



AGENDA

Council Workshop meeting Monday, 11 August 2025

I hereby give notice that a Council Workshop meeting will be held on:

Date: Monday, 11 August 2025

Time: 2:00 PM

**Location: Tauranga City Council Chambers
L1 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**

Order of Business

1 Business..... 4

1.1 User Fees and Charges Review..... 4

1 BUSINESS

1.1 User Fees and Charges Review

File Number: A18612187

Author: Holly Allison, Corporate Planner
Emma Cooper, Financial Analyst

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

Presenter(s): Holly Riddell, Corporate Planner
Emma Cooper, Financial Analyst
Jeremy Boase, Manager: Strategy & Corporate Planning

Workshop information

Purpose of workshop

1. Purpose of the workshop is to initiate the comprehensive Fees and Charges Review for the 2026/27 financial year. The session will outline the proposed timelines and review process and provide high-level financial context.

Attachments

1. Initial User Fees and Charges Council Workshop - 11 August - A18619806 [!\[\]\(8ba0a8bc08cfb681721719303df69bb8_img.jpg\)](#) 
2. Previous discussions and changes (User Fees and Charges) - A18611011 [!\[\]\(630eff6382b86f77a4b5cf981ec06d32_img.jpg\)](#) 



Fees and Charges Review 2026/27

Council Workshop | 11 August 2025



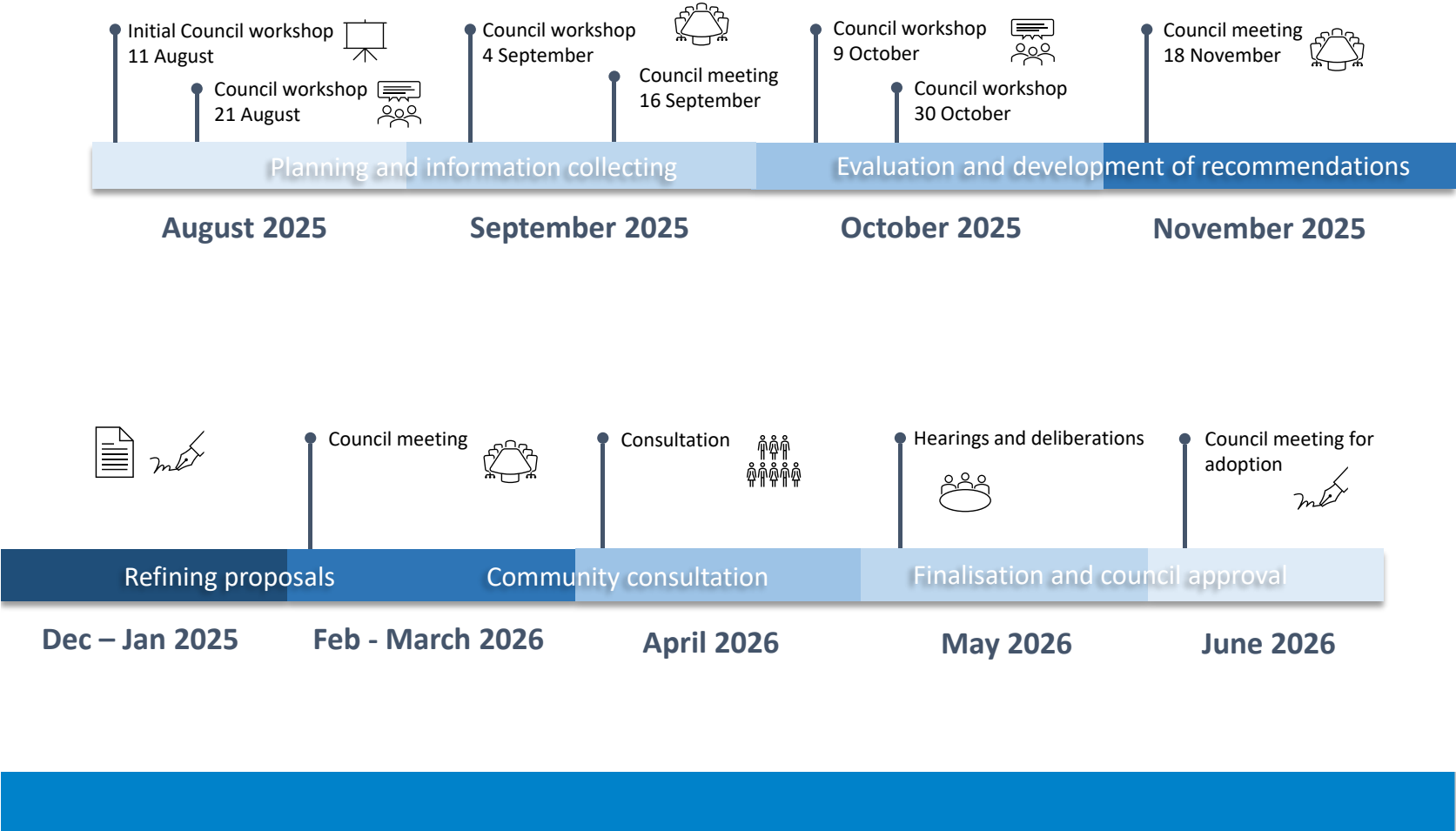
Purpose of today



- Initiate Fees and Charges Review 2026/27
- Process and timeline of review
- Overview of Fees and Charges
- Financial overview



Process and timeline of review



What are fees and charges?

What are council fees and charges?

- Fees and charges are set by council to recover the costs of providing specific services
- They are usually paid by individuals or groups who directly use or benefit from the service
- They help ensure that those who cause or demand a service contribute to its funding

Why do we charge them?

- To reduce reliance on rates
- To encourage responsible use of services
- To ensure fairness and transparency in how services are paid for

Reviewed every year alongside the Annual Plan, with a comprehensive review done within the LTP with the Revenue and Financing Policy.



Legislative context

Key legislation guiding fees and charges:

Local Government Act 2002 (LGA)

- Section 101: Council must consider funding sources for each activity
