater services continue to be planned for and delivered at the current high standard.
17. This has focused on work to determine the best future delivery model for Tauranga, with key dates shown by Figure 1 below.

Figure 1¹: Key dates and milestones



18. On 9 December 2024 Council adopted the Indicative Business Case on the Future for Water Service Delivery and decided to progress to public consultation on water delivery models alongside Council's 2025/2026 Annual Plan, and to continue work with the Western Bay of Plenty District Council as a potential multi-council water organisation partner.
19. On 24 March 2025 Council agreed to consult on three options for water delivery: Council's preferred option of a multi-council water organisation, a standalone Tauranga City Council water organisation, and the current delivery model (in-house) with changes to meet Government's new legislation.
20. On 26 May 2025 Council received a report summarising the findings from the community consultation 'Why wai matters: Local Water Done Well', which ran from 28 March to 28 April.

¹ Whakatane District Council resolved on 26 June 2025 that its preference is to develop a multi-CCO with Kawerau District Council, Ōpōtiki District Council and Rotorua District Council.

21. A total of 726 people provided submissions addressing 'Why wai matters: Local Water Done Well' via Council's online submissions form. Council received further submissions via email. In addition to the submission process, a market research company was contracted to complete a demographically sound survey of 253 people from across Tauranga.
22. Submitters who used Council's online submission form were asked to rank the importance of five statements and then asked to rank the three delivery models in order of preference (and say why they liked and disliked each model).
 - Multi-council water organisation: 41.7% of submitters ranked this as their first preference. Almost 400 comments were provided regarding this option, with approximately 30% of comments positive and 50% of comments negative.
 - Tauranga only water organisation: This option was least preferred as a first choice (19.3%), but the most popular second choice (61.6%). Approximately 300 comments were provided, around 16% of those comments were positive, and 65% negative.
 - In-house model (current delivery model): 39.2% of submitters ranked this option as their first preference. Approximately 300 comments were provided with around 47% of those comments positive and 29% negative.
23. A detailed analysis of the community feedback is provided in the [26 May 2025 report \(refer p148\)](#).

The case for a multi-council water organisation

24. Overall, the consultation findings demonstrated that there is not a strong community preference for either the multi-council water organisation or for the current delivery model. Community views are close to being evenly split between these two options, with a standalone Tauranga City Council water organisation being the least preferred first option.
25. One financial advantage of a multi-council water organisation over in-house delivery relates to the different debt structure and borrowing enabled for a water organisation. The ability to borrow to higher levels within the multi-council water organisation enables this entity to charge less in annual water charges but fund the same amount of capital delivery as an in-house model. A standalone water organisation also has this ability. However, Standard & Poors' credit rating is likely to consolidate the full amount of the single water organisation debt in its assessment of Council's credit rating.
26. In addition to the ability to hold more debt, a multi-council water organisation has the potential to deliver efficiency savings primarily from focussed governance and investment as well as through scale over and above those that could be achieved under the current service delivery model. Efficiencies could also be achieved in a single water organisation.
27. This modelling of in-house delivery compared with water organisation options is underpinned by assumed efficiencies in pricing and expenditure. These are based on efficiencies experienced by overseas water service delivery organisations established via amalgamation (such as a number of Australian water providers). Overseas data has been used as local data is not widely available, with the only examples of amalgamation being Watercare (Auckland) and Wellington Water (noting that Wellington Water does not own water infrastructure²).
28. Whilst Council's in-house modelling shows the financial advantage to be relatively small particularly over the first 10 years (as did the MartinJenkins modelling), it is projected to grow over time, with operating efficiencies increasing beyond the ten-year period. MartinJenkins modelling included savings through to 2044, with overall savings expected to be higher for a multi-council water organisation than a standalone water organisation.
29. In addition to economies of scale, a multi-council water organisation aligns with Government's aspirations for Local Water Done Well and through its governance and

² This will change as of 1 July 2026, as the councils which form Wellington Water have decided to move to a multi-council water organisation model, with ownership of assets being in the water organisation.

accountability arrangements is potentially better positioned to meet the increased complexity of the separate reporting and regulatory requirements imposed under the new legislation.

- *“I have been clear in my expectation that council should be working together to address financial sustainability challenges, as you are already actively doing. In particular, I expect councils to be actively considering working with and supporting their neighbouring councils, especially smaller and rural councils, particularly given there is no requirement for price harmonisation under Local Water Done Well.”* Letter from Minister Watts to all councils, 21 May 2025 – included as **Attachment 1**.
- *“The Government also expects regions to comprehensively adopt priority Central Government reform including Local Water Done Well, Going for Housing Growth, Resource Management Act and transport governance reform in Auckland.”* City and Regional Deals press release from Ministers Bishop and Watts, 2 July 2025, downloaded from <https://www.beehive.govt.nz/release/city-and-regional-deals-unlock-growth>.

Recent decisions and Council's in-house financial model

30. Following consideration of community feedback, and in recognition of the range of factors (in addition to community feedback) influencing the future of water service delivery in New Zealand, Council approved on 26 May 2025:
 - an integrated, three-waters approach for the delivery of water services, with all three water services (water supply, wastewater and stormwater) to be delivered by the same organisation.
 - a multi-council water organisation continuing to be the preferred model, noting that a Council workshop on the in-house developed financial model would be held in June, with the final decision on the water delivery model being made by Council prior to the finalisation of the Waters Service Delivery Plan.
31. In May 2025 Thame-Coromandel District Council informally approached Council indicating that their preference moving forward could be to establish a multi-council water organisation with this Council and Western Bay of Plenty District Council. On 24 June 2025 they confirmed this via resolution and decided to formally commence negotiations and associated work needed to establish a multi-council water organisation with this Council and Western Bay of Plenty District Council.
32. Council held a public workshop on 24 June, at which staff presented the in-house financial model. This model used council data together with assumptions used by the external MartinJenkins financial model. It will be used to inform the financials in the Water Services Delivery Plan being developed. The model presented on 24 June assumed a water organisation go-live operational date of 1 July 2026. The decision sought in this report is to move the go-live operational date to 1 July 2027, which has consequential impacts on the dashboard financials shown in the dashboard in **Attachment 2**.
33. The council-prepared financial model delivered findings which aligned with those provided by Rationale and MartinJenkins consultants (and used in previous Council reports). It confirms that a multi-council water organisation delivers a modest financial advantage, based on efficiency assumptions which offset stranded overheads. The efficiency savings across capital and operational costs also offset the additional interest costs of higher debt. These efficiencies and higher debt capacity enable a water organisation to charge less in annual water charges but fund the same quantity of capital by holding higher debt. The details of these efficiencies and additional costs of a water organisation are summarised in the dashboard in Attachment 2 which shows the modelled results for in-house, a single water organisation and a multi-council water organisation.
34. The assumed efficiencies are based on the findings of the MartinJenkins model and are used across all models. It is important to note that the assumed stranded overheads used in the model are an estimate of the likely maximum impact used for the purposes of modelling. The actual stranded overheads will depend on shared service and transitional arrangements

between the multi-CCO and councils, and all parties will aim to keep stranded overheads to a minimum.

35. Ultimately, water customers have the potential to be charged less over a 10-year time frame under a multi-council water organisation (up to a total of \$200m less in charges, or \$190m under a single council water organisation). The reduced revenue under CCO options is reflected in higher debt. The costs of this higher debt (interest) along with “stranded overheads” are more than outweighed by efficiency savings across capital and operational expenditure together. They are only partially offset by the opex efficiencies.

Table 1: Council’s financial model

Modelling total over 10 years- comparison (Inflated)									
\$millions									
Key metrics	November Business Case Multi CCO	Consultation Multi CCO (MJ Model incl. price adjustment)	TCC Model In-house	TCC Model Single CCO	TCC model- Multi CCO (incl. price adjustment)	MJ Vs TCC Multi CCO	TCC Multi CCO Vs TCC In-house	TCC Multi CCO Vs TCC only CCO	Comments
Water Charges Revenue	1,991	1,913	2,046	1,856	1,846	67	200	10	Efficiency savings & less debt retirement under TCC CCO gives choice of lower cost to consumer, note the Water entity might choose to invest further to accelerate operational/ network efficiencies
Operating Exp	1,829	1,945	1,951	1,952	1,959	14	8	8	Similar efficiencies (with minor differences) all CCO's but TCC CCO higher interest cost without debt retirement
Debt	1,465	1,571	1,363	1,491	1,524	47	161	33	TCC CCO model, less debt retirement \$200m plus capex efficiency impacts
Capex	2,130	2,076	2,138	2,095	2,078	2	60	17	Same output, more efficiencies
FFO to Debt Ratio	NA	10%	12.30%	9.70%	9.30%	0.7%	-3.0%	-0.4%	CCO option allows a choice of reduced cost to consumer but higher debt
Cash interest coverage ratio	NA	NA	2.3	1.71	1.75	-	0.55	0.04	Lower cash interest coverage ratio on avg through 10 years
Avg charges per connection (nominal)- FY 34 only	4,234	4,403	4,812	4,391	4,344	59	468	47	Lower connection charges compared to inhouse model vs multi council, minor difference between multi council vs standalone CCO
Avg charges per connection (Real)- FY 34 Only	3,308	3,440	3,767	3,430	3,394	46	373	37	Same as above
* red text indicates disadvantage over comparator									
* green text indicates advantage over comparator									

Note: In the last row (real) means in 2024 dollars as used in the consultation document

Free Funds from operations (FFO)

36. FFO is a metric for determining financial sustainability under Local Water Done Well. The FFO to debt metric brings in consideration of expenditure by assessing the free funds or surplus revenue available to cover borrowing. The higher the FFO the more financially sustainable the service. Water organisations are expected to carry high debt (particularly growth councils) as there is a high level of capital investment required which will be paid for by consumers over the life of the new infrastructure. A council the size of Tauranga (over 50,000 connections) is expected to have a FFO of 8% or higher. Council’s in-house modelling shows an FFO which exceeds the minimum required. A more comprehensive discussion of FFO was provided in the [24 March 2025 Council report](#) (refer p65).

Transition and establishment arrangements

37. Considerable work needs to be completed prior to establishing the proposed multi-council water organisation. Previous reports to Council, and the 'Why wai matters: Local Water Done Well' community consultation document, referred to an establishment date of 1 July 2026. However recent work completed by council staff has clarified that this is not feasible. This report proposes an establishment date of 1 July 2027. This aligns with the establishment date adopted by Thames-Coromandel District Council and that expected to be considered by Western Bay of Plenty District Council.
38. This means that the transfer of staff, assets, liabilities, debt, contracts, consents etc. to the water organisation all need to be completed prior to 1 July 2027. This will require working with impacted staff and identifying those who will transfer to the water organisation, as well as identifying all relevant property, property rights, assets and contracts to be transferred.
39. In addition to these transfers, governance structures (such as a Board) need to be finalised, and executive staff need to be appointed and in place approximately 12 months ahead of the 1 July 2027 start date. Incorporation of the water organisation is proposed in the draft implementation plan to be early-mid 2026.
40. Consideration also needs to be given to setting up the water organisation with systems and processes to support business delivery, such as digital platforms. It is expected that, at least initially, some of these services will continue to be provided by council (such as customer service functions like the contact centre), and service level agreements will need to be developed and agreed to by council, as part of the broader legal workstream related to establishing the water organisation.
41. This substantial programme of work is set out in more detail in following sections of this report.
42. There will be some stranded overheads, for example as a result of moving away from existing council systems and having different governance and executive arrangements. However, Council will be able to manage and minimise these through shared service arrangements. These will be worked through prior to establishment of the water organisation in 2027.
43. The WSDP will include a transition plan and associated budget requirements addressing the process of establishing a water organisation, with the high-level work programme provide later in this report. Budgeted costs for Council are \$4.24m for water organisation establishment costs in in 2025/2026 and a further \$1.975m in 2026/2027. In addition, there is \$3.5m waters digital budget in 2025/2026. These budgets are loan funded and intended to transfer as debt to the water organisation. This expenditure and debt impact has been factored into modelling. It should be noted that a digital plan still needs to be developed and TCC is currently exploring whether there are opportunities to work with others to reduce costs and achieve economies of scale.
44. If Council chooses to move forward with a multi-council water organisation, the next step will be to finalise and execute a Commitment Agreement (see following section for more detail on what the Commitment Agreement is). Under the Commitment Agreement, one of the first tasks is to develop a project budget, which will be approved by the cross-council project steering group (and potentially by Council if desired). The cost of the project will be shared by Council, Western Bay of Plenty District Council and Thames-Coromandel District Council. This Council's financial contribution is expected to sit within the expenditure envelope approved via the 2025/2026 Annual Plan (see budgets in point 42).

Stormwater

45. On 26 May 2025, Council approved an integrated, three-waters approach for the delivery of water services, with all three water services (water supply, wastewater and stormwater) delivered through the same organisation.

46. This means that if Council chooses to progress establishment of a multi-council water organisation, stormwater services would be delivered by that organisation (together with water supply and wastewater services). In addition to this decision, it is already anticipated that, in the event stormwater is delivered by a water organisation, ownership of many stormwater assets would remain with Council. This is because many stormwater assets are land parcels which serve dual purposes, providing open space and reserve land, as well as delivering stormwater outcomes. For these assets, ownership best sits with Council rather than a water organisation.
47. However, if Council decides to progress establishment of a multi-council water organisation, additional work is needed before further decisions are made regarding stormwater. Currently Council charges for stormwater via rates, which are based on property values. The Select Committee released its most recent report on 3 July 2025 reiterating that water organisations will not be able to charge based on property values (proposed transition period of 5 years). The full analysis of this report needs to be completed by Council staff and the impacts of moving to a non-property-based charging system for stormwater need additional investigation. This will occur as part of next steps and be reported back to Council.

