



ATTACHMENTS

**City Delivery Committee meeting
Separate Attachments 2**

Tuesday, 2 September 2025

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9.5 Presentation of Draft 2025 Annual Report
 Attachment 1 Annual Report 2024-25 - DRAFT 4



ANNUAL REPORT/ PŪRONGO O TE TAU 2024/25





01

Introduction/Kupu arataki

01 | INTRODUCTION

Mihi

Kua mahuta mai a Hinetakurua
Takurua whareana,
Takurua parawai,
Takurua āio, kūtao
Māro tonu ana te iringa whetū,
Hei kawē i ngā mate o te tau
Kia tātaitia rā koutou ki te uma o Ranginui
Hei whetū i te kete a Tāne
Kei āku rau kahurangi.
Tiaho mai i runga
Ko tō manawa ora ko tōku manawa ora
Koia ko koe
Te kauwaka o manako nui
Anei te manawatīna
Hei whakatinanatanga māu
Nau mai ngā hua
Nau mai ngā taonga
Nau mai te ata hāpara
Tihei Mauri Ora

Takura has ascended
Snowy winter
Frosty winter
Still winter, cold winter.
The stars endure in the sky
As a repository for those who passed on
Fixed to the bosom of the heavens
Stars in the celestial tapestry
To our countless beloved
Shine upon us
Your hopes and dreams are mine also
For you
Are the vessel
Here is the committed,
Here is the embodiment,
Welcome, the abundance
Welcome, the treasures
Welcome, the imminent dawn
Life to all

01 | INTRODUCTION

ANNUAL REPORT 2024/25

3

Tauranga snapshot

Mawhiti mai ki Tauranga



*Figures are likely to be revised down once data has been validated and formally reported back on in late 2025.

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About this report

Mō tēnei pūrongo

Each year, Tauranga City Council produces an annual report to provide the community, Tauranga City Council leadership, and staff with a clear and transparent summary of the work we have completed over the year. The report offers insight into our operations, decision-making processes, and achievements.

The 2024/25 Annual Report covers the period from 1 July 2024 to 30 June 2025, marking the first year of the Long Term Plan 2024–2034 (LTP) which was adopted by the Commissioners in April 2024. In addition to the Annual Report, we also provide regular updates to the City Delivery Committee, ensuring ongoing tracking of our progress against targets and budgets.

This annual report is relevant to a broad range of stakeholders including residents, ratepayers, local iwi and hapū, businesses, non-government organisations, partners, and government agencies. It provides a performance overview, highlights how our work contributes to our vision, and outlines expectations for the year ahead.

We recognise that Te Tiriti o Waitangi forms the foundation of our mana whenua relationship, and that Tauranga City Council operates in accordance with its principles. We also acknowledge the dedication of staff and stakeholders who have contributed to this report.

Planning cycle

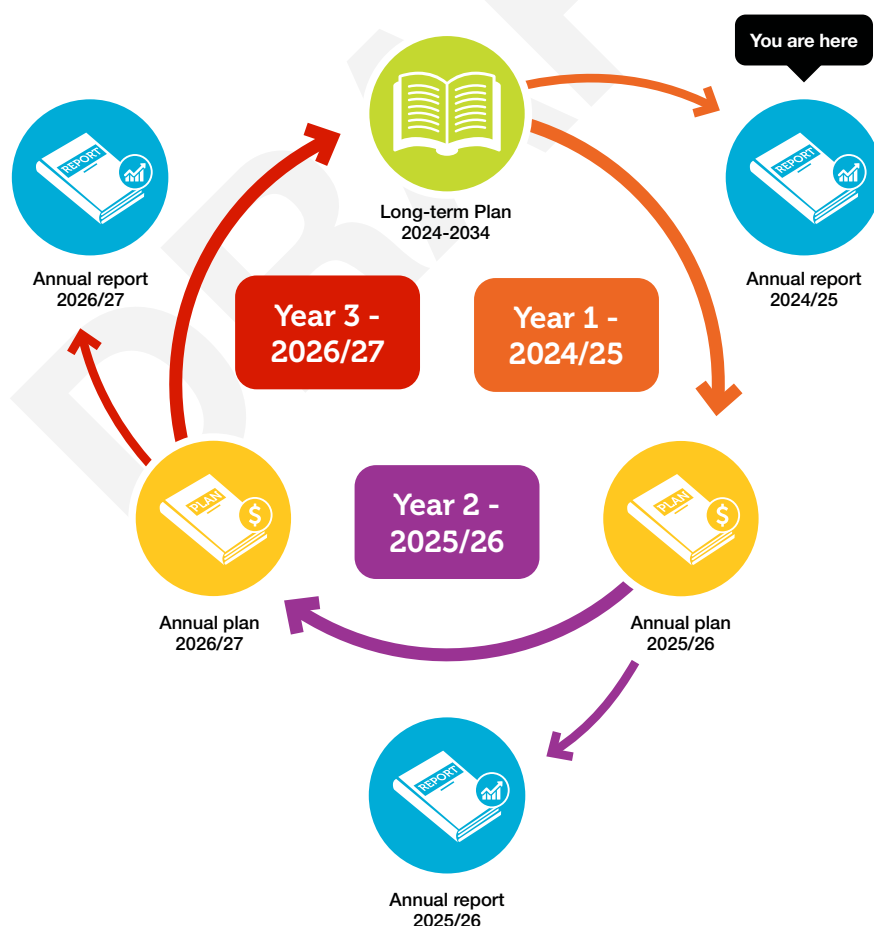
Te huringa whakamahere

Planning cycle

Every three years, we develop an LTP in consultation with our community. This sets out the council's vision, direction, budgets, and work plans for the next 10 years. On 22 April 2024, the Commissioners adopted the LTP, our lead document outlining all council's activities. It details our financial strategy, performance measures, and the rationale behind service delivery. This Annual Report will assess our progress against the LTP.

Annual Plan

In the two years between LTP cycles, we develop annual plans to update what was agreed upon in the LTP. These plans reflect any changes to budgets and work programs for the specific year. For significant or material changes, we consult with the community, ensuring our budgets and plans remain flexible and responsive to community needs and the demands of growth.



Our Direction – strategic framework

Tō Tātou Ahunga – mahere rautaki

Community outcomes

Community outcomes set the direction for our Long Term Plan (LTP) and guide our decision-making. They are the goals we set ourselves that shape the activities we undertake to improve the wellbeing of Tauranga and provide the community with the city it wants.



An inclusive city – Tauranga Mataraunui

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



A city we can move around easily – Tauranga Ara Rau

Tauranga is a well-connected city, easy to move around in, and with a range of sustainable transport choices.



A city that values, protects and enhances our environment – Tauranga Taurikura

Tauranga is a city that values our natural environment and outdoor lifestyle, and actively works to protect and enhance it.



A city that supports business and education – Tauranga a Te Kura

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



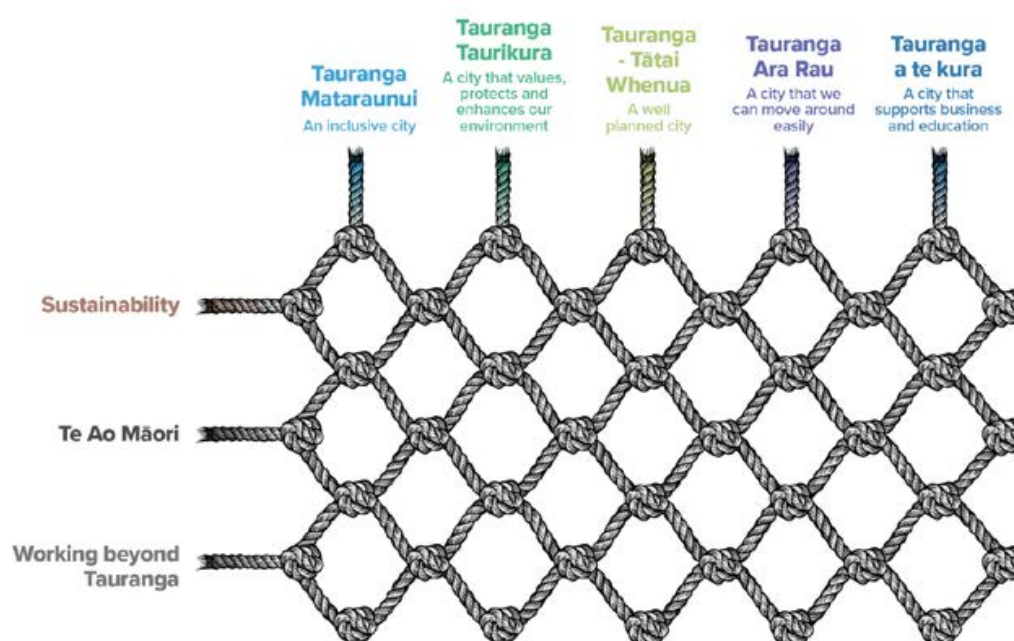
A well-planned city – Tauranga Tātai Whenua

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

For more information on Our Direction, see
<http://www.tauranga.govt.nz/our-future/our-direction>

Our Direction

These eight interwoven elements form Our Direction, Tauranga City Council's strategic framework, provides the structure that enables us to clearly see where we are going and what is needed to get there. Our Direction is visually represented by the kupenga (a type of fishing net), which weaves together council's five community outcomes (what we are trying to achieve for our communities) and three approaches (how we will do everything).



The Tauranga City Council has one primary strategy for each community outcome, spelling out our goals and high-level actions to deliver on that outcome. Our action and investment plans (AIPs) then set out what we will do to deliver on each of our primary strategies once the actions within each AIP are funded through the long-term plan. Many AIPs contribute to more than one primary strategy, and often also contribute to delivery of other AIPs. For more information, go to: www.tauranga.govt.nz/our-future/our-direction.

Mayor's message

He kupu nā te Kahika

Kia ora koutou

This Annual Report summarises Tauranga City Council's financial and service provision performance for 2024/25, a year which also saw a return to democratic arrangements for the city following local body elections in July 2024.

The new Council took up its duties in August 2024 and has immediately brought a sustained focus on delivering value for money for ratepayers, together with a review of the city's priority needs, as set out in Council's Long Term Plan 2024-34.

One of our early decisions was to endorse Te Manawataki o Te Papa – our Civic Precinct redevelopment – because it holds the key to the revitalisation of the city centre. Council's \$306 million commitment to this project was a catalyst to private and public investment totalling some \$1.5 billion, which will transform and breathe new life into this area over the next decade, ensuring that it once again becomes the economic, cultural and social hub of the city.

We also cast a cost efficiency lens over a number of other planned capital projects, including the proposed Memorial Park Aquatic Centre. This is going through a review and further site investigations to ensure it will deliver good value and outcomes for our people.

At the heart of all of our decision making has been a commitment to ensuring that all Council projects deliver great outcomes for the people of Tauranga and real value for money for ratepayers. That approach has continued through the development of our Annual Plan 2025/26, which forms the second year of the city's Long Term Plan 2024-34. While much of the plan focuses on an inherited work and investment programme, Council and staff have worked hard to reduce costs across all our activities, so that the savings provided are locked-in for future years.

During the past 11 months, our Council has changed the direction of travel with financial prudence and rigour being core to our decisions. 2024/25 was a transition year from the direction set by the Commissioners to the new Council. While some of those changes have filtered into this year's Annual Report, most of the impact won't be fully seen until the Annual Report 2025/26 and beyond.



Two key priorities which have been progressed during the past year have involved projects which deal with the city's housing shortage and traffic congestion issues. Work has advanced on construction of the Papamoa East Interchange, which will improve access for this fast-developing area to and from the rest of the city. In that regard, the early opening of the SH2 expressway eastbound off-ramp later in 2025 will make a real difference.

Work also continues to open-up significant housing and commercial development opportunities in the west of the city, with transport infrastructure being a key enabler.

While this Annual Report is essentially a backward-looking snapshot, the workplan it relates to is very much future-focused. The investment decisions we make today will determine what kind of city our kids and grandkids will live in, and that reality has guided, and must continue to guide, all of our decisions.

Your input into that process is highly valued. For readers of this report, please keep providing us with your feedback on the direction of travel and on the priorities you see for the city we all love.

Ngā mihi nui

Mayor Mahé Drysdale

Statement of compliance Te tūtohu a te kaunihera

DRAFT

Who we are Ko wai mātou



Our location

Our city lies in the northwestern corner of the Bay of Plenty, on the southeastern edge of Tauranga Harbour, and is protected by Matakana Island and the extinct volcano of Mauao (Mount Maunganui).

The city extends over 141.91km² and encompasses the communities of Bethlehem, on the southwestern outskirts

of the city; Greerton, on the southern outskirts of the city; Matua, west of the central city overlooking Tauranga Harbour; Maungatapu; Mount Maunganui, located north of the central city across the harbour; Otūmoetai; Pāpāmoa, Tauranga's largest suburb; Tauranga City; Tauranga South; and Welcome Bay.

Our history

*Ko Mauao kei waenganui
Tū i te ao, tū i te pō
Kei āna taha ngā tai o te moana
Mai i Te Awaitei, ki Te Awanui
Ki Te Awaroa, puta atu ki Katikati,
Ko Matakana, te whakaruruhau o te moana.
Mai Ngā Kuri ā Whārei ki Te Tumu.
Ā, Ko Ranginui, ko Pukenga, ko Te Rangihouhiri ngā iwi.
Te Tauranga o ngā waka, mai i te heketanga mai o ngā
tipuna o Te Arawa, o Takitimu, o Mātaatua waka
Tae noa mai ki tēnei rā.
Tauranga Moana
Tauranga Tāngata
Ko Rauru ki tahi ē!*

*Mauao the ancestral mountain a focal point of the region
Standing forever vigilant
The sea laps upon its shores
From the ocean front, to the harbour, to the inner gulf
Extending to Katikati.
Matakana, a barrier island, protects our anchorage.
The tribal boundaries of the iwi
Ngāti Ranginui, Ngāti Pukenga & Ngāi Te Rangi
Stretches from Ngā Kuri ā Whārei to Te Tumu.
Tauranga, a safe haven for many from the time of the great
Migration of Te Arawa, Takitimu & Mātaatua voyaging canoes
To the many vessels of the modern day.
Tauranga, a people with an affinity to the ocean.
A people of their word.*

In Māori tradition, Mauao, at the harbour's edge, was once a nameless peak in the Hautere Forest. Spurned by the beautiful mountain Pūwhenua, he asked the Patupaiarehe (supernatural beings) to drag him to the ocean to dull his pain. Not being able to withstand sunlight, at sunrise they fled, leaving him forever at the shore, revealing the nature of his name, Mauao – 'caught in the light of day'. The earliest settlers to this area were Māori. The ancient people of Ngāmārama were followed by those who arrived in Tauranga upon the Takitimu and Te Arawa waka in the 12th century, followed by the coastal migration of descendants of the Mātaatua waka. There are strong traditions of conflict, reconciliation, and resolution, held still in a rich culture of spoken stories. The arrival of Europeans from the early 1800s had a major effect on these early communities. The Treaty of Waitangi was signed in 1840 which established British law and described a partnership with tangata whenua in governance, to protect Māori and their rangatiratanga (chieftainship) over their traditional domain. This however was not adhered to, with the continued unsanctioned taking of Māori land throughout the country.



This would eventually lead to the British government, under Governor Grey, declaring war upon the Kīngitanga, the Māori king movement, which many Tauranga Māori supported. Following this, war broke out in Tauranga, being an important hub and transit route for the Kīngitanga movement. Many battles took place in Tauranga – the most significant being the battle of Pukehinahina (Gate Pā) which was followed by the British siege at Te Ranga. A memorial sits next to the Mission Cemetery, where many of the fallen Māori chiefs from the battles are buried. It cited the courage and chivalry displayed by both Māori and Pakeha.

Following the land wars, because of Tauranga iwi support of the Kīngitanga, 50,000 acres of land would be confiscated by the Crown. This included the Te Papa block which includes the central Tauranga city we know today. Tauranga continued to grow and in 1882 was made a borough with its first mayor. During the 1900s water supply and electricity were introduced and the town began to prosper. In 1950 Tauranga was chosen as an export port for the Bay of Plenty, creating many jobs and increasing the population dramatically. In 1978 the Kaimai tunnel improved connections between Tauranga and the Waikato region with growth further boosted by horticulture – particularly kiwifruit growing in the surrounding districts – and from lifestyle appeal. The completion of the harbour bridge in 1988 brought Tauranga and Mt Maunganui closer. The areas were amalgamated in 1989 and growth has occurred in both parts of our enlarged city.



01 | INTRODUCTION

Our city's future relationship and partnership with tangata whenua of Tauranga is vital. This relationship saw us formally recognise the long-standing grievances associated with the ownership of our central city land, which lead to investigating and solidifying a joint ownership pathway. This pathway means that all of us – Tauranga City Council, mana whenua and the community – can progress with the exciting plans to restore our rapidly growing city's heart with certainty, confidence, and mana.

City profile

Our city has experienced increasing population growth over previous years. Currently it is home to approximately 164,550 people and is now considered to be a large city. Tauranga means 'place of rest or anchorage' in Māori and while the sparkling harbour and magnificent views make it a great place to relax and recharge, there is also plenty to help keep busy. Our city is virtually surrounded by water – and is popular for fishing, diving, swimming or simply enjoying the stunning views from the top of our famous iconic volcanic cone known as 'the Mount' or Mauao. With a developing arts, culture, and sports focus, along with the climate and environment our city is quickly becoming a vibrant and creative city while also offering a wonderful lifestyle. Something we are very proud of.

Our economy

Over the past decade, Tauranga has delivered a strong, growing and increasingly diversified economy. While recent economic headwinds have contributed to a slight rise in unemployment, the rate remains lower than previous years. From 2014 to 2024, Tauranga city's economic growth averaged 5.0% per annum, notably higher than the national average of 3.0% per annum. While growth has been more subdued in the past year, it remains positive driven primarily by Tauranga's expanding service sector, scientific and technical services, as well as healthcare and professional services.

The Port of Tauranga, New Zealand's largest port, has helped underpin the local economy, providing a critical link in the upper North Island and national supply chain. The Port is served by both rail and road networks; currently handling 32% of all New Zealand cargo, 49% of New Zealand exports and 38% of all shipping containers. Similarly, the Kiwifruit industry provides another backbone to the local economy with 82% of production originating from the Bay of Plenty and significant volume and value growth being forecast.

In 2024, GDP per capita in Tauranga city was \$69,543, lower than the national average of \$79,210. However, GDP per capita growth was 0.8%, outperforming the national rate of -0.3%. Since 2000, Tauranga's GDP per capita growth peaked at 5.7% in 2022 and reached a low of -4.1% in 2009, reflecting both resilience and responsiveness to broader economic conditions.

Our environment

As our city grows, we are gaining a better understanding of the increasing influence climate change will have on us. Climate change needs to be addressed by the whole community, all the way from government through to individuals – with business, science, research, and communities all playing a part. Climate change is influencing our sea levels, weather patterns and rainfall intensity. These changes will in turn increase our natural hazard risks such as flooding from extreme rainfall, inundation (flooding from the harbour/sea), erosion (coastal and inner harbour), tsunami and liquefaction. We're already seeing the impacts of climate change in the Bay of Plenty, including severe weather patterns, increased flooding, and sea level rise. Those impacts are likely to become more severe over time. Our partner, the Bay of Plenty Regional Council, commissioned a report looking at how climate change is likely to affect our region in the coming years. [This video](#) outlines the key findings of that report. Our role at Tauranga City Council is to understand the challenges our city faces and work with our communities to reduce emissions while preparing for the effects of climate change. For further details on how we are doing this, please read 'Our response to climate change' on p XX of this report.



02

Year in Review/Te tau kua hipa



Photo credit: Dscribe Media

Highlights, opportunities and challenges

During 2024/25, Tauranga has experienced many highlights, opportunities and a range of challenges. These are summarised under the below community outcomes and approaches:

Our city is one of the most attractive in New Zealand with abundant potential to be the most liveable city. In 2024/25 we delivered our work programme in key areas to meet our community outcomes and move towards becoming New Zealand's most liveable city. We are all proud of our city and while we have several challenges still to contend with, we continue to bring bold and innovative solutions to the table to overcome these challenges with our community.





An inclusive city – Tauranga Matarau

Tauranga Matarau is a city that recognises and embraces everyone's differences, where the many diverse faces of Tauranga are respected and acknowledged, providing equal opportunity for Tauranga Tangata to engage actively, contribute and benefit. Tauranga is a city that celebrates our past, is connected in our present and invested in our future. Where people of all ages, beliefs, abilities, and backgrounds are included and feel safe, connected, and healthy.

This section reports on:

1. Haumaru Sport and Recreation Centre
2. Waitaha Reserve upgrade
3. Te Manawataki o Te Papa documentary series
4. Memory Meadow at Yatton Park
5. Hidden Disabilities Sunflower Initiative at libraries and Baycourt
6. Te Awanui Māori Ward By-election 2025
7. Waterfront Playground
8. Alice Johnson Oval Pavilion at Gordon Spratt Reserve
9. Rainbow crossing installation at 21 Devonport Rd
10. Pāpāmoa Shared Pathway
11. Merivale Community Centre rebuild (under construction)
12. Gate Pā Community Centre (planned)

Opening of the Haumaru Sport and Recreation Centre

In May 2025, we proudly opened the Haumaru Sport and Recreation Centre and welcomed the University of Waikato as the naming rights sponsor. A landmark achievement in delivering quality community infrastructure in a cost-effective and timely way.

Haumaru, formerly a Warehouse retail site, has been transformed over the past 18 months into a modern indoor arena at a cost of \$28 million—a fiscally prudent alternative to the estimated \$40 million for a new build at Memorial Park. Centrally located in the Te Papa peninsula, with excellent access and on-site parking, Haumaru meets a growing need for indoor court space and is set to become a hub for sport, recreation, and community activity.

The facility will host everything from casual court hire and school programmes to major tournaments and sessions like Tumble Time for preschoolers. It's a cornerstone of Tauranga's city centre revitalisation, supporting a city where people can live, learn, work, and play. Delivered through strong partnerships with mana whenua, the University of Waikato, Apollo Projects, and Bay Venues who will be the facility operator, Haumaru reflects collaboration and community spirit.

The centre officially opened on 12 May 2025, celebrated with a community open day featuring games, food trucks, and activities for tamariki and their whānau.



'Completed' infographic to be included here

Reopening of upgraded Waitaha Reserve

Waitaha Reserve is a cherished space at the heart of the Welcome Bay community. The upgrades provide a safer, more vibrant place for people of all ages to connect, relax, and enjoy the outdoors.

The reserve is now fully upgraded and open for the community to enjoy. The transformation, which began in May 2024, has introduced a range of new features including a basketball court, modern playground, shaded picnic areas, paved walkways, bike racks, and a refreshed skate park. Enhanced accessibility for prams and wheelchairs, a new grassed amphitheatre, and additional planting have created a more inclusive and inviting space.

In collaboration with local hapū Ngāti Hē and artist Jason Porter, the reserve's design also reflects cultural narratives, linking features of the landscape with elements of Māori mythology. Generous funding support was received from the Akarana Community Trust.



'Completed' infographic to be included here

Te Manawataki o Te Papa documentary series

On 29 April 2025, the anniversary of the Battle of Pukehinahina (Gate Pā), we launched *Te Manawataki o Te Papa – Restoring Our City's Beating Heart*. A three-part documentary series exploring Tauranga's complex past, the journey of reconciliation, and a shared vision for the future.

The series brings to life the transformative Te Manawataki o Te Papa civic precinct, which will include a museum, civic whare, exhibition gallery, and a new library and community hub (opening in 2026), along with major upgrades to Baycourt and the Tauranga Art Gallery. Due for completion in 2028, the project is designed to honour our history while creating a vibrant and inclusive city centre.

Through the voices and stories of Tauranga Moana, the series reflects on the past and celebrates our collective aspirations for a city built on unity, identity and connection.



'Completed' infographic to be included here

Memory Meadow takes root at Yatton Park

In May 2025, council staff, alongside community members, planted 5,000 daffodil bulbs at Tutarawānanga – Yatton Park in Parkvale to establish a Memory Meadow. This initiative aimed to create a vibrant tribute in time for Daffodil Day in August.

The community planting day encouraged locals to purchase bulbs through the Cancer Society website, with all proceeds benefiting the Cancer Society Waikato / Bay of Plenty.

The display promises to be a beautiful and poignant addition to the park, brought to life by community generosity and support.



'Completed' infographic to be included here

Libraries and Baycourt adopt Hidden Disabilities Sunflower Initiative

Tauranga became the latest city in New Zealand to install a rainbow crossing in its city centre, as part of Council's commitment to celebrating diversity and fostering an inclusive community.

The decision was made at a meeting of the Community, Transparency and Engagement Committee, following a public petition signed by more than 900 people in support of a rainbow crossing in the city centre. Tauranga's rainbow crossing was installed at 21 Devonport Road, adjacent to He Puna Manawa, the council's temporary library and customer service centre.

The initiative reflected council's continued efforts to promote visibility, inclusivity and a sense of belonging for all members of the community.



'Completed' infographic to be included here

Te Awanui Māori Ward by-election 2025

In April 2025, Tauranga City Council reaffirmed its commitment to inclusive governance with the by-election for the Te Awanui Māori Ward. This election followed the resignation of Councillor Mikaere Sydney due to illness.

The by-election drew five strong candidates—Suaree Borell, George Ngatai, David Ratima, Hēmi Rolleston, and Ange Webster—each bringing deep roots and vision for Māori advancement in Tauranga. Campaigns emphasised whanaungatanga, equitable growth, and authentic cultural representation.

Held under the Single Transferable Vote (STV) system, voting opened on 7 April and closed on 29 April, with final results released on 5 May 2025.

The by-election was more than just a procedural milestone—it was a vivid reflection of the community's voice and the vibrancy of local Māori leadership. As the elected councillor Hēmi Rolleston will serve the remainder of the council's 2024–28 term, carrying forward aspirations and accountability in Te Awanui.



'Completed' infographic to be included here

Waterfront Playground

Opened in December 2024, the Waterfront Playground in Tauranga city centre is a destination play space that blends Māori heritage, nature-inspired play, and modern design.

Developed as part of Tauranga City Council's waterfront transformation, this bold, interactive play area celebrates culture, creativity, and connection while enhancing Tauranga's liveability.

This landmark attraction continues to draw locals and visitors alike, revitalising the waterfront as a hub of recreation and exploration. In recognition of its innovation and impact, the playground was awarded Playspace of the Year (Over \$500,000) at the 2025 Recreation Aotearoa Parks Awards—a testament to its role in redefining public space and enriching community wellbeing.



'Completed' infographic to be included here



Waterfront playground

New pavilion at Gordon Spratt Reserve opens for Pāpāmoa sports clubs

A major milestone was celebrated with the official opening of the new Alice Johnson Oval Pavilion at Gordon Spratt Reserve. The facility serves as the home base for the Pāpāmoa Cricket and Football Clubs, providing much-needed infrastructure for the growing community.

The 265-square-metre pavilion includes accessible toilets, changing rooms, storage areas, umpire facilities, a reception area, and a fully equipped kitchen. While primarily used by the sports clubs, the facility also supports wider community use, encouraging social connection, active recreation, and inclusive participation.

The oval itself honours a legacy dating back more than 40 years, when the Johnson family gifted the land to the community. The opening event was well attended, with elected members, club representatives, and families gathering for a morning of junior cricket, food, and celebration.

The pavilion is part of broader improvements at the reserve, which include new netball facilities, expanded fields, skatepark upgrades, and additional parking.



'Completed' infographic to be included here

Tauranga's first rainbow crossing

Tauranga became the latest city in New Zealand to install a rainbow crossing in its city centre, as part of Council's commitment to celebrating diversity and fostering an inclusive community.

The decision was made at a meeting of the Community, Transparency and Engagement Committee, following a public petition signed by more than 900 people in support of a rainbow crossing in the city centre. Tauranga's rainbow crossing was installed at 21 Devonport Road, adjacent to He Puna Manawa, the council's temporary library and customer service centre.

The initiative reflected council's continued efforts to promote visibility, inclusivity and a sense of belonging for all members of the community.



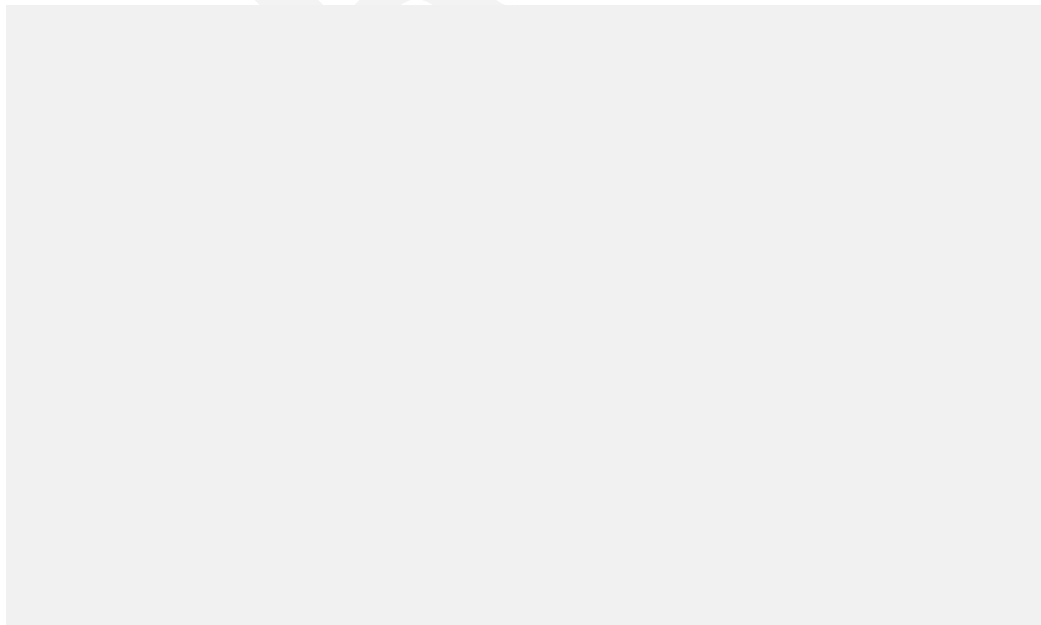
'Completed' infographic to be included here

Pāpāmoa shared pathway

As of December 2024, completion of a section of boardwalk over the Dunes near Alexander Place, saw the completion of stage one Pāpāmoa shared pathway. The pathway connects Pāpāmoa Domain with Parton Road. This connection enhances access to the coastline and improving connectivity across the suburb. The project represents a significant step in promoting active transport and providing safe, accessible infrastructure for the local community.



'Completed' infographic to be included here



Pāpāmoa shared pathway

Merivale Community Centre

The construction of a new Merivale Community Centre is underway, providing a more modern and functional space for the community. The old building was demolished in August 2024, with construction on the new centre starting soon after. The grand reopening is set for late 2025. Improvements include larger multi-purpose rooms, an upgraded digital hub, and better support services, ensuring the centre remains a welcoming space for learning, wellbeing, and community connection.