- Section 103: Requires a Revenue and Financing Policy to set funding principles
- Section 150: Allows councils to prescribe fees for services provided.
- Section 252: Permits recovery of reasonable costs where no specific fee is set

Other Acts

- e.g. Building Act, Resource Management Act, Dog Control Act

Revenue and Financing Policy

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Policies - Revenue and Financing Policy 2024

REVENUE AND FINANCING POLICY 2024

1. PURPOSE

The Revenue and Financing Policy sets out the funding sources for Council's activities over the next 10 years and the rationale for these choices.

The policy documents how Council has complied with section 101 (3) of the Local Government Act 2002 (LGA). The comprehensive section 101(3) analysis that sets behind the policy is documented separately in the Funding Needs Analysis.

2. PRINCIPLES

These principles are to assist in giving effect to the section 101 (3) requirements and are consistent with the legislation.

Accessibility - that Council facilities and services should be accessible to as many people as possible.

Affordability - both that Council facilities and services should, wherever possible, be affordable to users and that rates should, to the extent possible, be affordable to ratepayers.

Benefit - that those who benefit from a Council facility or service should contribute to the costs of that facility or service, during the period in which the benefits are expected to occur.

Exclusion - that those who contribute to the need for a Council facility or service should contribute to the costs of that facility or service.

Practicalities - the funding of operating and capital expenditure should take account of the practicalities and efficiencies of the available funding methods.

Council must apply judgement in assessing many options to determine the appropriateness in its development of budgets or acquisition of assets and the choice of funding sources to implement these.

The key principles of fees and charges are:

- User pays
- Fair and equitable
- Consistent across council
- Reflects capital investment
- Simple to administer and understand
- Captures non ratepayer users of TCO amenities
- Enables demand management
- Reflects "value" of assets and environment.