Legal processes

48. A number of legal documents need to be workshopped, negotiated, drafted and executed in order to establish the water organisation (early-mid 2026), and to allow it to become operational (1 July 2027). At a high level, the key documents include:
49. Water Organisation Commitment Agreement, which is a commitment between the three councils forming the water organisation to work together to develop a joint operating model for the delivery of water services.
50. For clarity, the Commitment Agreement does not legally bind Council to enter into a water organisation with Western Bay of Plenty District Council and/or Thames-Coromandel District Council. Under the Commitment Agreement, Council will have the right to withdraw from the Commitment Agreement (and by extension its commitment to establish a water organisation with Western Bay of Plenty District Council and/or Thames-Coromandel District Council) at any point providing it does so as early as possible and provides an explanation for withdrawing. For example, in theory, Council could exercise its right to withdraw from the Commitment Agreement in the event it was dissatisfied with any matter arising out of the due diligence process. A more detailed explanation of what the Commitment Agreement does and does not do is set out in Table 1 below.
51. Water Organisation Shareholders' Agreement, which sets out the rights and obligations of each shareholding council of the water organisation in relation to governance and decision making, and other rights and obligations that shareholders will owe to each other.
52. Water Organisation Constitution, which sets out how the water organisation will be run by its board of directors and how decisions will be made, including processes relating to the management of share issues, meetings and resolutions, the appointment and removal of directors, directors' powers, and board proceedings.
53. Template Transfer Agreement (for each council to enter into with the water organisation), which provides for the transfer of the councils' water assets and liabilities from each shareholding council to the new water organisation and will specify: matters being transferred; matters not being transferred; the transfer terms, including warranties; matters of shared interest; the provision of ad hoc services; and arrangements relating to whether the council or water organisation will undertake charging and revenue collection. For clarity, each shareholding council will enter into a separate transfer agreement with the water organisation. This agreement will be informed by internal work completed by each council identifying their assets etc. (as discussed in paragraph 38).
54. Transitional services and shared services agreements. The scope of this agreement will depend on what, if any, services are to be contracted back to one or more of the shareholder councils.

55. Terms of financing agreements, to allow the water organisation to have finance to complete the acquisition of water and wastewater assets and associated transfer of debts from shareholding councils, and to allow the water organisation to finance its ongoing capital expenditure and operating expenditure requirements.
56. Other documents, including documents regarding the incorporation of the water organisation such as resolutions, director appointments, deeds of indemnity etc.
57. Of the documents above, the first one that must be completed is the Commitment Agreement. The three councils are working towards executing this document in early August 2025, subject to this Council and Western Bay of Plenty District Council resolving to enter into a multi-council water organisation.
58. The table below clarifies what the Commitment Agreement will and will not do.

Table 1: The role of a Commitment Agreement

What the Commitment Agreement does	What the Commitment Agreement does not do
<ul style="list-style-type: none"> Formally commits the councils to continue working together on a joint water services operating model, this includes establishment of a water organisation and all matters to allow the water organisation to become fully operational on 1 July 2027. Commits the councils to dedicate appropriate resources (including a senior level “sponsor”) to the Project Establishes governance structures, including: <ul style="list-style-type: none"> ➤ Councils’ Executive Group, ➤ Project Steering Group, and ➤ Project Team. <p>(One of the obligations of the councils’ Executive Group shall be to identify and agree the decisions that shall be referred to councils for resolution.)</p> Introduces a Transition Plan that sets indicative timeframes for future decision-making and achieving key milestones to allow the multi-council water organisation to become fully operational on 1 July 2027. Appoints Council (TCC) to a “project administration agent” role. This includes managing expenditure, preparing agendas and reporting. Outlines shared responsibilities including funding, cost sharing, project planning, and consultation. Allows any council to withdrawal at any time for convenience, provided other councils are notified as early as possible 	<ul style="list-style-type: none"> Does <u>not</u> legally bind Council (TCC) to enter into a multi-council water organisation with Western Bay of Plenty District Council and Thames-Coromandel District Council. As noted above, any council will have the right to withdraw from the Commitment Agreement. Does <u>not</u> record key commercial terms for the multi-council water organisation, such as shareholding interests, voting rights, transfer of assets etc. These matters will be addressed through a series of workshops which will enable the parties to negotiate and finalise the Shareholders’ Agreement and Constitution, and other related legal documents. Does <u>not</u> finalise the operational details of the future multi-council water organisation. Does <u>not</u> bind councils to continue if there is a material change in law or policy. Does <u>not</u> require the councils to issue a joint WSDP. Each council will issue its own WSDP with ring fenced business activity. However, each WSDP shall reference an intent to enter into a multi-council water organisation, include a joint implementation plan and include a consolidated set of financials. Does <u>not</u> set iron-clad timing for project milestones – there will be flexibility. Does <u>not</u> allow unilateral decisions or public communications without mutual agreement. Does <u>not</u> record the role of Tangata Whenua (at this point in time). However, the Commitment Agreement does acknowledge there are a number of iwi and hapu within

<p>and an explanation is given for withdrawal.</p> <ul style="list-style-type: none"> • Provides mechanisms for dispute resolution, including negotiation, mediation, and arbitration. • Protects confidentiality and intellectual property rights. 	<p>the area covered by the proposed multi-council water organisation, and that the councils agree to work together with Tangata Whenua to agree processes by which a range of matters relevant to LWDW can be discussed and considered.</p> <ul style="list-style-type: none"> • Does <u>not</u> override each council's statutory obligations.
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FINANCIAL CONSIDERATIONS

59. The financial modelling and assumptions for the water organisation have been included in sections above. For the remaining activities of Council, the water organisation options for water services free up Council's balance sheet for investment on other activities of Council. However, capacity to borrow will be reduced as the significant waters revenue will no longer be available to support future council borrowing.
60. Council has options to remain within borrowing covenants under the bespoke debt to revenue ratio of 330%, which would enable a capital programme for the remaining Council close to that outlined in the 2024-34 Long-Term Plan (approximately \$280m per annum assuming capital subsidy and development contribution revenue of \$60m per annum), and assuming the ongoing rates rises adopted in that Long-Term Plan (average 9.5% before growth and including inflation).
61. A lower average annual rate rise would require a lower level of capital expenditure unless higher subsidy revenue could be achieved to support this capital expenditure.
62. Options for the remaining activities of Council will be considered more fully as part of the development of the 2027-37 Long-Term Plan. At that time consideration can be given whether to retain the LGFA bespoke covenant of 330% debt to revenue ratio or revert to the standard borrowing covenant of 280% debt to revenue ratio if three waters is set up in a water organisation.

WORK PROGRAMME

63. If Council chooses a multi-council water organisation as its service delivery model, a substantial work programme needs to be completed prior to the go-live operational date of 1 July 2027. Key steps for the remainder of 2025 are outlined below.
 - i. 12 August 2025: Council consideration of the WSDP, which aligns with the WSDPs being prepared by Western Bay of Plenty District Council and Thames-Coromandel District Council.
 - ii. By end of August 2025: Council enters into the Commitment Agreement, establishes the relevant governance groups (for the establishment process, not the final governance structure) under the Commitment Agreement and appoints key staff to a hands-on working group. A process is agreed upon for engaging Elected Members for input on key commercial documents (and other key cross-council negotiations) including identifying key decisions which must be referred to Council for resolution.
 - iii. By 3 September 2025: Council submits the approved WSDP to Department of Internal Affairs.
 - iv. Mid to late 2025:
 - Undertake workshops on key legal documents including Shareholders' Agreement, Constitution, Financing Agreements, Transfer Agreements, Shared Services Agreements.
 - Test the multi-council water organisation model, including undertaking financial, cultural, legal and infrastructure due diligence.

- Hold workshops with Tangata Whenua to clarify opportunities and next steps regarding establishment of the water organisation.
- v. Early 2026:
 - Complete negotiations regarding key legal documents.
 - Decide on the process for recruiting the water organisation board and executive team (including potential interim roles ahead of operational roles)
- vi. By 30 March 2026: Execute legal documents and establish the water organisation (including shareholding council/shareholding representative forum).
- vii. April to June 2026: Recruit water organisation Board (potentially partial and/or interim board) and appoint water organisation Chief Executive (potentially interim).
- viii. Mid 2026 to mid-2027:
 - Draft template operational documents and policies for the water organisation.
 - Each council identifies its process for undertaking transfer of assets / obligations / staff etc into the water organisation.
 - Enter agreements to transfer assets /obligations / staff from councils to the water organisation (with “settlement date” of 1 July 2027)
 - Likely recruitment of operational water organisation Board and operational water organisation executive team

STATUTORY CONTEXT

64. The coalition Government’s “Local Water Done Well” legislative framework comprises three phases:
- i. The Water Services Acts Repeal Act 2024 (enacted in February 2024) dealt with the repeal of previous legislation relating to water services entities.
 - ii. The Local Government (Water Services Preliminary Arrangements) Act 2024 (enacted in September 2024) introduced the Local Water Done Well framework and the preliminary arrangements for the new water services system. This legislation requires councils to develop Water Services Delivery Plans by 3 September 2025.
 - iii. The Local Government (Water Services) Bill (which has not yet been enacted) provides the substance of the Local Water Done Well framework. This Bill was introduced in December 2004 and Council made a submission on the Bill in March 2025. The Bill was considered by the Finance and Expenditure Select Committee who reported back on the Bill on 3 July 2025. The timing to enact the Bill is currently unknown, although mid-2025 was the original target date.

STRATEGIC ALIGNMENT

65. This contributes to the promotion or achievement of the following strategic community outcomes:

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

66. The health and wellbeing of our communities rely on adequate, reliable, and resilient water networks. Choosing the water service delivery model best placed to plan, implement and

manage effective, safe and sustainable water networks is key to the long-term wellbeing of the people of Tauranga and its environment.

OPTIONS ANALYSIS – APPROVING A WATER SERVICES DELIVERY MODEL

67. This report provides three options for Council consideration.
68. Multi-council Water Organisation: Offers long-term cost savings, regional collaboration, and access to slightly more financing. Aligns with government's aspirations for Local Water Done Well. Risks include governance complexity and potential loss of local influence.
69. Standalone Tauranga Water Organisation: Maintains local control but does not deliver economies of scale and may limit future collaboration. Partially aligns with government's aspirations for Local Water Done Well.
70. Current In-House Model: Provides the most community accountability but does not deliver financial benefits resulting from economies of scale and constrains Council's capital programme due to limited borrowing capacity. Not strongly aligned with government's aspirations for Local Water Done Well.
71. The figures used below are taken from the MartinJenkins modelling and are what was used in the community consultation document. They are consistent with the outputs produced by Council's in-house financial model. This report uses the MartinJenkins numbers for the options analysis section (only), as the in-house model currently runs until 2034, however the figures consulted on contained cumulative savings modelled out to 2044.
72. For each of the options, the key pros and cons are outlined below. For a more comprehensive assessment of the options refer to the full business case considered by Council at the [December 2025 meeting](#).

Option i. Proposed model: A multi council water organisation (RECOMMENDED)

73. Description: Council, Western Bay of Plenty District Council and Thames-Coromandel District Council would own this organisation in a shareholding arrangement (subject to approval of each of the Councils and subject to due diligence³). Other Councils may also join, likely at a later date. A professional and independent board of directors would manage it. The board would be accountable to the councils' collective elected members and government regulators.
74. Costs: An annual estimated cost of \$3,440 per household by 2034 (\$4,403 inflated). Total cumulative savings by 2044 of 20.8% in capex and 17.8%-23.3% in opex.
75. Key risk: that efficiencies of scale are not achieved, meaning that anticipated savings for households may not be delivered.

Pros	Cons
<ul style="list-style-type: none"> This approach is projected to cost less for water consumers, particularly over the longer term. A multi-council water organisation has increased debt capacity (and this increases as more partner councils join). Council has increased debt capacity for non-water projects (through LGFA). 	<ul style="list-style-type: none"> Council ability to impact decision making is constrained. Blurring of accountability - if service quality drops or the cost of water increases, it may be unclear from the community's perspective whether the council or the water organisation is responsible. Tauranga residents may feel as if they are

³ For the avoidance of doubt, Council can still decide, at any point up to execution of the Shareholders' Agreement and Constitution, not to proceed with a multi-council water organisation if the results of the due diligence process are not satisfactory or if Council cannot reach agreement regarding governance arrangements etc. with its potential partners, Western Bay of Plenty District Council and Thames-Coromandel District Council.

<ul style="list-style-type: none"> Aligns with government's aspirations for Local Water Done Well arrangements. Provides a regional focus for planning and implementation. Provides a structure which is less influenced by 3-yearly political cycles. Making a decision now ensures Council is able to submit a Water Service Delivery plan by the government's deadline of 3 September. A multi-council water organisation provides the focus and organisational size to allow for recruitment of specialised staff. Assets remain in public ownership and Council retains oversight and control over the water organisation via the Statement of Expectations. The delivery of water services is the sole focus and priority. 	<p>distanced from decision-making processes and that Tauranga specific water needs are compromised due to a multi-council water organisation serving more than one council area.</p> <ul style="list-style-type: none"> Establishing a water organisation requires time, planning, and upfront investment Setting up a new water organisation adds another layer of governance, which can increase bureaucratic overheads and slow down decision-making, especially when disputes arise between councils and water organisation boards. Some communities may view the shift as a step toward privatisation or loss of democratic oversight, especially given past controversy around water reform. Council will be left with some level of stranded overheads. Some in the community may not support TCC partnering specifically with WBOPDC and/or TCDC.
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Option ii. Alternative model: A standalone Tauranga City Council water organisation

76. Description: Council would wholly own and control the water organisation. A professional and independent board of directors would manage it. They would be accountable to Council's elected members and government regulators.
77. Costs: An annual estimated cost of \$3,470 per household by 2034 (\$4,442 inflated). Total cumulative savings by 2044 of 14.4%.
78. Key risks: that households pay slightly more for water than they would have under a multi-council water organisation model and that strategic planning at a regional level is compromised, making it harder for water delivery services to respond to complex challenges such the impacts of climate change.