'Underway' infographic to be included here

Gate Pā Community Centre

A new community centre is planned to be constructed in Gate Pā to better support cultural and social initiatives. Construction is scheduled to begin in late 2025 once resource consent has been obtained, and the project is set to be completed by mid-late 2026. The new centre will feature a flexible meeting space, and dedicated kaumātua services, helping to foster education, engagement, and wellbeing. Through the provision of this centre, the council is creating inclusive spaces where locals can gather, learn, and take part in community activities.



'Planned' infographic to be included here








Outcome measures results

The following table provides results for reporting on the 'An inclusive city' outcome measures included in our 2024-34 Long-term Plan.





For more information about each outcome measure, the method of measurement, and the data sources please see the Outcome Measures Baseline Report 2024, found under 'Resources' [here](#).

Icon		Description
	Positive trend	The trend is tracking in the right direction (towards the outcome to be achieved)
	No significant change	Over the period measured, there has been little or no change.
	Negative trend	The trend is tracking in the wrong direction (away from the outcome to be achieved)
	Insufficient data to determine a trend	There is not enough data to establish a trend.

02 | YEAR IN REVIEW

#	Measure	Data 2024/25 year	Trend	Data Source																														
ODM1	Whānau wellbeing, residents who rate their family as doing well (satisfaction levels through Vital Update – broken down by demographics)	<table><tr><th>Group</th><th>Rarely or never feel lonely</th><th>Feel fit and healthy</th></tr><tr><td>Overall (2023)</td><td>65%</td><td>61%</td></tr><tr><td>Māori (2023)</td><td>59%</td><td>46%</td></tr><tr><td>Pacific communities (2023)</td><td>55%</td><td>42%</td></tr><tr><td>Ethnic communities (2023)</td><td>55%</td><td>63%</td></tr><tr><td>Rainbow community (2023)</td><td>39%</td><td>44%</td></tr><tr><td>Disabled people and carers (2023)</td><td>50%</td><td>35%</td></tr><tr><td>Parents and caregivers (2023)</td><td>65%</td><td>56%</td></tr><tr><td>Youth (2023)</td><td>41%</td><td>54%</td></tr><tr><td>Ageing population (2023)</td><td>78%</td><td>72%</td></tr></table>	Group	Rarely or never feel lonely	Feel fit and healthy	Overall (2023)	65%	61%	Māori (2023)	59%	46%	Pacific communities (2023)	55%	42%	Ethnic communities (2023)	55%	63%	Rainbow community (2023)	39%	44%	Disabled people and carers (2023)	50%	35%	Parents and caregivers (2023)	65%	56%	Youth (2023)	41%	54%	Ageing population (2023)	78%	72%		Vital Update
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ODM2	Housing metrics (dwellings consented, code of compliance certificate issued)	437 new dwellings received building consent (issued) 546 CCs for dwelling units were issued 2024/25.		SmartGrowth development trends, building consent data.																														
ODM3	All council new builds and refurbishments of places and spaces embedded with universal design at the start of the planning process and implemented throughout to the completed project	Not measured. We seek to include within a checklist of processes for the design of projects, a reference to achieving universal design standards. This checklist has not been formalised yet.		To be developed.																														
ODM4	Residents feel they can access all the information they need so they can fully participate in society, in the way that best suits their needs	60% of residents are satisfied with their ability to contact Council when and how they want. (2025)		Annual Residents' Survey																														
ODM5	Mana whenua are meaningfully engaged with from the outset of planning and design of key places and spaces, with Tauranga Moana Design Principles embedded throughout	100% of relevant projects engaged Mana Whenua from project initiation. This will be considered the baseline measurement.		Tauranga City Council																														
ODM6	Delivery on our commitment as an accredited Welcoming Community will ensure that residents and newcomers alike feel that they are welcomed, included, and celebrated in Tauranga	64% of respondents believe Tauranga is a very welcoming, fairly welcoming, or welcoming place to live. (2023)		Vital Update																														
ODM7	Cultural Connections Programme metrics (increased contact with organisations, partners and the wider community)	101 people from external organisations attended Te Kete-ā-Rohe: Cultural Connections two-day course		Tauranga City Council																														

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#	Measure	Data 2024/25 year	Trend	Data Source																																																								
ODM8	Residents rate their feelings of personal safety as safe or very safe	89% feel safe in their neighbourhood during the day 74% feel safe in the city centre during the day 62% feel safe in their neighbourhood after dark 35% feel safe in the city centre after dark (2025)		Annual Residents' Survey																																																								
ODM9	Drowning education metrics (Measure of people engaged in water safety and 'learn to swim' programmes)	41 enrolments per 1000 people. • 2,638 (24/25) engaged in Water Skills for Life (Bay Swim) • 4080 (24/25) engaged in Aquatic Survival Skills (Aquatic Survival Skills Trust)		BaySwim, Aquatic Survival Skills Trust																																																								
ODM10	Strongly agree or agree feeling a sense of community in their local neighbourhood.	59% of respondents agree or strongly agree that it's important to feel a sense of community with people in their neighbourhood. 45% of respondents agree or strongly agree that they feel a sense of community in their neighbourhood. (2024)		Quality of Life																																																								
ODM11	Residents feel they can access the services they need within their local community.	<table><thead><tr><th>Facilities (2023)</th><th>Use</th><th>Do not use</th><th>Would like to be nearer</th></tr></thead><tbody><tr><td>Beaches</td><td>70</td><td>11.3</td><td>17</td></tr><tr><td>Community halls / centres</td><td>30</td><td>60.1</td><td>8</td></tr><tr><td>Cycleways</td><td>47</td><td>46.8</td><td>16</td></tr><tr><td>Harbour / reserves by the water</td><td>64</td><td>20</td><td>10</td></tr><tr><td>Indoor sports facilities</td><td>27</td><td>55.4</td><td>15</td></tr><tr><td>Libraries</td><td>46</td><td>38.6</td><td>16</td></tr><tr><td>Marae</td><td>13</td><td>75.3</td><td>4</td></tr><tr><td>Neighbourhood reserves</td><td>72</td><td>22.1</td><td>10</td></tr><tr><td>Performing arts venues</td><td>24</td><td>54.6</td><td>14</td></tr><tr><td>Playgrounds</td><td>44</td><td>48.8</td><td>13</td></tr><tr><td>Sports fields</td><td>44</td><td>48.1</td><td>9</td></tr><tr><td>Swimming pools</td><td>41</td><td>42.5</td><td>18</td></tr><tr><td>Walkways</td><td>85</td><td>10.7</td><td>18</td></tr></tbody></table>	Facilities (2023)	Use	Do not use	Would like to be nearer	Beaches	70	11.3	17	Community halls / centres	30	60.1	8	Cycleways	47	46.8	16	Harbour / reserves by the water	64	20	10	Indoor sports facilities	27	55.4	15	Libraries	46	38.6	16	Marae	13	75.3	4	Neighbourhood reserves	72	22.1	10	Performing arts venues	24	54.6	14	Playgrounds	44	48.8	13	Sports fields	44	48.1	9	Swimming pools	41	42.5	18	Walkways	85	10.7	18		Vital Update
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A city that values, protects, and enhances our environment – Tauranga Taurikura

This outcome reflects kaitiakitanga, or stewardship, of our natural environment. Taurikura means to be prosperous or can describe a thriving environment - he whenua taurikura. The use of the name also acknowledges our tupuna kaitiaki or guardian ancestry – Taurikura or thriving. In her story, we see the carving out of our local landscape, highlighting the intrinsic relationship we have with the environment and reflecting the seniority of the natural environment in our genealogy or whakapapa. This reiterates our responsibility of care for the taiao, or nature, as our senior, who in turn cares for the people and our future generations.

This section reports on:

13. Kōpururerua Valley Stream realignment
14. Community-led climate adaptation initiatives
15. Climate Action Festival
16. Eco Design Advisor Service
17. Food resilience and local growing programmes
18. Free Tree Day
19. Green buildings initiative
20. Kerbside waste services (organic waste and garden waste diversion)
21. Resource Wise Programme
22. Circular Construction Collective pilot projects
23. Merivale Community Centre rebuild (under construction)
24. Gate Pā Community Centre (planned)

Preparing for climate change

As a growing coastal city, Tauranga must plan and prepare for the impacts we are experiencing now and in the future from a changing climate. Our role at Tauranga City Council is to understand the challenges our city faces, and work with our communities to reduce emissions while planning and preparing for the effects of Tauranga's changing climate.

Building an understanding of natural hazard and climate risk

We have been working to understand how risk from natural hazards will impact our city and its communities, including how this risk will be exacerbated by climate change. Understanding how the systems we rely on in our day-to-day lives will be affected by climate change enables us to plan and respond to these risks.

Over the past year we have carried out risk assessments on council-owned facilities, open spaces and assets such as playgrounds and toilet blocks. This will enable us to better understand how we can maintain level of service for our communities, as impacts from our changing climate pose risks to amenity and recreation. We will seek to ensure that our parks, green spaces, and biodiversity remain a key part of many people's health, wellbeing and culture.

Community-led adaptation initiatives

We supported community-led adaptation planning by ringfencing funding specifically for Tauranga-based groups applying to the Bay of Plenty Regional Council's Community-Led Adaptation Fund. This fund enables communities to undertake proactive adaptation planning activities, including climate and natural hazard risk assessments, geotechnical investigations, wānanga, and other planning initiatives. In 2024/25, three local projects received funding.

In addition, we supported 15 Tauranga schools to implement small-scale resilience-building projects such as installing rainwater tanks, establishing food gardens, and running sustainability programmes through the Regional Council's School Sustainability and Resilience Fund.

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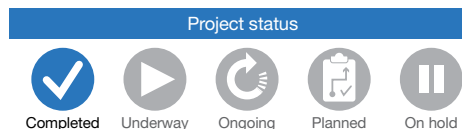


Ōtūmoetai Primary School was one of the schools funded in 2024/25. Their project includes capturing rainwater, creating a composting system, building a mud kitchen, offering a community food shed for families to take kai home, and continuing to build knowledge of sustainability and resilience actions amongst the children.

Community engagement on our changing climate

In September 2024, we supported the delivery of the Climate Action Festival in the Bay of Plenty. The programme focused on sharing knowledge and practical skills to strengthen resilience to climate impacts, with events and activities showcasing sustainable practices and highlighting the essential role of young people in climate action through education and youth-led initiatives.

Throughout the year, we have worked to empower youth-led projects aimed at building climate resilience and exploring low-carbon solutions. More than 150 rangatahi in the Bay of Plenty were supported and upskilled through knowledge sessions and workshops as part of the Impact Challenge, and we also participated in the Instep Young Leaders Joint Council Meeting.



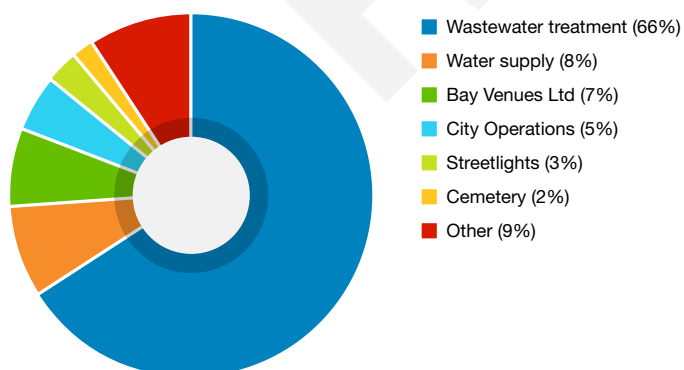
Reducing emissions in the city

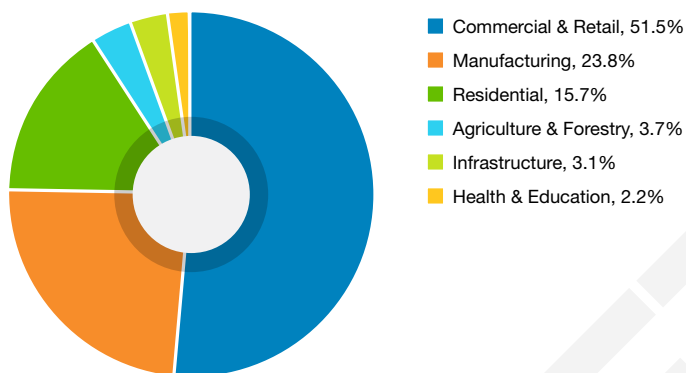
National alignment of local emissions accounting

This year we established a new baseline emissions profile alongside 18 other councils across New Zealand, aligned with international and national methodologies. This will allow us to consistently measure changes in emissions going forward and to model the impact of different interventions on our emissions.

While emissions data is not yet available for 2024/25, data from 2023/24 shows that Tauranga's largest source of emissions is transport (53%), followed by gas usage (14%), industrial processes (8%), and electricity (7%). The largest contributing sectors of these emissions are commercial and retail (52%), followed by manufacturing (24%) and residential (16%).

By emissions source



By sector

Ongoing efforts within council are in place to reduce vehicle emissions for example through public transport infrastructure, active transport initiatives and urban planning. We will continue to use emissions data and modelling to quantify the impact of current and upcoming interventions.

Green buildings in the city centre

Tauranga City Council's leased office at 90 Devonport Road is the largest mass timber building in New Zealand. By replacing traditional concrete and steel elements with engineered timber, the building's all-of-life carbon emissions are around 60% less than that of a typical commercial building. It has achieved a NZGBC 6 Green Star Design rating and features rainwater harvesting, electric vehicle charging and end-of-trip facilities to encourage active commuting options. Te Manawataki o Te Papa, the civic precinct, is also targeting a 6 Green Star rating by using a mass timber hybrid structure. The project was recently approved as a Green, Social & Sustainability Loan by New Zealand's Local Government Funding Agency's (LGFA) under the green building category, which provides Council with a discounted margin to help undertake the project ([see financials on page XX](#)). These sustainable developments in the city centre represent Council's commitment to leadership for a low carbon, resilient future.

'Completed' infographic to be included here

Launch of Eco Design Service for warmer and more energy-efficient homes

During the year we launched an Eco Design Advisor Service providing residents with two hours of free consultation where we give practical, cost-effective home design solutions with a focus on improving comfort and energy efficiency. Whether they were designing a new home or improving an existing one, 40 residents received a home assessment in the first six months of the initiative. Most recommendations given by the Eco Design Advisors were related to hot water systems, windows, heating, insulation, ventilation and energy efficiency. Eighty-eight percent found the advice extremely relevant and useful, and the remaining 12% found it mostly relevant and useful based on our follow-up survey. One hundred percent of residents said they are likely to take action from the advice received.

'Completed' infographic to be included here

Food resilience and local growing

Thanks to the recently launched Climate Action Fund, we have been able to support a wide range of community-related initiatives which reduce emissions, build resilience to our changing climate and foster community development. A large focus for 2024/2025 was to improve food security and ensure that people have access to affordable food grown in an ecologically sound way. This includes new or improved community gardens, workshops, knowledge sharing, and the creation of a digital guide on setting up a community garden.

Improving nature and biodiversity

Free tree day

To celebrate Arbor Day and help boost tree canopy coverage, Tauranga City Council held its Free Tree Day on June 7. This initiative offered residents the opportunity to receive one free native tree per household to plant on their property. Residents could choose from a variety of native tree species including Pōhutukawa, Tōtara, and Kōwhai. The aim of Free Tree Day was to support local biodiversity, and provide a fun, whānau friendly outdoor activity.

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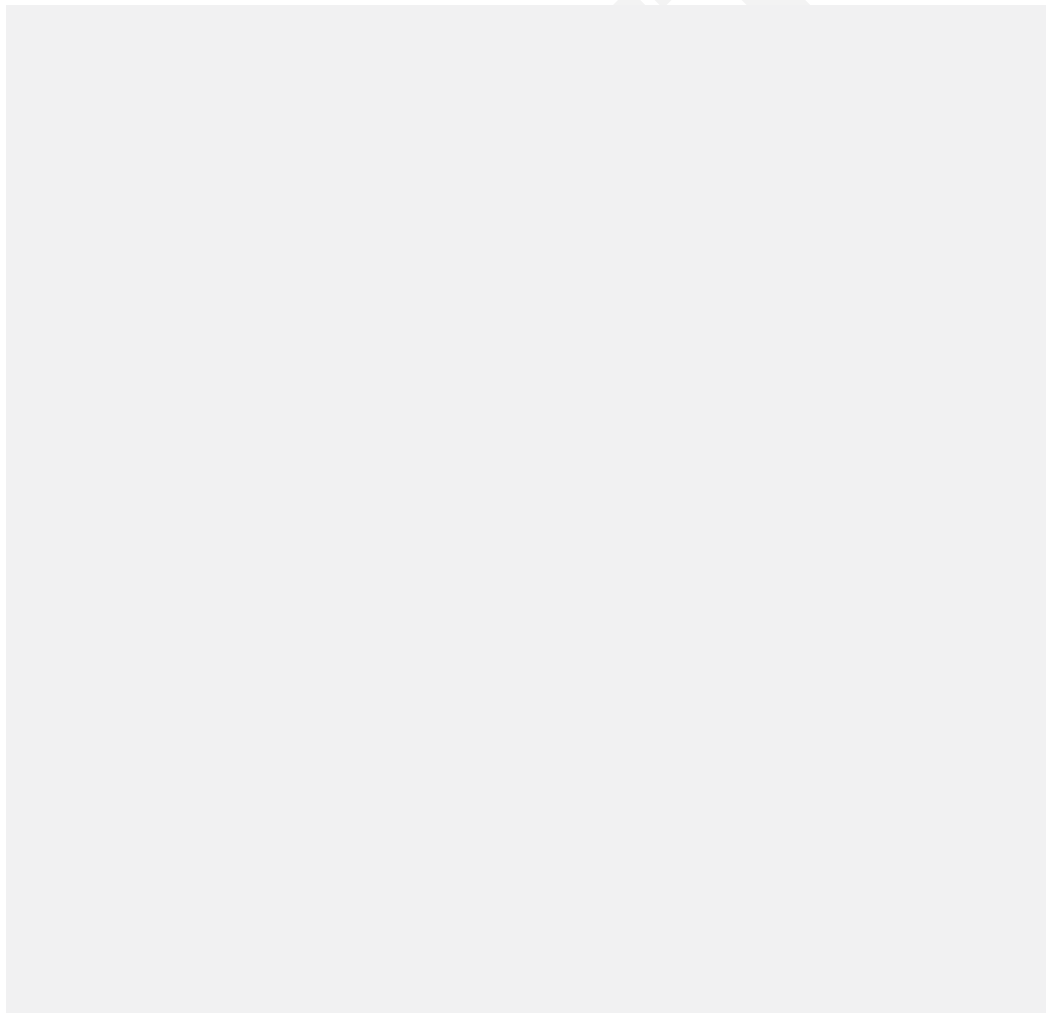


Kōpururerua Valley Stream realignment

The three-year realignment of the Kōpururerua Stream has been completed. This significant ecological restoration project reconnects the stream with its natural floodplain, helping to restore native wetland systems and improve biodiversity. The project enhances flood resilience and stormwater management in the surrounding urban environment, contributing to the long-term sustainability of the valley. It is one of the largest stream realignment projects of its kind undertaken in New Zealand.



'Completed' infographic to be included here



Placeholder for photo

Sustainability and waste

Kerbside Services

Since the introduction of kerbside rubbish, recycling, glass, and food scraps collection, we have diverted over 10 million kilograms of food scraps from landfill, composting them instead for use on local farms and orchards. In addition, 22 million kilograms of garden waste have been collected and composted.

Uptake of the garden waste service continues to grow, with more than 19,000 households now participating. By reducing the amount of organic waste sent to landfill, we are also helping to lower our city's greenhouse gas emissions.



'Ongoing' infographic to be included here

Resource Wise

This year, the Resource Wise Programme engaged with 12 schools and 65 businesses. Seventeen of these participants underwent waste audits to identify problematic materials and inform tailored recommendations for waste reduction. The programme remains a key initiative in supporting organisations to redesign products and reduce waste to landfill.

In 2024, the Resource Wise Community Fund achieved its highest level of participation since its inception in 2018, supporting 10 local initiatives focused on waste minimisation and sustainability. It is funded through the Ministry for the Environment's Waste Levy, without impact on general rates. This year's recipients included an aged-care facility trialling reusable incontinence underwear to reduce single-use products, and the Good Neighbour Food Rescue team, who recover surplus edible food and redistribute it to local communities.



'Ongoing' infographic to be included here

Circular economy

Over the past year, Tauranga City Council has made significant progress in advancing circular economy principles to reduce waste, particularly concrete and plastics, from key sectors such as construction and demolition, food and beverage, and healthcare.

Council supported the establishment of the Circular Construction Collective, led by Priority One, which brings together construction and demolition professionals including architects, civil contractors, and builders. The collective has led several pilot projects, including GIB plasterboard recycling in partnership with Winstone Wallboards, and the Mutu Pilot, which diverted over 100 tonnes of material from landfill through an app-based material reuse system.












To further support the sector, Tauranga City Council has developed resources such as a Site Waste Management Plan and practical tools to enable waste reduction on construction sites.



'Ongoing' infographic to be included here

Outcome measures results

The following table provides results for the first year's reporting on 'a city that values, protects and enhances our environment' outcome measures included in our 2024-34 Long-term Plan.

#	Measure	Data 2024/25 year	Trend	Data Source
ODM12	An increase in the proportion of native vegetation cover in urban areas and across the city, increasing from the current 3% to 10% over time.	3% (2017). The next State of the Environment report data collection will be in 2027.		State of the Environment Report
ODM13	An increase in overall (indigenous and exotic) tree or urban forest canopy cover over time, targeting an overall 30% canopy cover for the city.	21.7% (2023). New data collection will occur in 2026.		Tauranga City Council
ODM14	Residents rate their satisfaction with opportunities to access and experience nature in Tauranga as high or improving.	75% of respondents were satisfied with their opportunities to access and experience nature in Tauranga.		Annual Residents' Survey
ODM15	Tauranga's greenhouse gas (GHG) emissions per capita are reducing, working towards reductions in line with New Zealand's GHG emissions targets.	8.8 tCo2e gross per person per year (2021). New data available late 2025.		Tauranga City Council Local Emissions Data Platform
ODM16	Value of council assets assessed as having climate or natural hazards risk during the past five years that have adaptation measures in place where required	As of 2025 40 projects have been completed leaving 284 remaining projects and a total risk factor of 13651. Projects addressing an additional 1351 of risk factor are currently in development or being delivered.		Tauranga City Council
ODM17	An increasing percentage of Tauranga's communities (people or groups) are engaged with climate change actions	89% of respondents have taken climate actions on an ongoing basis (2022). Noting that this question was removed from survey in 2024.		Quality of Life
ODM18	Decrease in numbers of dwellings in floodplains and overland flow paths over time (creating more greenspace for water and for nature).	A reliable methodology will be established. Some work has been completed on this and staff would recommend at the next LTP a slight amendment to this measure align with the data capture method being explored.		To be developed.
ODM19	The percentage of residents who are aware of ways they can conserve water, and have taken steps to do so, increases over time	85% of respondents were aware of ways to conserve water at home and at work. 82% of respondents have actively taken steps to conserve water over the last 12 months. (2025)		Annual Residents' Survey
ODM20	Average daily consumption per capita of drinking water across all uses (residential, commercial, industrial) reduces over time.	The annual result of the average consumption of drinking water per day per resident within the city based on water leaving the water treatment plants in litres per capita per day is 259 litres per person per day which is below the target of 300 litres per person per day. This is based on 15,184,675 m3 of water supplied during the year with an estimated supplied population of 160,772.		Tauranga City Council
ODM21	Waste to landfill from our kerbside collection service, and from Te Maunga Resource Recovery Park, reduces over time.	299.45 kg of waste to landfill per capita. 18,373,570 kg from kerbside collection. 30,900,590 kg from Te Maunga Resource Recovery Park.		Tauranga City Council
ODM22	Organic waste to landfill reduces over time.	20 kg food waste collected at kerbside, per person per year. 40 kg garden waste collected at kerbside, per person per year.		Tauranga City Council, SWAP

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#	Measure	Data 2024/25 year	Trend	Data Source
ODM23	Recycling rates of construction and demolition waste improves over time.	4694 tonnes recovered. This result was lower than the 2023/24 result of 6,558 tonnes recovered.		Tauranga City Council
ODM24	Council processes and plans formally consider the wellbeing of the natural environment as part of built environment decision-making processes.	Not currently measured. This requires a stocktake of what measures are currently taken to incorporate environmental wellbeing into decision-making processes.		To be developed
ODM25	The Urban Design Panel includes sustainability skills and considerations, including biophilic principles.	Achieved. All 20 panellists have sustainability skills, and 18 panellists have biophilic skills. The relevant skills include landscape architecture, urban design, Kaupapa Māori design, architecture, interiors, transport planning, property development, street, corridor, and intersection design, cycle facility and network design, universal access design, and urban strategy (2023/24).		Tauranga City Council



A well-planned city – Tauranga - Tātai Whenua

Tātai is a term often associated with the mapping of stars in the night sky, also in the mapping of genealogy or whakapapa. These terms identify Tauranga as a city that is developed in a preordained or predestined order/ arrangement, as it is with the stars and whakapapa. Whilst nothing we create holds the permanence of Papatūānuku (Earth Mother) we can develop sustainably upon the earth, to achieve the goals of the people.

This section reports on:

25. Te Manawataki o Te Papa (Civic Precinct)
 - Library and Community Hub
 - Civic Whare, Exhibition, and Museum
 - Tauranga Art Gallery upgrades
26. 90 Devonport Road Civic Administration Building
27. City Centre Waterfront Redevelopment
 - Masonic Park
 - Northern Waterfront Reserve
 - Harbourside Walkway and rail underpass
28. Aquatic Network Plan
29. Tauriko West Plan Change
30. Plan Change 27 (flooding from intense rainfall)
31. Memorial Park Aquatics and Recreation Hub (paused for review)
32. Te Maunga Wastewater Treatment Plant upgrade
33. Stormwater modelling improvements
34. Fluoridation of drinking water infrastructure

Page numbers to be confirmed once
imagery has been added

Te Manawataki o Te Papa

In 2024, the mayor and councillors made two significant decisions to progress the construction of Te Manawataki o Te Papa, a civic precinct designed to revitalise the city centre and honour Tauranga's cultural heritage.

In August, council approved the construction contract for the Library and Community Hub, marking the first major step in delivering the project. The total project budget is \$92.4 million, with \$72 million covering the construction phase, and the remainder allocated to design, consenting, contingency, and fit-out.

In December, council made the decision to sign off on the \$128 million Civic Whare, Exhibition and Museum (CWEM) construction contract—\$92.4 million covers the construction phase, with the remainder allocated to design, consenting, contingency, and fit-out.

Developed in partnership with mana whenua, the precinct reflects a commitment to reconciliation and community engagement, and will feature a civic plaza connecting the museum, exhibition gallery and civic whare and the library and community hub. Together, these projects form the heart of the civic precinct—blending historical preservation with urban renewal to shape Tauranga's evolving identity.

Situated within the area bounded by Willow, Wharf, Hamilton and Durham Streets, this transformational project aims to create a vibrant, accessible, and thriving city centre. With enabling works already nearing completion – including site preparation, foundations and material procurement. Further information can be found [here](#).

Library and Community Hub

This modern, multi-purpose facility will offer library services, flexible community and meeting spaces, digital learning resources, Council Customer Services, and a refreshment area—all designed to support education, creativity, and connection. The i-SITE kiosk is set to be integrated into the building's footprint, centralising visitor services within the civic precinct.

Construction began in 2024, with completion expected in October 2026. The facility incorporates Mātauranga Māori principles, ensuring cultural storytelling and sustainability are embedded in its design. Its modern archive facility will preserve heritage materials, including artefacts, artworks, and oral histories, contributing to Tauranga's rich historical record. This state-of-the-art community hub is a cornerstone of Tauranga's city centre revitalisation, creating an inclusive space for learning, social connection, and innovation.

'Underway' infographic to be included here

Tauranga Museum, Exhibition and Civic Whare

The Museum and Civic Whare buildings are under construction in the civic precinct and are key components of the Te Manawataki o Te Papa project, designed to create a vibrant cultural and community hub in the Tauranga city centre. The Civic Whare will serve as the new Council chamber and a public meeting space, providing a venue for civic functions, cultural events, museum programmes and community gatherings. The Museum will showcase the rich history and heritage of Tauranga as well as hosting touring exhibitions and visiting collections, with programmes aimed at local, domestic and international visitors of all ages. The Museum and Civic Whare are scheduled for opening in mid-2028.

'Underway' infographic to be included here

Tauranga Art Gallery

Tauranga Art Gallery will benefit from new exhibition spaces, enhanced climate control systems, and improved accessibility features, allowing for larger, more diverse collections and a more inclusive visitor experience. These upgrades aim to strengthen Tauranga's cultural identity, providing modern, engaging spaces for artistic expression. The significant upgrade is due for completion by late-2025.



'Underway' infographic to be included here

90 Devonport Road

Bringing staff together under one roof

On 29 April 2025, 90 Devonport was officially blessed with karakia led by mana whenua Ngāi Tamarāwaho, Ngāi Tūkairangi, and Ngāti Tapu hapū, marking the formal handover of the building from Willis Bond to Tauranga City Council. This significant milestone heralded the long-awaited reunion of council's city centre staff, a decade after the closure of the old Willow Street offices due to black mould.

The privately developed project, delivered on time and under budget despite post-COVID construction challenges. It showcases sustainable design with engineered timber construction reducing carbon emissions by around 60% compared to typical commercial buildings. It also achieved a NZGBC 6 Green Star Design rating and includes features such as rainwater harvesting, electric vehicle charging, and active commuting facilities.

Mana whenua played a key role in integrating mātauranga Māori principles into the building's design, creating a welcoming environment that reflects Tauranga Moana's heritage. Council staff began transitioning into the new offices from 30 April 2025, while the customer service centre continues to operate from He Puna Manawa Tauranga Library and satellite locations across the city.

This move strengthens Tauranga City Council's values of whanaungatanga and collaboration, further contributing to the city centre's revitalisation alongside recent developments like the waterfront playground and the Te Manawataki o Te Papa civic precinct.



'Completed' infographic to be included here

90 Devonport Road official community open day

Council welcomed the community into its new civic administration building at 90 Devonport Road with a special open day on Monday, 23 June 2025. The event featured a formal opening ceremony at 3pm, followed by guided tours every 10 minutes.

Visitors got a behind-the-scenes look at the council chambers, staff cafeteria, contact centre, and even had the chance to meet the mayor in his office. Due to health and safety requirements, attendance was by pre-registration only, and spots filled quickly due to high public interest.

In addition to the open day, key city partner groups—Priority One, Urban Task Force, and the Tauranga Property Investors Association—visited the new civic building during the week of 23 June as part of a special event.

All up, around 350 people saw the space during this week, and the response was overwhelmingly positive. People appreciated the chance to see the building, commenting on the benefit of having our people together in one building in the city centre, and that that it was great to see council taking a lead in showing what modern development in our city could look like.