3. OPERATING EXPENDITURE

Operating expenditure (OPEX) is the money spent on the ongoing day-to-day activities and services of the Council. This includes contributions to the wear and tear on assets used (depreciation), interest charges on borrowing for capital projects and corporate overheads. Operating expenditure will be funded each year in accordance with the adopted Annual Plan and Budget.

With regard to OPEX, the following information should be considered:

4. FUNDING SOURCES FOR OPERATING EXPENDITURE

Tauranga City Council may use all of the following sources to fund operating costs, the most common are explained below:

- a. User charges
- b. Grants, sponsorship, subsidies, and other income
- c. Proceeds from asset sales
- d. Lump sum contributions
- e. Investment income
- f. Financial contributions
- g. Reserve funds

Reduced budget - in accordance with section 100 of the LGA, Council will set each year's projected operating revenue at a sufficient level to meet the year's projected OPEX, except in limited situations where Council considers it prudent not to do so.

Loans - Council may need to use loans to fund OPEX where the expenditure provides benefits, including outside the year of operation, such as community grants for assets. Council may also use loans if unexpected events (e.g. pandemics, natural disaster) create the need for loan-funding some OPEX due to changes in expected revenue and/or expenditure.

At financial year-end, any surplus will be used for debt retirement or Council may choose to contribute to risk reserves or other fund if resolved by Council. A deficit will be funded through loans.

Long term Plan 2024-2034

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Policies - Revenue and Financing Policy 2024

Table 1: Summary of Operating Expenditure Funding Sources by Activity*

Activity Group	Activity	User charges	General rates	Targeted rates	Grants, sponsorship, interest income & other	Overhead
City and Infrastructure Planning	City and Infrastructure Planning	✓	✓	✓	✓	✓
Community, People and Relationships	Includes: - Delivery Services, Customer Service, Community Relations, and 50 Plus, Tauranga	✓	✓	✓	✓	✓
Community Services	Includes: - Arts and Culture - Museums and Events - City Centre Development - Community Development - Libraries	✓	✓	✓	✓	✓
Economic Development	Includes: - Airport - Economic Development	✓	✓	✓	✓	✓
Emergency Management	Emergency Management	✓	✓	✓	✓	✓
Marine Protection	Marine Protection	✓	✓	✓	✓	✓

* It is Council's intention to dispose of the Marine Protection by 1 July 2024, and therefore discontinue this activity. In the event of a delay, the intended funding of this activity is as shown in this policy.

Long term Plan 2024-2034

- Set by Council through the Long-term Plan
- Governed by section 101 (3) of the Local Government Act 2002
- Outlines Council's approach to funding operating and capital expenditure
- Provides a list of funding options – e.g. rates, user fees, lump sum contributions, borrowing, asset sales, development contributions

Revenue and Financing Policy

Policies - Funding Needs Analysis

TABLE 4: FUNDING NEEDS ANALYSIS BY ACTIVITY - OPERATING EXPENDITURE

Activity	Nature of benefit	Primary Community Outcome(s)	Beneficiaries	Period of benefit	Who creates need?	Separate funding	Proposed Funding Sources					Rationale for Funding
							Fees & Charges	General Rates	Targeted Rates	Subsidies, grants, etc	Overheads	
Transportation												
Transportation	Use of the transport network, provision of road safety and access to different modes of transport. Provision and management of parking at recreation facilities, venues, and city spaces for convenient access to amenities.	Well-planned city - Tauranga - Tatai Whenua Easy to move around - Tauranga Ara Rau Supports business and education - Tauranga a te kura, and investment by the council and others	The whole community benefits from use of the transport network and parking, as well as economic benefits of movement of goods and accessibility for people to services businesses and amenity. Commercial and industrial sectors, both within the city and in the wider region or nationally (e.g., due to access to the port or warehouses and outlets) benefit from movement of goods and employees.	Benefit is expected to arise in the year funding is sourced. Benefits from economic activity and commercial and industrial activity are short to long term, benefitting future generations.	All road and road corridor users create the need for this activity. Heavy vehicles, commercial and industrial and utility networks all use the road corridor, and increase the costs of this activity. Heavy vehicles create more costs because of their impact on roading surfaces, safety and other requirements People who create congestion on roads, and in parking areas also create the need for additional expenditure.	Targeted rates assist with accountability and transparency of Council's expenditure on this activity. Identifying separate fees and charges for parking and infringements assists in the accountability of Council's expenditure on this activity.	✓	✓	✓	✓	✗	There are limited practical options for charging for the individual benefits received from using the transport network. Tolling is one practical way however it requires an Order in Council (legislative instrument that is made by the Executive Council led by the Governor-General) to be made. Congestion charging which charges users on the basis of timing of road use offers advantages for demand management as well as reflecting the costs of peak traffic flows on the need for more roads and congestion management. This also requires legislation so it currently outside the control of Council.