Pros	Cons
<ul style="list-style-type: none"> Maintains local control of water. Council has increased debt capacity for non-water projects (through LGFA). Partially aligns with government's aspirations for Local Water Done Well arrangements. Provides a structure which is less influenced by 3-yearly political cycles. Making a decision now ensures Council is able to submit a Water Service Delivery Plan by the government's deadline of 3 September. There is a clearer line of accountability than with a multi-council water 	<ul style="list-style-type: none"> Council ability to impact decision making is constrained. Blurring of accountability - if service quality drops or the cost of water increases, it may be unclear from the community's perspective whether the council or the water organisation is responsible. Tauranga residents may feel as if they are distanced from decision-making processes. Establishing a water organisation requires time, planning, and upfront investment Setting up a new water organisation adds another layer of governance, which can

<p>organisation, and a less complex organisation may provide faster decision making.</p> <ul style="list-style-type: none"> • Tauranga's needs remain the only priority. • Assets remain in public ownership and Council retains oversight and control over the water organisation via its Statement of Expectations. • The delivery of water services is the sole focus and priority. 	<p>increase bureaucratic overheads and slow down decision-making, especially when disputes arise between councils and water organisation boards.</p> <ul style="list-style-type: none"> • Some communities may view the shift as a step toward privatisation or loss of democratic oversight, especially given past controversy around water reform. • Council will be left with some stranded overheads. • Only partially aligned with government's aspirations for Local Water Done Well arrangements. • It will be harder to ensure coordinated planning and delivery at a regional level. • Does not recognise the already existing connectivity between Tauranga and Western Bay (e.g. location of water treatment plants, catchment areas, Omokoroa wastewater arrangement etc.) • Does not allow for increased debt capacity overtime (as no new councils would be joining) • Does not achieve the economies of scale that a multi-council water organisation would. • Will continue to need to purchase specialised services, as the organisation would not be large enough to host these. • Potential to lose funding opportunities as government has indicated that support (including transitional funding or co-investment) may favour councils that collaborate or demonstrate a regional approach. • Council may be left with stranded overheads
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Option iii. Current model: The current delivery model (in-house), with changes to meet new legislation

79. Description: The water delivery service remains in-house and fully integrated with Council's overall services and infrastructure delivery programme. This option is largely the status quo option, with additional regulatory requirements resulting from changes due to government's Local Water Done Well initiatives.
80. Cost: An annual estimated cost of \$3,800 per household by 2034 (\$4,864 inflated).
81. Key risks: that households pay more for water than they would have under a multi-council water organisation model; that strategic planning at a regional level is compromised, making it harder for water delivery services to respond to complex challenges such the impacts of

climate change; and that council does not have sufficient access to debt to allow it to deliver the water infrastructure needed by Tauranga.

Pros	Cons
<ul style="list-style-type: none"> • Maintains local control of water • This model has the highest level of direct community accountability (due to the political governance structure and local government's consultation requirements). • Making a decision now ensures Council is able to submit a Water Service Delivery Plan by government's deadline of 3 September. • Water delivery remains integrated with other council functions such as transport and parks and reserves. • Community engagement is simplified, as residents deal directly with their council rather than a separate entity. • Council avoids the legal, administrative, and transitional costs associated with establishing a separate water organisation (e.g. creating a board, legal agreements, asset transfers). • The waters delivery teams may benefit from access to shared infrastructure and internal expertise that a water organisation (particularly a Tauranga only water organisation) may not have access to. • Tauranga's needs remain the only priority. • Assets remain in full council ownership and control, and there is no perceived risk of privatisation. 	<ul style="list-style-type: none"> • Council's capital programme (for all council activities, not just water) will be constrained due to limited borrowing capacity (i.e. no increased borrowing limits). • Not strongly aligned with government's aspirations for Local Water Done Well arrangements. • Harder to ensure coordinated planning and delivery at a regional level. • Will not be able to achieve the efficiencies of scale expected to be achieved by a water organisation (especially a multi-council water organisation) so is likely to be the highest cost model and may lead to higher water costs for households. • Does not recognise the already existing connectivity between Tauranga and Western Bay (e.g. location of water treatment plants, catchment areas, Omokoroa wastewater arrangement etc.). • Will continue to need to purchase specialised services, as the council is not large enough to host these. • Potential to lose funding opportunities as government has indicated that support may favour councils that collaborate or demonstrate a regional approach. Also clearly signalled by the Government as an expectation as part of the Regional /City deal. • Provides a structure which is highly influenced by 3-yearly political cycles.

LEGAL IMPLICATIONS / RISKS

82. Governance risk: Council is required to submit its WSDP by the government prescribed deadline of 3 September 2025 in order to comply with the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024. The WSDP must demonstrate that Council has chosen a financially sustainable model for the delivery of water.
83. If Council does not choose a delivery model for water services at this meeting (14 July 2025) and delays its decision until 5 August 2025, staff can continue to develop a WSDP based on Council's preferred model to-date, the multi-council water organisation. However, this is a high risk approach, as if Council takes this approach and then chooses a different service delivery model at 5 August 2025, there would be a significant risk of Council being unable to complete and submit an approved WSDP by 3 September 2025 (this risk would also extend to Council's preferred partners, Western Bay of Plenty District Council and Thames-Coromandel District Council).

84. If Council misses the deadline of 3 September, the Minister of Local Government may choose to appoint a Crown facilitator. The decisions sought by this report enable Council staff to complete the WSDP and bring it to Council for consideration on 5 August 2025, keeping Council on track to meet the 3 September deadline.
85. Project risk: The substantial programme of legal work required is discussed earlier in this report. Completing this work quickly, thoroughly and cost-effectively is a significant project risk. It is planned to manage this risk by ensuring sufficient allocation of internal council staff and external legal advisors. Resource allocation is being considered pending Council's decision (i.e. which water service delivery model Council chooses to move forward with).

TE AO MĀORI APPROACH

86. In Te Ao Māori (the Māori worldview) humans are connected physically and spiritually to land, water, air and forests. People are an integral part of ecosystems, and ecosystems are an essential part of heritage and genealogy (whakapapa). For Māori, talking about the well-being of waterbodies also means talking about the well-being of people.
87. Under Local Water Done Well, the use of a water organisation to manage water service delivery may have an impact on the ability to contribute to decision making impacting the principles of rangatiratanga (self-determination) and kaitiakitanga (stewardship of the natural environment).
88. If Council chooses to establish a multi-council water organisation, the water organisation will need to determine (with direction from the shareholding councils), how Tangata Whenua participation will be developed to ensure the significant relationship between Tangata Whenua and water is maintained and that provision is made for continued involvement.
89. Te Rangapū Mana Whenua o Tauranga Moana partnership support the concept of a multi-council water organisation and emphasise the importance of Tangata Whenua being involved in governance arrangements and service delivery. However, work to-date with Tangata Whenua has focussed on choosing the service delivery model (i.e. Water Organisation versus in-house delivery) and implementation, service delivery and governance considerations have not been discussed.
90. It is also important to note that the Rangapu support was based on the information in the consultation document and discussions with Council at that time. Following issue of the consultation document Council was approached by Thames-Coromandel District Council to be part of a multi-council water organisation. As a result of this timing, Tangata Whenua did not have an opportunity through the consultation process to form and communicate their views on Council and Thames-Coromandel District Council both being part of the same water organisation. There are ongoing discussions between Hauraki Iwi and Tauranga Moana in relation to Treaty settlements, and these matters may impact Tangata Whenua views on a joint water organisation with Thames-Coromandel District Council.
91. Now that Council is at the stage of potentially progressing establishment of a water organisation, and partner councils have been identified, further work needs to occur with Tauranga Iwi and Hapū, and Te Rangapū Mana Whenua o Tauranga Moana partnership. A hui is scheduled for 11 July to have further conversations with Tangata Whenua. The invite to that hui has been intentionally wide, to provide opportunity for Tangata Whenua participation. It is anticipated that feedback from that 11 July hui will be able to verbally be presented by Council staff and Elected Member attendees at this 14 July Council meeting.
92. There are circa more than 30 Iwi and Hapū across the geographical area covered by the proposed water organisation (which encompasses the area serviced by this Council, Western Bay of Plenty District Council and Thames-Coromandel District Council). Currently there are no established arrangements for Councils to engage collectively with Iwi and Hapū across this combined geographical area.

CLIMATE IMPACT

93. The built environment, including water networks, play a crucial role in the resilience of our city. Water infrastructure is a long-term investment, and the infrastructure built today may still be operating 100 years from now. Any future service delivery model needs to prioritise sustainability and consider how climate change may impact infrastructure and the supply and management of water.

CONSULTATION / ENGAGEMENT

94. Consultation on 'Why wai matters: Local Water Done Well' was integrated with Council's 2025-26 Annual Plan consultation and ran from 28 March to 28 April 2025.
95. The consultation did not specifically identify TCDC as a potential multi water organisation partner. However, the consultation documentation did state the proposal as *"Multi-CCO with potential partners WBOPDC and/or other councils. Separate entity focused solely on water management. Owned and controlled by Tauranga City Council and other councils (such as WBOPDC and potentially others)."*

SIGNIFICANCE

96. 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.
97. 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.
98. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of high significance.

ENGAGEMENT

99. Taking into consideration the above assessment, that the decision is of high significance, officers are of the opinion that no additional whole-of-community engagement is required prior to Council making a decision. This is because Council has already completed the required consultation (under the Water Services Preliminary Arrangements Act 2024) via the 2025-26 Annual Plan process and considered community feedback at the 26 May 2025 deliberations meeting. A summary of this feedback is provided by points 20 to 24 of this report. However, it is noted that further, and ongoing, engagement is planned with Tangata Whenua.




NEXT STEPS

100. The WSDP and Commitment Agreement will be provided to Council for consideration on 12 August 2025. Ongoing engagement with Tangata Whenua.

PLEASE NOTE: A corrected version of the attachment 'Affordability, Lowest Income Groups' on page 78 has been provided in a supplementary agenda.

ATTACHMENTS

1. **2025-05-21 Letter from Hon Simon Watts to Councils re LWDW - A18470535**  

2. **TCC model of waters options Dashboard PDF 1 Jul 25 - A18450762** [↓](#) 
3. **Supplementary Information - Multi-Council Water Organisation Due Diligence and Negotiation Flowchart - A18570215** [↓](#) 
4. **Supplementary Information - Local Waters Done Well 14 July 2025 Council meeting - A18570214** [↓](#) 

Hon Simon Watts

Minister of Climate Change
Minister for Energy
Minister of Local Government
Minister of Revenue



MIN038

To: Mayors / Chair
cc: Chief executives

Dear Mayor / Chair

Financial sustainability of water services

I am writing to underline the importance of financial sustainability requirements and the new economic regulation regime under Local Water Done Well. I also want to take this opportunity to acknowledge the work you are doing to implement Local Water Done Well in your local area, and to set out our next steps in the months ahead.

I understand your council has indicated a preference in your consultation materials for a multi-council council-controlled organisation (CCO) model for delivering water services for your community.

Delivery of financially sustainable water services sits at the core of Local Water Done Well, and it will form the basis for how the Department of Internal Affairs will assess Water Services Delivery Plans (Plans).

As the economic regulator, the Commerce Commission will also play a key role in ensuring water services providers collect sufficient revenue and invest sufficiently in quality water infrastructure and services on an ongoing basis.

With the Local Water Done Well framework, tools and guidance largely in place, it is now up to you to consider your options, work with other councils, and make the decisions required to ensure clean, safe, reliable, and financially sustainable water services for your community.

I recognise these are challenging conversations, and I back the efforts you are making to get water services right for your community now and for future generations.

Assessing financial sustainability

Water Services Delivery Plans provide a framework for councils to assess the financial sustainability of their water services and chart a course for improvement.

The Local Government (Water Services Preliminary Arrangements) Act 2024 sets out the Plan requirements, including that Plans must explain what a council proposes to do to ensure that the delivery of water services will be financially sustainable from 1 June 2028.

While the Department will be providing further guidance to councils about the Plan assessment process later this month, there are a couple of key areas I wanted to emphasise in relation to financial sustainability at this stage in your Plan development:

- **Meeting financial sustainability requirements and working together.** The Act defines financial sustainability as ensuring revenues are sufficient to fund long-term investment in water services and meet all regulatory requirements.

I have been clear in my expectation that council should be working together to address financial sustainability challenges, as you are already actively doing.

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In particular, I expect councils to be actively considering working with and supporting their neighbouring councils, especially smaller and rural councils, particularly given there is no requirement for price harmonisation under Local Water Done Well.

As you'll be aware, collaboration enables resource sharing, efficiency gains, better access to financing, and lower costs for ratepayers. Having a pipeline of future work across a region also provides greater investment certainty, and the potential to build a strong future workforce.

- **Long-term thinking and solutions.** While Plans must cover a 10-year period, they can also include information that covers a further 20 years if the information identifies investment requirements for water services infrastructure or to support future housing growth and urban development. Councils should be planning and making decisions with an enduring focus on financial sustainability, with these outcomes in mind.
- **Efficiency of water use and demand management through usage-based charging.** The Local Government (Water Services) Bill provides a five-year timeframe to transition away from using property values as a factor in setting water charges, to new charging mechanisms such as water metering and volumetric charging.

Water metering and volumetric charging can help reduce water consumption, assist in quick identification of leaks and help manage water losses, which supports the ongoing efficiency and effectiveness of water infrastructure. Councils should be considering these tools (where they are not already in place) as part of their future arrangements.

Under the economic regulation regime, over time the Commerce Commission will also be able to consider whether prices are efficient. Including, for example, whether prices reflect the cost of providing services and whether providers are using water resources efficiently.

Economic regulation regime for water services

As you progress your Plan, it is important to keep in mind that the entities that make core decisions on water supply and wastewater services will be subject to economic regulation under the Commerce Act 1986. These decisions include those relating to the level of charges or revenue recovery and/or capital and operating expenditure.

As a minimum, all regulated suppliers (councils and water organisations) that have responsibility for these core decisions will be subject to information disclosure. This means the Commerce Commission will require regulated suppliers to publish robust information about the planning, investment, and performance of their water supply and wastewater services.

The Commission will also publish a summary and analysis of that information, to promote greater understanding of the performance of individual regulated suppliers, including their relative performance compared with other providers, and changes in performance over time.

The Local Government (Water Services) Bill also gives the Commission other regulatory tools that they will be able to implement as needed. This includes the ability to set minimum and maximum revenue thresholds, providing a clear expectation to regulated suppliers about what level of revenue needs to be collected for investment in, and operation of, water infrastructure. The Commission will also monitor and enforce the requirement that revenue from regulated water services is spent on regulated water services (financial ringfence).

Where it is considered necessary, the Bill contains a designation process whereby the Commission may be given the power to implement quality regulation, performance requirement regulation, and price-quality regulation for specific suppliers.

I am encouraging all councils to consider the implications of the new economic regulation regime as you are making decisions on your future water services delivery arrangements. I have asked the Commission to engage closely with councils to provide information about the new regime. Please contact the Department if you would like them to facilitate a meeting if you have not done so already.

Next steps and support available

I want to maintain the momentum as we approach the 3 September deadline for submission of Plans. The Department will be ready to accept early submission of Plans by councils that are able to. Please keep this in mind in your planning.