'Completed' infographic to be included here



90 Devonport Road

City Centre Waterfront Redevelopment

Masonic Park

Masonic Park, located at 59 The Strand, Tauranga, has undergone a major transformation, reopening to the public in September 2024. This revamped urban space serves as a crucial link between the Te Manawataki o Te Papa civic precinct and the Tauranga Moana waterfront. The opening of Masonic Park was an exciting milestone to the city centre transformation and provides a vibrant and welcoming space.

'Completed' infographic to be included here



Masonic Park (September 2024)

Greenspace development

In November 2024, the Northern Waterfront Reserve was completed and officially opened for the community to enjoy. The new reserve features a green space for events and relaxation, a shared pathway, a half basketball court, and a living seawall enhanced with innovative sea pods.

This development builds on a series of recent milestones delivered through the city centre transformation programme, including the successful openings of Masonic Park, the Southern Waterfront boardwalk, the upgraded railway underpass and the waterfront playground.

The addition of the Northern Waterfront Reserve has created a vibrant recreational hub on the edge of the harbour, offering accessible public amenities that support community wellbeing, outdoor activity, and future events in the heart of the city.

'Completed' infographic to be included here

Harbourside walkway

The new waterfront boardwalk and rail underpass opened in October 2024, connecting The Strand to Te Awanui Tauranga Harbour. This 170m shared pathway features seating areas, pathway lighting, and scenic viewing platforms, creating a more accessible and inviting waterfront experience.

'Completed' infographic to be included here



Northern Waterfront Reserve/Southern Waterfront Boardwalk

Aquatic Network Plan

On May 29, 2025, Tauranga City Council reviewed three options under the emerging Aquatics Network Plan, that will outline a strategy for improving and providing new aquatic facilities citywide.

Key areas of focus:

- Memorial Park Aquatic Centre – a new aquatic facility at Memorial Park. Council is reviewing the location within the park, scope and cost to ensure value for money.
- Ōtūmoetai Swimming Pool – The council has committed to keeping the pool operational, with planned upgrades in 2028 with the intention that the pool can stay open and be well-used into the future.
- Mount Maunganui College 50m Pool: Continued engagement with stakeholders regarding future aquatic facility options.

The next phase involves drafting the plan, followed by public consultation to refine development priorities.

'Underway' infographic to be included here

Tauriko West Plan Change to enable development of housing

The Tauriko West Plan Change was adopted by Council on 3 March 2025, following recommendations from the Independent Hearing Panel. It officially became operative on 17 March 2025, rezoning the area from rural to medium-density residential to enable housing development.

This milestone paves the way for up to 4,000 new homes in Tauranga's western corridor, supporting the city's long-term growth. The rezoning is part of the Tauriko for Tomorrow project—a collaborative effort involving SmartGrowth partners, Waka Kotahi NZ Transport Agency, mana whenua, landowners, and the wider community.

To ensure a well-connected and sustainable neighbourhood, the plan includes key infrastructure upgrades, such as internal roads, water and wastewater systems, neighbourhood reserves, and commercial centres. Transport improvements, particularly to State Highways 29, 29A, and 36, will be essential to supporting future residents and businesses.

The first homes are expected to be available from 2027, marking an exciting step toward Tauranga's long-term housing strategy.

'Underway' infographic to be included here

Plan Change 27 Operative

In 2025, Council made Plan Change 27 (PC27) operative, introducing updated flood hazard mapping and planning provisions to reduce risks to life, property, and infrastructure.

Developed in response to climate change projections, PC27 addresses the increasing frequency and intensity of extreme rainfall events. The plan ensures new developments account for potential flood hazards, improving long-term resilience for Tauranga communities.

For property owners and developers, PC27 introduces new standards for flood-prone areas, including building elevation requirements and enhanced stormwater management practices. We support residents with guidance on these changes, ensuring informed decision-making.

This milestone reinforces our commitment to sustainable urban planning and climate adaptation, safeguarding the city's future against evolving environmental challenges.

'Underway' infographic to be included here

Memorial Park Aquatics and Recreation Hub

In October 2024, Council made the decision to pause the Memorial Park Aquatics and Recreation Hub project to allow time for further community engagement and a review of the design and funding options. While the previous Commission had approved \$123.5 million for the new aquatic facility in December 2023, the newly elected Council sought to ensure the project delivered value for money and aligned with community expectations. A public survey, which closed in November 2024, received over 5200 responses, showing strong support for additional aquatic facilities but mixed views on the proposed scale and cost. The Council has requested the project team undertake additional geotechnical investigations at the old Memorial Park pool to assess the suitability of the ground conditions as an alternate location.

'On hold' infographic to be included here

Waters

Local Waters Done Well – update

An indicative business case was presented to the mayor and councillors in December 2024.

It assessed the strategic case for the future of water services delivery for Tauranga. It analysed seven options, showing the most beneficial structure was to establish a multi-council-controlled organisation (CCO).

Public consultation was undertaken from 28 March to 28 April 2025 in accordance with the Local Government (Water Services Preliminary Arrangements) Act 2024.

The consultation presented three options – a multi-council CCO, a stand-alone Tauranga City Council-only CCO, and the status quo. The Western Bay of Plenty District Council was named as a potential partner along with other 'mutually beneficial councils'.

The chief executive formed an executive oversight group to assess the viability of establishing a multi-council CCO that was financially ring-fenced from any CCO partners. This was intended to prevent cross-subsidisation, meaning revenue that was collected in Tauranga would be spent in Tauranga, while Tauranga debt would also remain with Tauranga.

The mayor and councillors are considering the future delivery model for water services while taking into account community feedback, regional collaboration opportunities and long-term sustainability.

Tauranga City Council is committed to working with Western Bay of Plenty District Council to establish a multi-council water organisation from 1 July 2027 (subject to due diligence).

This commitment aligns with the multi-council CCO water services delivery model that Council consulted on in April.

Fluoridation of drinking water

At an extraordinary Council meeting in 2024, the mayor and councillors confirmed that the council would comply with the Director-General of Health's directive to fluoridate the city's water supply from 24 October 2024. The decision to proceed was made to ensure legislative compliance – the Council had earlier preferred to wait for the outcome of court proceedings and an assurance from the director-general regarding the safety of fluoride and its compatibility with human rights. The fluoridation of the city's water supply was part of a broader directive issued by the director-general in July 2022 requiring 14 local authorities to introduce fluoride to their public water systems. Central government funded our fluoridation equipment, which cost about \$3 million.

The council is ensuring community choice by installing public taps supplying non-fluoridated water at three locations. These taps draw from local bores and are treated with cartridge filtration and UV light, without added fluoride. This initiative reflects our commitment to balancing regulatory compliance with community wellbeing and providing accessible alternatives for residents who prefer non-fluoridated water.

'Underway' infographic to be included here

Stormwater

We're improving our stormwater modelling to provide more accurate flood hazard mapping and improve urban resilience. Using light detection and ranging (LIDAR) technology, the updated models incorporate detailed land contours, flow paths and infrastructure data, ensuring a comprehensive understanding of flood risks.

These improvements support Plan Change 27 which addresses flooding from intense rainfall. The updated maps will help property owners, developers, and planners make informed decisions, ensuring sustainable urban growth while mitigating flood risks.



'Underway' infographic to be included here

Wastewater

Upgrades to the Te Maunga Wastewater Treatment Plant are well underway, strengthening our city's wastewater system for long-term resilience. Key improvements include pipeline reinforcements, capacity expansions, and environmental safeguards, ensuring better wastewater management as the city grows.

Recent work has focused outfall pipeline upgrades, with the final 225 metres undergoing essential maintenance to extend its lifespan. Construction has been carefully timed around low tide to reduce disruptions and allow efficient access for workers.

The upgrades are scheduled for completion in late 2025, aligning with the 30-year wastewater strategy which outlines further plans to future-proof essential infrastructure, prioritising efficiency, sustainability, and environmental protection. These upgrades reflect our commitment to responsible urban development and resilient infrastructure.



'Underway' infographic to be included here

Emergency management

Over the 2024/25 summer, our Emergency Management Team took an innovative and interactive approach to community preparedness by bringing virtual reality (VR) technology to coastal hotspots.

Staff visited popular beachside locations to give residents and visitors the opportunity to experience a realistic earthquake and tsunami scenario affecting the Mount Maunganui coastline – all through the use of a VR headset.

The 10-minute immersive experience simulated the predicted local impacts of a significant event and prompted participants to make key decisions in real time to keep themselves and their families safe. Users were guided to use local evacuation maps and encouraged to reflect on their preparedness, including evacuation routes and actions they would take in a real emergency.







This initiative was part of our ongoing commitment to strengthening community resilience by helping people better understand local hazards and practise their response.



'Completed' infographic to be included here

Outcome measures results

The following table provides results for the first year's reporting on our 'well-planned city' outcome measures included in our 2024-34 Long-term Plan.

#	Measure	Data 2024/25 year	Trend	Data Source
ODM26	Housing affordability index	Average house value: 7.5 times the average annual income (2024) Average mortgage payment: 44.9% of average income Average weekly rent: 26.7% of the average weekly income (2024)		Infometrics
ODM27	Improving perceptions of affordable housing.	32% of respondents agree or strongly agree that housing costs are affordable (2024)		Quality of Life
ODM28	Increase in intensification and urban densities, including an additional 2,000 homes in Te Papa and surrounding urban areas by 2031.	181 new dwellings were consented in existing urban areas 136 new lots were created in existing urban areas		SmartGrowth Development Trends Technical Report
ODM29	Resident satisfaction with the city centre as the commercial and cultural heart of Tauranga.	25% of respondents were satisfied that the city centre is the cultural and commercial heart of Tauranga. (2025)		Annual Residents' Survey
ODM30	Residents who say they have some or lots of knowledge of Tauranga's history.	35% of respondents knew some or a lot about Tauranga's history. (2025)		Annual Residents' Survey
ODM31	Developments that have incorporated Tauranga Urban Design Panel recommendations as part of their planning and consent processes.	The number of recommendations have slowed somewhat over the 2024/25 year, consistent with the slowdown in developments across the city		Tauranga City Council



A city we can move around easily – Tauranga Ara Rau

Tauranga of many pathways. This concept is derived from the tuna (eel). The tuna has many pathways to the sea.

Tauranga Ara Rau identifies the development of roads, cycleways, pathways, and transport options across our city, move as freely and effectively as the tuna moves. Tauranga is a well-connected city easy to move around in and with a range of sustainable transport choices.

This section reports on:

35. New city centre bus stops on Durham Street
36. SH29 Tauriko Enabling Works
37. Arataki Bus Hub upgrade
38. Road cone reduction trial for temporary traffic management
39. Maunganui Road safety and accessibility upgrades
40. Pāpāmoa East Interchange
41. Hewletts Road / Hull Road / Totara Street upgrades
42. Turret Road / 15th Avenue transport improvement
43. Cameron Road Stage 2

Page numbers to be confirmed once imagery has been added

New bus stops improve city centre access

In April 2025, we installed six new bus stops on southern Durham Street as part of a strategy to reduce walking distances and making public transport more attractive.

The new stops replaced a temporary interchange one block to the north – improving access to Elizabeth Street, the lower avenues, and the University of Waikato.

Designed with low-impact, street-friendly shelters, the stops provide weather protection while ensuring easy access to shops and hospitality venues. They integrate into a maturing city centre transport network, supporting our goal of creating a connected, accessible and vibrant urban space.

This initiative is part of a collaboration with the Bay of Plenty Regional Council to improve public transport infrastructure and encourage sustainable travel choices

Tauriko West access upgrades

The SH29 Tauriko Enabling Works is a major infrastructure programme led by NZ Transport Agency in partnership with Tauranga City Council.

It is designed to improve safety, connectivity, and access across the Tauriko area, enabling the development of up to 2400 new homes in Tauriko West while supporting freight movement and business growth.

Key upgrades include:

- a new roundabout at SH29/Redwood Lane connecting to Tauriko Business Estate and unlocking southern access
- a signalised intersection at SH29/Tauriko Village to serve the northern residential area
- improvements at SH29/Cambridge Road with traffic lights and a new link to Whiore Avenue for buses, pedestrians, and cyclists.

Additional works include new footpaths, shared walking and cycling paths, and provision for future bus stops.

These upgrades lay the foundation for a safer, more connected transport network that supports the region's growth and multimodal travel needs.

Completion is expected in late 2025 to early 2026.



'Underway' infographic to be included here

A safer, more welcoming bus hub in Arataki

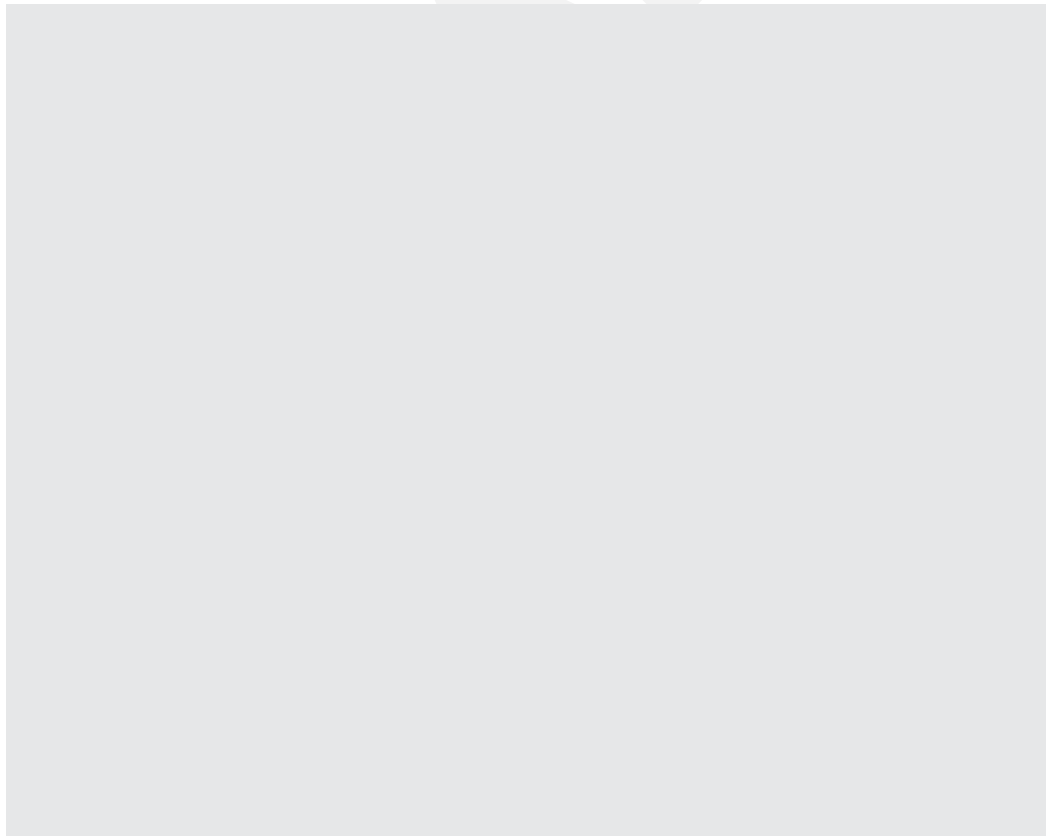
With more than 40,000 passengers each month, Arataki is our second-busiest bus hub.

It was upgraded in 2024 after community calls for it to be safer and more welcoming.

New, well-lit, high-capacity shelters with decorative cultural elements designed in collaboration with local hapū were installed on both sides of the road along with improved wayfinding signage and information boards.

Other improvements included more street lights, new CCTVs, open seats, bike parking, rubbish bins and landscaping.

Pedestrian safety and accessibility were also enhanced by installing improved crossings, wider footpaths, and a new shared user path.



New Arataki Bus Hub

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These improvements have made Arataki a more inviting and functional transport hub, encouraging greater use of public transport in the area.

Trial underway to reduce road cone use on Tauranga roads

We've been trialling a new approach to temporary traffic management in an effort to reduce the visual clutter and disruption caused by road cones. Although road cones are essential for keeping workers and drivers safe, they can create congestion and frustrate motorists. The trial uses an innovative method to streamline road works while maintaining safety standards. It has been successfully tested at two local sites and was monitored until July 2025 to assess its effectiveness. All road works in Tauranga must follow a traffic management plan, and this innovation presents an opportunity to improve efficiency and public satisfaction. The trial is being delivered in partnership with Tauranga-based Complete Traffic Services, helping to support local business while exploring smarter ways to manage city infrastructure.

Maunganui Road upgrades improve safety and accessibility

The completion of the Maunganui Road safety improvement project helps create a safer, more accessible environment in this key transport corridor. The project progressed in stages from Tawa Street to Golf Road over several years until the completion of the section between Central Parade and Tui Street. Upgrades include new roundabouts, dedicated cycle lanes and improved pedestrian crossings. Direct access to Heath Street from Maunganui Road has been removed to enhance safety, with access still available through a slip lane and adjacent carpark. Maunganui Road has long been associated with speeding motorists. It connects eastern Tauranga, Te Puke, Mount Maunganui town centre, and State Highway 2. The new layout encourages lower speeds, contributing to calmer traffic and safer conditions. With more people choosing to cycle or walk, these improvements support safer and more sustainable travel choices in a growing urban environment.

Pāpāmoa East Interchange

The Pāpāmoa East Interchange is in its final phase of construction. It is set to provide direct access to the Tauranga Eastern Link and support future urban development. In May 2025, a community planting day saw 2600 native shrubs placed near the site, reinforcing environmental sustainability while enhancing the surrounding landscape. The eastbound off-ramp is expected to open later this year under traffic management, with a formal interchange opening planned for mid-2026. This project is a collaboration between Tauranga City Council and NZ Transport Agency with support from Bay of Plenty Regional Council and Western Bay of Plenty District Council. Our iwi partners are Te Kapu o Waitaha, Tapuika Iwi Authority, Ngā Pōtiki a Tamapahore Trust and Te Rūnunga o Ngāti Whakaue ki Maketū. We work with our iwi partners to capture stories that relate to the area and its history, ensure cultural monitoring during earth works, and incorporate cultural design and art into the project. When completed, the interchange will support our city's expansion and enable faster travel between Pāpāmoa East and the wider city while supporting residential and commercial growth.



Pāpāmoa East Interchange

Hewletts Road / Hull Road / Totara Street upgrades improving safety and connectivity

Resurfacing works on Hewletts Road began in March 2025, aiming to improve intersections and traffic flow for freight and commuters.

The upgrades will support Port of Tauranga operations and local businesses.

Collectively, these projects aim to improve traffic flow, pedestrian safety and cycling infrastructure, supporting our long-term transport strategy.

Turret Road / Fifteenth Avenue







The Fifteenth Avenue to Welcome Bay transport improvement project including Turret Road and Hairini Bridge upgrade is aimed at easing congestion and improving access for all commuters on this major transport route. The project is budgeted at \$143m for transport upgrades, with \$4.7m in the 2025/26 year to progress next stages of design. The NZ Transport Agency Waka Kotahi has will fund 51 % of the for the design costs. . Construction is currently forecast to begin in late 2026, contingent on securing the remaining funding.

Cameron Road Stage 2

In August 2024, the New Zealand Transport Agency declined funding for Cameron Road Stage 2. The \$164 million proposal aimed to enhance transport infrastructure between 17th Avenue and State Highway 29 with new cycle lanes, improved public transport corridors and essential upgrades to ageing wastewater systems. However, our proposal was not aligned with the priorities of the 2024–27 National Land Transport Programme, making government funding unlikely. We've responded to this decision by exploring alternative funding options, including Infrastructure Acceleration Fund grants, Infrastructure Finance and Funding, and Development Contributions. A revised approach is expected to be presented to the City Future Committee for consideration in late 2025.

Outcome measures results

The following table provides results for the reporting on 'a city we can move around easily' outcome measures included in our 2024-34 Long-term Plan.

#	Measure	Data 2024/25 year	Trend	Data Source																
ODM32	Jobs accessible within a 15–30-minute morning commute by public transport	85% of jobs are accessible within a 30-minute commute by car. 21% of jobs are accessible within a 30-minute commute by bus. 19% of jobs are accessible within a 30-minute commute by bike. (2023)		Transport System Plan																
ODM33	Decreasing rates of death and injury: from vehicle collisions; and to people using active transport modes (such as cyclists and pedestrians).	32 serious injuries,3 deaths (2024/25)		New Zealand Transport Agency																
ODM34	Active transport uptake = Increasing use of active travel modes (such as walking and cycling) and decreasing use of private vehicles.	5% used active transport to go to work: 4% cycled, 1% walked or jogged (2025)		Annual Residents' Survey																
ODM35	Public transport uptake = Increasing number of trips on and access to public transport	17% of respondents used public transport at least weekly, or at least once a month 52% of respondents who had access to public transport agreed or strongly agreed that it is easy to access 30% of respondents who had access to public transport agreed or strongly agreed that public transport is reliable 44% of respondents who had access to public transport agreed or strongly agreed that public transport is affordable (2024)		Quality of Life																
ODM36	Decreasing per capita transport-related carbon emissions.	6.47 tCO2e per capita (995,138 tCO2e total). (2021). Methodology will be updated in next LTP.		Tauranga Community Carbon Footprint																
ODM37	Travel time variability for freight movements on key commercial routes (between Tauriko business estate and the Port, and between Rangiuru business estate and the Port).	<table><tr><th></th><th colspan="3">Travel Time Reliability</th></tr><tr><th></th><th>AM Peak</th><th>PM Peak</th><th>Interpeak</th></tr><tr><td>Freight TEL to Port via Hewletts</td><td>88%</td><td>92%</td><td>87%</td></tr><tr><td>Freight Taurikura to Port via Takitumu</td><td>98%</td><td>85%</td><td>93%</td></tr></table>		Travel Time Reliability				AM Peak	PM Peak	Interpeak	Freight TEL to Port via Hewletts	88%	92%	87%	Freight Taurikura to Port via Takitumu	98%	85%	93%		To be developed
	Travel Time Reliability																			
	AM Peak	PM Peak	Interpeak																	
Freight TEL to Port via Hewletts	88%	92%	87%																	
Freight Taurikura to Port via Takitumu	98%	85%	93%																	



A city that supports business and education – Tauranga a te kura

This term is from an ancient karakia. It reflects the word kura as an inherent treasure, often associated with the learning and sharing of knowledge to be cared for, for generations to come. The term Tauranga here identifies a space where we can empower learning and personal development. Tauranga is a city that attracts and supports a range of business and educational opportunities, creating jobs and a skilled workforce.

This section reports on:

44. Tauriko Business Estate Stage 4 extension
45. Business Partnerships update
46. Tauranga Business Chamber update
47. Tauranga Māori Business Association
48. Marine Precinct Sale
49. TBOP - Flavours of Plenty Festival
50. Travel Safe in schools update
51. Shaping the future of waste infrastructure
52. Marine Research Facility at Sulphur Point
53. Zero waste and Schools initiative
54. Launch of the Green Room

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imagery has been added

Business

Tauriko Business Estate extension

The Tauriko Business Estate expansion is unlocking new opportunities for business growth and employment in Tauranga's southwestern corridor. The latest Stage 4 extension adds 43 hectares of industrial land, with 40% already sold or leased, signalling strong demand for commercial space.

The rezoning of 87 hectares ensures long-term availability of employment land, but full development hinges on critical infrastructure upgrades, including the planned four-lane expressway on SH29. Once complete, the expansion is expected to support 16,500 jobs, reinforcing Tauriko's role as a key economic hub for the region.

This milestone marks Tauriko as one of New Zealand's fastest-growing business districts, providing scalability and accessibility for local enterprises and national operators alike.

Business partnerships

Tauranga is one of New Zealand's fastest growing cities and needs an economy underpinned by skilled talent to deliver sustainable economic growth. This year, we continued to support the valuable work of Priority One, the Western Bay of Plenty region's economic development organisation, to grow a sustainable economy that improves productivity and delivers prosperity to Tauranga's people and communities.

Tauranga Business Chamber

The Tauranga Business Chamber has continued to provide business support sessions through its funding agreement with council and exceeded the yearly target of 210 sessions. The Chamber has also been influential in increasing engagement with businesses and providing a Tauranga business perspective when engaging with national bodies and central government.

Tauranga Māori Business Association

The Tauranga Māori Business Association has grown membership in the last year by 11.76%, which will enable it to offset the reducing council funding, as was the intention of the Partnering Agreement with Council and TMBA. TMBA has also increased the proportion of its members that whakapapa to local Iwi. As with all businesses, their members are facing difficulties in the current economic conditions but are leveraging the network the association provides to help. One success was seeing three Tauranga Māori Business Association members named finalists in the Farmer Auto Village Tauranga Business Awards. The Tauranga Māori Business Association has also recently signed a Memorandum of Understanding with the University of Waikato, further increasing the strength of the network.

Marine Precinct sale

The precinct, established in 2015 to support growth in the commercial marine sector, has struggled to meet its intended objectives, operating at an annual loss of approximately \$1.5 million. The proposed sale was legally challenged by a marine industry representative, citing concerns about the displacement of working boats and potential impacts on businesses reliant on precinct operations. The case also raised questions about stakeholder consultation in the lead-up to the sale.

We have finalised the sale of the Marine Precinct at Sulphur Point, following a High Court decision that dismissed legal opposition to the transaction. The ruling marked the conclusion of judicial proceedings that had delayed settlement after an injunction was filed in November 2024.

As part of the transaction, the new owner is required to design and construct a purpose-built marine service facility that aligns with strategic objectives for the sector. We will continue liaising with marine industry stakeholders and the community to ensure their interests are considered throughout the transition.

Tourism

Flavours of Plenty Festival

Our Council-controlled organisation Tourism Bay of Plenty's culinary tourism platform, the Flavours of Plenty Festival, continued to gain momentum in 2024/25, earning national recognition with the 'Industry Collaboration and Alignment Award' at the New Zealand Tourism Awards. The Flavours platform is a key building block in destination positioning which puts 'Horticultural Provenance', 'Māori Culture', 'Natural Landscapes' and 'Ocean & Beaches' as the four DNA pillars from our region. The festival ran for an expanded 18 days (28 March–18 April) and delivered a programme of 51 events across the coastal Bay of Plenty, engaging over 115 coastal Bay of Plenty food businesses, including 70 within Tauranga city. The festival generated \$162,000 in ticket revenue with over 5,000 attendees. The festival was widely promoted with over 60 media features across publications such as Cuisine, Dish, NZ Herald, Kia Ora, Stuff and Radio NZ with an equivalent advertising value of \$1 million. This success reinforces the Flavours of Plenty festival as a cornerstone of culinary tourism promoting the Bay of Plenty's rich food culture, local talent and regional identity.

The Green Room | Te Rūma Kākāriki

In partnership with Tourism Bay of Plenty, Tauranga City Council delivered *The Green Room | Te Rūma Kākāriki*, a free 12-week sustainability and regeneration programme designed to support the region's visitor sector in transitioning toward a net-zero carbon and regenerative future. The programme has engaged over 135 organisations across the coastal Bay of Plenty, including tourism operators, accommodation.

Education

Travel Safe in schools

The Travel Safe team continued to deliver popular community road safety initiatives, with a strong focus on school-based programmes. This year:

- 2,845 children took part in cycle safety education, gaining essential bike handling and road awareness skills.
- 657 juniors engaged with Ruben the Road Safety Bear, learning safe walking and crossing techniques in an interactive format.
- 996 students entered the Bike Helmet Competition, reinforcing the importance of protective gear for cycling.
- 737 students participated in Safe Travel to School assemblies, promoting awareness of pedestrian, cyclist, and vehicle safety around school zones.

These initiatives highlight our ongoing commitment to enhancing road safety education, equipping young people with the skills and knowledge to navigate their surroundings safely.

Shaping the future of waste infrastructure

In 2024/25, Council approved work on a citywide Waste Infrastructure Network Business Case, laying the foundation for firm decisions on future investment by the end of December 2025. This includes determining the long-term role of Tauranga's current transfer stations and exploring the development of dedicated Resource Recovery Parks.

These investments are critical to achieving the city's waste diversion and circular economy goals. With approximately 70% of Tauranga's waste still going to landfill, Tauranga City Council is investigating how a more efficient and modern waste network could lift diversion rates to 75% or more.

The outcomes of this work will set a clear direction for how Tauranga manages, processes, and recovers waste across the city—supporting environmental sustainability and smart growth for years to come.

Marine research facility at Sulphur Point

As part of its lease conditions, the University of Waikato presented concept imagery to Council in March 2025, with a full project update expected late 2025. The facility remains on track to open within the 2027/2028 year.

Designed to advance marine science, climate resilience, and blue economy innovation, the facility will include research laboratories, classrooms, and public engagement spaces. It also forms part of the wider Sulphur Point Masterplan, which includes upgrades to boat ramps, waterfront access, and landscaping.

By supporting this initiative through land provision, community engagement, and strategic alignment, we are enabling long-term investment in environmental research, local employment, and knowledge-sharing—contributing to a more resilient and sustainable coastal future.

Zero Waste and schools initiatives

Our Zero Waste and schools initiatives for 2024/25 demonstrated significant progress and engagement through a series of waste minimisation programs and partnerships. One highlight was the Waste Free Period School Sessions. Five of the high schools across the Tauranga region participated and 1860 students attended the sessions. The sessions were well-received, providing students with low-waste menstrual products such as pads, cups, and underwear, with almost 1000 free items distributed across the participating schools. This initiative not only contributed to waste reduction but also enhanced students' awareness of sustainable practices.

The Zero Waste Education has been a big hit over the last financial year. Zero Waste Education facilitated the teaching of 154 units across 41 schools, reaching over 3200 students.

We developed new waste educational units for Years 3-4 (Remarkable Recycling) and Years 5-6 (Rethinking Waste) that were launched at the start of 2025. These units focus on reducing, reusing, recycling, and raising awareness of waste's environmental impact, especially on Papatūānuku (Earth Mother). They have already been trialled in two schools, reaching 143 students and

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receiving promising feedback. Teachers highlighted how well these new units complement the existing Zero Waste Education curriculum, appreciating the balance between teacher-led lessons followed by more in-depth classes facilitated by Zero Waste Educators to reinforce learning. Both units were developed with qualified education specialists and are aligned with the current New Zealand Curriculum.





'Ongoing' infographic to be included here

Outcome measures results

The following table provides results for the reporting on 'a city that supports business and education' outcome measures included in our 2024-34 Long-term Plan.