Funding needs analysis

Policies - Revenue and Financing Policy 2024

Table 1: Summary of Operating Expenditure Funding Sources by Activity*

Name	% Range	Key
Unlikely	0%	✗
Low	0-30%	✓
Medium	30-70%	✓
High	70-100%	✓
Potential to be used		✓

Activity Group	Activity	User charges	General rates	Targeted rates	Grants, subsidies, interest revenue & other	Overheads
City and Infrastructure Planning	City and Infrastructure Planning	✓	✓	✗	✓	✗
Community, People and Relationships	Includes: Democracy Services, Customer Service, Community Relations, and Te Pou Takawaenga	✓	✗	✗	✓	✓
Community Services	Arts and Culture	✓	✓	✗	✓	✗
	Venues and Events	✓	✓	✗	✓	✗
	City Centre Development	✗	✓	✓	✓	✗
	Community Development	✗	✓	✗	✓	✗
	Libraries	✓	✓	✓	✓	✗
Economic Development	Airport	✓	✗	✗	✓	✗
	Economic Development	✗	✗	✓	✓	✗
Emergency Management	Emergency Management	✗	✓	✓	✓	✗
Marine Precinct ¹	Marine Precinct	✓	✓	✗	✓	✗

¹ It is Council's intention to dispose of the Marine Precinct prior to 1 July 2024, and therefore disestablish this activity. In the event of a delay, the intended funding of the activity is as shown in this policy.