I do not intend to grant extensions to the deadline for submitting Plans given the progress made so far, and various avenues of support that have been and continue to be available. Where a Plan is not submitted on time, I will be considering using my powers under legislation to intervene, such as by appointing a Crown water services specialist.

If you feel you may need additional support to enable you to resolve challenges and ensure progress with your Plan, Crown facilitators continue to be available. Crown facilitators are a key part of our approach and councils shouldn't be reluctant about requesting their support. A Crown facilitator can provide tailored guidance, facilitate collaboration among councils, or assist with joint planning efforts.

My officials also continue to be available to answer questions or provide technical support. I encourage you to get in touch with the Water Services Delivery Plan team at wsdp@dia.govt.nz if they can be of assistance to you.

I look forward to seeing continued progress on your plans for future delivery of water services and commend your efforts to support this critical future thinking while continuing to maintain your business-as-usual water services maintenance and ongoing activities.

Thank you for your continued engagement and support as we work to implement Local Water Done Well. You may wish to share this correspondence with your elected members.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Simon', with a stylized flourish at the end.

Hon Simon Watts
Minister of Local Government

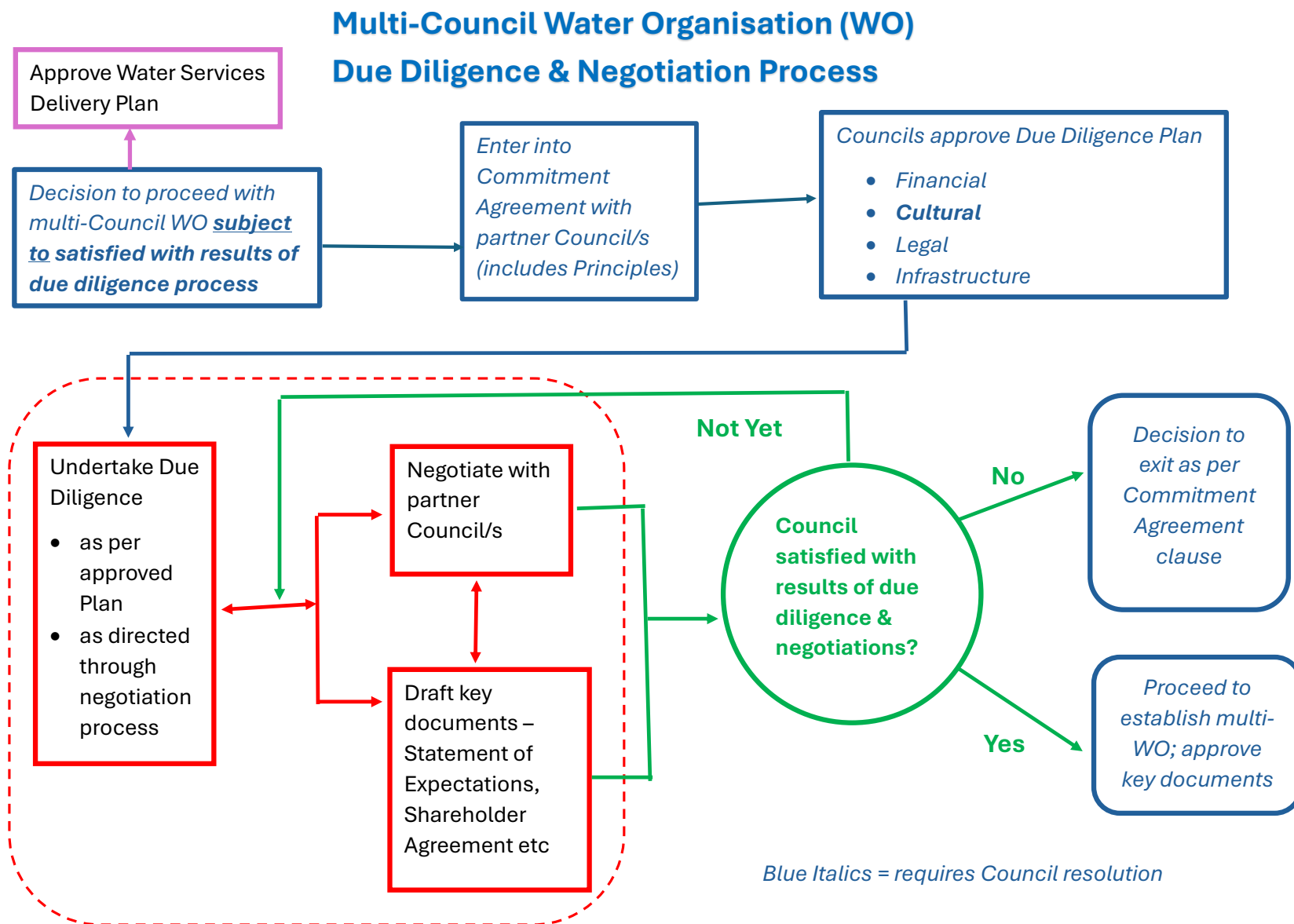
Dashboard 2: Summary of TCC model in house, multi council options & TCC Standalone CCO

		Inflated numbers											NPV from 2025	Diff S2 Vs Base
Scenario	KPI's	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cumulative/ Avg		
Base inhouse(infl)													5%	
Base inhouse(infl)	FFO(\$m)	50	54	69	84	103	122	120	123	142	160	1,029	757	
Base inhouse(infl)	FFO to Gross Debt ratio	10.4%	10.6%	11.5%	12.1%	13.4%	14.9%	13.5%	12.4%	12.0%	11.7%	12.3%		
Base inhouse(infl)	Cash interest coverage ratio	2.0	1.9	2.2	2.3	2.5	2.7	2.4	2.2	2.2	2.1	2.3		
Base inhouse(infl)	Debt(\$m)	480	510	602	695	773	821	893	993	1,186	1,363			
Base inhouse(infl)	Debt: Revenue Ratio	364%	358%	379%	394%	377%	353%	364%	382%	401%	412%			
Base inhouse(infl)	Water charges Revenue(\$m)	121	133	150	167	195	221	231	243	276	309	2,046	1,517	
Base inhouse(infl)	Operating Revenue(\$m)	132	142	159	176	205	233	245	260	295	331	2,178	1,615	
Base inhouse(infl)	Avg charges per connection(\$)	2,103	2,293	2,549	2,802	3,232	3,619	3,736	3,888	4,360	4,812	33,394	24,874	
Base inhouse(infl)	Residential charges per connection(\$)	1,630	1,779	1,974	2,172	2,507	2,807	2,894	3,011	3,373	3,719	25,865	19,268	
Base inhouse(infl)	Commercial charges per connection(\$)	10,901	11,895	13,259	14,591	16,849	18,825	19,414	20,170	22,606	24,929	173,440	129,204	
Base inhouse(infl)	Residential Customer Affordability ratio	1.3%	1.3%	1.4%	1.4%	1.6%	1.7%	1.7%	1.7%	1.8%	1.9%	1.6%		

Scenario	KPI's	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cumulative/ Avg	NPV from 2025	Diff S1 Vs Base
S1- TCC Stand alone CCO(infl)	Revenue adjustment(\$m)	-	-	-	24	27	35	27	23	27	27	190	136	190.00
S1- TCC Stand alone CCO(infl)	Revised FFO(\$m)	50	54	69	59	75	87	94	102	119	139	848	627	180.40
S1- TCC Stand alone CCO(infl)	FFO to Gross Debt ratio	10.4%	10.6%	11.5%	8.2%	9.1%	9.6%	9.4%	9.2%	9.0%	9.3%	9.7%		
S1- TCC Stand alone CCO(infl)	Revised Cash interest coverage ratio	2.04	1.93	2.19	1.53	1.63	1.62	1.57	1.52	1.52	1.52	1.71		
S1- TCC Stand alone CCO(infl)	Revised Debt(\$m)	480	510	602	719	824	904	997	1,109	1,311	1,491			
S1- TCC Stand alone CCO(infl)	Revised Debt: Revenue Ratio	364%	358%	379%	472%	463%	457%	457%	468%	488%	491%			
S1- TCC Stand alone CCO(infl)	Revised Rates Revenue(\$m)	121	133	150	143	168	186	204	220	249	282	1,856	1,381	190
S1- TCC Stand alone CCO(infl)	Revised Operating Revenue(\$m)	132	142	159	152	178	198	218	237	268	304	1,988	1,479	190
S1- TCC Stand alone CCO(infl)	Revised Avg Rates per connection(\$)- incl efficiencies and revenue reduction	2,103	2,293	2,549	2,399	2,784	3,045	3,299	3,521	3,934	4,391	30,319	22,672	3,075
S1- TCC Stand alone CCO(infl)	Revised Residential Rates per connection(\$) incl efficiencies and revenue reduction	1,614	1,761	1,959	1,847	2,145	2,343	2,535	2,702	3,017	3,365	23,287	17,415	2,578
S1- TCC Stand alone CCO(infl)	Revised Commercial Rates per connection(\$) incl efficiencies and revenue reduction	10,966	11,967	13,315	12,546	14,575	15,919	17,226	18,360	20,500	22,865	158,239	118,341	15,201
S1- TCC Stand alone CCO(infl)	Opex Efficiencies(\$m)- excl impact of alternative revenue price path	-	-	-	-	-	1	2	4	5	7	20	13	
S1- TCC Stand alone CCO(infl)	Interest Impact of alternative revenue price path(-ve means additional costs)	0	0	0	-1	-2	-4	-5	-6	-7	-9	-34	-23	
S1- TCC Stand alone CCO(infl)	Capex Efficiencies(\$m)	-	-	-	-	-	2	4	7	14	17	44	28	
S1- TCC Stand alone CCO(infl)	Stranded overheads(\$m)- (range \$3m to \$9m)	0	0	0	-5	-3	-1	0	0	0	0	-9	-7	
S1- TCC Stand alone CCO(infl)	Stranded overheads avg rates per connection(\$)	-	-	-	84	50	16	-	-	-	-	150	120	
	Residential Customer Affordability ratio	1.24%	1.28%	1.36%	1.23%	1.36%	1.43%	1.48%	1.52%	1.63%	1.76%	1.43%		

Scenario	KPI's	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Cumulative/ Avg	NPV from 2025	Diff S2 Vs Base
S2- multi CCO(inf)	Revenue adjustment(\$m)	-	-	-	24	27	35	27	27	30	30	200	142	200.00
S2- multi CCO(inf)	Revised FFO(\$m)	50	54	69	59	75	85	91	94	111	130	818	607	210.51
S2- multi CCO(inf)	FFO to Gross Debt ratio	10.4%	10.6%	11.5%	8.2%	9.0%	9.3%	9.0%	8.3%	8.3%	8.5%	9.3%		
S2- multi CCO(inf)	Revised Cash interest coverage ratio	2.04	1.93	2.19	1.58	1.70	1.71	1.67	1.54	1.57	1.58	1.75		
S2- multi CCO(inf)	Revised Debt(\$m)	480	510	602	720	827	911	1,007	1,128	1,336	1,524			160.61
S2- multi CCO(inf)	Revised Debt: Revenue Ratio	364%	358%	379%	473%	465%	460%	462%	484%	504%	506%			
S2- multi CCO(inf)	Revised Water charges Revenue(\$m)	121	133	150	143	168	186	204	216	246	279	1,846	1,375	200
S2- multi CCO(inf)	Revised Operating Revenue(\$m)	132	142	159	152	178	198	218	233	265	301	1,978	1,473	200
S2- multi CCO(inf)	Revised Avg Charges per connection(\$)- incl efficiencies and revenue reduction	2,103	2,293	2,549	2,399	2,784	3,045	3,299	3,457	3,887	4,344	30,161	22,569	3,233
S2- multi CCO(inf)	Revised Residential charges per connection(\$) incl efficiencies and revenue reduction	1,614	1,761	1,959	1,847	2,145	2,343	2,535	2,653	2,981	3,329	23,166	17,337	2,699
S2- multi CCO(inf)	Revised Commercial charges per connection(\$) incl efficiencies and revenue reduction	10,966	11,967	13,315	12,546	14,575	15,919	17,226	18,026	20,254	22,621	157,415	117,807	16,024
S2- multi CCO(inf)	Net Opex Efficiencies(\$m)	-	-	-	0	0	1	3	5	7	10	27	18	sum of changes to expenditure (opex & capex)
S2- multi CCO(inf)	Interest Impact of alternative revenue price path(-ve means additional costs)	0	0	0	-1	-2	-4	-5	-6	-8	-9	-35	-24	
S2- multi CCO(inf)	Capex Efficiencies(\$m)	-	-	-	1	2	3	6	9	18	21	60	39	
S2- multi CCO(inf)	Stranded overheads(\$m)- (range \$3m to \$9m)	0	0	0	-5	-3	-1	0	0	0	0	-9	-7	16
S2- multi CCO(inf)	Stranded overheads avg rates per connection(\$)	-	-	-	84	50	16	-	-	-	-	150	120	
S2- multi CCO(inf)	Residential Customer Affordability ratio	1.24%	1.28%	1.36%	1.23%	1.36%	1.43%	1.48%	1.49%	1.61%	1.74%	1.42%		

Comparator to MJ numbers		
Consultation	Avg charges per connection(TCC+WBOP)	4,403
Consultation	Avg charges per connection(TCC+WBOP+two other councils)	4,326



Supplementary Information

Local Water Done Well – Preferred Water Services Delivery Model

This Supplementary Information responds to specific requests from elected members for further information or clarification of LWDW matters.

Legal Matters

Is it lawful for TCC to proceed with a multi-Council WO with TCDC given that TCDC was not specifically named in the consultation document?

Below is advice from Simpson Grierson on this question is below:

Summary

1. For the reasons set out below, we consider:
 - the existing references in the consultation document to TCC’s proposal being a “*multi-CCO with potential partners WBOPDC and/or other councils*” are sufficient; and
 - accordingly, no further consultation is required before TCC decides to enter into a WSCCO with WBOPDC and TCDC.