#	Measure	Data 2024/25 year	Trend	Data Source
ODM38	Residents' perceptions of Tauranga as a business and visitor destination.	47% of Tauranga residents are satisfied or very satisfied with the quality of Tauranga as a destination for businesses and visitors. (2025)		Annual Residents' Survey
ODM39	Number of tertiary students.	4467 total students (2034 EFTS) enrolled in tertiary education at Toi Ohomai Windemere campus 1467 total students (889 EFTS) enrolled in tertiary education University of Waikato Tauranga campus 5,934 total students		Toi Ohomai, University of Waikato
ODM40	Unemployment rate.	3.8% unemployment rate (4% nationally) 11.7% not in employment, education or training (12.1% nationally) (2024)		Infometrics
ODM41	Job creation.	86,051 filled jobs 2.7% employment growth (2024)		Infometrics
ODM42	Mean annual earnings rises to the New Zealand average by 2035.	\$75,185 average annual earnings (\$78,731 national average) (2024)		Infometrics
ODM43	Knowledge-intensive employment levels rise to levels equivalent to other major New Zealand cities.	Employment in knowledge intensive industries in Tauranga City was 25,528 in 2024 which accounted for 29.7% of total employment. This was lower than in Christchurch City (34.7%), Auckland (36.1%), Dunedin City (38.5%) and Hamilton City (39.7%). (2024)		Infometrics

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#	Measure	Data 2024/25 year	Trend	Data Source
ODM44	Visitor spend (Visitor-spend is distributed more evenly across the year.)	<p>Distribution across the year:</p> <p>July \$35,267,631 August \$33,019,580 September \$37,676,736 October \$42,750,076 November \$42,323,403 December \$64,781,952 January \$59,246,765 February \$39,750,719 March \$40,074,556 April \$42,431,718 May \$34,014,449 June \$33,529,914</p> <p>Overall decrease in spend by 2.2% (2024)</p>		Tourism BOP - Marketview
ODM45	Educational attainment levels of our people, including rangatahi Māori, rise to levels equivalent to other major New Zealand cities.	<p>Level 1-4 certificate – All population 42.9%, Māori 55.2%</p> <p>Level 5-6 diploma – All population 12%, Māori 10.2%</p> <p>Bachelor's degree and above - All population 24.9%, Māori 15.9%</p>		Stats NZ

Approaches

Tauranga City Council's three key approaches are about how we work together. They are embedded in our community outcomes, consistently running through and supporting everything we do. Overall, these approaches commit us to thinking broadly and long-term, seeking and managing interconnections and relationships for better outcomes. The three approaches are interlinked and complementary, each with its own specific focus area.



Te Ao Māori approach - Te Ahunga Ao Māori

Tauranga City Council will understand and apply key Māori concepts to enhance outcomes for our communities, thereby bringing to life the principles of Te Tiriti o Waitangi. Te Ao Māori is the Māori world, where the world is perceived holistically, acknowledging the interconnectedness and interrelationships of all living and non-living things. When in balance, this supports healthy environments and healthy communities.

Partnership with tangata whenua

Te Ao Māori Approach

Grounded in Tauranga City Council's Te Ao Māori approach and core values – manaakitanga, pono, whaia te tika, and whanaungatanga – the 2024/25 update demonstrates genuine accountability and delivers meaningful, tangible outcomes.

This year, we formally honoured long-serving Māori leaders, including our Te Pou Takawaenga Team Leader Keren Paekau and the newly appointed Officer of the New Zealand Order of Merit, Puhirake Ihaka.

We strengthened our partnership commitments by appointing three tangata whenua representatives - with full voting rights and equitable remuneration - to Council committees. We also celebrated the historical appointment of Tauranga's first successful Te Awanui Māori Ward candidate, Mikaere Sydney. Unfortunately, Mikaere could not take up his position due to illness and resigned, so a by-election for the Te Awanui Ward seat was required. After winning the by-election, Councillor Hemi Rolleston was welcomed to Council with a pōhiri at Ngāti Hangarau, in May 2025.

Our specialist Te Pou Takawaenga team has continued to lead with engagement, facilitating robust kōrero between mana whenua and the mayor and councillors to ensure they are represented and actively involved in decisions that affect them now and into the future. They have initiated induction and cultural capability training for council staff and the mayor and councillors and have co-designed joint wānanga to deepen governance and strengthen relationships.

We also introduced data led reporting against our procurement target to identify mana whenua affiliations; to report meaningfully on our progress to invest locally and improve accountability.

Highlights from 2024/25 include:

- Improving Māori capability uplift planning and responsiveness for Tauranga City Council
- Initiated a new Papakainga focused Housing Fund (\$400,000 over two years) to reduce barriers for Māori seeking to build on Papakainga (collectively held Māori land).
- Formal Pōhiri, Welcome to City for major local and international sporting and cultural events such as The Classic Basketball, Zespri AIMS Games and Cricket at the Bay Oval.
- Supported the development of increased use of Te Reo Māori within public communications and in particular, Councils brand guidelines and use of Te Reo Māori.
- Ngā Kete Mātauranga is a suite of programmes delivered by Te Pou Takawaenga aimed at introducing staff to Te Ao Māori (the Māori world) and the pathways essential to building a mana-enhancing relationship between Tauranga City Council and the manawhenua of Tauranga.

In order to do this effectively, our team provides training programmes to firstly help staff understand the foundational history of the area, followed by Māori concepts, structures, principles, tikanga (protocol), language and best practice to engage meaningfully to build and maintain relationships. Active participation and engagement are key building blocks and all staff on these courses engage in wānanga (in-depth discussions) pōhiri (formal welcome ceremony), tikanga (protocols), pronunciation, waiata, karakia and visiting significant sites while learning directly from manawhenua and experienced Māori advisors.

In the last twelve months, our keynote course Te Kete-a-Rohe (formerly Cultural Connections) has been delivered to 142 participants, Te Kete Mahi Pai (Best practice Māori engagement) has been delivered to 81 participants helping to empower those who work closely with mana whenua in project planning, consultation and engagement processes.

Te Kete Kōrero (Pronunciation classes) has been delivered to 72 participants with formal and informal opportunities to practice and grow Te Reo Māori within the organisation.

Currently, a Māori Capability Uplift plan is being implemented across TCC and it is projected this will increase demand for these programmes and we look forward to the following year with promise. He waka eke noa – we are all in this together!

Kaumātua Forum – On 30 January 2025, Takawaenga hosted the first Kaumatua Forum and Te Rangapu Hui that consisted of 21 members, to korero about key priorities for 2025.

Te Rangapū update – Discussed Te Aupikitanga (Pou delivery in terms of strategic direction). The six Pou incorporates Representation, Environmental Management, Capacity & Capability, Increasing Māori Land Utilisation & Development, Support & enable Iwi/ Hapu Aspirations.

- Council approved Tangata Whenua Council Committees that was endorsed in March. Te Rangapū discuss points for the interview panel. Mandate process is every four years to coincide with the council election process.
- One Pou of achievement, (Representation) a Councillor from the Māori & General Ward were voted in.
- Environmental Management – biological threat re: Myrtle rust found on our native trees. Marine threat re: paddle crabs evident in our harbour. Resource management Act (RMA) implementing cultural monitoring when whenua is being excavated. Looking into training for RMA & biosecurity in Taiao spaces. Wai wananga – staying on top of Te Mana o te Wai, is being pertinent of the discussions. Looking into producing a submission in that area.
- Capacity & capability - insufficient resourcing into council processes that engage in Māori spaces. Advocate to increase capacity in Takawaenga.
- Increasing Māori Land Development – working with Land trusts & utilising Te Ara Rau Tangata. Engage with Te Puni Kokiri, Māori Land Court & Council for resourcing.

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Kaumātua – Rahui kaupapa. There have been two death incidents within a few weeks apart, that had no Rahui put in place, advised for thoughts on this topic.

- The Iwi/ Runanga should place the Rahui on the area.
- TCC support the Iwi kaupapa on the Rahui, pending advice from the iwi/ hapu. Tauranga City Council will push the comms out to the wider community.
- Waters panui – A post/ sign to inform the community can be supplied.
- Signage should be displayed for the wider community to inform them.
- Need the Runanga position on the Rahui process. Hope to have progress in the July process.
- Ngareta – Iwi/ hapu to support Rahui when there is a drowning/ death.
- Those discussions need to be put before each Runanga for confirmation.
- Better communication needs to be extended, to inform more whanau. Kaumatua sitting in the WBOPDC should be inclusive of the forums held by Takawaenga. Flesh out other kaumatua who may be interested in joining these forums, so they are kept updated. Takawaenga to be provided with contact details.

Takawaenga – Tangata Whenua representation on Council Committee.

- A selection panel will consist of a minimum of (3). Two members from Te Rangapū and a Council representative. Applicants are invited to submit a resume & cover letter.

Te Pou Takawaenga Priorities

- **He pou here** - fostering treaty partnership between Tauranga City Council & Mana Whenua
- **He pou hono** - set best practices for Māori responsiveness & engagement for Tauranga City Council
- **He pou hautu** – advise Tauranga City Council on appropriate ways to involve Māori at all levels
- **He pou hihiri** – progress iwi/hapu priorities and hapu aspirations for the benefit of Tauranga city
- **Internal** – clarify roles, communication planning – organisational cultural competency/ capacity planning – Cultural safety for Māori staff.
- **External** – relationship/support for the mayor and councillors – Te Aupikitanga.



As one of three Tauranga Moana Futures scholarship recipients,

Tay Ririnui (Ngāi Te Rangī, Ngati Hē) has completed an internship with Tauranga City Council and has secured a 2026 summer internship with Becca. Our goal with these recipients is to build a relationship with them throughout their studies as a way of future proofing our talent pipeline. We will continue to work with Tay and hope to have him as a Summer Intern again in the coming years.

Held 28 formal hui with Te Rangapū Mana Whenua o Tauranga Moana maintaining a consistent channel for Kaupapa Māori discussion for the benefit of our communities and they have invested in their own capability and capacity with 40 current and emerging leaders gaining certification of Governance essentials through the Institute of Directors.

Cultural integration has been further advanced through:

- Te Manawataki o Te Papa integrates Māori values into Tauranga’s civic design through partnership with mana whenua, fostering cultural connection and shared storytelling.
- The renewal of the Memorandum of Understanding with the Mauao Trust,
- The opening of Te Rere o Ōmanawa whakaruruhau (hub),
- The continued roll-out of wayfinding signage - anchoring mātauranga Māori in our city spaces and places.
- Reviewing key policies and community funds with a view to strengthen Te Ao Māori approach in a way that is pragmatic and fit for purpose.

Approach results

The following table provides results for the reporting on ‘Te Ao Māori’ approach measures included in our 2024-34 Long-term Plan.

#	Measure	Data 2024/25 year	Trend	Data Source
OMD46	Increased cultural capability to partner with iwi and hapū. to Māori and Pasifika businesses	363 attendees at Ngā Kete Mātauranga sessions with 34 training courses run		Tauranga City Council
ODM47	Staff apply a Te Ao Māori lens across their work and decision making	28 special meetings or workshops held to consider Tauranga City Council projects.		Tauranga City Council



Sustainability approach - Te Ahunga Toitū

To kaitiaki for a better tomorrow, Tauranga City Council is committed to understanding and applying holistic sustainability to the way we work to enhance community wellbeing outcomes for our communities. Sustainability is about considering the interactions and balance points between social, economic, cultural, and environmental wellbeing.

Sustainability considerations in projects and decisions

An improved process for delivery of capital projects

Work is well underway to develop a process for council staff to embed our climate and sustainability goals across the delivery and management of capital projects. The process sets out four key criteria linked to our community outcomes: carbon emissions, climate resilience and natural hazards, nature and biodiversity, and waste and circular economy. This process will help us apply a consistent best practice approach to understanding the climate impact of our decisions and developing sustainable and climate resilient solutions for Tauranga's infrastructure.

Climate impact statement in Tauranga City Council reports

Since August 2024, a climate impact statement has been included in formal reports to Council and committees. The purpose of this is to align considerations for decision-making with Tauranga City Council's strategic framework, Our Direction. Report writers are asked to give information about how the decision being taken will impact emissions reduction, climate adaptation/resilience and biodiversity outcomes.

There are opportunities over the next year to build the capability and understanding of how decisions on different business activities and projects may impact climate and sustainability outcomes.

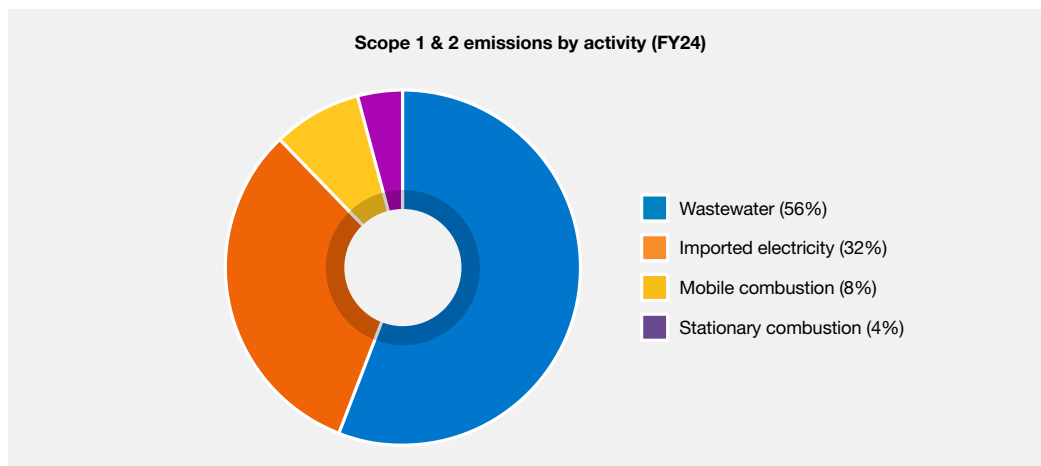
Broader outcomes in procurement

Our procurement policy mandates inclusion of broader outcomes in all tenders going out to market. This can either be as a mandatory requirement in lowest price conforming tenders or as a compulsory attribute to be included in weighted attributes processes (minimum 10% weighting). Since this came into effect in late 2023, we can see that most tenders included weighted attributes focussed on environmental broader outcomes, followed very closely by economic broader outcomes. In addition, our commercial team has been holding regular business drop-in sessions for interested local suppliers. Since this initiative began, we have held 151 drop-in sessions.

Operational emissions profile

Work is underway to improve our energy performance, reduce our corporate emissions, and save costs in the long term, which has led to a reduction in operational emissions by 43% since 2018/19. Council's total Scope 1 and 2 emissions in 2024/25 were 10,360 tCO₂e (tonnes of carbon dioxide equivalent), including CCOs and excluding forest emissions and removals. The final number is subject to emissions audit verification, which is done on an annual basis.

The largest emissions source is the wastewater treatment process. During the year we improved our methodology and accuracy of emissions accounting from the wastewater treatment process, which has improved our understanding of how the emissions can be reduced. Ongoing and planned energy and carbon saving initiatives at council are estimated to save the council around \$700k per year in reduced energy costs.



Tauranga City Council Scope 1 and 2 emissions 2024/25 (including CCOs, excluding forest emissions and removals)

Emissions reduction plan

Tauranga City Council has committed to science-based emissions reduction targets which means that we will need to reduce emissions by 46% by 2030, and 90% by 2040. Our emissions reduction plan outlines what needs to be done to get there. This includes improved wastewater treatment processes, renewable energy generation such as solar panels and small-scale hydro turbines, phasing out natural gas, dimming streetlights at night, and energy-efficiency projects. Implementation of necessary projects to reach the short-term targets is now underway. In 2025 we installed solar panels at the Greerton and Pāpāmoa libraries which are estimated, over their lifetime, to save council \$150,000 in energy costs and avoid 145 tCO₂e in emissions.

Climate action loans



Solar panels installed at Pāpāmoa Library in May 2025

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Tauranga City Council has been approved as a borrower under New Zealand's Local Government Funding Agency's (LGFA) Climate Action Loans. This loan rewards a borrower through a margin discount if that borrower has adopted an emission reduction plan which sets out science-based targets that are aimed at achieving net zero by 2050 or sooner. Through the Climate Action Loan, Tauranga City Council will save up to \$200,000 per year by 2029 if we continue to meet our emissions reduction targets (see financials on page XX).



Embodied emissions

For Tauranga City Council to continue in the LGFA Climate Action Loan programme, we need to report our Scope 3 emissions starting in 2026. Our largest source of Scope 3 (indirect) emissions is embodied emissions associated with materials and construction processes. Cement, steel and asphalt are common carbon-intensive materials used within civil and construction work and services.

Reporting of Scope 3 emissions is underway, supported by an improved sustainability process for capital project (see page XX). Tauranga City Council is currently piloting an approach to collect material-specific embodied emissions data from capital projects to better understand our impact and opportunities to reduce these at a project or programme level.

Approach results

The following table provides results for the reporting on 'Sustainability' approach outcome measures included in our 2024-34 Long-term Plan.

#	Measure	Data 2024/25 year	Trend	Data Source
ODM48	At least 5% of the value of all influenceable spend awarded to Māori and Pasifika businesses.	2.47% of influenceable spend awarded to Māori and Pasifika businesses.		Tauranga City Council
ODM49	Percentage of staff that have completed sustainability training	18 sessions were held, with a total of 363 engagements across all sessions.		Tauranga City Council



Working beyond Tauranga approach – Ahunga mahi ki tua o Tauranga

Tauranga City Council recognises that Tauranga is an integral part of the wider Bay of Plenty region and upper North Island and has a key role in making a significant contribution to the social, economic, cultural, and environmental wellbeing of the region and nation. Tauranga is the fifth largest city in New Zealand and is located strategically close to two of New Zealand's other largest cities, Auckland, and Hamilton, forming what is known as the 'golden triangle'. Our city's success is integrally connected to the success of the wider Bay of Plenty region, upper North Island and New Zealand. To respond effectively to our communities' needs and to deliver on our community outcome areas, we need to work effectively with our partners, regionally and nationally. We need to consider how the services we deliver connect with the wider region, and how our mana whenua work with neighbouring iwi and hapū. This requires building strong partnerships with others, considering and addressing the impact of regional, national and global factors on Tauranga, and advocating for our city's needs. We also need to consider how we contribute to the success of our neighbours and wider New Zealand, by ensuring the decisions we make (or do not make) result in sustainable outcomes both within and beyond our borders.

SmartGrowth Strategy update

The structural arrangements for SmartGrowth are a joint SmartGrowth Leadership Group which has membership from Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council, Tangata Whenua, Central Government and Priority One. There is an Independent Chair role which is currently being held vacant. A 'Leading for Delivery' sub-committee was established in the 2024/25 financial year. The objective of the sub-committee is to direct delivery of priority projects outlined in the Implementation and Funding Plan, the Priority Development Areas and Government's reforms and projects as they affect growth and development in the sub-region.








In 2024, the strategy underwent key updates and was adopted on 17 July 2024 ensuring alignment with long-term growth priorities. The Future Development Strategy (FDS) defines growth areas for the next 30 years, while the Implementation and Funding Plan sets out key actions for the next three years, ensuring effective delivery.

These updates reinforce Tauranga City Council's commitment to balanced development, infrastructure resilience, and environmental sustainability, creating a thriving, adaptable city for future generations.

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Approach results

The following table provides results for the reporting on 'Working beyond Tauranga approach' outcome measures included in our 2024-34 Long-term Plan.

#	Measure	Data 2024/25 year	Trend	Data Source
ODM50	Increased Central Government recognition of issues faced by growth councils (including recognition of and response to investment / funding challenges)	<ul style="list-style-type: none"> Western Bay of Plenty sub-region City / Regional Deal submission lodged. State Highway 29 Investment Case approved by NZTA Board with funding allocated to the pre-implementation workstreams. Input into Resource Management Act reforms. Five projects submitted for inclusion in the Infrastructure Commission's Infrastructure Priorities Programme (Eastern Corridor, Western Corridor, Cameron Rd Stage 2, 15th Avenue to Welcome Bay and Variable Road Pricing). 		Tauranga City Council
	Footfall	13,786 average daily pedestrian movements		Tauranga City Council
	Residential offering	1210 separately used inhabitable parts from a total of 618 rating units		Tauranga City Council
ODM51	Commercial activity	2970 business units in 2024, a 14.8% increase on the previous year		Tauranga City Council
	Recognition as a 'centre for the Bay of Plenty region'	49% of residents agree or strongly agree that Tauranga's city centre is the commercial and cultural heart of the Western Bay of Plenty (2024)		Tauranga City Council
	Scale of 'regional offering'	18,970 filled jobs in Tauranga's city centre in 2023, which is 10.9% of the BOP Region filled jobs (2024)		Tauranga City Council
ODM52	Increase in economic impact for the city and subregion	GDP in Tauranga is \$11,217.3 million, which is 49.39% of the BOP Region GDP (\$22,708.8 million). (2024)		Infometrics
ODM53	Our communities feel well informed about and supported through any changes resulting from reform processes that impact local government	No data available.		Tauranga City Council

City events and calendar

What's On Tauranga

Since its launch on 1 August 2024, the council-run [What's On Tauranga](#) events website has become a valuable resource for our community and event organisers, averaging 1506 daily views. What's On Tauranga is the city's go to website for discovering, planning, and sharing events. Supported by dedicated social media channels and marketing campaigns, the website has played a key role in driving awareness of events in Tauranga. Website traffic has been generated primarily by non-paid sources including direct visits, search, and social media, demonstrating effective content and brand visibility.

Zespri AIMS Games

Zespri AIMS Games is a major feature on the annual events calendar every year, this year celebrating 20 years since the first AIMS Games in 2004. Attracting 26,825 unique attendees, and generating 79,201 visitor nights and a total visitor spend of \$8.78 million, the positive economic impact of this event is significant.

The week-long tournament was staged at multiple venues across the city with 12,660 competitors representing 395 schools and 27 different sporting codes. This year's event had more athletes compete than the Paris 2024 Olympic Games.

Results from a Tauranga resident survey said 91% felt the event increased pride in the city, and 80% agreed it made Tauranga a more enjoyable place to live.

Mount Festival of Multisport

In January, Tauranga hosted the Mount Festival of Multisport, attracting 5221 attendees and generating 5357 visitor nights. The event contributed \$998,167 in tourism spending and delivered a net economic benefit of \$448,492.

Skate Park Nationals at Destination Skatepark

Tauranga proudly hosted the 2025 New Zealand Skateboard Nationals on 28–29 March 2025 at the new Destination Skatepark in Mount Maunganui. This marked the first time the city welcomed the country's top skateboarders for a premier national event, showcasing talent across park, street, and vert disciplines.

The park and street competitions were held at the Destination Skatepark—located at the corner of Maunganui and Hull Roads—while the vert competition took place at the upgraded ramp in Blake Park. The event also introduced a new Under 13 division, encouraging younger skaters to get involved and spotlighting the next generation of talent. The Nationals were a major milestone for Tauranga's skate scene and a celebration of the council's investment in world-class skate infrastructure.

Tauranga Western Bay Community Event Fund

The Tauranga Western Bay Community Event Fund (TWBCEF) enables community groups to host a rich and varied calendar of events, offering residents and visitors alike opportunities to engage with and enjoy vibrant community-centric event activity throughout the year.

Specifically for Tauranga City Council boundaries, there was a 17% increase in applications, with 71 events granted funding to a total amount of \$695,075. The TWBCEF is a partnership between key local funding bodies TECT Community Trust, Western Bay of Plenty District Council, Bay Trust and the Acorn Foundation.

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Calendar of events 2024/2025



JUL

Tauranga Junior Tough Guy and Gal Challenge

Basketball: Whai NBL Home Game

Karohirohi concert – Opus Orchestra

North Island School Cyclocross Champs & Summerhill Cross Country Mountain Biking

Vanuatu Independence Day Celebration



AUG

Rugby: Bunnings National Provincial Championship & Farah Palmer Cup: Steamers and Volcanix

Whānau Mārama New Zealand International Film Festival

Rugby, Football, Volleyball RSE Sports Festival

Tauranga Primary Schools Music Festival

The Mount Pickleball Classic

Mount Manganui Half Marathon



SEP

Rugby: Bunnings National Provincial Championship & Farah Palmer Cup: Steamers and Volcanix

Zespri AIMS Games

September Youth Philharmonic Tauranga Concert

The Chilean Independence Day

Climate Action Festival

New Zealand Bridge National Congress

Greerton Cherry Blossom Festival

Fluro Festival



OCT

Fiji Language Week and Fiji Independence Sports Day

Basketball: Whai Taihi Home Games

Carnival of the Animals: Kiwis Musical Journey – Opus Orchestra

Tauranga Kabaddi Cup

Toi Kiri World Indigenous Festival

Writers Festival

Escape Festival

The Classic (Hoopnation)

Tauranga Whetu Star Awards

A Gluten Free Night Out

Xtreme – North Island Championship Disc Golf

Tauranga Turban Day

Vegan Vibes Festival

Hot Pink Walk for Breast Cancer

Young at Heart – a week long event of celebrating older people in our community



NOV

Basketball: Whai Taihi Home Game

Tauranga Gindulgence – gin festival event

BOP Garden and Arts Festival

Trans Pride

Performing arts: Te Kuia me te Pūngāwerewere

Ra Whakangahau - Tauranga Peninsula Kapa Haka celebration

Te Waka Pererua Performance

Nell Gwynn – theatre production

Tauranga Diwali Festival

Basketball Whai Taihi Home Game

In Bloom Concert

GENX/Marra Tinman Triathlon

National Secondary School Sevens Tournament

Tauranga City to Surf Fun Run/Walk

Rātā Te Kimihanga - Waka Carving Symposium

Sirens & Services Community Day

Tauranga Smoke BBQ Festival

Road Safe Orange Walk



DEC

NZ Beach 5's Rugby Festival

Tauranga Christmas in the Park

Merivale Christmas Festival

The Mount Monster – a surf lifesaving endurance race

World Tennis Tour: Tauranga

NZ Cricket: Blackcaps vs Sri Lanka T20Is

Eves Surfbreaker Triathlon

Sanitarium Weet-Bix Kids TRYathlon

Tauranga Moana Manu Champs

Rocky's Backyard Ultramarathon

Tauranga City Council New Year's Eve Community Events

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Awards and recognition

We received the following finalist placings and awards during 2024/25. Congratulations to all of our amazing staff!

Awards and Finalists

Association	Award	Name	What we did to earn the award	Outcome
HRNZ Awards	TCC Leadership & Development - Growing our People and Performance	HR Business Partners	Delivered tailored leadership training across council teams to build capability and culture	Finalist
2023 Tree Cities of the World	Tree Cities of the World	Spaces & Places Urban Forestry team	Met international standards for urban tree care, planning, and community engagement	Accepted
Mount Holiday Park	4 Star plus rating and Gold Sustainable Tourism Business Award	Mt Beachside Holiday Park	Implemented solar energy, waste sorting, worm farming, and water-saving infrastructure	Accepted
Recreation Aotearoa - Outstanding Awards. Outstanding Park category	Recloaking Mauao - Mauao Historical Reserve	Spaces & Places	Restored native vegetation and cultural heritage through iwi partnership and ecological work	Mauao was awarded Healthy Park of the Year.
Recreation Aotearoa - Outstanding Awards. Parks Professional of the Year	Josh Clark	Spaces & Places	Led innovative park management and community engagement at Mauao and other reserves	Won
Taituara Awards	Te Tohu Waka Hourua (The Double Canoe) Te Rere o Omanawa - Omanawa Falls	Spaces & Places, TBOP, Hapu	Reopened access to site with iwi collaboration, safety upgrades, and cultural respect	Award won
Taituara Awards	Australasian Management Challenge	Whanake Te Tai -Challenge Team	Whanake Te Tai won third place in the Australasian Management Challenge by demonstrating exceptional teamwork, quick thinking, and consistent high performance across a series of fast-paced, executive-level council simulations.	Third Place

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Association	Award	Name	What we did to earn the award	Outcome
WasteMINZ Awards	Best initiative to reduce waste or redesign products category.	Sustainability and Waste Team	Reduced landfill waste via education, community outreach, and school engagement.	Joint 1st Place
Tree of the year / Rākau o te tau	Most interesting tree – Pōhutukawa on Pitau Road	Spaces & Places Urban Forestry team	Protected and celebrated a significant heritage tree through community nomination and care.	Finalist
Building Officials Institute of New Zealand (BOINZ) Awards	Emerging Leader	Andie Fletcher	Building services leadership and innovation	Accepted
Building Officials Institute of New Zealand (BOINZ) Awards	Innovator of the Year	Todd Saunders	Building services leadership and innovation	Accepted
Diversity Works - 2024 Diversity Awards NZ	Respectful Culture Award	Community Development	Embedded inclusive practices and respectful workplace culture across council teams.	Finalist
PC33 Landscape Qualifying matters Project	Winner of Technical Documentation RMLA Award	City Planning & Infrastructure	Integrated landscape values into planning policy to protect visual and ecological character.	Winner
EMPA NZ Awards	Excellence in Emergency Communications for 2024 (for Tauranga City Council Earthquake and Tsunami Virtual Reality Module)	Emergency Management Team	Developed immersive VR training for emergency preparedness and public education.	Highly Commended
Water NZ Awards	Golden Shovel, Select Society of Sanitary Sludge Shovels, recognises individuals who have contributed their considerable talents to the success of national water and wastewater organisations the criteria is 'going beyond the call of duty'	Stephen Burton	Recognised for excellence in water infrastructure and sector leadership.	Awarded
Recreation Aotearoa	Outstanding Project Over \$500k - Te Rere o Ōmanawa Project	Spaces & Places	Recognised for culturally sensitive site restoration and safe public access.	Won
Recreation Aotearoa	Outstanding Project Over \$500k - Kōpurerua Valley Stream Realignment	Spaces & Places	Restored natural stream flow and ecology through large-scale realignment and planting.	Won

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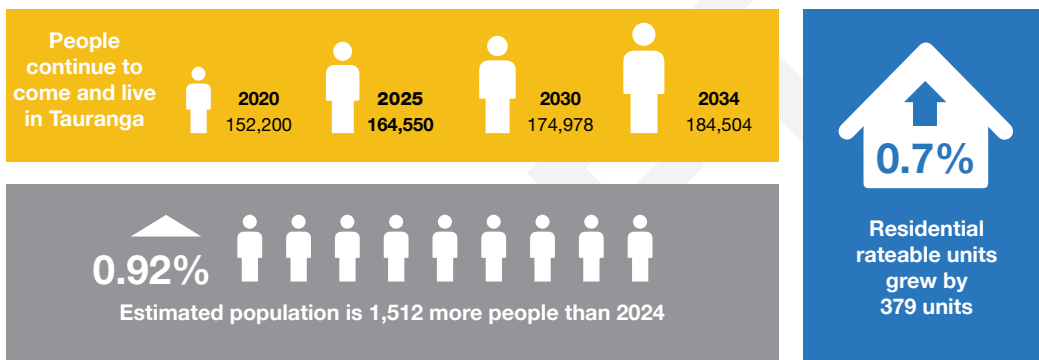




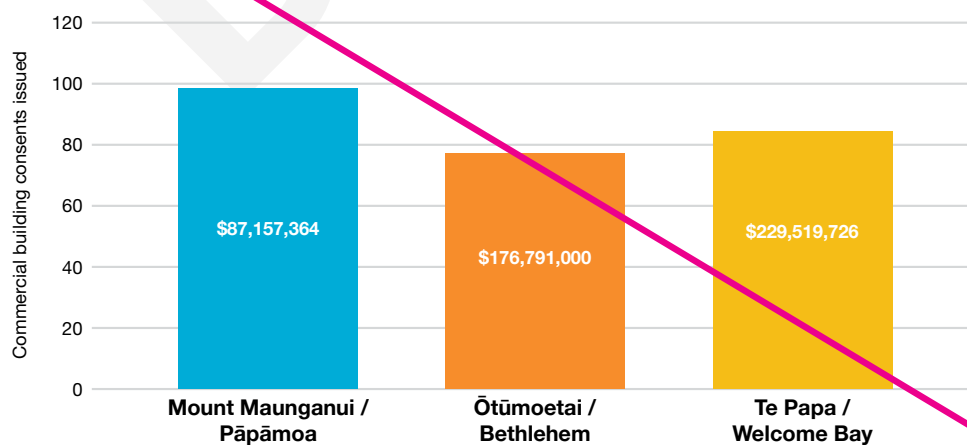
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Our performance

Our city continues to grow the role of Tauranga City Council and scope of what investment is being made in the city is changing due to economic indicators due to the rate of growth in the city.