Key principles of fees and charges



User pays



Reflects “value” of
assets and
environment



Fair and equitable



Captures non
ratepayer users of
TCC amenities



Enables demand
management



Reflects capital
investment

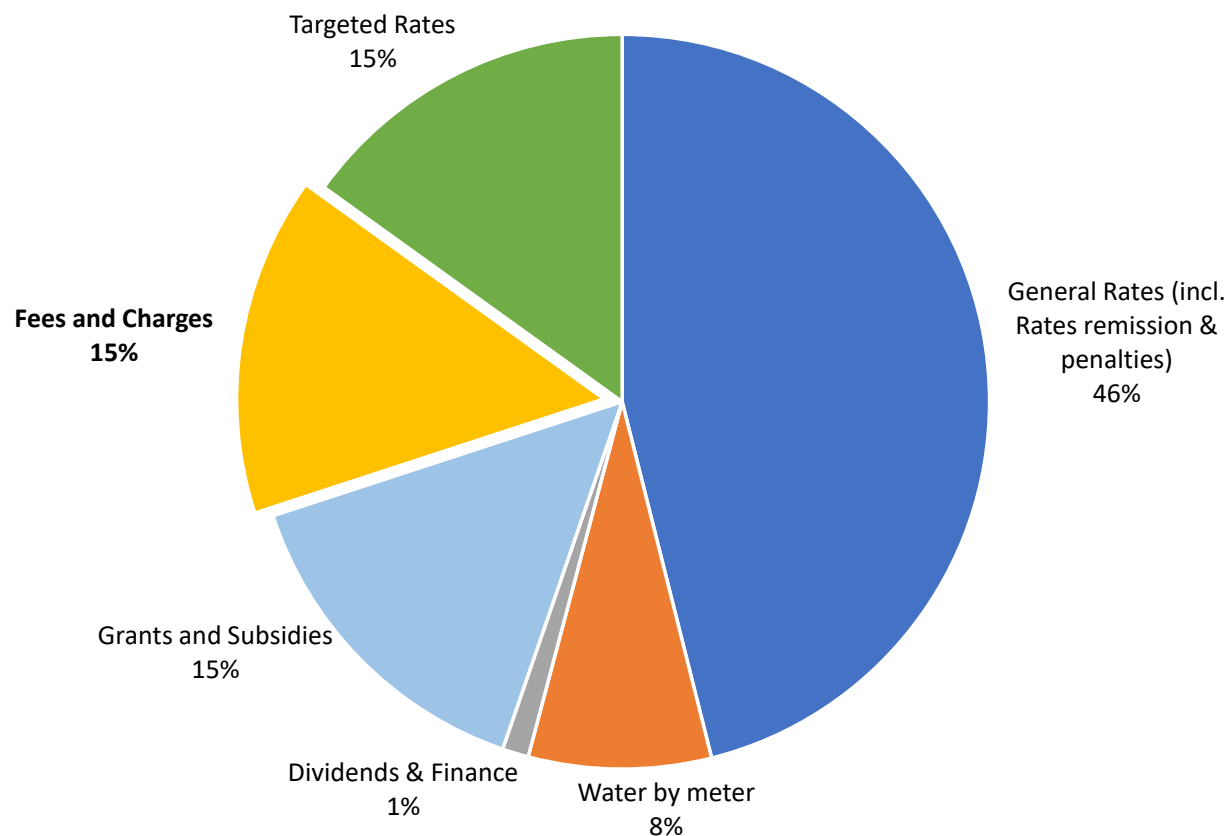


Consistent across
council

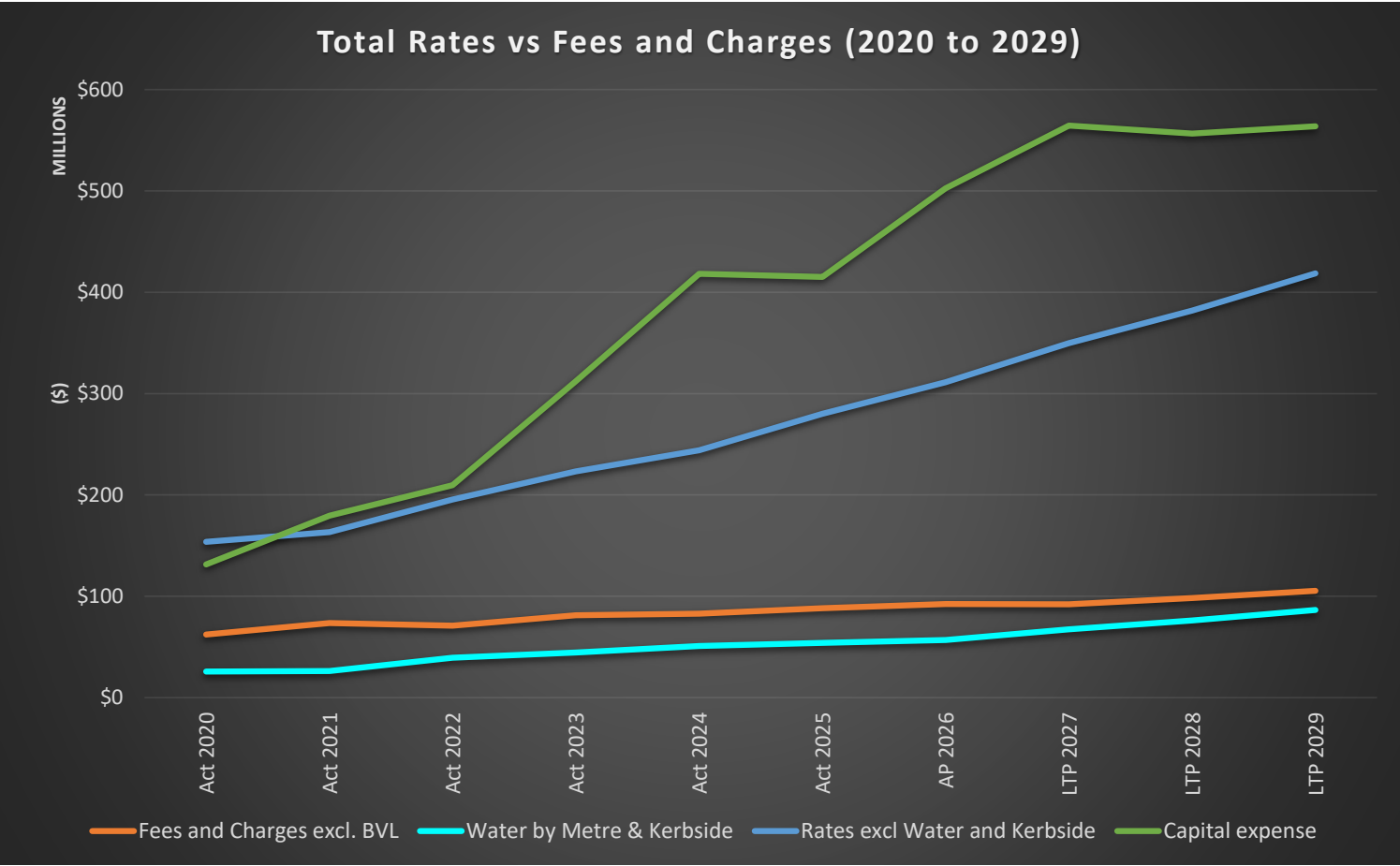


Simple to administer
and understand

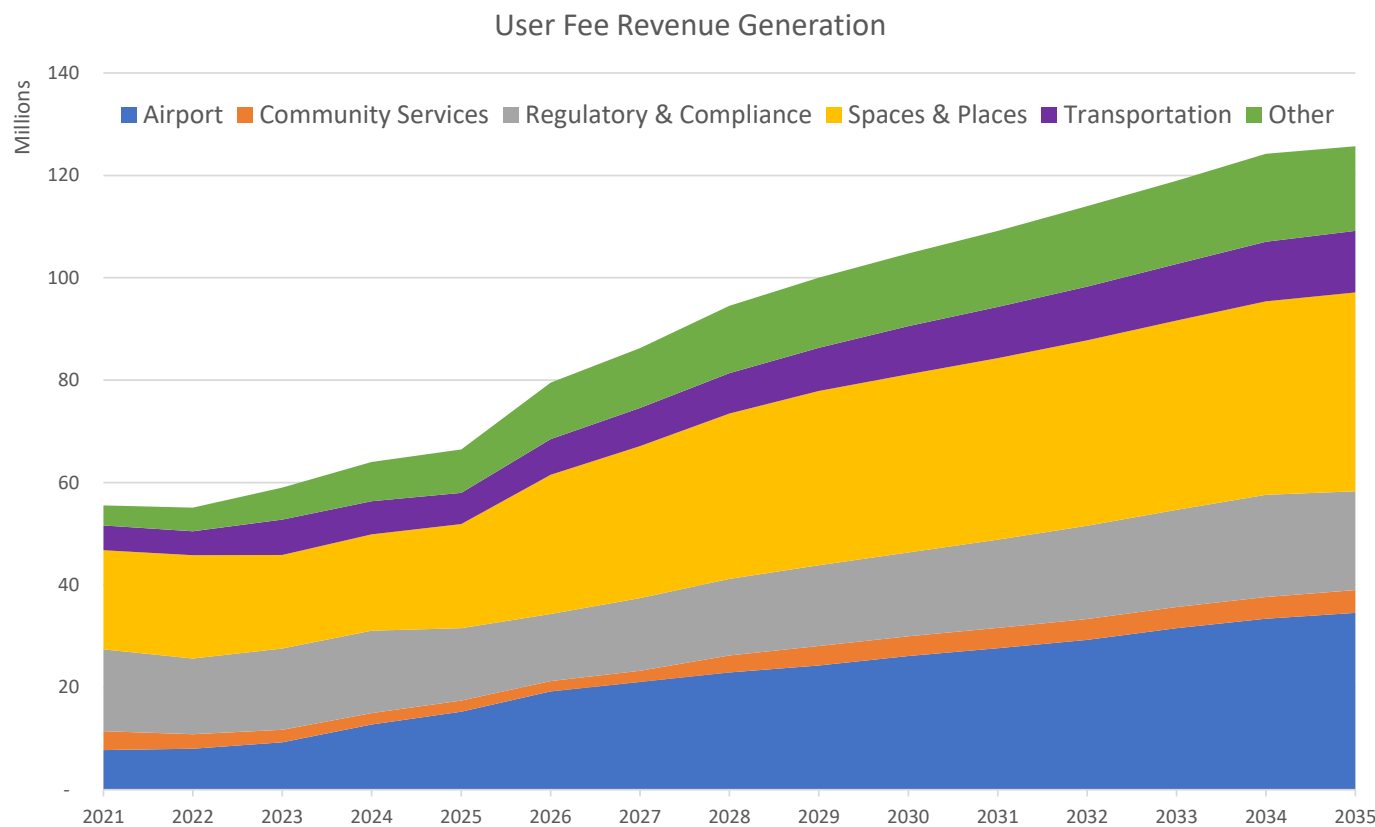
Sources of Council operating revenue 2026 budget