Reasons

2. The starting point here is s62 of the Local Government (Water Services Preliminary Arrangements) Act 2004 (**Act**), which establishes the basic proposition that a territorial authority is only required to consult once before it decides to establish a WSCCO (as TCC will be doing on Monday 14 July, if the recommendations are accepted). Section 62(4) says that despite this, a territorial authority may decide to undertake further consultation before making this decision. Section 64(5) then sets out matters a territorial authority must have regard to when deciding whether to undertake further consultation. The cautious view is that the territorial authority should have regard to these matters, even when it is clear that it does not wish to undertake further consultation.
3. Here, as you say, the consultation document did not expressly identify TCDC as one of the potential shareholders in a multi-council CCO. Indeed, in discussing the proposal, it did not identify any specific council other than WBOPDC.
4. However, the consultation document did have a section headed *How will we decide which councils we will join with in a multi-council CCO?* Those considerations relate to *any* potential partner in the CCO. More importantly, the proposal being consistently described as “*a multi-CCO with potential partners WBOPDC and/or other councils*” made it clear that councils other than WBOPDC could be part of the CCO. TCDC was not identified, presumably, because it was not clear at that stage who the additional shareholding council(s) might be, but in our view a multi-council CCO with TCC, WBOPDC and TCDC as the shareholders is clearly within the scope of the proposal as set out in the consultation document.
5. Turning to the three matters that must, under section 62(5), be considered when deciding whether to undertake further consultation before deciding to establish a WSCCO:
 - The agenda report of 26 May, and to a lesser extent the report for the meeting on 14 July, set out the public feedback received during the consultation process. This allows the Council to say it has considered the views and preferences of those likely to be affected by, or have an interest in, the matter: LGA s78(1);

- The council already knows the views and preference of those likely to be affected by or interested in the matter, through the consultation process. The only caveat to that is that TCC does not know what submitters specifically think about partnering with TCDC, but it does know what they think about the proposal (ie a multi-council CCO with WBOPDC and/or other councils), which as noted above covered this possibility;
 - The 14 July agenda report identifies the decision to be one of high significance. While that factor on its own might weigh in favour of further consultation, in our view the elected members could reasonably conclude that, after having regard to all the matters in section 62(5), TCC does not wish to undertake further consultation before deciding to establish a WSCCO with WBOPDC and TCDC.
6. Finally, we recommend that if possible, you add an additional "noting" recommendation to the suite of recommendations the governing body will be making on Monday, as follows:

(aa) Agrees that, having regard to the matters set out in section 62(5) of the Local Government (Water Services Preliminary Arrangements) Act 2004, the matters set out in this report and the results of consultation set out in the report to Council dated 26 May 2025, further consultation is not required before establishing a multi council water organisation.

Decisions

Is it an Option to Delaying the Decision on a multi-Council WO?

The legislation requires a decision on the water services delivery approach which must be reflected in the WSDP. This includes a decision on the start date for any multi-Council CCO as that needs to be reflected within the financial information in the WSDP.

- So, you cannot delay a decision – Council needs to make a decision as to what is the model for TCC water services delivery, and if a CCO model – then the start date of that CCO for delivering water services. That start date can be 1 July 2027, 1 July 2028 or any other date that Council decides
- Staff have provided their current view on the work programme to achieve a start date of 1 July 2027
- The recommended resolution for Council on Monday is approval to establish the multi-Council water organisation **subject to all three councils being satisfied with the results of the due diligence process.**
- Areas of concern or uncertainty can be addressed through the due diligence process. The intention is to develop a due diligence plan which would be approved by Elected Members
- The due diligence process is likely to raise matters that will need to be discussed and negotiated between the partner Councils. This may include changes to the principles, acceptable financial parameters of joining, terms in the Shareholder Agreement, content of Statement of Expectations, or other.
- There will be decision points through and at completion of the due diligence process, and also development of the key Water Organisation documentation. At any point EM's can determine that based on the work completed and discussions held, they no longer to pursue a multi-Council CCO with one or more parties at that time. TCC would then need to follow the exit provisions in the Commitment Agreement. We also understand that TCC would need to take other steps such as advise DIA and follow the requirements that apply if a WSDP is no longer being followed. So, there are multiple opportunities for 'off-ramps' during due diligence and prior to the formal legal establishment of a Water Organisation.

- The formal establishment of the Waters Organisation will require resolution of Council – particularly approval of Constitution, Shareholder Agreements etc.
- If at any time Council wishes to engage either formally or informally with the whole community or parts of the community on matters identified through due diligence or negotiation processes it can choose to do so.

Does Council need to make a decision on Monday 14 July

Council needs to make a decision on the water service delivery model, and if that is a CCO – then the start date of that CCO. The decision must be made in sufficient time for a WSDP to be completed and submitted by the statutory timeframe of 3 September, with that WSDP reflecting that Council decision on water service delivery model. Currently the planned date for Council consideration and approval of the WSDP is 5 August. That date provided sufficient time for staff to do any further work or amendment to the WSDP as directed by Council, and still meet the statutory timeframe of 3 September.

Should Council not make the decision on Monday 14 July

- Staff would recommend that the:
 - Decision on water service delivery model, and WO start date be made no later than 5 August.
 - Decision on WSDP approval be made by Council no later than 19 August and that the resolution included delegation to the Mayor and CE to approve any further changes. While the timing is tight, the deadline of 3 September should be achievable if there are not significant changes or additions required by elected members. This would require an additional Council meeting to be scheduled.
- Council could consider making the decision on both the water service delivery model and the WSDP at the same meeting, but if the model is different than assumed in the WSDP then the WSDP will not be able to be approved (and it will need to be reported back at a subsequent meeting for approval). In this scenario the WSDP could be presented at the 5 August meeting (at the latest) on the assumption of a TCC/WBOPDC/TCDC WO, and if that is not approved then a subsequent meeting scheduled to approve a WSDP that aligns with the Council decision on the water service delivery model.

It should be noted that a 5 August timeframe does mean that the workstreams for establishing a WO will likely be slightly slower due to deferral of the decision.

Is the decision on the water service delivery model (currently scheduled for 14 July) a 'final decision'?

The decision on the water service delivery model is recommended by staff to be approval **subject to** Council being satisfied with the results of due diligence process. A multi-Council WO is **not 'finally' established** until all the relevant documentation is in place and the legal entity is formed.

The December 2024 resolution did use the language "final", and that is not strictly correct in all respects. It is 'final' in terms of the preparation of the WSDP, but it is not 'final' in that there are further decision points, negotiations, and off-ramps. This is reflected in the attached flow-chart.

Can TCC make a decision on 'back up' options like Rotorua DC?

Yes – Council could make a decision on a hierarchy of back-up options if the chosen service delivery model is subsequently not progressed. However, as noted previously there needs to be a specific decision on the chosen delivery model which is reflected in the WSDP and approved by Council.

Specifically, the legislation requires the WSDP to state:

- (k) the anticipated or proposed model or arrangements for delivering water services (including whether the territorial authority is likely to enter into a joint arrangement under section 10 or will continue to deliver water services in its district alone);

Note that the wording is “anticipated or proposed model” – this reflects that there is a due diligence process and subsequent decisions to be made by Council before the proposed entity is established.

The Act also contains provision for the Council to amend the WSDP prior to 2 September 2026 if the proposed amendments are to the model or arrangements for delivering water services, as set out in the WSDP.

Can Council continue to progress options other than the option approved for inclusion in the WSDP?

Council could resolve to progress multiple options, but this would have the following implications:

- Would require additional resources when the team is already very stretched.
- Will increase uncertainty and consequently some staff may choose to take up employment opportunities with other waters entities or Councils. These skills and knowledge are currently in very high demand.
- Will impact on the digital workstream, in particular the specification of what is needed and when that is needed. Pursuing multiple options will likely be difficult, particularly if those options are live for a significant period of time.

Therefore, continuing with multiple options is possible but will likely cost TCC more.

Consultation Matters

Consultation re Potential Partners

The following provides information related to the status of discussions with other Council's and what was disclosed in the consultation document.

The starting point is the December 2024 resolution of Council which included the following:

- (c) *Adopts the Indicative Business Case and approves that the preferred way forward for the future of water service delivery to the Tauranga City community is:*
 - (i) *The establishment of a three-water jointly owned CCO which is mutually beneficial for Tauranga City Council and partner Councils; and*
 - (ii) *If no suitable ‘partner council/s’ is ready to proceed with establishing a jointly owned CCO by 1 July 2026, then a Tauranga City Council independent CCO should be established with a view to moving to the preferred joint or multiply owned CCO in the future.*
- (e) *Notes that Council is willing to engage with any council that has a formal mandate, shared vision and that can demonstrate mutually beneficial outcomes through a joint/multiply owned water service delivery CCO.*

- (f) Notes that staff will develop and report back to Council with a **set of establishment principles, criteria, and safeguard mechanisms to apply to any joint or multiply owned CCO** to ensure beneficial arrangements are able to be identified and implemented, including:
- (i) The establishment of fair and equitable outcomes
 - (ii) That due diligence is undertaken, including:
 - that current and future investment requirements are adequately identified
 - that financial and asset positions are independently verified to ensure mutual benefit
 - that risks are identified, understood, and mutually agreed to be manageable within available mitigation mechanisms and funding
 - that current and future debt capacity is understood and is sufficient to allow for the establishment of a viable joint CCO.
 - (iii) That there is mutual agreement that costs will be ring-fenced in the short to medium term (5-10 years) before transitioning to pricing alignment.
- (g) **Approves that staff continue to have informal conversations with other councils, including Western Bay of Plenty District Council, to progress the considerations listed in (f) above**, while noting that a final decision on whether to proceed (or not) with a CCO option will be made after engaging with Iwi and Hapū and with our communities.
- (h) **Approves that staff work with Western Bay of Plenty District Council to progress the option of establishment of a jointly owned CCO**, while noting that a final decision on whether to proceed (or not) will be made after engaging with Iwi and Hapū and with our communities, and completion of due diligence by both Councils.

Acting on resolution (h) TCC worked actively with WBOP on progressing the option of a joint CCO. We aligned our consultation document and processes, and there were joint communications to both communities by Mahé and Mayor Denyer. There was a clear direction politically and from CE's to progress this.

Acting on resolutions (g) and also (e), TCC staff had preliminary discussions through different forums with 5 further Councils (Whakatane, TCDC, Kawerau, Opotiki, Rotorua). This occurred mainly around early 2025. This involved financial modelling on a range of scenarios of various multi-Council arrangements. Some of this was done through the BOP Mayor Forum arrangement where the modelling was undertaken by DIA of the 6 Bay Council grouping, and some was through work that was done with the 4 Council grouping of TCC/ WBOPDC/ WDC / TCDC where the modelling was undertaken by Martin Jenkins. All of the 4 options Martin Jenkins were asked to model included both TCC and WBOPDC (in line with resolution (h) of the December meeting), with two of those four options modelled including TCDC. The Martin Jenkins modelling report (which on page 11 noted the TCDC 2 options) was circulated to TCC Elected Members on 7 March 2025. So TCC EM's were aware at that time that the informal chats were occurring with a number of Councils and the various scenarios that were being modelled.

The work TCC undertook on draft principles (resolution (f)), was shared with WBOPDC on 11 April 2025, and then with WDC and TCDC. Feedback on the draft principles was not received until late April.

The TCC consultation document was issued on 28 March and closed 28 April. The consultation document noted the following with respect to possible partners:

- We already share some water services with WBOPDC and there are advantages of joining together through a CCO
- We are engaging with other councils that may wish to be part of a new joint CCO from the beginning or may be interested in joining us in the future. (page 6)
- The multi-council CCO option specifically named WBOPDC as a potential partner, and notes "and/or other Councils" (page 20)
- Borrowing direct from LGFA (with financial support from TCC and potentially WBOPDC (and any other councils that may join) (page 23)

At the time of the consultation document being prepared early discussions and modelling work with Whakatane, TCDC, Rotorua, Kawerau or Opotiki were all still at a scenario / early discussion stage, and none were anything other than preliminary work and testing of a range of possibilities. This is why the consultation document specifically referred to WBOPDC and then noted that we were also engaging with other Councils (without naming them). It was not until late April that TCDC initiated and requested discussions involving the respective Mayors and Chief Executives of the councils. We were also aware that at the same time TCDC was actively exploring 2 other options of partnership and holding similar meetings.

Both the TCC and WBOPDC consultation documents specifically addressed the option of TCC & WBOPDC being in a multi-council water organisation. Neither consultation document specifically named any other individual Council but rather used the terminology "and/or other Councils", as that reflected the status of discussion at that time.

Legislative Requirements

In terms of the legislation, it is important to note that the legislative requirement is for this information to be "publicly available" – it does not require it to be included in the consultation document. This information was included in the Business Case which was publicly available and also the financial modelling which was included in open Council agenda for the Council meeting of 24 March 2025 – it covered the financial and non-financial impacts of the 3 options that Council had resolved to consider. The issue of 'mutually beneficial' was covered in that the intention that all the communities would benefit in some way from the arrangement. The documentation covered benefits of staff knowledge, etc. The consultation document noted the TCC webpage where that information was available. In terms of impacts on other communities there was specific mention in the consultation document of the shared services and scale providing efficiencies for all the communities involved in a multi-council CCO. In terms of WBOPDC and TCC we covered the current shared service arrangements and the advantages etc in terms of growth (SmartGrowth).

Financial Matters

Average Cost per Connection

The affordability information provided in the TCC model is based on the average cost per connection against mean household income reproduced below.

FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
1.2%	1.3%	1.4%	1.2%	1.4%	1.4%	1.5%	1.5%	1.6%	1.7%

Cost impact for minimum income earners

To understand minimum earners would be more difficult as the income would need to also reflect accommodation allowances, rates rebates and other government provided income support. A single person household is not the “average” household in terms of costs/consumption. Staff have calculated a high-level ratio using average cost per residential connection against two income earners in a household and ignoring any other government provided income support. This is purely indicative. If Council wants more affordability information, then this work could be sought as part of the workstreams to be undertaken post the decisions on water organisation structure on 14 July. (refer attachment 1)

Costs to move to new WO – Set up Costs

The \$6.1m budget costs are based on a very high-level budget budgeted through to 2026/27 (loan funded). All these costs are prior to CCO starting. At this stage they are very much a placeholder.

Staff Costs – within set-up budget

The full proposal for a budget will be developed post council decisions on whether to move ahead with a CCO. Each workstream will finalise the staff other costs eg legal expertise and consultants required to firm up these more detailed budgets. It is envisaged at full pace set up teams (excluding digital) would involve about 25 staff noting that the \$6.1 allows for external specialist support. The workstreams involved in this budget include:

- Assets and Operations
- Legal and Governance
- People and Relationships
- Finance and Funding
- Project management, transition, and early management transition.