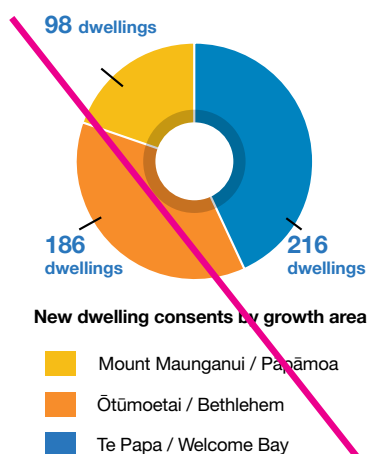
We continue to see commercial investment



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But the rate of growth is putting pressure on our city



211

additional
residential
allotments created

Down from 2023/24: 511



average monthly median sale price

\$882k*

0.79% decrease
(July 2023 - June 2024 \$889K)

* REINZ July 2024 - June 2025 data

Behaviour change is happening in our community,
industry and Tauranga City Council



43%

of Tauranga City Council Scope 1 & 2 emissions
reduced compared to 2018/19 base year levels.

(includes emissions from Bay Venues Ltd and wastewater,
stormwater, and water supply operations)



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We continued our 'Water Watchers Plan'

a year-round plan to help maintain our city's water supply, reduce the impact on source water streams, and help increase awareness on water use at home, at work, and in the community.

As part of the Water Watchers Plan we approved

107

Smart Water Plans

which have been mainly for pool filling, building washing and vehicle washing.

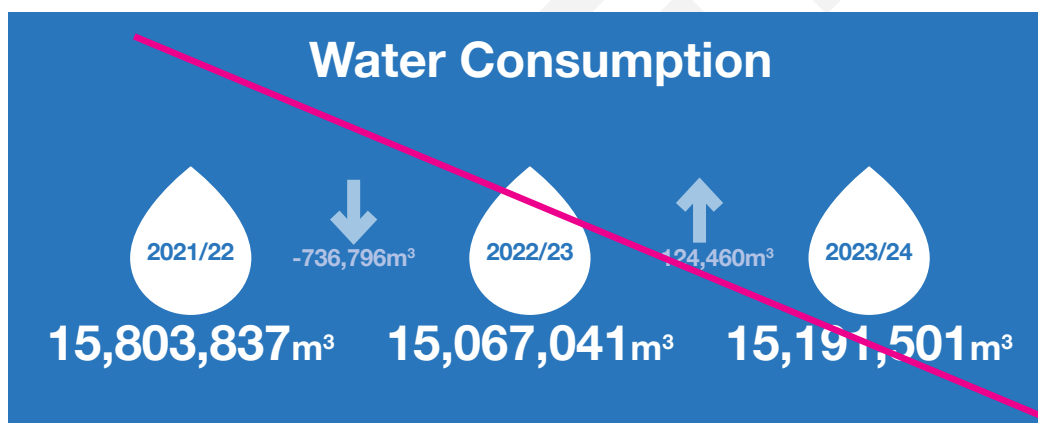
380

residents engaged with as part of the Waterline Education and Advisory service

2,823*

people took part in the Waterline/ Tauranga Water Conservation Project programmes

*No STEM Fest in 2024 has reduced this number significantly (2023 total 8,347)



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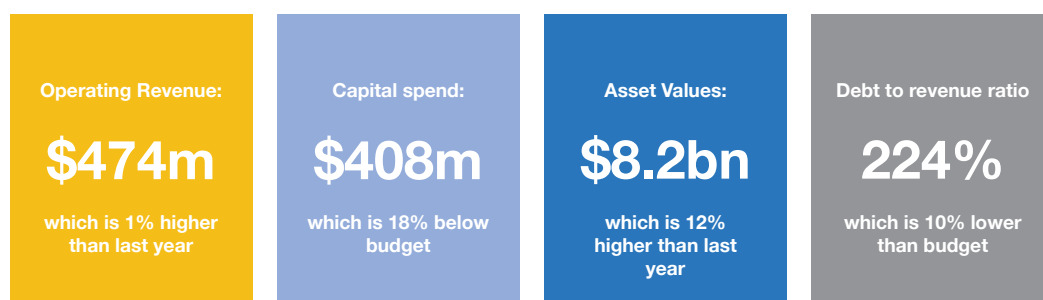


We continue to focus on building infrastructure to support growth and resolve historic under-investment.



Excludes land sales and vested assets; includes operational projects of a capital nature

Below are some of the key financial metrics that TCC's lenders and rating agencies use to monitor financial sustainability.





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Non-financial performance snapshot

74%

of measures achieved
61 measures

19%

of measures not
achieved
16 measures

6%

of measures unable
to be assessed
5 measures

All targets achieved for



Wastewater



Emergency
Management

We exceeded a number of our targets

13,559

Number of participants in
school children's walking
and cycling programmes

Target was 6,000

319 litres

Annual peak demand in litres per
capita per day

Target was ≤450 litres

741

The number of items loaned to
schools through the Hands On
Tauranga service

Target was 300

74

Number of proposals received
for the Creative Communities
Scheme

Target was 65

701,455

Visits to council libraries
(all four combined)

Target was 600,000

82%

Residents that are satisfied
with council run rubbish
collection service

Target was 75%

28min

The median response time to attend
a flooding event, measured from
the time that the territorial authority
receives notification to the time that
service personnel reach the site

Target was <90 min

96%

Public attendees are satisfied or
very satisfied (via survey) with
the council-delivered event they
attended

Target was 85%

1.07

The number of dry weather sewerage
overflows from the territorial authority's
sewerage system, expressed per 1000
sewerage connections to that sewerage
system

Target was ≤2

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**87%**

Calls at contact centre that are resolved at first point of contact

Target was 80%

552,989

Number of passengers through the airport each year - this is a 12-month running total

Target was 450,000

1.1 days

Carrying out of building inspections (on average)

Target was 4 days

We didn't meet 31% (31 measures) of our targets

85%

Ensure Building warrant of fitness are renewed on time and are compliant with the building compliance schedule.

Target was 95%

83%

We will provide a Land Information Memoranda service within the 10-day statutory timeframes.

Target was 100%

51%

Residents who were satisfied (25%) or neutral (26%) with the way the council involves the public in decision making processes.

Target was 61%

82%

Residents that know they need to be self-reliant in the event of a major civil defence emergency.

Target was 95%

65%

Building consent applications processed within legal timeframes.

Target was 99%

26kms/hr

Average speed across key parts of the transport network.

Target was 29kms/hr

92%

Respond to all parking complaints within 24 hours.

Target was 100%

64,541

Number of patrons attending ticketed events at Baycourt.

Target was 70,000

229,112

Number of annual visitors to Historic Village.

Target was 250,000

We couldn't assess 3% (3 measures) of our targets

Community Services

Following a review of the Project Tauranga city partners' programme, the decision was made to wind up Project Tauranga in November 2021

Airport

No surveys were carried out due to possible disruption to the carpark area currently being extended and remodeled, it was decided not to conduct a survey.

Marine Precinct

Was not measured due to the wharf being replaced

Non-financial performance summary

We provide a wide range of activities and services for our community, and we strive to deliver the high level of service that our community expects from us. In our Long-term Plan, the level of service that the Tauranga City Council will deliver is agreed upon by the Tauranga City Council in consultation with the public.

The Local Government Act 2002 stipulates that local authorities are required to report on how well they are performing in delivering these levels of service to their communities, as measured by the non-financial performance measures. We measure our performance throughout the year, reporting the results six-monthly and annually.

We have measured and reported on 82 non-financial performance measures, 62 (76%) were achieved and 17 (21%) were not achieved; 5 (6%) were not measured.

We also group the performance measures together under Strategic Measures, which measures our achievement of each of Council's community outcomes, and then also against our stated levels of service. This clearly identifies linkages between what we do and why we do it, with the ultimate goal of working towards Our Direction.



An inclusive city – Tauranga Mātaraunui

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



A city that values, protects and enhances our environment – Tauranga Taurikura

Tauranga is a city that values our natural environment and outdoor lifestyle, and actively works to protect and enhance it.



A well-planned city – Tauranga Tātai Whenua

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



A city we can move around easily – Tauranga Ara Rau

Tauranga is a well-connected city, easy to move around in, and with a range of sustainable transport choices.



A city that supports business and education – Tauranga a Te Kura

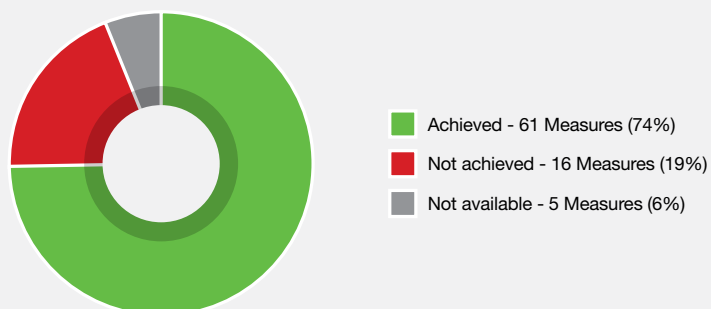
Tauranga is a city that attracts and supports a range of business and educational opportunities, creating jobs and a skilled workforce.



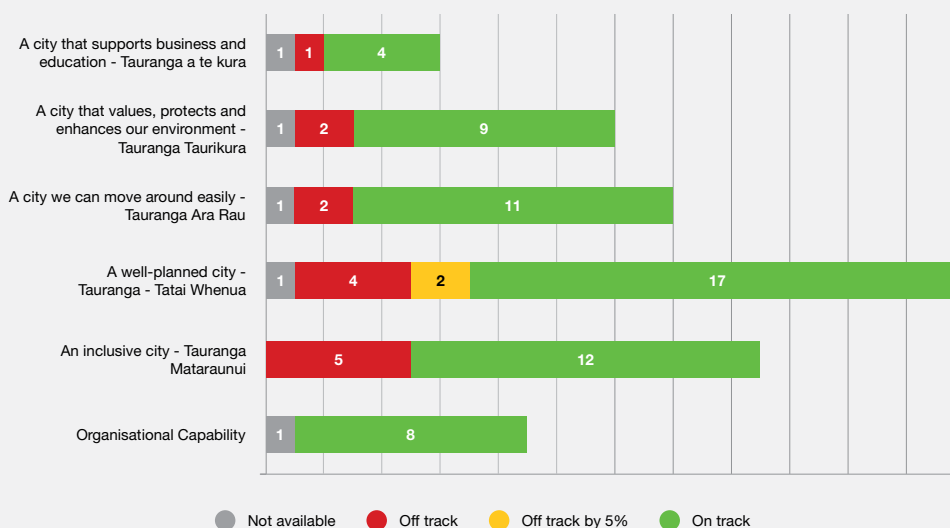
Organisational capability - our Approaches to Te Ao Māori, Sustainability and Working Beyond Tauranga

Council's approaches are about how we work and together are embedded in our community outcomes, consistently running through and supporting everything we do. Overall, these approaches commit us to thinking broadly and long-term, seeking and managing interconnections and relationships for better outcomes.

Non-financial performance summary



Non-financial performance by groups of activities



Financial performance summary

The 2024/25 year is the first year of our new 2024–34 Long-Term Plan (LTP), which sets out a bold and future-focused vision for our city. This plan makes full use of the council's borrowing capacity to invest in a new civic precinct and continue addressing the backlog of essential infrastructure and community facilities that have not been delivered in previous years.

Although the LTP was adopted under the governance of Commissioners, it is now the responsibility of the current mayor and councillors to implement and report on progress. Early in their term, the mayor and councillors committed to a guiding principle of delivering value for money and set a clear direction to achieve a balanced budget and reduce operational expenditure. These decisions have resulted in variances from the original LTP budget, which will be outlined in more detail in this section.

Infrastructure funding and Financing

One of the early decisions made by the mayor and councillors was not to proceed with the Infrastructure Funding and Financing (IFF) arrangement, which would have enabled the ratepayer portion of Te Manawataki o Te Papa civic redevelopment to be funded off council's balance sheet. Instead, the project will now be financed on balance sheet, increasing the forecast debt by \$54 million in 2024/25 and by a total of \$155 million by 2029. However, this approach results in lower overall financing costs over time.

New Zealand Transport Authority – Cameron Road and Turret Road

The New Zealand Transport Authority (NZTA) plays a key role in funding both operational and capital transport projects, typically contributing a 51% subsidy for approved initiatives. Due to the timing of NZTA's funding cycle, councils are required to make assumptions in their Long-term Plans (LTPs) regarding the approval and scheduling of major projects. Following the adoption of Tauranga City Council's LTP, NZTA declined funding for Cameron Road Stage 2 and 15th Avenue/Turret Road, resulting in a \$37 million reduction in expected capital subsidies. In response, Council chose to defer these projects beyond 2024/25 to allow time for rescoping and updating business cases to support future NZTA funding.

Balanced budget

The balanced budget, as defined under the Local Government Act 2002 Financial Reporting and Prudence Regulations 2014, is assessed in section seven of this document. This differs from the balanced budget definition adopted by the current Council, which focuses on ensuring that operating revenue is sufficient to cover operating expenditure. The key distinction between the two approaches lies in the treatment of capital grant revenue—such as New Zealand Transport Authority subsidies for approved transport projects—which is included in the 'Financial Prudence' measure in section seven but excluded from council's own balanced budget calculation.

Council has, at times, resolved to use loans to fund operational expenditure where the expenditure provides benefits for longer than the current year, for example:

- One-off grants to community organisations to fund community assets.
- The change in accounting treatment for digital development related to software as a service.
- Large projects requiring significant up-front planning and consultation costs that cannot be treated as capital.
- Growth and city planning.

Tauriko West Transportation Enabling Works is funded by the New Zealand Transport Authority and Kāinga Ora, with Tauranga City Council covering operational expenses that are reimbursed through operational grants, lump sums, development contributions, and loans. However, revenue timing does not always align with yearly expenses, as some funding—such as development contributions—is recovered over many years. This can cause budget variances as the project progresses through the construction phase, causing operational revenue and expenditure associated with the project to not fully offset each other in a given year.

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Achieving a balanced budget will require a phased approach, as previous funding decisions will take time to unwind. Going forward, Council has committed to fully funding all depreciation, except for depreciation already funded by the New Zealand Transport Authority.

The table below shows the 2024/25 operating deficit and a breakdown of expenditure which is not funded by operational revenue.

Operational Deficit (excluding asset financing revenue)	2024/25	2023/24
Revenue from operations	474	407
Total operating expenditure	584	492
Operating deficit per SOCRE	110	85
Deficit breakdown		
Tauriko West Enabling Works Programme (net)	15	8
Digital Software as a Service (SaaS) net loan funded	18	22
City Development net loan funded	14	8
Other planning net loan funded	18	12
Cash activities net (surplus)/deficit	5	5
Unfunded depreciation	22	22
Capitalised Development Contribution interest	23	15
Other net reserve movements	(5)	(6)
Operating deficit per SOCRE	110	85

Organisation reset

The mayor and councillors have confirmed their priorities, with a focus on value for money. This includes balancing the operating budget and reducing projected rates increases. This meant that the organisation needed to take a closer look at where it was spending money. While the majority of the cost-saving initiatives will be realised next year, as set out in the 2025/26 Annual Plan, changes were made this year to reflect the change in focus on certain capital projects and to ensure that operational initiatives were already in place for the start of the 2025/26 financial year. Phase one of the organisational reset saw a reduction of 98.4 full-time equivalent staff. Phase two focused on reviewing the form, function and leadership structure, which resulted in a small number of additional reductions.

City Operations

The in-housing of outdoor maintenance contracts to our City Operations team continued this year, further strengthening in-house delivery capability. City Operations total budget for 2024/25 was \$12.8m and actual spend was \$12.0m including all overheads. In 2025, \$4.6 million of new operating contracts were brought in-house, allowing the team to deliver greater efficiencies and improve community spaces across the city. At the start of the 2024/25 year, there were 79 staff in the City Operations team. After more contacts were brought in-house, the team now includes 121 staff.

Key financial trends

The below table shows a summary of key financial metrics over the past five years.

Key Financials	2021	2022	2023	2024	2025 Budget (LTP)	2025 Actual	2025 Variance to Budget
Debt Summary							
Capital programme (\$m) ¹	179	210	299	367	431	332	(92)
Operational expenditure of a capital nature (\$m) ²	-	-	13	51	78	76	(2)
Net debt (\$m)	586	701	833	1,067	1,450	1,312	(138)
Debt to revenue ratio (Financial Strategy)	209%	204%	180%	218%	277%	246%	(30%)
Debt to revenue ratio (LGFA compliance)	209%	204%	167%	203%	234%	224%	(8%)
Financial limit on borrowing (debt-to-revenue ratio - bespoke)	300%	300%	295%	290%	330%	330%	0%
Operational Summary							
Total revenue including all asset development revenue	378	465	544	535	652	579	(73)
Capital subsidies	22	40	93	86	120	71	(49)
Total operating revenue	258	303	358	407	470	474	4
Total operating expenditure	271	309	404	492	573	584	11
Balanced budget - LGFA and Financial Prudence requirement	9	35	47	-	16	(39)	(56)
Total rates ³	190	234	267	295	333	334	1
Total rates increase (net of growth & penalties)	6%	23%	14%	11%	13%	13%	0%
Employee Information							
Employee costs (\$m) ⁴	67	76	90	107	118	126	8
Capitalisation of staff time (\$m)	6	9	17	20	24	18	(6)
Full time equivalent staff	763	857	1,047	1,148	1,306	1,157	(149)

¹ Net of land sales, vested assets, and new capital investment funded by Bay Venues Ltd.

² Includes Tauriko West network connections (delivered by NZTA) and digital investment in software as a service. Prior to 2023 all projects were recorded as capital.

³ Includes water rates.

⁴ Employee costs are net of capitalisation which is the transfer of costs from operational to capital expenditure.

The table above illustrates an ongoing trend of growth and investment, and the costs associated with that. Tauranga City Council's Revenue and Financing Policy, accessible on council's website, provides comprehensive guidelines on how we fund both operational and capital expenditure.

Operational results

Total operational revenue was \$4 million (1%) higher than the Long-term Plan (LTP) budget, with interest revenue outperforming budgets due to early prefunding and favourable deposit rates. Offsetting this, user fees for building consents were below budget because of a construction industry downturn. Wastewater fees also declined due to lower water consumption following the closure of a major commercial user.

Total operational expenditure was also \$11 million (2%) higher than the LTP budget. Roading assets were revalued in the 2023/24 fiscal year, leading to a higher-than-anticipated increase in asset values and depreciation costs than in the LTP. This has led to an unfavourable variance to budget in depreciation. There have also been asset writes-offs from the current and previous years that have increased operational expenditure in employee costs, contract expenses, and repairs and

maintenance. Offsetting this, finance expenses have been lower than expected due to lower opening debt balances and less debt being drawn down over the course of the year. Other operating expenses are \$3m (1%) under budget for the year. This reflects savings found across the organisation as it begins working in different ways to support the direction set by the mayor and councillors.

Council borrowing limits

Modelling undertaken for the waters reform process indicated that if water services remained in-house and water charges did not increase significantly, our debt-to-revenue ratio would exceed the limits set by the Local Government Funding Agency (LGFA)—the primary source of council debt funding. To support council's ongoing investment needs, the LGFA agreed to increase council's debt-to-revenue limit from 280% to 330%, subject to conditions, including maintaining a balanced budget. Despite this added flexibility, the mayor and councillors have chosen not to draw on the additional debt capacity in the current financial period. Instead, they have deferred any changes until the next Long-Term Plan (LTP), when they will consider the appropriate internal debt limit based on factors such as capital expenditure requirements, forecast rates increases, and overall debt level.

Housing Equity Fund

We have invested part of the proceeds from the sale of several elder housing villages into the BOP Housing Equity Fund, an entity aimed at addressing the need for more housing in the Bay of Plenty. We have committed \$20 million towards this fund, which is a ring-fenced investment within Tauranga and attracts additional investment from co-founders and loans. To date, council has invested \$2.8 million, with the remaining \$17.2 million held in reserve until the fund identifies development opportunities and calls on capital from shareholders. More information on the fund and current developments can be found [here](#).

Capital delivery

Our capital programme (excluding land sales and vested assets; including operational projects of a capital nature and projects delivered by third parties) was budgeted at \$5010 million for the year, with expenditure reaching \$408 million or 80%.

The following word cloud shows the main programmes of work for 2024/25 which account for most of capital programme spend. The size of the spend is shown in the relative size of the lettering of that programme.



Civic and city centre

With a total annual spend of \$54 million, the Te Manawataki o Te Papa (TMOTP) programme progressed at pace, achieving several significant milestones during the year.

The Masonic Park upgrade was completed on time and under budget, opening in October 2024. As the first of the programme's projects to be completed, it will provide a key connection between the civic plaza on Willow Street and the redeveloped Strand waterfront.

Construction continued on the new city centre Library and Community Hub, with the impressive structure providing a sense of how the finished civic plaza will look. In December 2024, Council gave approval to commence the construction phase of the Museum, Exhibition Gallery and Civic Whare, which, along with the Library and Community Hub, will form the centrepiece of TMOTP.

The implementation of the Strand Waterfront Masterplan continued, with \$13 million spent in the 2025 financial year. Several significant projects within this programme were completed, including Stage 1 of the Memorial Park to City Centre Pathway boardwalk and underpass (October 2024), the North Reserve and seawall (November 2024), and the new destination waterfront playground on The Strand (December 2024). A new public amenity block was also completed as part of the Waterfront Central Plaza project and opened in conjunction with the playground. The new waterfront playground was awarded Playspace of the Year (Over \$500,000) at the 2025 Recreation Aotearoa Parks Awards in May. The next phase of the Strand Waterfront Masterplan will focus on delivering the waterfront central plaza, completing the direct connection from TMOTP to the waterfront and the new Strand Wharewaka. Construction on these projects is expected to begin in the first half of the 2026 financial year.

The new council administration building at 90 Devonport Road was completed in April 2025, with staff moving in during early May. Total spend in the financial year was \$23 million, and the project as a whole was delivered on time and within budget. It is currently the largest timber-constructed office building in the Southern Hemisphere.

The Haumarū Sport and Recreation Centre project at 483 Cameron Road was completed and opened to the public in April 2025. An Emergency Operations Centre on the mezzanine floor of the indoor courts facility was approved in June, with fit-out scheduled for completion in the early 2026 financial year.

Following direction from Council, the Memorial Park Aquatics Facility project was put on hold pending further geotechnical investigations of the site, with a view to considering further options.

Transport

Transport spent \$145 million of its \$178 million budget over the last financial year. Expenditure on transportation projects made up 35% of the total capital programme and will continue to represent the largest share of council's capital expenditure and borrowing requirements.

Construction at Tauriko West is progressing well, with \$56 million spent during the financial year. The project is expected to be completed in mid-2027. The Pāpāmoa East Interchange (PEI) spent \$29 million of its budget and is on track for completion in early 2026; it is also expected to come in under budget. Other key transport projects that were completed during the financial year include the Maunganui Road safety improvements and the Arataki bus hub upgrade. Work is also progressing on the Durham Street bus hub, with the next stage of construction expected to begin soon, and the Taurikura Drive works are underway. \$21 million was spent on roading renewals during the year.

Community infrastructure

Investment in community infrastructure continued across the city, with progress made on a wide range of projects including walkways, playgrounds, buildings, and sports and community facilities.

Sports field network enhancements

Upgrades and new facilities were delivered across the sports field network to increase overall capacity, including improvements to playing surfaces and supporting infrastructure.

A key project was the start of the Links Avenue Reserve upgrade, with a budget allocation of \$4.5 million in 2024/25. This project includes the installation of an artificial turf and upgrades to existing facilities. The turf installation is designed to address growing demand and constraints faced by the regional football community, particularly limited field availability and increased competition for usage. Artificial turfs are well-suited to meet this demand due to their durability and ability to support high usage across seasons and weather conditions. The project is scheduled for completion in late 2025.

At Gordon Spratt Reserve, \$3.6 million was budgeted in 2024/25 for further enhancements to address capacity constraints. Completed works include additional car parking, footpath connections, a netball shelter, field improvements, lighting, and a new pavilion at Alice Johnson Oval.

Merivale Community Centre redevelopment

Construction commenced on the new Merivale Community Centre, with \$4.55 million allocated in 2024/25. The previous facility on Kesteven Avenue, which was no longer fit for purpose, was demolished in August 2024. The new centre—currently under construction on the same site—is designed to provide a safe, welcoming, and flexible space for the Merivale community. It will feature a reception area, kitchen, multi-functional community space, offices, private consultation rooms, a youth studio/music room, wharepaku, and storage facilities. Outdoor amenities will include a basketball court and seating areas to support a wide range of community activities. The grand opening is planned for late 2025.

Historic Village – Complex 2 upgrade

The upgrade and renovation of Complex 2 at The Historic Village was supported by a \$2.4 million budget in 2024/25. The project included improvements to the kitchen, elevators, and toilet facilities. During construction, previously unidentified structural issues were discovered, prompting a comprehensive overhaul to ensure the building's safety and integrity. The renovation carefully balanced the preservation of the building's historical character with the integration of modern functionality, resulting in improved safety, accessibility, and usability. Opened in early 2025, the building is now home to the vibrant Market and Main Café and is available as a bookable event space for community use.

Three waters

Three waters spent \$124 million of its \$132 million budget over the last financial year. Expenditure on three waters projects made up 21% of the total capital programme and like transport, will continue to dominate council's capital expenditure and borrowing requirements.









The upgrade of Te Maunga Wastewater Treatment plant to accommodate growth continued this year. A total of \$8.3 million was spent on the second bioreactor and \$7.5 million on the third clarifier, which both ensure that water is clear after treatment. Work on the third clarifier is expected to be completed in 2026 and will be commissioned alongside the bioreactor in 2027. Work on the Opal Drive wastewater pumping station is well underway, with \$13.8 million spent this year. The pumping station is required to manage significant growth in the eastern suburbs.

Investment in Infrastructure













The organisation has matured and has fit for purpose structures in place for managing the capital programme. This includes continued governance and oversight across major programmes of Te Manawataki O Te Papa and Major Transport.

Value for money remains a key focus of the organisation, with increased focus on securing strong commercial arrangements with our supply chain.

The information on the following pages shows the whole of life spend on projects that have been completed in the 2024/25 financial year. The budget and funding information is based on the budget adopted in the 2024/34 Long-term Plan.

Capital Projects Completed in FY24 (\$'000s)	Total Capital Project Cost	Expected Final Cost in Future Years incl Close Out Budget	Actual/Expected Funding Stack	Approved Budget per adopted 2024-2034 LTP	Approved Budget per Latest Adopted Plan	Budgeted Funding Stack per Latest Adopted Plan	Overspend/ (Underspend) against Latest Adopted Plan	Variance Commentary
Arataki Bus Facility Construction	5,036	5,036		10,279	8,483		(3,447)	Commissioners approved for project to proceed without NZTA funding and budget reduced to half of the remaining LTP budget.
Maunganui Road Safety Improvements	20,034	20,034		19,747	20,038		(4)	Minor Variance.
Beaumaris Boulevard flood mitigation	4,578	4,628		5,805	5,817		(1,189)	Project delivered for less than budgeted and contingency not required.
Oceanbeach Road & Given Road Safety Improvement	2,274	2,274		2,274	2,365		(91)	Minor Variance.
Intersection of Welcome Bay Road and Waitaha Road Roundabout	2,177	2,177		2,354	2,354		(178)	Minor Variance.
Maxwells Road Signalised Crossing	857	857		793	793		64	Minor Variance.
Papāmoa Beach Road Safety Improvement	783	783		928	928		(146)	Minor Variance.
Fraser Street Pedestrian Safety Improvement	2,925	2,925		15,278	15,278		(12,353)	First stages of project completed with no NZTA funding approved for remaining stages, project has put on hold pending future NZTA funding requests as part of NLTP process.
Water Fluoridation Implementation	3,494	3,494		2,920	3,869		(375)	The funding for this project was estimated and negotiated with the Ministry of Health at the time the LTP approved at for \$3m. There were delays with project completion and an over run of costs which are in the process of being recovered from the contractor.
90 Devonport Building and IT Infrastructure	35,004	35,204		35,810	35,956		(752)	Underspend achieved as a result of savings made throughout the project where possible and under-utilisation of contingency budgets.
Indoor Courts - 483 Cameron Road	26,718	26,926		25,350	27,057		(131)	Balance of budget represents the cost of a new lift which is being installed in the building in early 2025/26.

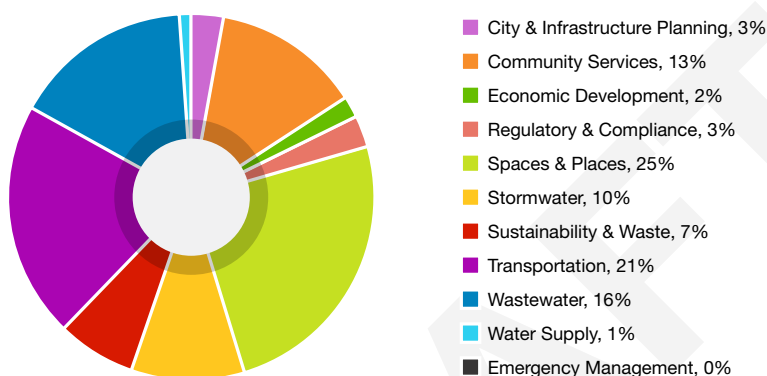
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Capital Projects Completed in FY24 (\$'000s)	Total Capital Project Cost	Expected Final Cost in Future Years incl Close Out Budget	Actual/Expected Funding Stack	Approved Budget per adopted 2024-2034 LTP	Approved Budget per Latest Adopted Plan	Budgeted Funding Stack per Latest Adopted Plan	Overspend/ (Underspend) against Latest Adopted Plan	Variance Commentary
Masonic Park Upgrade	8,737	9,185		9,185	9,185		0	
Strand Seawall - North	3,310	3,310		3,670	3,896		(586)	Underspend caused by shared costs being fully absorbed by the Strand North Reserve which is part of this workstream, the two projects are being completed in conjunction with each other. The excess budget has since been transferred to offset the corresponding overspend in that budget.
Waterfront Playground/ North Reserve	9,349	9,769		10,600	11,019		(1,251)	Full budget includes a railway crossing that has yet to commence and will be completed in future years.
Memorial Park to City Centre Pathway-Stage 1	14,326	14,326		14,400	14,400		(74)	Minor Variance
Matua Park Development	450	450		416	447		3	Minor Variance
Historic Village Complex 2 Upgrade & Renewals	6,973	6,973		7,202	7,202		(228)	Contingencies were not required.
Total	147,027	148,352		167,012	169,088		(2,076)	

What did our rates pay for over the last year?