Rates and Fees and Charges trends



Key contributors to Fees and Charges



What's next?



Discuss priority list of existing and potential new fees and charges to review

Council workshop – 21 August 2025



Confirm priority list of existing and new fees and charges to review

Council meeting – 16 September 2025



Evaluation and development of changes in those priority areas

Council workshop – 4 September 2025

Council workshop – 9 October 2025

Council workshop – 30 October 2025



Previous significant community consultations – User Fees and Charges

Fee/charge	Consult period	Number of submissions	Proposed Change	Estimated revenue
Cemeteries	2025/26	2	<p>Increasing the fee for funerals without a funeral director from \$182, to \$500 removing the 10% funeral director discount, proposing new fees for burials for device hire and self-backfill options, non-resident burial fee, same day cremation processing, public holiday surcharges, administration fee for seat donations and rose garden maintenance increases.</p> <p>Two submissions received – one was a combined submission from several funeral directors noting the impact the changes in fees would impact their business and clients.</p>	
Street Dining	2025/26	15	<p>Proposed full city fee of \$50 per m2 for street dining in 24/25 Annual Plan, 15 submissions, 13 opposed, and 2 in support. 317 people responded to the policy review in 2023, with 48 percent of submitters disagreeing or strongly disagreeing with charging for street dining compared with 42 percent agreeing or strongly agreeing with the proposal.</p>	
Boat ramp parking	2024/25	238	<p>Of those that submitted on the topic, 48% were in support and 47% were opposed to a fee.</p> <p>Boatramp parking fees in Tauranga were introduced on 1 July 2024, applied at the Whareroa Reserve, Pilot Bay (Waikorire), and Marine Park ramps at a cost of \$20 per day or \$200 for an annual resident only pass.</p> <p>In August 2024, Tauranga City Council passed a resolution to revoke those parking fees and refund annual permits purchased by residents.</p>	\$261k and \$365k per annum depending on ramp usage.