Some of these workstreams will also likely require some level of external expert advice (eg legal, financing).

Shared costs across partner Councils

As advised to EM's a draft % cost share allocation for shared costs associated with the establishment and transition process has been developed. It is based on a blend of metrics as per below:

	TCC/WBOP/TCDC				WBOP/TCDC	
	TCC	WBOP	TCDC		WBOP	TCDC
Proportion of total connections	61%	17%	22%		44%	56%
Proportion of population	63%	23%	13%		64%	36%
Proportion of operating revenue	62%	18%	20%		47%	53%
Proportion of operating expenditure	63%	19%	18%		52%	48%
Proportion of asset book value	70%	14%	16%		46%	54%
Proportion of asset replacement value	64%	15%	21%		43%	57%
Average	64%	18%	18%		49%	51%
	TCC/WBOP/TCDC				WBOP/TCDC	
	TCC	WBOP	TCDC		WBOP	TCDC
Total connections (FY25)	66,024	18,674	24,020		18,674	24,020
Population (Census 2023)	152,844	56,184	31,995		56,184	31,995
Operating revenue (FY25)	126,531	35,680	40,686		35,680	40,686
operating expenditure (FY25)	102,264	31,131	28,993		31,131	28,993
Asset book value (FY25)	2,565,791	503,240	580,757		503,240	580,757
Asset replacement value (FY24)	3,081,009	747,765	999,590		747,765	999,590

Quantity and Impact of Stranded Costs

The model and associated attachment provided to the waters model workshop explained that the stranded overheads estimate of \$5m year one, \$3m year 2 and \$1m year three was a high level maximum indicative amount based on some desktop logic from the attachment provided of each overhead allocator activity and the total 2026 budget for allocators and recoveries of \$28m.

It was based around what areas of spend such as executive and governance costs and aspects of digital may not be required in the WO because it would have its own governance, executive

and aspects of digital platform. There has to date been no detailed work done at TCC to work through what costs could be covered by a contracted agreement with the WO, what costs could be restructured down over time by TCC and what costs could be spread across new areas of service provision, in-housing or shared service arrangements with other organisations. The work on the “overhead” support of the WO would be undertaken as part of workstreams to be established after 14 July if a CCO option is decided upon. The remaining council cost structures and opportunities for wider shared services or in-housing are part of the ongoing organisational management responsibilities that flow through into annual plan and long-term plan budgets.

Digital Costs

There is a digital budget for TCC included in the AP for \$3.5 m for the project cost (eg water billing/ asset management). Staff have taken on board the direction from EM's on digital costs and the desire to work with other entities for a shared arrangement with some scale. Initial discussions have been held with the Hamilton City Council CEO, who has responded with interest in exploring the opportunity of a collaborate approach through a shared digital platform. A meeting has been scheduled this month at CE level. There has also been a positive response from Watercare on the opportunity to extend the current digital arrangements to 30 June 2027, but there is detail and some risk management matters that still need to be worked through. When those discussions have progressed further, we will be in a better position to develop an informed view of different digital options and associated costs (both transitional and in the new water organisation).

Staff Costs in new Water Organisation

One of the planned workstreams is people resources / structures. This will look at the resources needed in the new entity and then also the process for transferring / offering existing staff the opportunity to become employees of the new water organisation. Currently we have completed work to understand the number of staff in TCC who majority of their role is in the waters area, those who have a significant part role (but not full) in waters area, and those for who waters related tasks / role is only a small portion of their current job. The summary of that is:

TCC - Greater than 50% As at April 2025	WBOPDC - Greater than 50%	TCDC - Greater than 50%
Approx 141	Approx. 40	Approx. 15
Consists of staff from Asset Services, City Waters, Finance, Environmental planning, Takawaenga, People and Workforce		Out sourced operations and maintenance services greater than TCC's

The timing of transition of staff to the new entity is a matter to be considered during and post due diligence.

Impact on TCC Cost Structures

Remaining Council budgets will depend on the AP and LTP process. TCC will need to reform our cost structures and arrangements over time. The shared service workstreams will give some more clarity on this for the Councils as that work is undertaken.

Preventing Tauranga community subsidising other areas within a WO

This is the ring-fencing concept which is reflected in the draft principles. The due diligence process and subsequent discussions with other Councils will be the basis for putting in place key mitigations and measures (particularly targeted to risk areas)

Multi-Council Water Organisation Partnership Considerations / Decisions

Discussion on Partnership Matters

Staff are seeking direction from EM's as to how EM's wish to provide feedback on the draft Commitment Agreement (including the principles in attachment 1), and what process is to be followed to discuss and negotiate those with the partner Councils. One option is for Council to nominate 2 EM's who would work both with their fellow EM's and the 2 representative from the other Councils. This is a matter for EM's to form a collective view on and advise staff on how it is to proceed.

Due Diligence Matters

It is proposed that a Due Diligence Plan will be approved by Council. The due diligence process is likely to lead to arrangements or mitigations which will be agreed through the negotiations with the other partner Councils. These will then be incorporated into the relevant documents such as Shareholder Agreement, Statement of Expectation etc.

The Due Diligence Plan and negotiation process will likely include (among other matter) the following:

- Coverage of any financial areas where we had specific concerns or questions.
- Decision making / governance / representation arrangements
- Tangata Whenua involvement and views
- Extent to which depreciation of funded (full or partial)

Impact of 2025 Local Government Elections

The draft Implementation Plan reflects the election period for WBOPDC and TCDC, and staff are aware that while some work will be able to continue at a staff level there will be a period where elected member decision making will not occur.

Entering and Exiting a multi-Council Water Organisation

What happens if due diligence results not considered satisfactory?

The 14 July recommended resolution (b) (ii) covers all 3 councils being satisfied with the results of the due diligence process before a 3 multi-Council water organisation is established.

The draft Commitment Agreement provides for a withdrawal of participation in the 3 way agreement at any time (clause 6(a)). If TCC still wanted to continue with only one Council, then we could enter into a new 2 party Commitment Agreement with that one Council. That would extinguish the 3-way agreement and create a new 2 way agreement.

What requirements will be set for new Councils seek to join post establishment

These are matters than will need to be addressed through the transitional workstreams and establishment of the CCO Board and the various associated documentation. This may include SOI, constitution, shareholders agreement etc. It would be expected that whatever principles, commitments or arrangements the establishment partner Councils had agreed on and put into place would also flow to any joining partner.

Accountability requirements of a WO Board

- Bill 3 does not require the water CCO's board meetings to be held in public, or minutes of the meeting to be publicly available.
- Aspects of LG Official Information and Meetings Act legislation will apply to CCOs. But not those aspects that require meetings to be public.
- The Councils could choose to establish public meetings and minutes as a requirement of the Water Organisation Board through the Statement of Expectations. Clause 187(2)(a) of Bill 3 explicitly refers to the Statement of Expectations being how the shareholders can require the WO to conduct its relationships with the shareholders' communities (i.e. the public of the relevant districts). (Interestingly, Watercare's requirements are for 2 board meetings per year to be public).

Will TCC approve a set **of establishment principles, criteria, and safeguard mechanisms to apply to any joint or multiply owned CCO**

The establishment principles are included in the Draft Commitment Agreement (attachment 1) that was circulated to EM's on 3 July. Staff have requested EM's advise how they wish to provide input into the Commitment Agreement and the progress for any negotiation with the partner Councils should that be required. As advised it is proposed, under the current timeline, that the Draft Commitment Agreement would be considered and approved by Council on 5 August.

The safeguard mechanisms would be included in the key WO documentation including the Shareholder Agreement and Statement of Expectations which would be approved by Council.

The attached flowchart may be helpful as that shows the decisions and documents that would be made by Council resolution (*in blue italics*)

Will the establishment principles and safeguard mechanisms be debated and agreed by each CCO, or that TCC's will apply irrespective of any CCO coming on board? ie. what is agreed between CCO partners versus what is agreed by TCC Council, and not negotiable.

Each Council would be involved in the negotiation and document drafting process. These documents will set out the arrangements and would be clear about what decisions can be made by the Board, what would be decisions of the partner Council arrangement (eg Shareholding Council), and what decisions would be made individually by the Councils. This would include the arrangements with respect to a new Council joining an established CCO. So those are matters that Council will need to negotiate and agree with partner Councils.

Attachment 1

As requested, I have calculated water affordability on two categories.

> Minimum Wage

> Superannuation income

Assumption for both:

> I have used know minimum wage for FY 25 & 26, \$23.15/ hour and \$23.50/ hour respectively and converted that to annual income(2080 hours- Full time equivalent) for 2 people, for year beyond FY 26, I have applied a nominal 2% adjustment

> For superannuation category, I have used FY 25 data- \$799.18 per week and converted into annual income for 2 people. For years 2026 onwards, again applied a nominal 2% adjustment p.a.

The results on residential charges for the above two categories are:

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	
Minimum wage(2 people)	\$96,304	\$97,760	\$99,715	\$101,710	\$103,744	\$105,819	\$107,935	\$110,094	\$112,296	\$114,541	Actual 2024 and 2025 minimum wage+ 2% from FY 27 onwards
Affordability- minimum wage, couple	1.7%	1.8%	2.0%	1.8%	2.1%	2.2%	2.3%	2.4%	2.7%	2.9%	
Retiree Super income(2 people)	\$83,115	\$84,777	\$86,473	\$88,202	\$89,966	\$91,765	\$93,601	\$95,473	\$97,382	\$99,330	Based on \$799.18 pp, per week- 2% increase from 2026 onwards
Affordability- retiree couple	1.9%	2.1%	2.3%	2.1%	2.4%	2.6%	2.7%	2.8%	3.1%	3.4%	

11.4 City Centre Street Project - Public Engagement

File Number: A18148898

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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. There are currently two projects underway to ensure streets and movement can support efforts to create a vibrant and well-planned city centre. These are the:
 - (a) City Centre Movement Framework; and
 - (b) City Centre Streetscape Implementation Plan.
5. The City Centre Movement Pilot was introduced to parts of Harington, Hamilton, Wharf, Spring and Willow Streets during March 2024, to test how new road layouts would support the movement of people and vehicles as the city centre evolves and changes. This pilot has been underway for 18 months and decisions of permanent road layouts will be made following a final round of public engagement.
6. Many of our current city centre streets are over 30 years old and close to end-of-life, at times failing to provide adequate safety and accessibility to users. As new developments take place in the city centre, surrounding streets require upgrades to ensure these concerns are addressed. A total of \$80m over 10 years was allocated in the Long-term Plan for these upgrades, but no specific plan was approved for what streets would be improved, exactly when, and to what level of service they would be upgraded.

7. The table below shows the current budget allocation by year for city centre streetscape upgrades in the 2025/26 Annual Plan:

	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	Total
Budget (millions)	\$0.50	\$4.97	\$8.60				\$30.07	\$20.46	\$18.47	\$83.08

8. At a workshop held on 3 April 2025, initial feedback was provided to staff by the Council and city centre stakeholders on potential next steps for both projects. Based on the feedback received at this workshop, a City Centre Movement Framework and several options for streetscape improvements have been developed. Approval is being sought to undertake wider community engagement on the options that have been prepared.
9. It is proposed that this community engagement will be targeted, where necessary (for regular city centre users, representative groups, businesses and investors), but also providing opportunities for input from the wider community who may not be regular users of the city centre. A total of \$40k is budgeted from existing allocations for this engagement, of which the bulk (\$30k-\$35k) will be spent on advertising to ensure messaging reaches as many people across the city as possible.
10. Following community engagement, an analysis of findings will be presented to council. It is then anticipated that that final decisions on the Movement Framework can be made by the end of 2025.
11. An investment case and City Centre Streetscapes Implementation Plan will also be presented to Council by the end of 2025, with a view that it can guide streetscape upgrades to high priority areas from 2026 onwards.

BACKGROUND

12. 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.
13. 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.
14. 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.
15. 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

16. 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.
17. 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.
18. 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.
 19. 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.
 20. 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.
 21. A draft Movement Framework overview is included in **Attachment 1**.

Streetscape Implementation Plan

22. 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.
23. 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.
24. 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.
25. 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.
26. 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.
27. 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.
28. 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.
29. 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.

30. 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.
31. 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.
32. 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.
33. 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.
34. Following community engagement, the proposed option will be analysed, adjusted and tested prior to a final approval by the council by December 2025.
35. A Draft Streetscape Implementation Plan overview is included in **Attachment 2**.

Community engagement on next steps

36. 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.
37. 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.
38. 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.
39. 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.
40. The budgeted cost of engagement is \$40k, of which the majority (\$30k–\$35k) is for advertising to ensure that messaging reaches a wide audience across the city.
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, and associated engagement costs, are funded activities as part of the 2024-34 Long-term Plan.

50. The table below shows the current budget allocation by year for city centre streetscape upgrades in the 2025/26 Annual Plan:

	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	Total
Budget (millions)	\$0.50	\$4.97	\$8.60				\$30.07	\$20.46	\$18.47	\$83.08

51. The table below shows the revised budget allocation by year, based on the draft Implementation Plan, noting changes to this current plan are quite possible after public consultation:

	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	Total
Revised budget (millions)	<\$10 (The Strand Ext part & Willow St Sth)									\$54-89
	\$25-41 (Hamilton, Harington & Willow St Nth)									
				\$9-19 (Spring St & Grey St)						
					<\$5 (Wharf St)					
						\$9-14 (The Strand)				

53. 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.
54. 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

55. 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.
56. The Movement Framework and Streetscape Implementation Plan align with the Te Ao Māori approach, particularly relating to the following principles:
- 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.
 - 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.
57. 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

58. 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

59. 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

60. 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.
61. 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.
62. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.