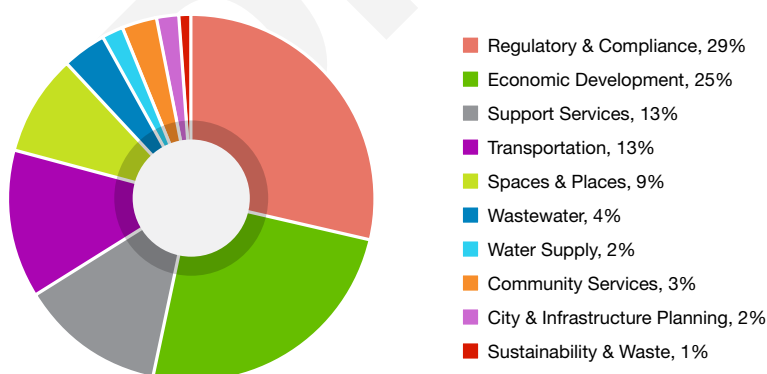
Rates are used to cover the day-to-day operational costs of managing our city, including vital services and infrastructure maintenance. This year, around 70% of our operational spending was covered by rates, with the remainder coming from user fees, charges, and grants from organisations like NZTA.

The graph below shows how rates are distributed across council's services. Almost 50% of rates go towards three waters and transport, while the rest support libraries, parks, recreational facilities, and other community services.



User fees collected

User fees are charged in areas where individuals receive a direct benefit from the service, such as dog registrations and parking. In some cases, these fees are supplemented by other funding sources to reflect the wider public benefit. This year, we collected \$66.6 million (2024: \$64.0 million) in user fees, contributing approximately 12% of our operational expenditure. The graph below highlights the areas of the business where these fees were collected.



Council assets and debt

As a guiding principle, council primarily uses debt to finance capital projects, recognising the long-term benefits these investments provide to the community. In some cases, debt may also be used to fund operating expenditure, particularly where the benefit extends beyond the current financial year and funding the cost in a single year would be inequitable. In all cases, appropriate debt retirement measures are implemented to ensure repayment over time.

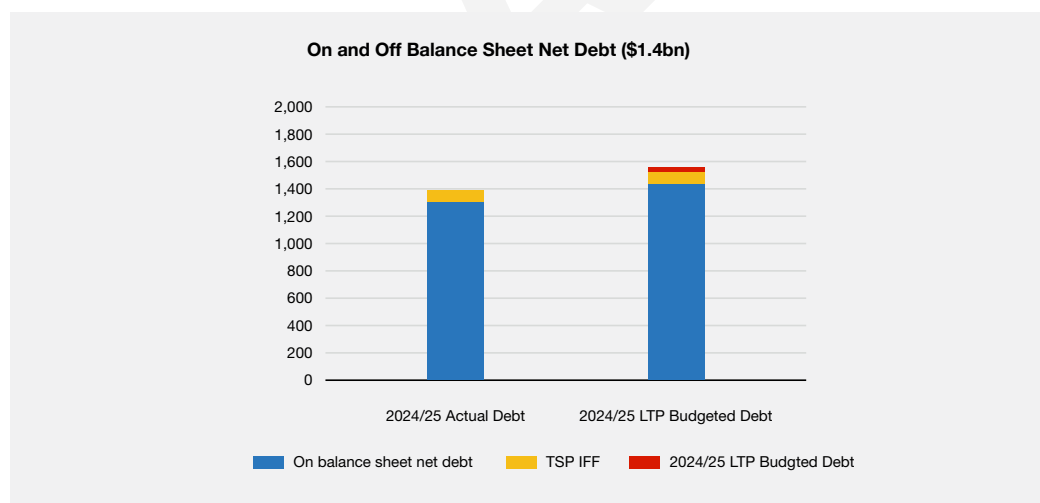
Council assets now total \$8.2m (2022: \$7.8 billion). This year, the value of our water assets increased by \$127m, with a new book value for 2024/25 of \$2.4bn. This increase reflects both revaluations and the addition of completed capital projects.

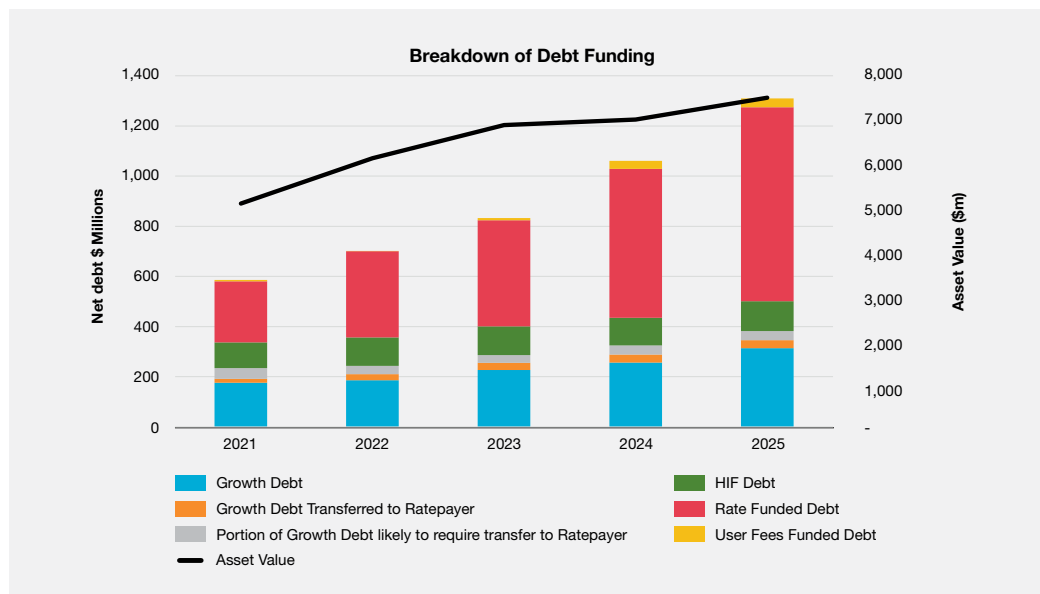
Council has also made use of the government's Infrastructure Funding and Financing Act (IFF) as an off-balance sheet tool to fund \$177 million in transport projects under the Transport System Plan (TSP), with the full drawdown scheduled by 2032. Of this, \$83 million was budgeted for drawdown by 30 June 2025. While this debt is not reflected in the council's financial statements or included in formal debt metrics used by lenders and credit rating agencies, repayment is made by ratepayers through a targeted levy on their rates bill. As such, it is included in the accompanying graph when comparing budgeted versus actual net debt.

In addition, council had planned to apply the IFF model to fund \$152 million of the Te Manawataki o Te Papa civic redevelopment project by 2029, with \$32 million expected to be drawn by 30 June 2025.

The following graph illustrates net debt at year-end compared with budget, including off-balance sheet IFF funding for both the Transport System Plan and Te Manawataki o Te Papa.

Overall, Tauranga City Council's net debt has increased to \$1.3 billion which is \$245 million higher than last year. Total net debt, including IFF funding is \$1.4 billion which is \$168 million lower than budgeted in the Long-term Plan.

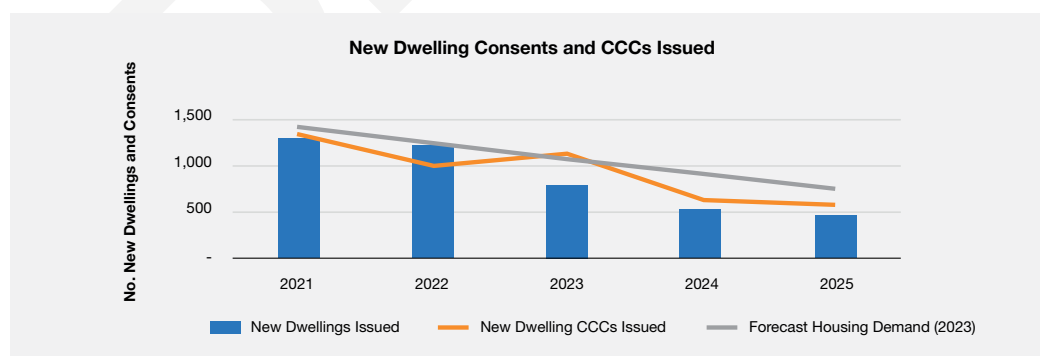




Growth and consents

Tauranga's population continues to grow, now reaching 164,550 residents—a 1,509 increase since June 2024. Despite this population growth, the issuance of new dwelling consents, code of compliance certificates, and collection of development contribution revenue has continued to reduce for several years.

Differing trends for population and dwellings suggest that it is likely not a lack of demand for new houses that is leading to a downturn in new house construction, but rather the result of land supply constraints and other market conditions impacting the housing market.

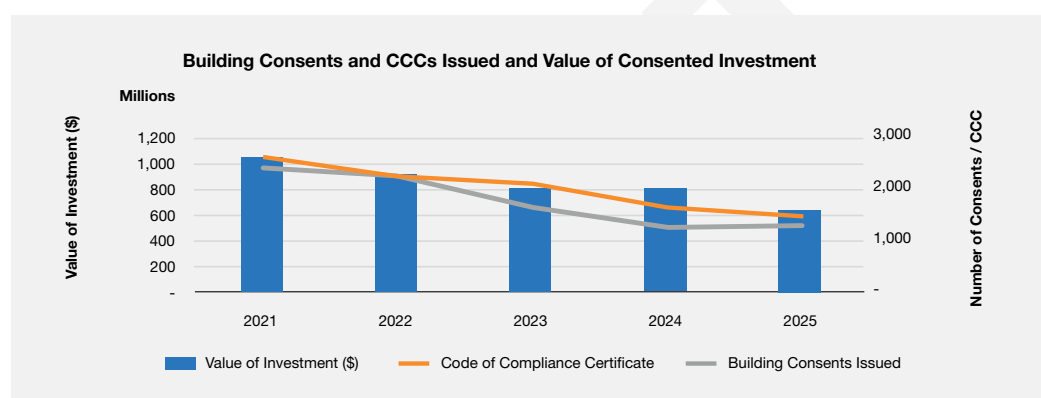


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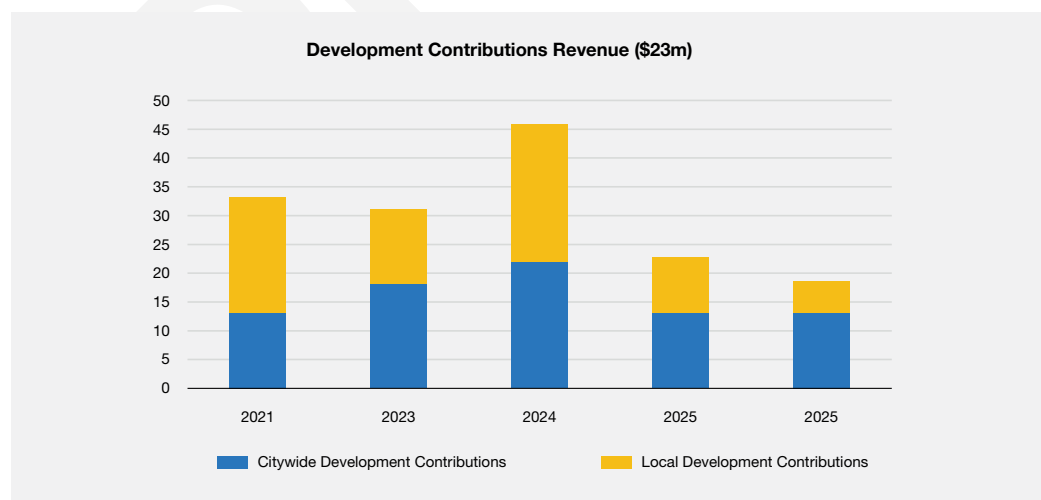
The number of applications for building consents increased by 4% compared with the previous year, however the number of applications for building consent amendments reduced, resulting in an overall 7% decrease in applications processed. The drop in volumes is a result of a deflated market, and the consequential reduction in building projects, and is being seen across the country.

The reduced demand for consenting remains most evident in the new dwelling sector. As a result, we consented 280 less new dwellings than our forecast demand, and granted Code Compliance Certificates for 193 fewer than our forecast demand.

The total value of consented work has dropped this year to \$653 million (2024: \$811 million). The average consent value is \$495,000 compared with a record \$637,000 the previous year, and an average of \$450,000 in the three years before that. While there hasn't been the same record level of large commercial consents granted this year (which drives the average building value up) the increased average cost compared with previous years continues to show an increased complexity in the projects being consented.



The reduction in building consents is also evident in development contribution revenue, coming in \$15 million below budget. Development contributions primarily come from citywide, Pyes Pā West and the Tauriko Business Estate.



Risk Management, weathertight and contingency reserves

The Risk Management Fund and Weathertight Reserve are reserves created by council to help manage and account for financial risk and to fund unforeseen events and weathertight claims. Previously, this was one reserve, but the two elements were separated in 2021. During annual and long-term plans, some rates have been agreed to be collected for these reserves, and past rates surpluses have been directed to address deficits. Since July 2013, these reserves have been used to fund leaky home and weathertight provisions, evacuation of staff from unsafe buildings, and Bella Vista operating costs.

These reserves are established by resolution of council for a specific purpose. This purpose can be amended by resolution of council. The balances of all council-created reserves are recorded in the Statement of Reserves on page 334 of the Annual Report.

Due to the large value of payments recorded through the reserves and the relatively low level of reserve funding, the Weathertight Reserve deficit for 2024/25 is \$53 million (2024: \$52 million). The Risk Management Fund has an available balance of \$5 million (2024: \$4 million) and the General Contingency Reserve has a balance of \$87,000 (2024: \$84,000).

Community grants and contracts

Council works with other central government agencies as well as iwi and community organisations to help support and improve our city. In the last year, we have provided approximately \$2.2 million (2024: \$2 million) of rates rebates to community organisations. In addition, council has provided the below financial support for various community-led initiatives.

Please note that this table reflects grants and contributions made to organisations through various commitments and contracts. It includes all amounts paid to the below organisations where a service agreement is in place.

Supporting Community Groups and Initiatives	Actual 2023 (\$'000)	Actual 2024 (\$'000)	Actual 2023 (\$'000)	Actual 2024 (\$'000)	
Support to Council Controlled organisations					
Bay Venues Limited	13,120	11,941	21,434	24,580	This includes capital and operating grants and payments. It includes the renewals grant of \$15.9 which is funded from the BVL depreciation reserve held by TCC, but excludes the rate funded contribution to the depreciation reserve of \$5m 2025
Tourism Bay of Plenty	2,228	2,158	2,537	1,987	Annual grant towards operating costs
Tauranga Art Gallery Trust (TGAT)	1,255	1,048	8,202	1,535	\$1.5m is an annual grant towards operating costs. \$6.7m is operational grants for the renovation of the Art Gallery.
Bay of Plenty Local Authority Shared Services (BOPLASS)	358	358	175	175	Annual grant towards operating costs. This includes insurance and software licencing and software support.
Te Manawataki o Te Papa Limited	779	-	651	608	Annual grant to cover board and support staff
Subtotal	17,740	15,505	33,000	28,884	
Rates collected to fund mainstreet organisations					
Tauranga Mainstreet	375	375	387	387	Mainstreet organisations are funded from targeted rates on the relevant commercial businesses.
Mount Mainstreet	189	189	198	20	
Greerton Mainstreet	148	148	156	156	
Pāpāmoa Mainstreet	60	60	66	66	
Subtotal	772	772	807	628	

02 | YEAR IN REVIEW

Supporting Community Groups and Initiatives	Actual 2023 (\$'000)	Actual 2024 (\$'000)	Actual 2023 (\$'000)	Actual 2024 (\$'000)	
Grants and investments to organisations					
Bay of Plenty Housing Equity Fund (HEF)	300	-	2,866	5,000	Investment in HEF to date. This is funded from the proceeds of Elder Housing Villages which are held in a reserve. Unspent funds are carried forward and held in the reserve.
Priority One	1,765	1,574	1,605	1,622	Annual grant towards operating costs. This also includes a \$50k grant paid in relation to Daybreak festival
Surf Lifesaving New Zealand	335	301	362	314	As requested and budgeted during LTP
Sport Bay of Plenty	484	427	523	536	As requested and budgeted during LTP
Badminton BOP	-	-	792	505	As requested and budgeted during LTP
Hockey Turf renewal (Tauranga Hockey)	-	401	520	450	Turf funding and feasibility study
Bay Oval Trust	2,109	3,423	3,995	1,940	Underspend from 2024 was carried forward and paid in 2025
Creative Bay of Plenty	221	175	175	175	
The Elms Foundation	248	241	248	248	
The Incubator Growing Art & Culture Charitable Trust	470	483	470	484	
Various Public Arts initiatives	245	241	51	120	
Citizens Advice Bureau	65	65	65	70	
Tauranga Business Chamber	67	67	66	69	
Education NZ	12	10	12	12	
Screen Media	100	100	103	103	
OTAITI GP Limited (to do with Rena movie)	38	-	-	-	One off payment made in FY24 relating to Rena Disaster Documentary
Tauranga Māori Business Association	-	-	100	50	Additional funds agreed to be paid during FY25
Welcome Bay School - bike track	-	-	70	-	
Youth Strategic Group	25	20	50	50	
Community Events Fund	1,382	1,349	1,065	1,371	This is funded from the event investment fund reserve. Any unspent amounts are carried forward and held in reserve. The balance for FY25 is \$1.1m.
Subtotal	7,866	8,877	13,138	13,119	
Other community initiatives receiving council funding					
Climate Action Plan, Recycling/waste minimisation initiatives and contestable grants	97	686	488	686	Unspent funds are not carried forward
Community development partnership agreements	415	415	415	415	This covers five partnership agreements (Good Neighbour, Here to Help U, Foodbank, Envirohib, Social Link)

Supporting Community Groups and Initiatives	Actual 2023 (\$'000)	Actual 2024 (\$'000)	Actual 2023 (\$'000)	Actual 2024 (\$'000)	
Community Development Match Fund	157	154	113	158	The Community Development Match Fund aims to support small community led projects that provide community benefit. The projects can be either new initiatives requiring seed funding, or they may be repeat projects seeking funding to enable them to be provided to the community again
Community Development Grants	1,008	947	1,020	947	Applications are welcomed from community organisations that are registered charities, not for profit iwi, hapū or kāupapa Māori organisations, as well as schools, kura and not for profit early childhood education providers
Community Housing Fund	369	1,363	690	994	This is to fully or partially subsidise citywide development contributions for community housing developments by registered community housing providers and accredited transitional housing providers. To be eligible for a grant, building projects need to have been completed in the previous financial year (1 July to 30 June) and be owned by a community housing provider or transitional housing provider. Supporting information will be obtained through the property's building consent records. This includes carryforwards from previous years. Any unspent funds are carried forward.
Papakāinga Grant	81	1,365	195	1,267	To be eligible for the grant, the development must be, on Māori Land (as defined by Te Ture Whenua Māori Act 1993), for housing, not for primarily commercial purposes, within Tauranga City Council boundaries. This includes carryforwards from previous years. Any unspent funds are carried forward.
Hapu Management Plans	-	40	20	40	These funds are carried forward each year and spent according to Hapu timeframes
Mayoral Emergency Relief Fund	-	43	1	32	Discretionary fund for mayor to allocate throughout year
Subtotal	2,127	5,014	2,942	4,539	
Total support to community groups & initiatives	28,505	30,167	49,886	47,171	





03

Civic Leadership/Te whiri mātārae



Photo credit: Katie Cox

Our Mayor and Councillors

Tauranga has a mayor and nine councillors, each dedicated to representing their local community across the city.

Tauranga City Council is made up of nine ward councillors and a mayor. Each councillor represents a distinct ward, ensuring localised and community-focused representation across the city.

Local government elections are held throughout New Zealand every three years on the second Saturday in October. However, Tauranga is currently operating under a unique arrangement: the term from 2024 to 2028 spans four years. This extended term was approved by central government following the exit of the Commission, which had overseen the city's governance since February 2021. The decision was

made to avoid holding two local elections within 15 months and to allow for greater continuity and delivery of long-term projects. It also aligned the city more effectively with the national election cycle.

The most recent election was held on 20 July 2024, using the Single Transferable Vote (STV) electoral system, and marked the return of democratic leadership in Tauranga.

Elections are conducted under the provisions of the Local Electoral Act 2001, the Local Electoral Regulations 2001, and the Local Government Act 2002.

Ward boundaries

Tauranga city has eight general wards and one Māori ward.

The eight general wards are: Mauao/Mount Maunganui, Arataki, Pāpāmoa, Welcome Bay, Mātua-Otūmoetai, Bethlehem, Tauriko and Te Papa.

The Māori ward, Te Awanui, covers the entire city.



03 | CIVIC LEADERSHIP



Mayor
Tauranga City
Mahé Drysdale
Phone: 07 577 7000
Email: mayor@tauranga.govt.nz



Deputy Mayor
Mauao/Mount Maunganui Ward
Jen Scoular
Phone: 027 292 5639
Email: Jen.Scoular@tauranga.govt.nz



Tauranga City Councillor
Arataki Ward
Rick Curach
Phone: 027 266 3944
Email: Rick.Curach@tauranga.govt.nz



Tauranga City Councillor
Bethlehem Ward
Kevin (Herb) Schuler
Phone: 027 329 1507
Email: Kevin.Schuler@tauranga.govt.nz



Tauranga City Councillor
Mātua-Otūmoetai Ward
Glen Crowther
Phone: 027 329 7959
Email: Glen.Crowther@tauranga.govt.nz



Tauranga City Councillor
Pāpāmoa Ward
Steve Morris
Phone: 021 090 01817
Email: Steve.Morris@tauranga.govt.nz



Tauranga City Councillor
Tauriko Ward
Marten Rozeboom
Phone: 027 330 4066
Email: Marten.Rozeboom@tauranga.govt.nz



Tauranga City Councillor
Te Awanui Ward
Hēmi Rolleston
Phone: 027-310 1328
Email: hemi.rolleston@tauranga.govt.nz



Tauranga City Councillor
Te Papa Ward
Rod Taylor
Phone: 027 236 9236
Email: Rod.Taylor@tauranga.govt.nz



Tauranga City Councillor
Welcome Bay Ward
Hautapu Baker
Phone: 027 323 2599
Email: Hautapu.Baker@tauranga.govt.nz

How we govern

The role of Tauranga City Council

Council operates as a representative democracy. Our role is to determine the public interest and prioritise services and activities for the good of the city and its people. Under the Local Government Act 2002, our roles are:

- Enabling democratic local decision-making and action by, and on behalf of, communities.
- Promoting social, economic, environmental, and cultural well-being, both now and in the future.

Council's chief executive is responsible for strategic direction and operations of the council. We perform our statutory roles, functions and objectives through a corporate and civic governance structure that comprises:

- The Council (mayor and councillors);
- A chief executive; and
- An executive leadership team.

Council weighs up the issues facing our growing city and ensures that ratepayers' money is allocated to priority areas and spent in the most effective way. This means balancing the needs of the community against the needs of individuals and considering the long and short-term implications of decisions.

Together, the mayor and councillors form the council's governing body. This is a public statutory body constituted under the Local Government Act 2002. Control of day-to-day operations is delegated to the chief executive, while corporate performance is monitored through reports to Tauranga City Council, committees, the community, and this Annual Report

Tauranga City Council decisions

Tauranga City Council is recognised as a single entity. The mayor and councillors only have the authority to make group decisions, when they are acting as 'Tauranga City Council'. At Council and committee meetings, reports from council staff are submitted, with recommendations for the mayor and councillors to consider. Depending on the nature of the issue, a committee may have delegated authority to make resolutions that will be implemented by council staff. If a committee does not have the appropriate

delegated authority, the committee will either refer or make a recommendation to Council for determination.

Delegating decision-making

The purpose of Council is to make decisions on all nondelegable and non-delegated functions and powers.

The powers that Council cannot legally delegate include:

- The power to make a rate.
- The power to make a bylaw.
- The power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan.
- The power to adopt a long-term plan, annual plan, or annual report.
- The power to appoint a chief executive.
- The power to adopt policies required to be adopted and consulted on under the LGA 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/Tauranga City 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 power to compulsorily acquire land under the Public Works Act 1981.

Tauranga City Council meetings

Council and committee meetings are now held at the Tauranga City Council office building, 90 Devonport Road, Tauranga. Meetings are also held at external locations such as marae and community centres. Council and committee meetings are live streamed through YouTube and our website. The meetings are open to the public, though we may exclude the public if there is a need for confidentiality. All Council and committee meetings are carried out in accordance with standing orders.

Council's meeting schedule, agendas, and minutes are available on our website.

Code of Conduct

The Code of Conduct (the code) provides guidance on the standards of behaviour expected from the mayor and councillors. The objective of the code is to enhance:

- The effectiveness of the Tauranga City Council in meeting its statutory responsibilities for good local government of Tauranga.
- The credibility and accountability of the Tauranga City Council within its community.
- Mutual trust, respect and tolerance between all elected members and between elected members the mayor and councillors and management.
- Engagement with the community in a professional and respectful manner.

The code applies to the mayor and councillors and those appointed to the governance structure of council in their dealings with:

- Each other.
- The chief executive.
- All staff employed by the chief executive on behalf of the Council.
- The public.

The code also covers the disclosure of information received in their capacity as elected members; and information which impacts on the ability of the local authority to give effect to its statutory responsibilities.

The code sets out the mayor's and councillors' roles and responsibilities and outlines the steps to be followed when making and investigating allegations of breaches of the code.

The code also requires the mayor and councillors to complete a declaration of interest at least annually. These are recorded in a public Register of Interest.

How you can have your say

We encourage community participation through various engagement opportunities:

- Public forums: – speak at a Council or committee meeting, sharing your views directly with elected members.
- Social media: – stay connected through Facebook, LinkedIn, Instagram, TikTok, and YouTube.
- Consultation and engagement via submissions: – provide feedback on plans, projects, or notified consents through surveys, workshops, drop-in sessions, or via our formal consultation processes at: <https://letstalk.tauranga.govt.nz/projects>.
- Reach out to your ward councillor.

Our Significance and Engagement Policy recognises that community information sharing, consultation and participation are vital for effective decision-making. We are committed to engaging with our residents, stakeholders, and council staff in the development of policies, plans and services for the community.

The mayor and councillors' fees and expenses

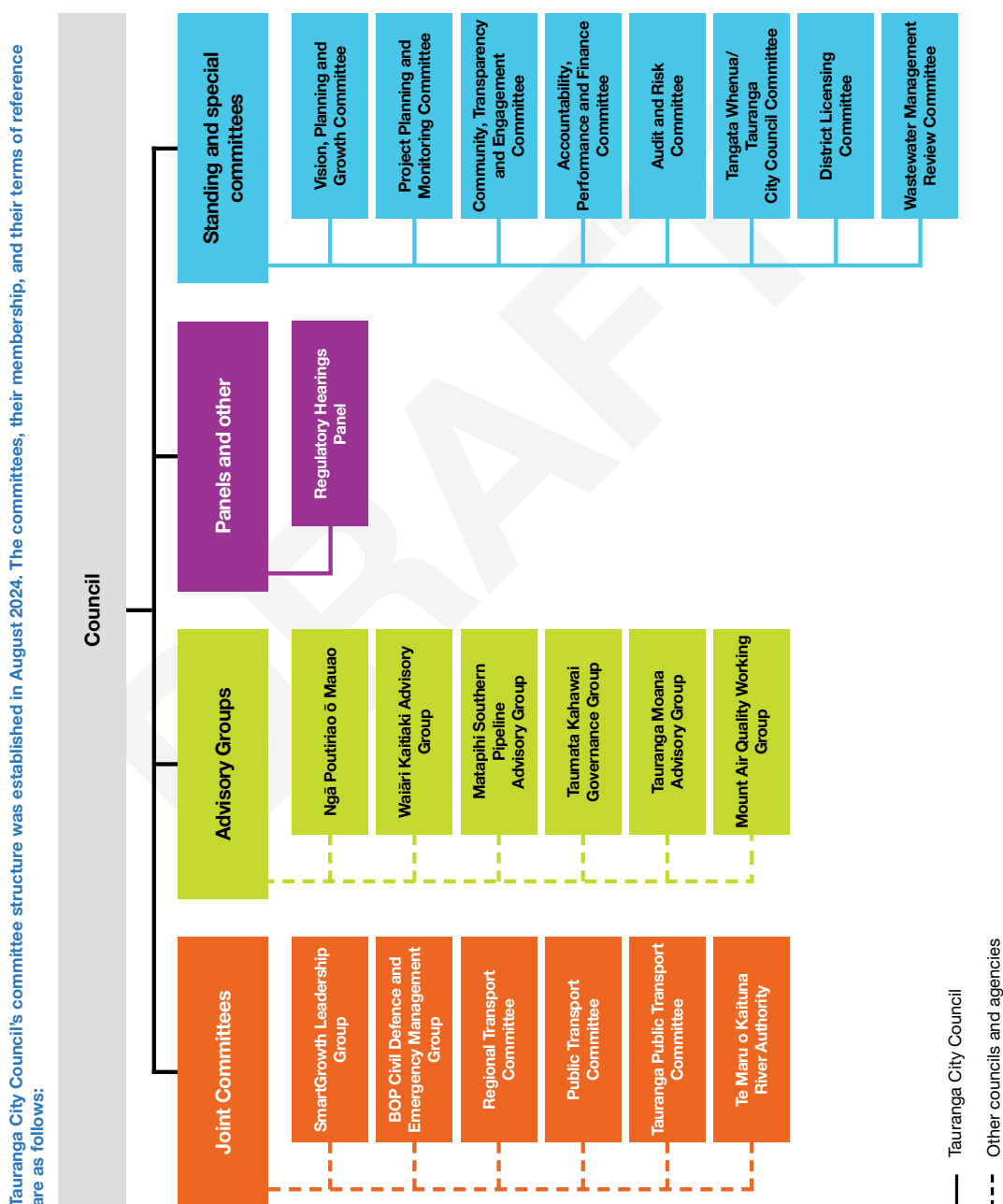
Under schedule 7 of the Local Government Act 2002, the Remuneration Authority (the Authority) determines the mayor's salary and makes a separate determination on the total size of the councillors' remuneration pool. This is based on factors including population size. The elected memberscouncillors decide how the pool will be split between them, while considering additional responsibilities for certain positions. In the past, councillors have opted not to be paid the whole amount in the pool. However, the Authority has since ruled that the full amount must be paid to Tauranga City Councillors.

The Authority also sets maximum amounts for allowances and expenses that can be claimed and approves the mayor and councillor expenses rules. Up-to-date remuneration and expenses rules and claim forms are available on our website.

As stated by the Authority:

In undertaking its duties, the authority is obliged to have regard to the need to minimise potential for behaviour distortion, maintain fair relativity with other levels of remuneration elsewhere, be fair to both mayors and councillors, and ratepayers, and attract and retain competent persons.