Use of council land	2024/25	Not available	<p>Proposed and adopted new fees for land and building leases on Council's reserves to community organisations. For land leases a fee of \$6.05perm2 (+gst) was proposed. For Council-owned building leases on reserves a fee of \$33 per m2 (+gst) was proposed, plus a \$50m2 (+gst) fee for operational costs (rates, water etc.) The rates were based on a valuation of the land at an average of \$12.10 per m2 and then reduced to account for the fact that the provision is for community organisations not commercial entities.</p> <p>There was opposition from sporting association and submitters included the Tauranga Yacht and Powerboat Club, Ōtūmoetai and Tauranga Golf Clubs and Western Bay Tennis. Key to their feedback was that in considering an appropriate fee, Council should recognise their costs in maintaining golf courses and tennis clubs at no cost to the ratepayer. Sports clubs also noted they would need to look to recover these costs from their members at a time of high living costs and that they were also impacted by the proposed sports field fees.</p> <p>The revised fees were \$3 per m2 (+gst) for the first 1,000m2, no additional charge for 1,001m2 to 9,999m2, with leases over 10,000m2, at \$0.30 per m2 for the next 50,000m2. Buildings charge a \$25 per m2 flat fee.</p>	\$525k per annum.
Use of sports fields	2024/25	Not available	<p>Proposed and adopted new fees for the use of sports fields for senior level sport as means to generate revenue to cover a proportion of the costs of maintaining and upgrading the fields. Feedback from Sport Bay of Plenty and other representative bodies and sports clubs opposed the proposed fees noting that the competition fee would likely make community sport unaffordable or sports organisations unsustainable.</p> <p>The final decision was to implement fees for senior sport training but not competitions with adjustments for emerging sports, and part time use.</p>	\$115k
Congestion charge	2024/25	1,099	Of the 1,099 submissions received, 81% opposed to congestion charging, and only 14% supported it. In response, Commissioners opted not to pursue a business case.	
Historic Village	2024/25	~500	There was a campaign led by the Incubator opposing the lease fee for community venues receiving approximately 500 submissions. In response, the council changed the proposed fee for community uses to \$50 a year for tenants with a sink, \$100 per year if they had a toilet, and electricity would be charged based on use. The council expected to recover \$52,248 in operating expenses including electricity.	\$52,248
Overdue library books	2024/25	Not available	This followed a national movement to remove fines from overdue books from libraries. Figures show in 2022 there was \$52,725.92 in overdue fines, \$18,307.90 were unpaid and 9278 books were not returned. Youth overdue fines were removed in 2016.	

Dog registration	2024/25	Not available	Dog registration fees were increased by 25% to achieve the 90% cost recovery band set in the Revenue and Financing Policy.	\$2,022,881
Indoor facilities fees	2023/24	139	<p>Bay Venues had an independent benchmark review carried out in 2023 to assess what was fair and reasonable; creating a balance between what was paid by users and how much was subsidised by ratepayers. The review concluded that the current user fees at Bay Venues were, on average, significantly below national market benchmarks in almost all cases.</p> <p>78 submitters were unsupportive of the increase in fees and charges relating to Bay Venues. Issues were also raised with comparisons that indoor and outdoor sports fees and charges were unfair and inequitable with indoor being so much more than outdoor. This was also raised at the hearings by two independent speakers.</p> <p>Proposed pricing changes below in response to a large number of submissions. The proposed pricing change will be added via a footnote in the schedule.</p> <ul style="list-style-type: none"> · 10% discount for regular users booking multiple lane hires, and off-peak lane hires. · Maximum 10% discount for any booking. Discount applies only to Community Regular Hire – local, not for profit Tauranga groups who hire the facilities regularly. <p>There is an estimated \$35,000 revenue impact from the aquatic discounts.</p>	
Cemeteries	2021/22	Not available	Consulted and adopted to increase charges by 40% to become more financially sustainable.	Not available
Pool inspections	2018/19	Not available	A \$134.20 fee was proposed to cover the cost of preparing a new pool register required under the Building (Pools Amendment) Act 2016. Opponents suggested that the Council should not charge a fee for the register set up cost and spread the cost across ratepayers. Opponents also querying the cost of set up. The fee was adopted in the 2018/19 user fees schedule. Pool inspections are now covered as a targeted rate.	Not available
Library book charges	2010/11	~950	Council consulted to charged 50c for all adult loans which expected to generate \$493,000 over the first three years. This created a significant response from the community and received ~950 submissions, 92% of which were opposed to the charges.	\$493,000 over the first three years.