ENGAGEMENT

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

NEXT STEPS

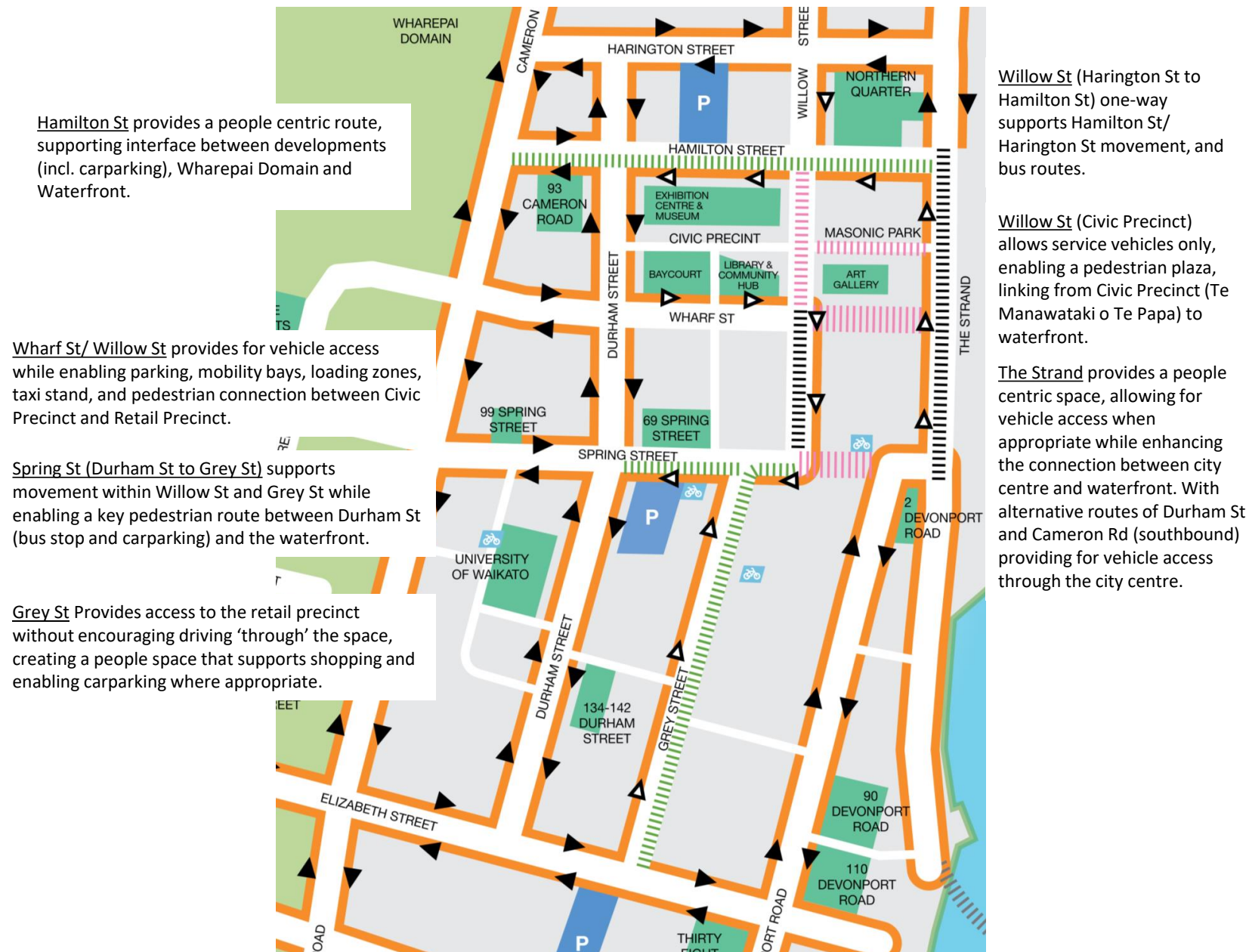
64. Undertake community engagement on the Movement Framework, and Draft City Centre Streetscape Implementation Plan.
65. The Movement Framework and City Centre Streetscape Implementation Plan will be presented to the Council for approval by December 2025.

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.

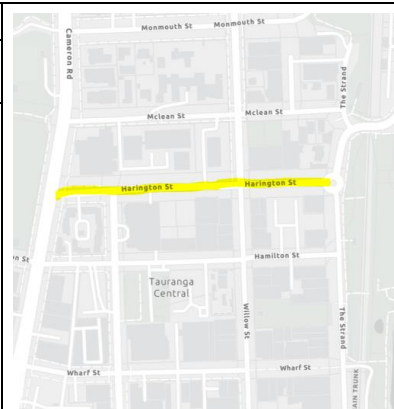

Area	Funding Level	Capex (approx.)	Opex (approx.)	Phasing	
The Strand extension	Essential	\$\$\$\$		2025/26	*Capital Expenditure
Underpass – Tunks Reserve	Basic	\$\$\$\$		2026/27	\$\$\$\$ = under \$5m (Essential)
					\$\$\$\$ = \$5m-8m (Basic)
Devonport Rd – Underpass	Essential	\$\$\$\$		2033/34	\$\$\$\$ = \$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					

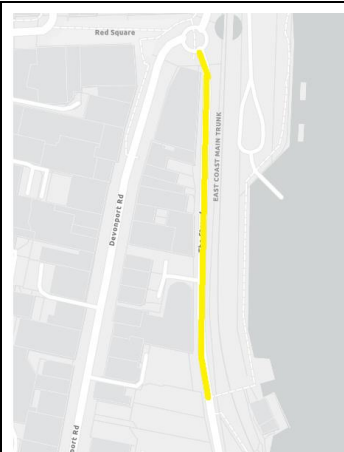

Recommended City Centre Streetscapes Implementation Plan – Staging Option 1.

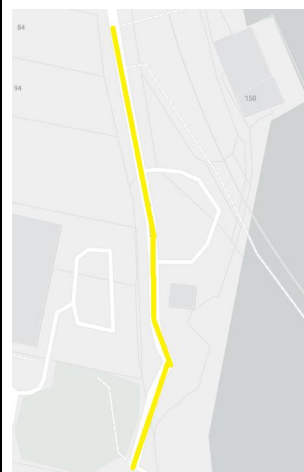


2026	2027(LTP)	2028	2029	2030 (LTP)	2031	2032	2033 (LTP)	Outside 10 years
The Strand Extension (Underpass – Tunks Reserve)								
Willow St South								
	Hamilton St							
	Harington St							
	Willow St North							
		Spring St						
		Grey St						
			Wharf St					
The Strand TBC								
							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

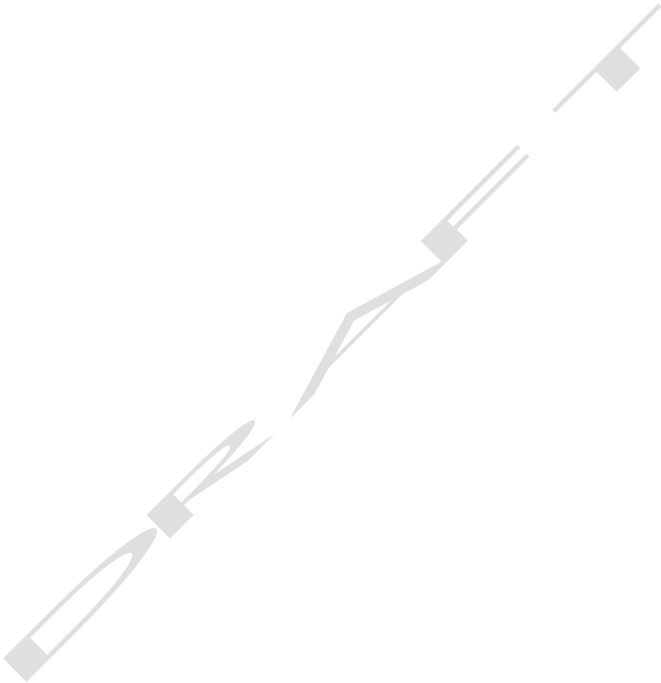
Area	Hamilton St – from Durham St to The Strand					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">• Renewal of footpaths and road, incorporating safety improvements• Develop appropriate interface of street edges with TMoTP, 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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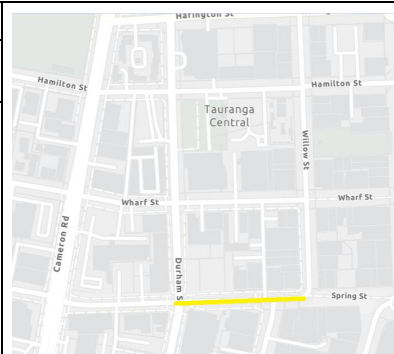



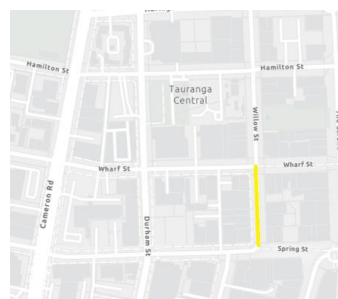

Area	Grey Street					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">• Renewal of footpaths and roads, replacing pavers with concrete• One-way Grey St, widened footpath with accessibility improvements, but retaining current 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.			

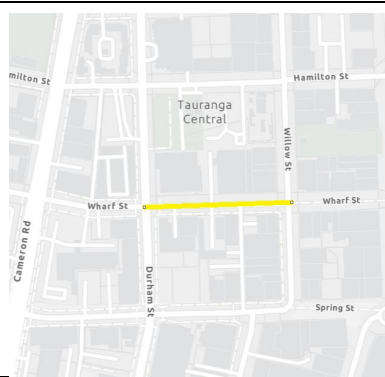

Area	The Strand					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">Renewal of footpaths and road, including rationalization of the Devonport Rd/ The Strand roundabout<ul style="list-style-type: none">Decluttering the Strand, 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 markings• Footpath 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 Waihere 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

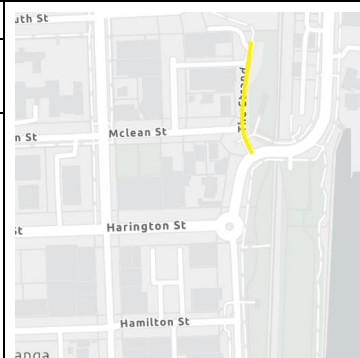

Area	Funding Level	Capex (approx.)	Opex (approx.)	
Hamilton St	Improved	\$\$\$\$	 	*Capital Expenditure
Harington St	Essential	\$\$\$\$		\$\$\$\$ = under \$5m (Essential)
The Strand extension	Essential	\$\$\$\$		\$\$\$\$ = \$5m-8m (Basic)
Grey St	Basic	\$\$\$\$		\$\$\$\$ = \$9 - \$14m (Improved)
Willow 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

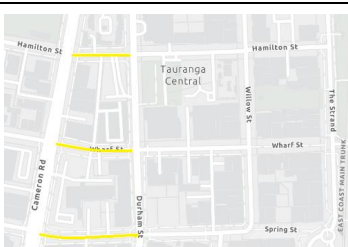

There are other areas of the city centre where developments would also be beneficial. However, these are currently not part of the proposed streetscape upgrade project. Plans could be amended if there was sufficient community interest in including them. Streetscape projects currently outside the 10 year 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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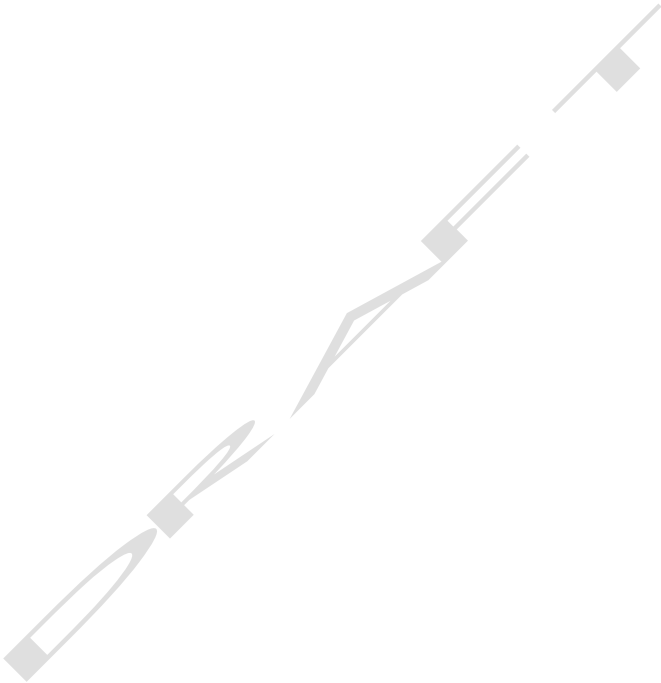
Area	Durham St-Cameron Rd connections (multiple Streets)					
Proposed level of Investment	Essential	Basic	Improved	Advanced	Premium	
Overview of upgrades	<ul style="list-style-type: none">Streetscape upgrades that will complete connections between Durham St and Cameron Road on 3 streets – Hamilton, 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.

11.5 Temporary Road Closures - Annual Events 2025 - 2026

File Number: A18424013

Author: Jenna Quay, Events Facilitation Manager
Lindsay Cave, Team Leader: Corridor Access & Temporary Traffic Management

Authoriser: Wally Potts, Director of City Waters

PURPOSE OF THE REPORT

1. To seek Council approval of temporary road closures for upcoming events.

RECOMMENDATIONS

That the Council:

- (a) Receives the report "Temporary Road Closures - Annual Events 2025 - 2026".
- (b) Pursuant to Clause 11(e) of the Tenth Schedule of the Local Government Act 1974, grants approval to close the roads listed in Attachment A of this report to ordinary vehicular traffic on the dates and during the hours stated for the purposes of facilitating safe and successful operations during the identified events in Attachment A.

EXECUTIVE SUMMARY

2. Pursuant to Clause 11(e) of the Tenth Schedule of the Local Government Act 1974 this report seeks the Council approve the temporary road closures associated with the upcoming events outlined in Attachment A.
3. The road closures aim to provide safe and well-organised events for public to attend, protect competitors, manage the transport network, and minimise impacts to residents and businesses while events are taking place.
4. The organiser of each event will:
 - Undertake engagement with affected residents and businesses prior to the event occurring.
 - Submit a detailed temporary traffic management plan to the Corridor Access & Temporary Traffic Management Team for approval as part of Councils overall event approval process. This plan stipulates all traffic signage indicating sections of roads or carparks closed, alternative detours and, any other appropriate signage for traffic control and advance warning of road closures in accordance with the Code of Practice for Temporary Traffic Management (CoPTTM) and/or the New Zealand Guide to Temporary Traffic Management (NZGTTM).

BACKGROUND

5. Staff work to coordinate a calendar of events with event organisers and affected stakeholders across the city. Event planning meetings are held in advance of events with representation from various Council teams, city stakeholders and the organisers. Traffic management and road closures play an important role in supporting the safety of event

participants and the public and support a well-planned transport network while events are taking place.