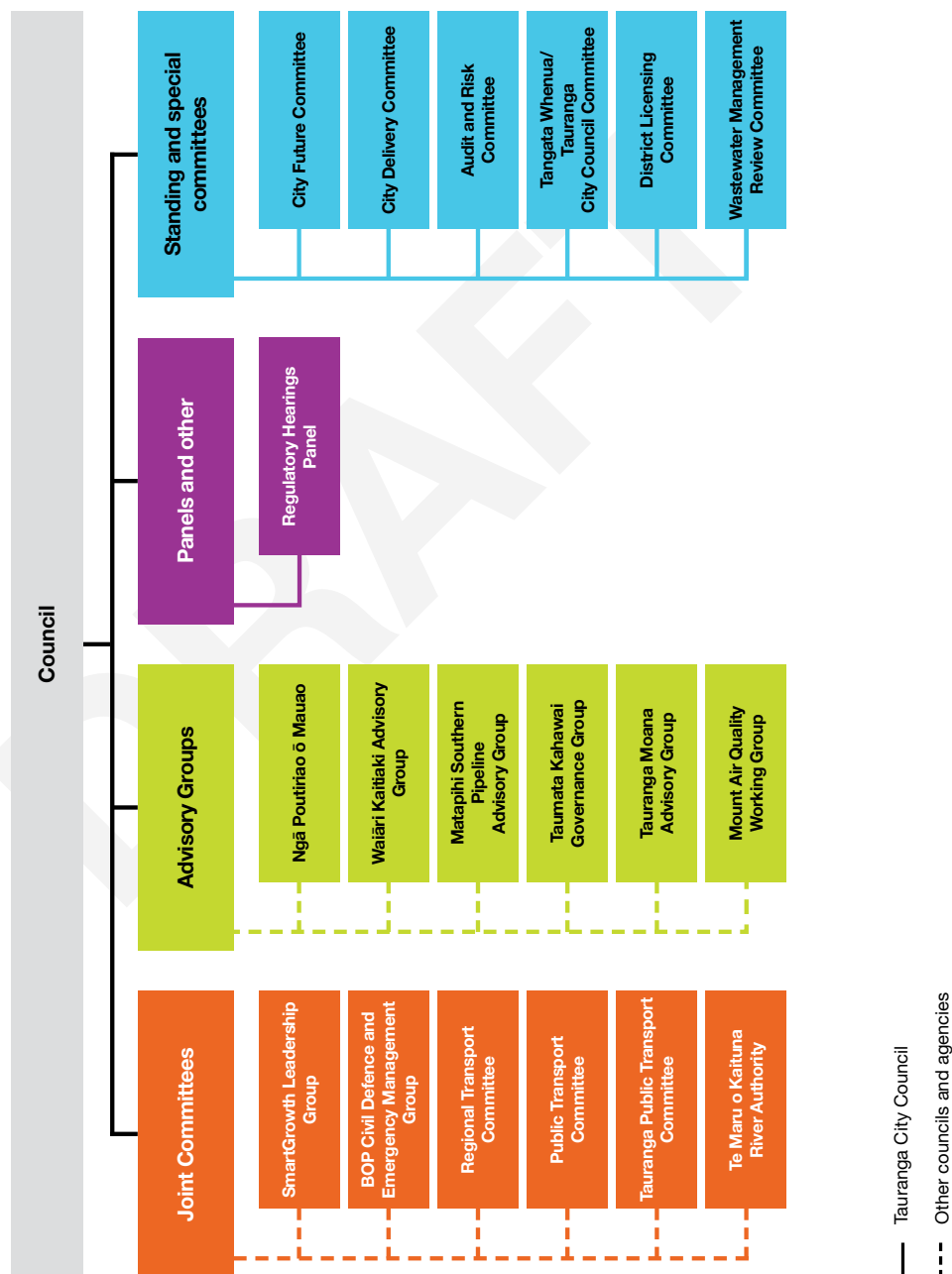
The committee structure



Councillors' attendance at Council and committee meetings for the period 2 August to 31 December 2024
(Previous committee structure - not all councillors were appointed to all committees)

2nd August 2024 to 31 December 2024											
Committee	Total meetings	Mayor Drysdale	Scouler	Curach	Schuler	Crowther	Morris	Rozeboom	Rolliston (May 25)	Taylor	Baker
Accountability, Performance & Finance	3	3	3	3		3		3			
Vision, Planning, Growth & Environment	3	3	2	3	3	3		3		3	3
Project Planning & Monitoring	3	3	3	2	3	3	3	3		3	3
Community, Transparency & Engagement	3	1		3	3			3		3	3
Meetings	12	7	8	11	9	9	9	9		9	9

On 9 December 2024, a resolution was passed to consolidate committee meetings, optimising the governance structure for more efficient and effective decision-making. The new committee structure came into effect in February 2025, marking the first round of meetings under this updated framework.



Councillors' attendance at Council and committee meetings for the period 1 February to 30 June 2025.

1 February 2025 to 30 June 2025												
Committee	Total meetings	Mayor Drysdale	Scouler	Curach	Schuler	Crowther	Morris	Rozeboom	Rolliston (May 25)	Taylor	Baker	
Council	24	23	21	23	22	23	23	23	5	23	21	
City Future	4	4	4	3	4	4	4	4	2	4	4	
City Delivery	4	4	4	4	4	4	4	4	2	4	3	
Audit and Risk	2	2	2				2					
Tangata Whenua / TCC	4	4	4		4					4	4	
District Licensing												
Wastewater Management Review	1			1	1				1	1		
Meetings	39	37	35	31	35	31	33	33	10	28	32	



04

Our Organisation/Tō Tātou Kaunihera



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TAURANGA CITY COUNCIL

Organisational leadership

Our executive team is led by our chief executive and as of 30 June 2025, was comprised of seven groups.

- Chief Financial Office
- City Development & Partnerships
- Community Services
- Corporate Services
- Infrastructure
- Regulatory & Compliance
- Strategy, Growth & Governance

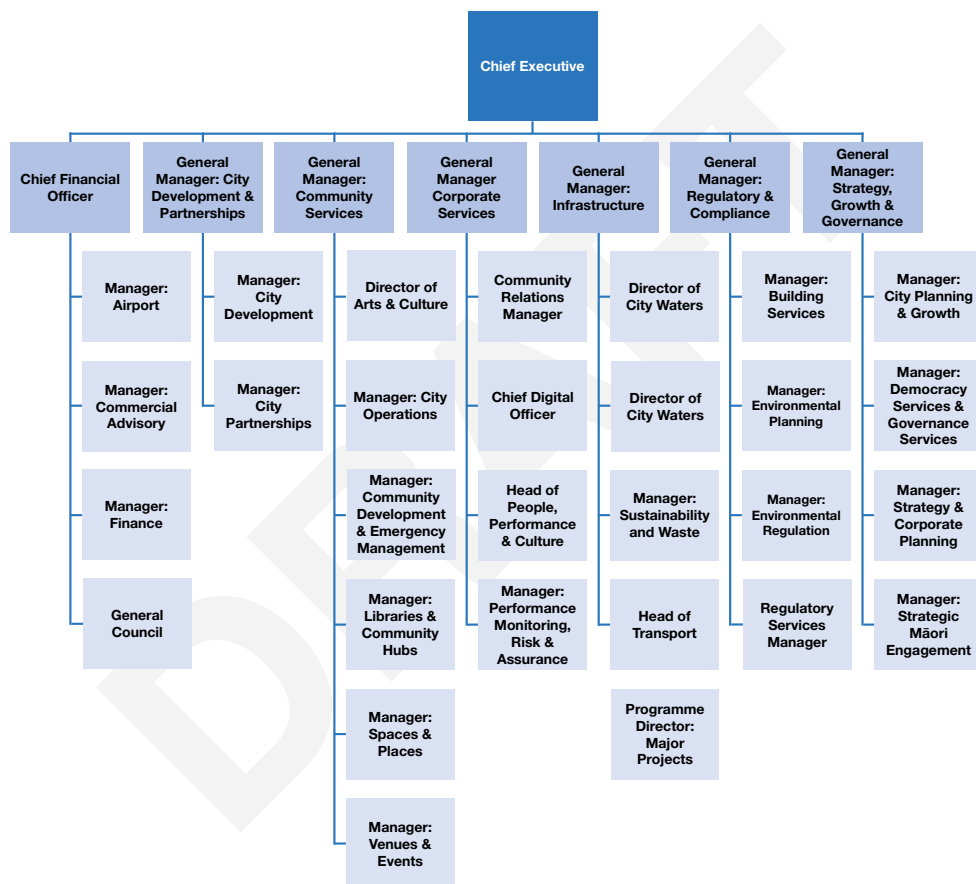
We employ skilled people who are passionate about our city and its future. Within the seven groups there are 38 teams, with 1148 full-time equivalent (FTE) employees working to deliver quality services and projects.

Executive team

Our executive team has a chief executive, a chief financial officer and six general managers.

Organisational structure

As of 30 June 2025



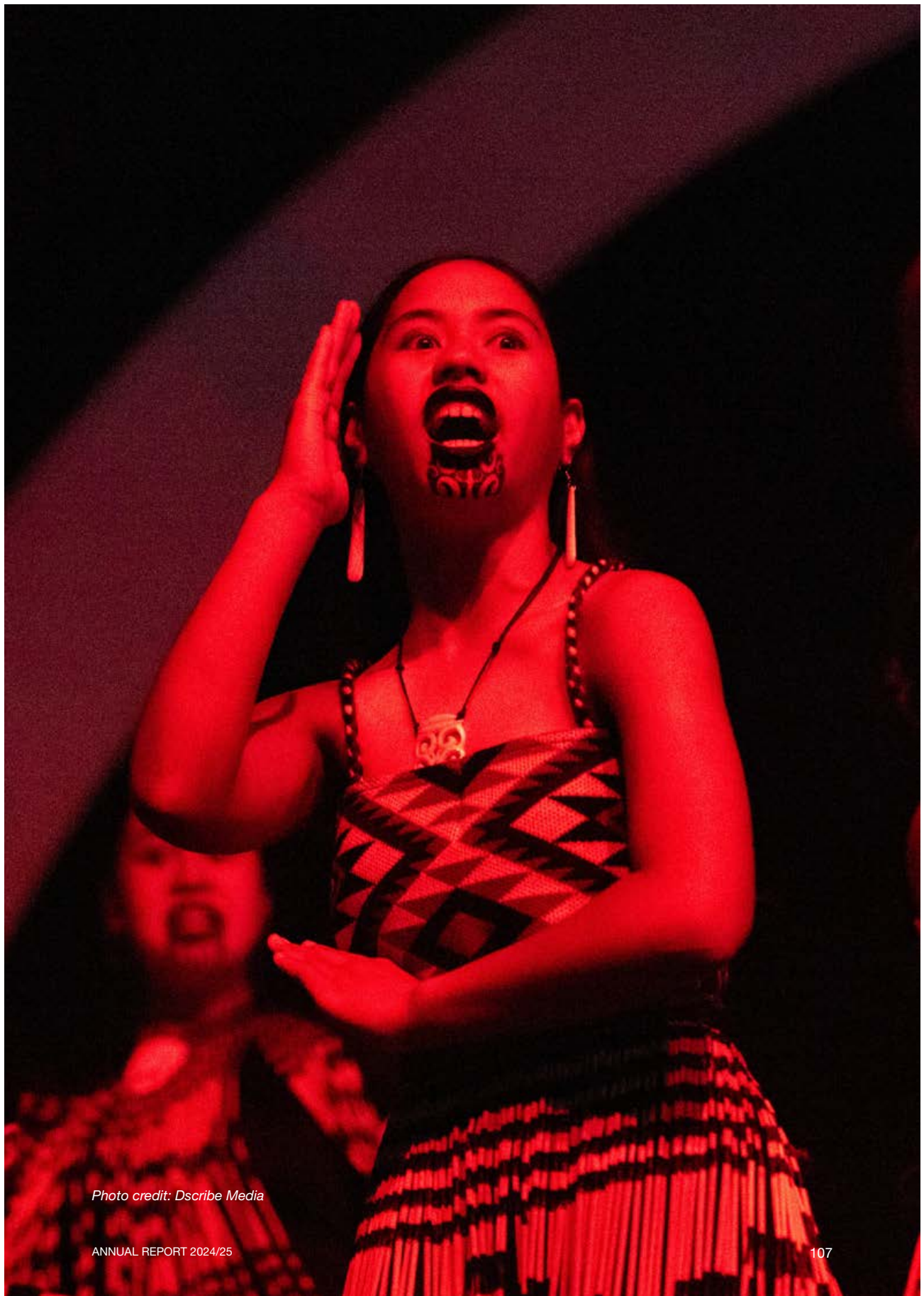


Photo credit: Dscribe Media

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Developing our people

As we focus on developing our people, we aim to promote wellbeing, build resilience, and create a high-performance culture.

- Our suite of in-house learning opportunities remains popular, – with many courses booking out months in advance. This suite is designed to enhance both personal and professional growth and cover a range of topics including leadership, communication, presentation skills, productivity, and resilience. This year, we are delivering two new programmes for people leaders, aimed at lifting their capability to manage people and performance.
- Our Summer Intern programme ran successfully for a second year, with 17 summer interns joining a variety of teams across council. Teams have benefitted from the students' innovations and practical application, while students have recognised the value of their contributions and growing networks as they develop their professional capability.
- Our Piki Ake cadet programme, delivered in partnership with the Ministry of Social Development, is about to enter its third year of delivery. This programme sees unemployed young people supported into our workplace to gain valuable skills and confidence. Outcomes have included further study and sustainable employment of more than 12 months within council, and externally, in line with their career aspirations.

The total spent on training and development against the total spent on staff salaries (%)

2020/21	1.0%
2021/22	2.1%
2022/23	2.3%
2023/24	1.4%
2024/25	1.0%

Community engagement

Effective engagement with our community is a key priority for the Tauranga City Council. This typically involves a wide range of activities, ranging from formal consultation to responding to thousands of residents' enquiries via social media.

Currently, we engage with our community in the following ways:

- Conducting our own general and targeted engagement activities relating to a strategy, project, or issue
- Participating directly in multiple stakeholder relationships and forums
- Responding to all requests for information about our activities, policies, and services. As a matter of course, we engage with a broad range of stakeholders, including individual ratepayers, customers, visitors to our city, businesses, and media representatives.

Over the last year, we have sought the community's involvement in, and feedback on, over 130 projects varying in scope and complexity. The largest of these was the 2025/26 Annual Plan and Local Water Done Well consultation, which received 968 submissions and helped inform Council decisions.

- The 2024/25 year also marked the start of the new elected council after the Commission's tenure. During the year, the mayor and councillors attended 24 engagement sessions for the Annual Plan/Local Waters Done Well consultation and many councillors are holding their own regular clinics to engage with the community.
- We highly value our relationships with tangata whenua and actively collaborate with regional and national organisations, as well as central government, to develop and implement strategies, policies, and initiatives that shape the future of our city.
- Methods of engagement range from letters, drop-in sessions, workshops, meetings, phone calls, submissions and hearings. Approximately 5% of engagement is supported by paid advertising to promote larger-scale projects and to ensure maximum reach to drive submissions.



Managing risk

Tauranga City Council continued to manage risk throughout our organisation this year. We are committed to integrating the systematic and proactive management of risks into the way we do business at all levels. We understand that risk management contributes to our economic, cultural, environmental, and social outcomes.

All council staff are responsible for managing risk, and we provide resources to help meet our responsibilities, most of which are managed by our legal and commercial teams.

Risk management

We continue to identify, analyse, evaluate, treat, monitor, and review risks under a framework consistent with standard AS/NZS ISO 31000. These activities were managed in corporate risk registers that were reviewed by the mayor and councillors and executive team. These registers highlight our strategic risks and our overall risk level—information that can be shared with teams and managers. We believe that creating awareness of risk and our commitment to addressing it helps to foster a proactive risk management culture. Information about council's corporate risk was provided quarterly to the executive team and the Audit and Risk Committee.

Business continuity

Our Business Continuity Management System continued to provide advanced planning and preparation to ensure our organisation operated time-critical business activities during disruptive or emergency events. This meant that we could continue to provide the most important services to our community. The system is based on ISO 22301 Business Continuity Standard and the Business Continuity Institute Best Practice Guidelines.

Internal audit

The internal audit function is a key element of our risk management. This involves testing the effectiveness of existing controls and providing the Audit and Risk Committee with a level of assurance regarding the management of risk. Internal planned audits have been

completed and reported on to the committee, and we continue to follow-up with risk owners to ensure recommendations are completed in the agreed timeframe.

Audit and Risk Committee

The Audit and Risk Committee ensured that we managed risk appropriately. The committee comprised of an independent chair (yet to be appointed) and Tauranga City Councillor Steve Morris as deputy chair. Members of the committee include Deputy Mayor Jen Scoular, Mayor Mahé Drysdale and Rohario Murray as tangata whenua representative.

External audit

Our external auditor was Audit New Zealand. In October 2024, we adopted our 2023/24 Annual Report, which received an unmodified audit statement. The 2024/25 interim audit focused on our internal control environment and systems for financial and non-financial information. The final audit of our year-end results provides transparency into our non-financial information, operations and decision-making processes, whilst providing assurance that our financial statements accurately reflect our financial position.

Health, safety and wellbeing

Building on our progress from 2023/24, we have made strides in aligning our Health, Safety and Wellbeing Management system with the ISO 45001 standard, particularly in contract and risk management.

A new Contract Management Standard has been developed with a supporting Contract Management Workshop delivering the standard in a learning format. Staff who manage contracts have attended this course to learn how to use the templates and guideline. As a result, we have seen an improvement in our monitoring of contractors and communication of hazards and risk management.

A Risk Management Standard has also been developed along with a Risk Management 101 workshop, which has been attended by many of our operational workers. These workshops are highly beneficial for those in manual labour and public environments, enhancing their risk management awareness.




Ongoing improvements are currently focusing on enhancing our emergency preparedness and response capabilities.

Our commitment to continuous improvement and ISO 45001 alignment goes beyond meeting standards; it fosters a culture of safety and wellbeing across the organisation. This year's progress reinforces our dedication to maintaining a safe and healthy work environment for all.

We have seen an increase in recorded events this year because of several factors:

- The incident management process has been further refined to better support managers in incident investigation and return-to-work processes.
- The release of an e-learning module to educate staff on recording events (incidents, injuries and near misses) in our event management system.
- The large intake of City Operations staff with roles that may put them at more risk of events.

Incident numbers

	Year	Incident	Minor Injury	Major Injury	Total
 Staff	2024/25	558	127	6	691
	2023/24	526	83	13	622
 Contractors	2024/25	49	3	4	56
	2023/24	43	8	8	59
 Members of public	2024/25	44	22	4	70
	2023/24	57	19	9	84

04 | OUR ORGANISATION



SIX EVENTS were notified to WorkSafe, New Zealand's primary workplace health and safety regulator



Staff: 0



Contractor: 2



Public: 0

Understanding the context around such events means we can investigate trends and shape our spaces and places to ensure everyone goes home healthy and safe, every day. Examples of events that occurred this year and the steps taken to resolve them include:

Event	Result
During the unloading of a 13-metre Cross Laminated Timber CLT panel from a truck using a crane, the panel slipped from its slings. One end landed on a slab edge while the other remained suspended above temporary props. The incident occurred due to uneven sling placement, wet plastic wrapping reducing friction, and limited access for controlling the load with a tag line.	The contractor halted operations, expanded the exclusion zone, and used a second crane to safely recover the panel. A detailed lift plan and Safe Work Method Statement (SWMS) were developed for future CLT unloading. Additional controls included securing slings with steel angles and pegs, designating a safer unloading area, and improving daily briefings to highlight high-risk activities and exclusion zones.
A vehicle towing a long trailer loaded with construction materials attempted to enter a worksite while another vehicle was exiting. Due to limited space and a partially blocked entrance, the trailer became stranded on a railway crossing. As train warning signals activated, the barrier arm lowered onto the trailer and became lodged between pallets. The driver moved forward to avoid a potential collision, which resulted in the barrier arm being dislodged and damaged.	The rail authority was immediately notified, and a technician was dispatched to inspect and realign the barrier arm. A safety alert was issued reinforcing site entry and exit protocols, including the need for pre-planned deliveries, maintaining clear access routes, and restricting the use of long trailers unless pre-approved. The site's traffic management plan was also reviewed to improve access and prevent similar incidents.
During the installation of a structural column, the column became unstable after a support prop was removed for adjustment. A tie-down strap was used in place of proper support, leading to the column slowly falling and causing a minor injury when a prop swung and struck a worker.	The incident was caused by incorrect prop setup, lack of detailed procedures, and inadequate hazard recognition. Key improvements include enhanced training, development of clear setup procedures, and stricter enforcement of exclusion zones during high-risk tasks.
A contractor exited a parked vehicle without engaging the handbrake, causing it to roll out of a carpark and onto a public road. The vehicle was promptly retrieved without causing harm or damage.	The incident was attributed to distraction and rushing, leading to the handbrake not being properly applied. The contractor conducted a toolbox talk to reinforce safe practices and discourage rushing. No further controls were deemed necessary beyond adherence to standard road safety protocols.
A contractor received an electric shock while switching on a hand dryer after cleaning a public toilet. The incident occurred during routine cleaning following recent renovations. The worker was assessed at a medical centre and hospital, and the affected area was immediately made safe.	The root cause of the shock could not be confirmed, but the site was verified as electrically safe. Additional safety measures, including Residual Current Breaker with Over-Current (RCBO) protection, were installed. The investigation identified gaps in asset handover and communication following the renovation. Procedures are being updated to ensure thorough inspections occur before reopening facilities to the public.

While removing a streetlight pole, the top section separated and fell, damaging a parked car. The incident occurred due to the pole becoming unstable during lifting, with no exclusion zone in place to protect nearby vehicles or pedestrians.

The incident was caused by inadequate planning and procedural gaps, including the reuse of an outdated risk assessment, lack of a safety observer, and improper sling placement. Corrective actions include daily job-specific risk assessments, improved sling attachment methods, use of safety lines for control, and enhanced coordination between teams to prevent recurrence.

While removing a ceiling hatch, a worker was struck on the nose when the hatch unexpectedly fell after the final screw was removed. The incident occurred due to the hatch being heavier than anticipated and lacking fall-prevention features.

The investigation revealed that hatches were not fitted with safety chains and lacked warning labels about their weight and removal risks. Corrective actions include applying caution stickers to all ground floor hatches and conducting a toolbox talk to explore safer removal methods, including potential latch or chain installations.

A crawler crane rocked back onto its counterweight after being slewed with its tracks retracted. The incident occurred during preparation for transport and was operated by an inexperienced operator unfamiliar with the crane's operational limitations.

The root cause was the operator's lack of familiarity with the crane's operation manual, leading to unsafe slewing while in a transport configuration. Corrective actions include requiring all operators to review the operation manual for each machine they use and implementing a lockout system to prevent slewing when cranes are in transport mode.

Employee Assistance Programme

Tauranga City Council provides employees access to a free, voluntary, and confidential employee assistance programme for those seeking support for both work and personal challenges.

18.76%

service uptake

6.09%

national average





05

Groups of Activities/Ngā Mahi Katoa



116

Groups of activities

Our performance management is a core activity for the Tauranga City Council and is focused on delivering results for you and the city of Tauranga.

This section of the report outlines how well our activity groups performed during 2024/25 against the performance measures and targets set out in the 2024-34 Long-term Plan. It provides more detail for each activity group, including an overview of the year that has been, challenges faced, and a look forward, and includes comments about what sits behind the results and capital projects.

These include:

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05 | GROUPS OF ACTIVITIES

Community wellbeing

In May 2019, the purpose of local government in the Local Government Act 2002 was amended to reintroduce the 'four community wellbeings', requiring councils to play a broad role in promoting the social, economic, environmental, and cultural wellbeing of their communities. For each activity group, we present the identified effects of our activities on the four dimensions of wellbeing.



Economic



Environmental



Social



Cultural

In the following pages we report on our performance for each activity over the last financial year. For each activity, we have set out a description of how the activity has contributed to that aspect of wellbeing.

Department of Internal Affairs Performance Measures

These measures are mandatory and were developed by the Department of Internal Affairs- Te Tari Taiwhenua (DIA). They reflect a range of information about our asset condition and responsiveness to service requests and enable us to benchmark against other councils. Where one of these measures is presented, it is indicated by (DIA measure) at the end of the measure text.

Our community outcomes

Community outcomes are a starting point for our Long-term Plan. They guide our decision-making to provide you with the city you want. You can refer to the icons in this section to see which community outcomes we are working to achieve through each activity.



An inclusive city – Tauranga Mātaraunui

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



A city we can move around easily – Tauranga Ara Rau

Tauranga is a well-connected city, easy to move around in, and with a range of sustainable transport choices.



A city that values, protects and enhances our environment – Tauranga Taurikura

Tauranga is a city that values our natural environment and outdoor lifestyle, and actively works to protect and enhance it.



A city that supports business and education – Tauranga a Te Kura

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



A well-planned city – Tauranga Tātai Whenua

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

For more information on Our Direction, see

<http://www.tauranga.govt.nz/our-future/our-direction>

Transportation



What we do

The Transportation activity manages Tauranga's transportation network, improving road safety and ensuring people enjoy easy access to different modes of transport. The activity operates and maintains local roads (including streetlights, bridges, footpaths, traffic signals, sumps, berms, bus shelters, parking buildings and parking machines), and monitors crash statistics to identify problem areas and determine solutions. Resilience of our transport network is supported by identifying the impacts of land use, growth and development on the network and parking resource, and identifying where future upgrades or control are required. The activity invests in walking and cycling projects, public transport projects and education to encourage greater use of more sustainable transport modes.

The transport system is essential for the wellbeing of our community as it allows people to move around our city, be connected to others, access key activities (work, school, sports facilities etc) as well as maintaining economic vitality in Tauranga through the movement of goods and services.

A well-functioning transport system is key to a healthy, thriving and vibrant city.

The transport network is a key contributor to emissions for our city and therefore is a key component of reducing emissions through reducing congestion, use of alternative modes and de-carbonisation of the vehicle fleet over the next 10-20 years.

How this affects you

This activity contributes to the efficient and safe movement of people and goods on our local road network, providing better transport choices, connecting communities, and supporting businesses that operate across the city.

KEY IMPACT ON COMMUNITY WELLBEING



Economic



Environmental



Social



Cultural

Highlights in 2024/25

Road surfacing programme achieves 100% completion

For the first time in five years, the full 45.2km road surfacing programme was completed within the summer season. This achievement was made possible through the strong partnership between council and Fulton Hogan. The works included chip sealing, asphalt surfacing, and various asset improvements, complemented by ongoing trials designed to extend pavement life and enhancing visual appeal.

Concrete road pavements rolling ahead

Now in its third year, council's use of roller-compacted concrete for road reconstruction, delivered in partnership with local suppliers continues to gain traction. In the 2024/25 year, a total of 1.2km was laid across four sites. Roller-compacted concrete provides a durable and cost-effective solution for high-traffic areas, and this year's works were further enhanced by new micro-milling techniques that improved ride quality and eliminate the need for more expensive asphalt surfacing.

Innovation in line marking

This year, council trialled ute-mounted traffic signals for select line marking operations – a practical innovation that significantly reduced setup time and lowered traffic management costs. An official New Zealand Transport Authority trial is now being planned, with the potential for broader use under the Traffic Devices Control Rule. This represents a major step forward in efficiency and delivery speed.

Low-cost, low-risk projects

A total of 38 safety-focused projects were completed, ranging from pedestrian upgrades to intersection improvements. Key sites included the 17th and 18th Avenue crossings and the Welcome Bay roundabout, contributing to safer, more accessible neighbourhoods.

05 | GROUPS OF ACTIVITIES

City centre parking buildings

Parking infrastructure in the city centre received a suite of upgrades to improve safety and user experience. Enhancements included the installation of licence plate recognition systems, upgraded lighting, and clearer floor markings. Together, these changes support a more streamlined, secure, and visitor-friendly environment.

Asset management and performance

Our Asset Condition and Performance team assessed 97% of the city's sealed roads and footpaths, along with 16 bridges and six high-risk culverts. The Renewals and Maintenance Programme successfully delivered \$20 million in works, achieving 96% of core maintenance targets—including timely pothole repairs and other key service levels.

Meanwhile, the Data Quality and Systems team maintained 98% data completeness in the Road Assessment and Maintenance Management (RAMM) system, earned a national score of 96/100 from the Road Efficiency Group, and conducted audits that reduced contractor data errors by 25%. These results reflect strong performance in asset stewardship and digital system integrity.

Licence to Occupy

We are in the final stages of rolling out standardised rates and a new agreement format for Licence to Occupy (LTO) across the city centre and Mount Maunganui. This initiative supports the vibrant use of streets and footpaths for outdoor dining, contributing to a welcoming and lively city atmosphere.

At the same time, these public spaces must remain safe and accessible for all. As they're maintained at the expense of ratepayers, it's reasonable that businesses benefiting from exclusive use contribute to their upkeep through fair and transparent agreements.

05 | GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS - TRANSPORTATION				
	2024/2025 Budget \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	Key Variance Explanations for 2025
Accessible Streets	3,666	2,183	(1,482)	Programme of works reduced due to reduction in NZ Transport Agency (NZTA) funding. NZTA funding was not confirmed until after the budgets were adopted.
Arterial Upgrades	1,035	171	(864)	Project delayed while scope is developed and approved.
Bridge Resilience Capital Works	772	160	(612)	Turret Road bridge resilience planning delayed to align with the connecting the people 15th Avenue to Welcome Bay project to allow more efficient delivery.
Bus Infrastructure	15,243	4,771	(10,472)	Programme of works reduced due to reduction in NZTA funding. Start of construction on Taurikura drive was delayed (now started) and the Wairakei Town Centre bus facility has also been delayed.
Cameron Road Stage 2	4,116	2,536	(1,580)	Project deferred due to NZTA funding not being included in the 2024-2027 National Land Transport Programme (NLTP). The detailed business case is currently being reworked to further review possible delivery options.
Capital Delivery Adjustment	(27,000)	-	27,000	Removal of the capital delivery adjustment from FY25 onwards.
City Centre Development	1,381	-	(1,381)	Projects re-prioritised to later in the LTP period and no NZTA funding approved.
Eastern Corridor - Pāpāmoa East Wairakei	45,625	31,237	(14,387)	Delays in developer delivered projects. The Pāpāmoa East Interchange is also tracking to be delivered for less than budgeted.
Eastern Corridor - Pāpāmoa Growth Area	1,356	-	(1,356)	Programme of work delayed due to no NZTA funding and time taken to get agreement with land owners.
Eastern Corridor - Te Tumu	-	152	152	Additional budget approved to continue negotiation with land owners.
Eastern Corridor - Wairakei	2,291	209	(2,083)	Delays in developer delivered projects.
Hewletts Improvements	2,050	320	(1,730)	Programme of works delayed due to no NZTA funding. NZTA funding reduction was not confirmed until after the budgets were adopted.
Local Roads Renewals	22,911	21,248	(1,664)	Programme of works reduced due to reduction in NZTA funding for walking and cycling path renewals.
Local Roads Upgrades and Improvements	17,063	11,888	(5,175)	Programme of works reduced due to reduction in NZTA funding. NZTA funding was not confirmed until after the budgets were adopted.
Minor Safety Improvements	4,058	1,606	(2,451)	Programme of works reduced due to reduction in NZTA funding. NZTA funding was not confirmed until after the budgets were adopted.
Mount/Pāpāmoa Multimodal	9	(72)	(81)	Internal project management time written off.
Ōtūmoetai Multimodal	2,386	(750)	(3,136)	Programme of works reduced due to reduction in NZTA funding. NZTA funding was not confirmed until after the budgets were adopted.
Park & Ride Activation	2,881	(263)	(3,144)	Trial put on hold due to no NZTA funding. Design expenditure written off as project unlikely to resume within the next five years.
Parking Infrastructure	327	834	508	Construction of Devonport Road carpark was over budget due to unforeseen additional costs, including asbestos removal during building demolition.
Streetlight Renewal & LED Upgrade	2,225	2,534	308	Programme of works ahead of schedule.
Tauriko West Networks Connections	60,327	55,619	(4,708)	Project tracking slightly below initial budget expectations.