6. Road closures allow for safe access to, during and from events by creating separation of vehicles from pedestrians. The wider event approval process led by the Event Facilitation Team assists in managing the impacts of events on residents and ensures event activities are managed within Councils regulatory requirements such as noise management, building consents, liquor licences and communication plans for example.

STATUTORY CONTEXT

7. Pursuant to Clause 11(e) of the Tenth Schedule of the Local Government Act 1974 this report seeks the Council to approve the temporary road closures.

STRATEGIC ALIGNMENT

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

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

9. Council has the authority to close roads under the powers of the Local Government Act 1974 – Clause 11(e) of Schedule 10.

FINANCIAL CONSIDERATIONS

10. None.

LEGAL IMPLICATIONS / RISKS

11. The formal approval of road closures by the Council is part one of a two-part approval process. In addition to seeking this approval from the Council under the Act, part two requires a warranted Site Traffic Management Supervisor (STMS), usually from a traffic management company engaged by the event owner to submit a traffic management plan (TMP) to Tauranga City Council.
12. The Corridor Access team has delegated authority as a Traffic Management Coordinator (TMC) to review and approve a TMP in accordance with the Code of Practice for Temporary Traffic Management (CoPTTM) and/or the New Zealand Guide to Temporary Traffic Management (NZGTTM).
13. The traffic management contractor engaged by the event owner has a duty to ensure so far as reasonably practicable the safe and efficient movement of all road users through and around the working space. This requires a risk assessment to be completed before the implementation of a traffic management operation.

TE AO MĀORI APPROACH

14. No Te Ao Māori implications. This is a regulatory requirement.

CLIMATE IMPACT

15. No climate implications. This is a regulatory requirement.

CONSULTATION / ENGAGEMENT

16. Temporary road closures must be publicly notified allowing a period for the public to submit comments. Any objections must be considered by the Council before deciding on the requested temporary road closures.
 - (a) The temporary road closures for the listed events were publicly notified on Friday 27 June 2025 in the Bay of Plenty Times, with the consultation period ending on Friday 18 July 2025. Staff to advise if any objections received at the Council meeting.

SIGNIFICANCE

17. 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.
18. 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.
19. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance.

ENGAGEMENT

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

ATTACHMENTS

1. **Attachment A - Temporary Road Closure Report for Events August 2025 - May 2026 - A18431256** [!\[\]\(49aa2e1da5fe39294864e9598c593810_img.jpg\)](#) 

Attachment A

Mount Maunganui Half Marathon

Adams Avenue from Marine Parade to Maunganui Road
 Marine Parade from Adams Avenue to Commons Avenue
 From 7.30am - 4pm on Saturday 23 August 2025

Marine Parade from Commons Avenue to Tweed Street
 From 7.30am – 9am on Saturday 23 August 2025

Surf Road entire length
 Marine Parade from Commons Avenue to road end
 Oceanbeach Road from Marine Parade to road end
 Yale Street from Oceanbeach Road to Maranui Street
 Omanu Way from Oceanbeach Road to Maranui Street
 Maranui Street from Yale Street to Sandhurst Drive
 From 7.30am - 1pm on Saturday 23 August 2025
 Postponement date: Saturday 11 October 2025

Tauranga STEM Festival

Durham Street from Spring Street to Elizabeth Street
 From 5am-8pm Sunday 28 September 2025
 Postponement date: Sunday 5 October 2025

HOT Pink Walk for Breast Cancer

The Strand from Harington Street to Devonport Road
 Hamilton Street from The Strand to a point just east of Willow Street
 Devonport Road from The Strand to Elizabeth Street
 From 3.30pm - 9pm on Wednesday 15 October 2025

GENX/Marra Tinman Triathlon

Salisbury Wharf Car Park the entire car parking area
 Salisbury Avenue from Victoria Road to The Mall
 The Mall from Salisbury Avenue to Prince Avenue
 From 6am Saturday 22 November 2025 - 2pm Sunday 23 November 2025

The Mall from Prince Avenue to Adams Avenue including the Pilot Bay Boat Ramp
 Adams Avenue from The Mall to Marine Parade
 Prince Avenue from The Mall to Victoria Road roundabout
 Marine Parade from Adams Avenue to Oceanbeach Road
 Oceanbeach Road from Marine Parade to Concord Avenue
 From 5am - 2pm on Sunday 23 November 2025
 Note: Roads may open earlier depending on progress of the event.

Road Safe Orange Day Walk

Nikau Crescent from Rata Street to Maunganui Road
 From 7am-11am Thursday 27 November 2025

Maunganui Road from Salisbury Avenue to Pacific Avenue
 Prince Avenue from Victoria Road to Maunganui Road
 From 9am-11am Thursday 27 November 2025

Sanitarium Weet-Bix Kids TRYathlon

Monowai Street from Gloucester Road to Grenada Street
 From 5am - 2pm on Sunday 30 November 2025

Postponement date: Sunday 14 December 2025

Pak’N Save Papamoa Christmas Parade 2025

Dickson Road from Longview Drive to Douglas Place
From 8am-2pm on Sunday 7 December 2025

Dickson Road from Douglas Place to Domain Road
 Domain Road from Percy Road to Gravatt Road
From 9am-2pm on Sunday 7 December 2025
Postponement Date: Sunday 14 December 2025

EVES Surfbreaker Triathlon

Marine Parade from Adams Avenue to Tweed Street
 Adams Avenue from Marine Parade to Maunganui Road
From 5am - 11am on Saturday 27 December 2025
Note: Roads may open earlier depending on progress of the event.

Concert 1

Hamilton Street West full length
From 10am Friday 26 December 2025 – 1am Sunday 28 December 2025

Cameron Road from Wharf Street to Park Street
 Hamilton Street from Cameron Road to Willow Street
 Harington Street from Cameron Road to Willow Street
 Durham Street from Wharf Street to Harington Street
From 11am Saturday 27 December – 1am Sunday 28 December 2025

New Year’s Eve

The Strand from Harington Street to Devonport Road
From 2pm Wednesday 31 December 2025 - 3am Thursday 1 January 2026

Sikh Parade

Burrows Street from Fourteenth Avenue to Fifteenth Avenue
From 11am - 3pm on Sunday 11 January 2026

Fourteenth Avenue from Burrows Street to Devonport Road
 Devonport Road from Fourteenth Avenue to Eleventh Avenue
 Eleventh Avenue from Devonport Road to Fraser Street
 Fraser Street from Eleventh Avenue to Thirteenth Avenue
 Thirteenth Avenue from Fraser Street to Burrows Street
 Burrows Street from Thirteenth Avenue to Fourteenth Avenue
Rolling road closure between 11am - 3pm on Sunday 11 January 2026

Mount Festival of Multisport

Salisbury Wharf Carpark the entire car parking area
 Salisbury Avenue from Victoria Road to The Mall
 The Mall from Salisbury Avenue to Prince Avenue
From 6am Friday 16 January - 9pm Saturday 17 January 2026

The Mall from Prince Avenue to Adams Avenue including the Pilot Bay Boat Ramp
 Prince Avenue from Salisbury Avenue to The Mall
 Adams Avenue from The Mall to Marine Parade
 Marine Parade from Adams Avenue to Oceanbeach Road
From 4.30am - 5pm on Saturday 17 January 2026

Victoria Road from Salisbury Avenue to Prince Avenue
 Oceanbeach Road from Marine Parade to road end
 Yale Street from Oceanbeach Road to Maranui Street
 Omanu Way from Oceanbeach Road to Maranui Street
 Maranui Street from Yale Street to Sandhurst Drive
 Papamoa Beach Road from Sandhurst Drive to Parton Road
 From 4.30am - 1pm on Saturday 17 January 2026

State Highway 2 (Tauranga Eastern Link) State Highway 2 (Tauranga Eastern Link), east bound
 from the intersection with Domain Road, including the
 Domain Road East Bound On Ramp, to the intersection
 with State Highway 33

From 5.30am-1pm Saturday 17 January 2026

Note: Roads may open earlier depending on progress of the event.

Waitangi Day Dawn Service

Marine Parade from Grace Avenue to Pacific Avenue
 From 5am - 7pm on Friday 6 February 2026

Calley Homes Women's Triathlon

Salisbury Wharf Car Park the entire car parking area
 Salisbury Avenue from Victoria Road to The Mall
 The Mall from Salisbury Avenue to Adams Avenue including the Pilot Bay Boat Ramp
 Prince Avenue from The Mall to Victoria Road roundabout
 Adams Avenue from The Mall to Marine Parade
 Marine Parade from Adams Avenue to Oceanbeach Road
 From 5am - 12 Noon on Sunday 15 February 2026

Note: Roads may open earlier depending on progress of the event.

Children's Day 2026

The Strand from Harington Street to Devonport Road
 Hamilton Street from The Strand to Willow Street
 From 4am to 7pm on Sunday 1 March 2026

New Zealand Schools Championship Triathlon

Marine Parade from Grace Avenue to Pacific Avenue
 From 7am Wednesday 25 March – 6pm Friday 27 March 2026

Marine Parade from Adams Avenue to Grace Avenue (lane closure on beach side)
 Marine Parade from Pacific Avenue to Oceanbeach Road
 Grace Avenue from Marine Parade to Maunganui Road
 Pacific Avenue from Marine Parade to Rita Street
 Adams Avenue from Marine Parade to Maunganui Road
 From 6am – 3pm on Thursday 26 March 2026

Marine Parade from Adams Avenue to Grace Avenue (lane closure on beach side)
 Marine Parade from Pacific Avenue to Oceanbeach Road
 Grace Avenue from Marine Parade to Maunganui Road
 Pacific Avenue from Marine Parade to Rita Street
 Adams Avenue from Marine Parade to Maunganui Road
 From 6am – 1.30pm on Friday 27 March 2026

Marra Sprint Triathlon

Salisbury Wharf Carpark the entire car parking area

Salisbury Avenue	from Victoria Road to The Mall
The Mall	from Salisbury Avenue to Adams Avenue including the Pilot Bay Boat Ramp
Prince Avenue	from The Mall to Victoria Road roundabout
Adams Avenue	from The Mall to Marine Parade
Marine Parade	from Adams Avenue to Oceanbeach Road

From 5am - 12 Noon on Sunday 29 March 2026

Note: Roads may open earlier depending on progress of the event.

Ultimate Athlete

Marine Parade	from Grace Avenue to Pacific Avenue
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From 6am - 6pm on Saturday 11 April 2026

Postponement Date: Sunday 12 April 2026

Anzac Day Dawn Parade and Memorial Services

Marine Parade	from Commons Avenue to Banks Avenue
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Pacific Avenue	from Rita Street to Marine Parade
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From 2am - 12 Noon on Saturday 25 April 2026

Anzac Day Dawn Parade and Civic Services

Eleventh Avenue	from Devonport Road to Fraser Street
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Fraser Street	from Eleventh Avenue to Thirteenth Avenue
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From 4am - 12 Noon on Saturday 25 April 2026

We Run the Night Half Marathon

Marine Parade	from Commons Avenue to Hart Street
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Pacific Avenue	from Rita Street to Marine Parade
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From 3pm – 11.30pm on Saturday 2 May 2026

Bethlehem Tertiary Institute Graduation Parade

Devonport Road	from Spring Street (Red Square) to Fourth Avenue
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Rolling road closure from 1pm - 2pm on Saturday 16 May 2026

11.6 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 Statement of Intent 2025/28 for Bay Venues Limited, Tauranga Art Gallery Trust, Tourism Bay of Plenty, Te Manawataki o Te Papa Limited, Te Manawataki o Te Papa Charitable Trust, and Bay of Plenty Local Authority Shared Services Limited, (**Attachments 1 to 6**).
- (c) Receives **Attachment 7** – Tourism Bay of Plenty's letter to Mayor Mahé Drysdale regarding its final Statement of Intent.
- (d) Notes that as joint shareholder of Tourism Bay of Plenty, Western Bay of Plenty District Council received Tourism Bay of Plenty's final Statement of Intent 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 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) 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 5 August 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 was received at the City Delivery Committee meeting scheduled on 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 Western Bay of Plenty District Council (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 Statement of Intent

Bay Venues Limited

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 	<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

<p>upcoming financial year.</p> <p>(c) Include a note that Bay Venues will have regular reporting and bi-monthly meetings with the Mayor, Deputy Mayor, and Councillors.</p> <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>	<p>reduced from 2.2 million to 2.1 million (to reflect final approved budget).</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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Tauranga Art Gallery Trust

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
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	<p>of success.</p> <ul style="list-style-type: none"> The document also references a review of other galleries post-COVID to contextualise visitation expectations (Section 3.2). <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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Tourism Bay of Plenty

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> <p>(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.</p>	<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>
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<p>(b) Consider including information about what good looks like and how TBOP is measuring and working towards achieving that i.e. qualitative benchmarking.</p> <p>(c) Consider demonstrating the economic impact of the work TBOP does and the return on investment the Tauranga ratepayers receive for TCC's investment.</p> <p>(d) Include regular reporting on the Tauranga Destination Brand project.</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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Te Manawataki o Te Papa Limited

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:

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

Bay of Plenty Local Authority Shared Services Limited

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 (Separate Attachments 1)** 
2. **Attachment 2: TAGT - Final Statement of Intent 2025-2028 - A18435933 (Separate Attachments 1)** 
3. **Attachment 3: TBOP - Final Statement of Intent 2025-2028 - A18431772 (Separate Attachments 1)** 

4. **Attachment 4: TMOTPL - Final Statement of Intent 2025-2028 - A18456888 (Separate Attachments 1)** 
5. **Attachment 5: TMOTP Charitable Trust - Final Statement of Intent 2025-2028 - A17911163 (Separate Attachments 1)** 
6. **Attachment 6: BOPLASS - Final Statement of Intent 2025-2028 - A18437798 (Separate Attachments 1)** 
7. **Attachment 7: TBOP - Letter re Final Statement of Intent 2025-2028 - A18431776 (Separate Attachments 1)** 

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 Council-Controlled Organisation Board	s6(b) - The making available of the information would be likely to endanger the safety of any person	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would

appointment	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	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 - 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
13.5 - Harington Street carpark litigation - settlement recommendations	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege 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
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

14 CLOSING KARAKIA