05 | GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS - TRANSPORTATION				
	2024/2025 Budget \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	Key Variance Explanations for 2025
Te Papa Intensification	4,710	6,023	1,314	Budget brought forward for the City Centre transport hub. Close out budget for Cameron Rd stage 1 carried over from the previous year.
Traffic Signalisations	166	(8)	(174)	Programme of works reduced due to reduction in NZTA funding. NZTA funding was not confirmed until after the budgets were adopted.
Transportation Model	1,283	1,174	(109)	Minor variance due to timing.
TTOC Projects	1,340	269	(1,071)	Programme of works reduced due to reduction in NZTA funding. NZTA funding was not confirmed until after the budgets were adopted.
Western Corridor - Pyes Pā West Growth Area	-	80	80	Programme budgets were carried over from the previous year.
Western Corridor - Tauriko Business Estate	1,471	-	(1,471)	Developer delivered projects have been delayed until next financial year.
Welcome Bay, Turret Rd & 15th Ave Corridor	2,573	2,818	245	Minor variance due to timing.
Western Corridor - Belk Road Plateau	1,709	-	(1,709)	Developer delivered projects have been delayed until next financial year.
Western Corridor - Bethlehem	1,688	888	(799)	Project construction start date delayed which has resulted in project running into next financial year.
Western Corridor - Ring Rd	412	-	(412)	Developer delivered projects have been delayed until next financial year.

Note: includes operational projects of a capital nature, excludes vested assets and asset sales.

05 | GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - TRANSPORTATION

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
SOURCES OF OPERATING FUNDING				
General Rates, Uniform Annual General Charges, Rates Penalties	24,489	52,176	61,376	9,200
Targeted Rates	5,558	2,501	2,505	4
Subsidies and Grants for Operating Purposes	6,906	57,711	53,513	(4,198)
Fees and Charges	5,272	5,945	5,984	39
Internal Charges and Overheads Recovered	-	(1,404)	70	1,474
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	1,788	3,923	3,779	(144)
Total Sources of Operating Funding (A)	44,013	120,852	127,227	6,375
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff and Suppliers	22,188	99,708	93,045	(6,663)
Finance Costs	5,986	8,950	8,785	(165)
Internal Charges and Overheads Applied	12,481	21,756	24,187	2,431
Other Operating Funding Applications	-	-	3	3
Total Applications of Operating Funding (B)	40,655	130,414	126,020	(4,394)
Surplus/(Deficit) of Operating Funding (A-B)	3,358	(9,562)	1,207	10,769
SOURCES OF CAPITAL FUNDING				
Subsidies and Grants for Capital Expenditure	100,797	60,695	53,888	(6,807)
Development and Financial Contributions	5,575	5,153	2,534	(2,619)

**Key Variance
Explanations for 2025**

Funded depreciation is greater than budgeted in the LTP in support of the intention to balance operational budgets.

Minor variance

Grants revenue is lower than budgeted due to spend on Tauriko West Operational Project which is predominately funded by grant revenue

Minor variance

Internal interest costs associated with Harington St carpark have been transferred to the head office activity since LTP budget.

Parking fines and infringements collected were lower than what was budgeted for.

Majority of variance is due to lower spend on Tauriko West Operational Project and cost saving initiatives during the year.

Internal interest is based on actual spend on projects and reserves balances and a change in methodology to correctly recognise opening balances.

Council's overall allocated costs are higher than budgeted, mainly due to a digital expenditure and project write offs. This resulted to a significant variance in most areas.

Minor variance

NZTA funding was lower due to fewer projects being funded through the National Land Transport Plan (NLTP). This was partially offset by an increase in Infrastructure Funding & Financing (IFF) due to carry forwards from the previous year.

Lower than budget due to lower than anticipated growth and consent as a result of the downturn in the housing market.

05 | GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - TRANSPORTATION

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
Increase/(Decrease) in Debt	(6,747)	39,479	25,188	(14,291)
Gross Proceeds from the Sale of Assets	21	-	20	20
Lump Sum Contributions	-	-	2	2
Other Dedicated Capital Funding	-	-	-	-
Total Sources of Capital Funding (C)	99,646	105,327	81,632	(23,695)
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	66,964	65,856	39,986	(25,870)
- to improve level of service	51,239	26,106	24,661	(1,445)
- to replace existing assets	17,062	25,804	24,253	(1,551)
Increase/(Decrease) in reserves	(32,261)	(22,001)	(6,061)	15,940
Increase/ (Decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	103,004	95,765	82,839	(12,926)
Surplus/(Deficit) of Capital Funding (C-D)	(3,358)	9,562	(1,207)	(10,769)
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2025**

Lower debt as a result of projects being deferred following the NLTP funding decisions.

Minor variance

Minor variance

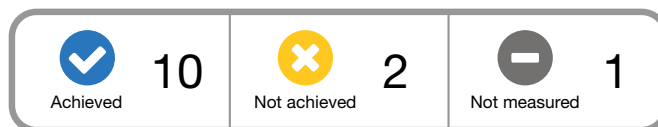
Lower spend than budgeted due to projects being delayed, a number of these are on track to be progressed in the next financial year.









Lower spend due to less funding being approved by NZTA.

Lower spend due to less funding being approved by NZTA.

Depreciation reserve balances were not impacted as planned to additional depreciation being rate funded.









05 | GROUPS OF ACTIVITIES





PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide a transport network that is safe to use	The change from the previous year in the number of deaths and serious injury crashes on the local road network expresses as a number DIA measure	 +10 (37)	-1	 Reducing -3 (34)	The number of death and serious injury (DSI) crashes in 2023/24 was 37. In 2024/25, this decreased to 34, representing a reduction of three crashes. While the overall number has declined compared to the previous year, it is important to note that three of the 34 crashes recorded in 2024/25 were fatal.
We will provide an efficient transport network, minimising all-day congestion	Average speed across key parts of the transport network (free flow speed = 59k/hr)	 26km/h	29km/h	 29km/h	Travel speed on the measured performance routes was 29 km/h. This is consistent with expectation and recent previous results and meets the set KPI. Many variables contribute to the result of this KPI including travel demands and extent of temporary traffic management deployed on the network.
	Duration of peak across the transport network (where traffic is travelling at 50% of free flow speed of 59k/hr)	 457 min	330 min	 402 min	The duration of peak across the transport network* (where traffic is travelling at 50% of free flow speed of 59km/h) was 402 min. Ongoing high travel demand from a growing population continues to put pressure on the network and result in long periods of moderate congestion throughout the day. We measure this by calculating traffic speeds through the same routes as the measure above, (we also use the same seven-day period as the measure above). Through the week-long period we identify the time periods that the routes are congested i.e. moving half as fast as they would under free-flow conditions. Free-flow conditions are defined as traffic moving uninterrupted while obeying the traffic regulations e.g. speed limits, intersection rules etc.
We will provide an efficient transport network with reliable journey times	Travel times are reliable during peak hours (95% of trips should occur within +/- 25% of the average duration)	 New measure	+/- 25%	 95% (+/-42%)	95% of travel time occurred within +/- 42% of the median duration. Ongoing high travel demand from a growing population continues to put pressure on the network and result in long periods of moderate congestion throughout the day.

* Hewletts Road (between Aerodrome Road and Totara Street); Turret Road/15th Avenue (between Hairini Bridge and Fraser Street); Cameron Road (between 15th Avenue and Elizabeth Street); Totara Street (between Hull Road and Hewletts Road)



05 | GROUPS OF ACTIVITIES







PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide a well-maintained and fit-for-purpose road and footpath network, and well-utilised and available city centre parking	Average quality of ride of the sealed road network as measured by Smooth Travel Exposure e.g. percentage of smooth travel exposure DIA measure	 90%	92-93%	 Insufficient data	All future road condition survey data for local authorities is now collected by NZTA and uploaded directly to councils Road Assessment and Maintenance Management software. We expect to receive this in late August 2025.
	Percentage of footpaths that fall within the level of service standard for the condition of footpaths set out in the asset management plan (less than or equal to 1.5m of grade 4 or 5 faults per km of footpath) DIA measure	 98%	98-100%	 99%	99% of footpaths fall within the level of service standard for the condition of footpaths set out in the asset management plan (less than or equal to 1.5m of grade 4 or 5 faults per km of footpath).
	The percentage of the sealed local road network that is resurfaced DIA measure	 4%	>4%	 4.6%	The Network Sealed Programme aimed to resurface 4% of the total network length. Based on our approximately 620km network this translated to around 25kms. To meet this target council invested additional resources and engaged contractors, ensuring successful delivery of the programme.
	The percentage of customer service requests relating to roads and footpaths responded to within 7 calendar days DIA measure	 93%	85%	 92%	For the 2024/25 year the percentage of customer service requests relating to roads and footpaths responded to within seven7 calendar days was 92%.

05 | GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will promote safe and sustainable transport options and support walking/cycling programmes.	Number of people 16 years or older participating in walking, cycling, and road safety education programmes and initiatives	 New measure	200	 92%	<p>1072 people aged 16 and over participating in walking, cycling, and road safety education programmes and initiatives.</p> <ul style="list-style-type: none"> - 59 Tauranga parents attended a car seat restraints training. - 131 parents and teachers from Tauranga schools participated in Orange Day – supporting their schools' road safety message. - 116 drivers (Tauranga) on learners or restricted licence attended young driver education. - 3 adults attended the road safety workshop held in March. - 10 secondary school students supporting road safety. This is made up of six secondary students over 16 supporting road safety education in their schools, and four secondary school students assisting Travel Safe to plan targeted bus safety education. - 99 people reached through cycle education. This is made up of 93 adults stopping at our Be Bright cycle safety pit stops and 6 secondary students who entered the helmet design competition. More adults contacted us for supported education, which we supported by connecting them to a cycle instructor. - 654 students attended other road safety activities facilitated by Travel Safe including young driver assemblies focused on restraints, impairment, distraction and speed, supporting 5th year public health students to come up with a travel improvement promotion, and students 16 or over that participated in a Mount College journey to school survey.

05 | GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will promote safe and sustainable transport options and support walking/cycling programmes.	Number of children under 16 participating in walking, cycling and road safety programmes and initiatives	 New measure	10,000	 15,936	15,936 people aged 15 and under participating in walking, cycling, and road safety education programmes and initiatives. - 159 Travel Smart leaders promoted road safety and active travel in schools. - 14 Travel Safe intermediate student leaders promoted road safety and active travel in schools. - 3141 participants in the Kids Can Ride bike safety programme. - 1167 preschool/school students attended Ruben the Road Safety Bear programme. - Feet First or Wednesday Challenge Programme reaching over 6590 students. - 64 children engaged in pedestrian safety education. - 39 children engaged in a rail pedestrian crossing safety pop-up near Mount skate park. - 217 students on Walking School Buses/Park and Stride supported by Travel Safe. - 590 students from Tauranga schools attended Orange Day and promoted road safety messaging. - 158 intermediate students completed the intermediate bike safety practical training. - 96 primary and intermediate school leaders attended the road safety workshops held in March and May. - 1096 primary students entered the bike helmet competition or helmet safety pop-up. - 2605 students 15 and under engaged in road safety in other promotions including topical road safety assemblies, Mount College journey survey and supporting a safer environment by upgrading an alleyway.

PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will promote safe and sustainable transport options and support walking/cycling programmes	The proportion of people who journey to work by active modes (walking/jogging/cycling)	 New measure	5%	 5%	<p>The target for active mode commuting was achieved due to a combination of infrastructure improvements and behavioural shifts. Over the past year, several new cycleways and pedestrian-friendly routes were completed along key arterials such as Cameron Rd (Stage 1), Totara St, and Maunganui Rd. There were also multiple intersection safety upgrades, shared paths, and pedestrian crossings installed citywide. These improvements have made active commuting safer and more accessible.</p> <p>To continue improving performance, council is progressing further upgrades to the active mode network such as bike and scooter parking facilities and supporting education and engagement initiatives such as Travel Safe to encourage sustainable travel choices.</p>
We will provide a well-maintained and fit-for-purpose road and footpath network, and well-utilised and available city centre parking	Average weekday city centre on-street and off-street parking occupancy rate	 New measure	75-85%	 79%	<p>As this is a new measure, initial results indicate strong performance in off-street parking, which is currently driving the overall average within target. The current result of 79 is within the target of 75-85%, suggesting early success in providing well-utilised and available city centre parking.</p>
We will promote safe and sustainable transport options and support walking/cycling programmes	The proportion of people who journey to work by public transport	 New measure	2%	 2%	<p>The year-to-date target was achieved through sustained infrastructure investment by council, which has improved the overall public transport experience. Key actions included installing new and upgrading existing bus shelters citywide and delivering the new Durham Street South bus hub facility. These efforts have made public transport more reliable and appealing. Additionally, Bay of Plenty Regional Council contributed through service adjustments and the Baybus OnDemand trial, which expanded access in underserved areas.</p> <p>To further improve performance, Tauranga City Council is continuing to work with Bay of Plenty Regional Council to identify and deliver infrastructure improvements that support efficient bus operations and engaging various methods including social media to encourage mode shift.</p> <p>Source: Annual Residents Survey</p>

Challenges in 2024/25:

Adapting to new priorities

Recent changes to the Government Policy Statement (GPS) on Land Transport have significantly shifted national priorities away from public transport, safety, and active modes. As a result, funding available to local councils has decreased, including a 20% reduction in the capital transport programme for council. Despite this shift, Tauranga City Council has remained committed to delivering a balanced budget, which has required a strategic reprioritisation of transport projects while maintaining delivery of existing commitments. This means some projects will be delayed or put on hold until such time as they can be funded.

Resourcing and operating model

In alignment with new government directions and to achieve efficiency savings, the Transport team completed a restructure process and refined its operating model. Despite these changes, the team successfully delivered key projects including the Arataki Bus Hub, Durham Street Bus Interchange, Bethlehem Cycle Road project, and numerous safety improvements across the city.

Maintaining momentum through change

In contrast to capital project reductions, the maintenance programme was the largest that our Transport activity has planned and delivered to date, reflecting a growing emphasis on maintaining and renewing existing infrastructure.

Looking ahead

In 2025/26 we will:

- Be focused on community outcomes by delivering a transport improvements programme that balances the needs of the community with funding opportunities. A focus on value for money and better delivery cadence will be central to this.
- We have developed a strategy for improving our engagement with the community regarding transport projects. This includes more face-to-face resourcing, better collateral and use of multi-media, and faster turnaround times for community requests.
- We have bold plans to deploy and embed the use of technology to help us operate the transport system as a whole. We have a vision of real-time analytics and visibility of the network, and strong communication with the community around network performance, especially as we roll out some major infrastructure projects that will introduce temporary challenges on some key travel routes.

The following projects are scheduled for completion or significant progress in the 2025/26 financial year:

- **Taurikura Drive Improvements** – Future-proofing the corridor to support anticipated growth in the Tauriko area.
- **Te Okuroa Drive Extension** – Advancing development in the Wairākei and Te Tumu growth areas.
- **Elizabeth Street Bus Facility** – Upgrading facilities and relocating Intercity services to improve public transport connectivity.
- **Bethlehem Road Stage 2** – Finalising pedestrian safety enhancements and shared path infrastructure.
- **Ngatai / Bureta Intersection Improvements** – Completing design and commencing construction to improve intersection safety and efficiency.
- **Domain Road** – Continuing investigation into design and investment options to support long-term corridor upgrades.
- **Arterial Route Review** – Ongoing assessment of interventions to reduce network impacts from major transport projects.
- **Miro Street Improvements** – Addressing parking and safety concerns through targeted works.
- **Minor Safety Projects** – Delivering four site-specific safety interventions to improve outcomes for all road users.

Water Supply



What we do

The Water Supply activity provides residents and businesses of Tauranga City with drinking water. Water is a primary resource for living, economic activity, and firefighting.

The Water Supply activity will:

- Manage our water supply catchments which protect source water, abstract and treat raw water from source streams and produce drinking water of suitable quality and quantities. The supply of water is managed in accordance with the Water Safety and Asset Management Plans to meet legislative requirements.
- Distribute drinking water to the point of supply where it meets specific flow, pressure and quality standards.
- Efficiently operate, maintain and renew council's water assets with a replacement cost in excess of \$600 million.
- Plan and deliver timely infrastructure assets to meet future water supply requirements for our growing city.
- Educate our community about water, wastewater and stormwater conservation, and source water in an environmentally acceptable way that acknowledges and respects the values that tangata whenua place on water resources, and to give effect to Te Mana o te Wai, which is about recognising the vital importance of clean, healthy water for maintaining the health of our waterbodies, freshwater ecosystems and the communities that rely upon them for their sustenance and wellbeing.

How this affects you

The Water Supply activity provides a high quality, efficient and reliable water supply that is affordable, protects public health and safety, and meets the levels of service for customers in residential, rural residential and commercial/industrial areas.

It also involves managing the effects of population growth on our water supply systems and water demands and providing sustainable long-term solutions.

KEY IMPACT ON COMMUNITY WELLBEING



Economic



Environmental



Social



Cultural

Highlights in 2024/25

Water demand reduction

In 2024/25, the city's overall water consumption remained below 2019/20 levels. This was achieved through a combination of continued implementation of the Water Watchers Plan, and active water loss management. The peak day demand (50,354m³) remained well below the 2019/20 peak of over 58,000m³.

Sustaining this lower demand will allow our Water Supply activity to maximise the value of existing water supply infrastructure and defer the need for future capital investment, which is typically driven by peak demand requirements.

Compliance with drinking water standards

Council continues to meet all regulatory requirements set out in the Drinking Water Standards and Drinking Water Quality Compliance Rules. Steady progress is being made to complete the required backflow prevention surveys and upgrade devices as needed, supporting the ongoing safety and reliability of Tauranga's drinking water supply.

Local Water Done Well

Council will respond to regulatory changes affecting drinking water standards and environmental compliance, integrating updates into its operational frameworks to maintain the provision of safe, reliable drinking water.

05 | GROUPS OF ACTIVITIES

Smart metering and major user monitoring

Smart meters have now been installed for the city's 20 highest water users, alongside widespread renewal of residential water meters. These initiatives deliver several important benefits:

- **Improved water loss detection:** smart meters provide near real-time data, allowing council to quickly identify unusual spikes in usage that may indicate hidden leaks—minimising water waste and infrastructure damage.
- **Targeted engagement with major users:** by monitoring the largest consumers more closely, council can work collaboratively with businesses and organisations to optimise water use, reduce peak demand, and encourage conservation.
- **Enhanced network efficiency:** renewed residential meters improve accuracy in billing and data collection, reducing the proportion of water loss that is unaccounted for and supporting more reliable forecasting and planning.
- **Faster response times:** with better visibility of usage patterns, council teams can respond more quickly to anomalies—saving time, reducing costs, and helping ensure a secure water supply for the wider community.

SIGNIFICANT CAPITAL PROJECTS - WATER SUPPLY

	2024/2025 Actual \$000's	2024/2025 Budget \$000's	2024/2025 Variance \$000's	Key Variance Explanations for 2025
Eastern Corridor - Pāpāmoa East Wairakei	1,482	531	(951)	Pāpāmoa East Interchange specifications changed resulting in the addition of a gravity sewer line on Te Okuroa Drive. Budget was reallocated to accommodate this.
Eastern Corridor - Wairakei	413	1	(411)	Pāpāmoa East Interchange specifications changed. Budget not required this year and reallocated to Te Tumu Rising Main implementation.
Infrastructure Resilience Capital Works	5,312	2,169	(3,143)	This project subject to NZTA delivered works at Takitimu North Link. Actual start delayed so budget reallocated to future years.
Reservoir Upgrades & Renewals	4,374	2,046	(2,328)	Planned works on Cambridge reservoir 2 did not occur due to high pricing. Work can only be carried out between March-October and sourcing contractor within budget and time frame was not possible.
Te Papa Intensification	5,658	746	(4,912)	Cameron Road stage 2 has been delayed. Provision for upgrades in the City Centre not required.
Waiāri Water Treatment Plant Capital	5,935	1,744	(4,191)	This budget was not required. Waiāri water treatment plant commissioned.
Water Network Upgrades & Renewals	9,167	9,043	(124)	Deferral of Mount Maunganui water supply main upgrade.
Water Supply Plant Upgrades & Renewals	3,854	2,862	(992)	Deferral of Oropi water treatment plant upgrade.
Welcome Bay, Turret Rd & 15th Ave Corridor	1,367	82	(1,285)	Projects delayed to align with delivery of Transportation components.
Western Corridor - Bethlehem	299	45	(254)	Carmichael Road watermain project delayed by community engagement. Lower pressure sewer option revisited.
Western Corridor - Tauriko West	3,528	1,111	(2,416)	Delays with NZTA works.

Note: includes operational projects of a capital nature, excludes vested assets and asset sales.

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TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - WATER SUPPLY					Key Variance Explanations for 2025
	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	-	-	-	-	
Targeted Rates	44,963	42,310	42,315	5	Minor variance
Subsidies and Grants for Operating Purposes	-	-	-	-	
Fees and Charges	964	1,688	1,335	(353)	Revenue from minor fees and charges categories are less than anticipated, mainly due to lower growth resulting in lower connection and disconnection charges.
Internal Charges and Overheads Recovered	9	-	721	721	Slightly positive cashflow from previous years, resulting in interest earned
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-	
Total Sources of Operating Funding (A)	45,936	43,998	44,371	373	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff and Suppliers	18,553	21,140	23,109	1,969	Unfavourable variance to budget is primarily due to unbudgeted employee costs mainly in treatment plants. There is also unbudgeted spend on repairs and maintenance due to higher mains breaks.
Finance Costs	8,921	13,602	14,244	642	Internal interest is based on actual spend on projects and reserves balances and a change in methodology to correctly recognise opening balances since the LTP.
Internal Charges and Overheads Applied	7,186	5,532	5,943	411	Council's overall allocated costs are higher than budgeted, mainly due to a digital expenditure and project write offs. This resulted to a significant variance in most areas.
Other Operating Funding Applications	-	-	20	20	Minor variance
Total Applications of Operating Funding (B)	34,660	40,274	43,316	3,042	
Surplus/(Deficit) of Operating Funding (A-B)	11,276	3,724	1,055	(2,669)	
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	1,187	384	4,838	4,454	Grant funding related to Tauriko West development project. Grant was expected in prior years.
Development and financial contributions	13,256	12,292	7,552	(4,740)	Lower than budget due to lower than anticipated growth and consent as a result of the downturn in the housing market.
Increase/(Decrease) in debt	24,295	20,881	2,472	(18,409)	Lower debt as a result of projects being deferred and delayed.
Gross Proceeds from the Sale of Assets	-	-	-	-	

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TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - WATER SUPPLY

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
Lump sum contributions	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-
Total Sources of Capital Funding (C)	38,738	33,557	14,862	(18,695)
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	25,866	16,923	4,256	(12,667)
- to improve level of service	10,849	8,932	3,139	(5,793)
- to replace existing assets	8,979	15,674	13,108	(2,566)
Increase/(Decrease) in reserves	4,320	(4,248)	(4,586)	(338)
Increase/(Decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	50,014	37,281	15,917	(21,364)
Surplus/(Deficit) of Capital Funding (C-D)	(11,276)	(3,724)	(1,055)	2,669
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2025**

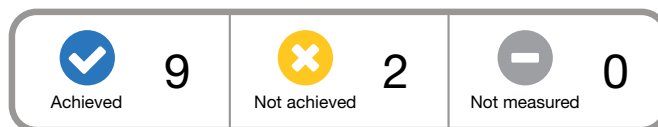
Lower spend than budgeted due to projects being delayed and re-prioritised to later years. Major contributors were Tauriko West high level water main due to NZTA delayed works, upgrades to Waiari water treatment plant, Cameron Road stage 2, Turret Road strategic watermain link.











Lower spend than budgeted due to re-prioritisation. Major contributors were water reservoir seismic upgrades and Oropi water treatment plant silt management pushed out.

Lower spend than budgeted due to projects being delayed. Cambridge Road trunk main relocation is linked to NZTA funded transport projects that have been delayed.





Actual depreciation expense was less than budget which meant less went into the depreciation reserve than what was budgeted.

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PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will manage the average consumption of drinkable water	The average daily consumption of drinking water per resident	 261 litres	≤ 300 litres	 259 litres	The annual result of the average consumption of drinking water per day per resident within the city based on water leaving the water treatment plants in litres per capita per day is 259 litres per day, which is below the target of 300 litres per day. This is based on 15,184,675 m3 of water supplied during the year with an estimated supplied population of 160,772.
	The annual peak daily consumption of drinking water per resident	 319 litres	≤ 400 litres	 313 litres	The annual peak day demand was 50,354m3 (1 m3 = 1000 litres) or 313 litres per person per day based on an estimated water serviced population of 160,772. This is less than the target of 400 litres per person per day.
	The percentage of residents who are aware of ways they can conserve water and have taken steps to do so	 83%	≥ 85%	 82%	While the target hasn't been met overall the result still shows a good appreciation from the community on their awareness how to conserve water. Source: Annual Residents Survey
	The percentage of real water loss from Tauranga City Council's networked reticulation system (includes real losses through leaks in the network, non-revenue water and apparent losses through metering inaccuracies or water theft) DIA measure	 ≤ 18%	<18%	 -	Water loss is assessed and reported annually. The next report is due at the end of September 2025.
We will manage the average consumption of drinkable water.	The percentage of residents who are aware of ways they can conserve water and have taken steps to do so.	 83%	≥ 80%	 83%	





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PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide a water supply network across the city, delivering safe drinking water that meets with drinking water standards (bacteria and protozoal)	The percentage of real water loss from council's networked reticulation system (includes real losses through leaks in the network, non-revenue water and apparent losses through metering inaccuracies or water theft) DIA measure	 14.1%	≤ 18%	 14.1%	
We will manage the average consumption of drinkable water.	Compliance with the Drinking Water Standards for New Zealand and the Drinking Water Quality Assurance Rules DIA measure	 100%	100%	 100%	<p>Council's drinking water supply is complying with Part D3.29 of the Drinking Water Quality Assurance Rules (DWQAR bacteria compliance criteria). To determine this result, approximately 21 E. coli tests are taken monthly from each of the three water treatment plant supply networks, from a number of sites in each reticulation network.</p> <p>The rules also require compliance against Rule T3 Bacterial Rules for water disinfected with chlorine.</p> <p>The compliance requirements for protozoa under the DWQAR, which for Tauranga City Council requires Rule T3 for membrane filtration (up to 4 log) to be met.</p> <p>The requirements to meet the protozoa compliance are monitored and reported in Infrastructure Data which monitors and validates results. To date the requirements for protozoal compliance are being met.</p> <p>An independent audit of both the bacterial and protozoa compliance was undertaken by Wai Comply Ltd. They confirmed compliance was met for 2024/25.</p>

05 | GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will supply safe drinking water that meets the customer expectations for clarity, taste, odour, pressure, and continuity	<p>The total number of complaints (expressed per 1000 connections to Tauranga City Council's network) for any of the following:</p> <p>(a) drinking water clarity; (b) drinking water taste; (c) drinking water odour; (d) drinking water pressure or flow; (e) continuity of supply; and (f) the local authority's response to any of these issues</p> <p>DIA measure</p>	 13.48	≤ 10	 10.27	<p>This is calculated on 61,661 water service line connections with a total of 633 incidents:</p> <p>(a) drinking water clarity - 68 complaints (b) drinking water taste - 22 complaints (c) drinking water odour - 5 complaints (d) drinking water pressure or flow - 59 complaints (e) continuity of supply - 454 complaints.</p> <p>Council's response to any of these issues and other complaints that are not covered by (a) to (e) numbered 25.</p>
	<p>Where Council attends a callout in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <p>Attendance for callouts: from the time Council receives notification to the time service personnel reach the site:</p> <ul style="list-style-type: none"> Urgent callouts <p>DIA measure</p>	 45 min	≤ 90 min	 34 min	84% of call-outs were attended to in under one hour. The median response time to attend urgent call-outs was 34 mins.
	<p>Where Council attends a callout in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <p>Attendance for callouts: from the time Council receives notification to the time service personnel reach the site:</p> <ul style="list-style-type: none"> Non urgent callouts <p>DIA measure</p>	 12 hr 36 min	≤ 24h	 6 hrs 40 min	86% (1268 out of 1482) were attended to resolved within 24 hours. The median response time to attend non-urgent callouts was 6 hours and 40 minutes.

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PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will supply safe drinking water that meets the customer expectations for clarity, taste, odour, pressure, and continuity	Resolution of callouts from the time Council receives a notification to the time service personnel confirm resolution of the fault or interruption • Urgent callouts DIA measure	 2 hr 46 min	≤ 5hr	 2 hrs 27 min	81% (452 of 560) were resolved within five hours. The median response time to resolve urgent callouts was 2 hours and 27 minutes.
	Resolution of callouts from the time Council receives a notification to the time service personnel confirm resolution of the fault or interruption • Non urgent callouts DIA measure	 18hrs 52 min	≤ 28hr	 17 hrs 22 mins	The median response time to resolve non-urgent callouts was 17 hours and 22 minutes. 79% (1183 of 1482) were resolved within 28 hours. This a quicker median resolution time by 90 minutes when compared with 2023/24.

Challenges in 2024/25:

Climate variability and resilience

The ongoing variability in weather patterns continues to pose significant challenges for water supply management. Extended dry periods, followed by intense rainfall events, can lead to slips and other impacts within the water catchment areas. These events increase the risk to infrastructure, affect water treatment operations, and result in higher operational costs. An adaptive planning approach is essential to manage these emerging risks.

Growth, timing, and infrastructure investment

Balancing the need to provide new water infrastructure to support growth while managing the affordability and timing of investment remains a key challenge. There are opportunities to optimise infrastructure delivery by focusing on intensification and infill development within existing urban areas. However, uncertainty around the pace and location of future growth adds complexity to long-term planning and resource allocation.

Rising operational and maintenance costs

Operational and maintenance costs have increased due to the need to manage asset deterioration across the city's water network. In many cases, assets are ageing faster than they can be renewed, resulting in higher repair and maintenance requirements. This trend places further pressure on budgets and underscores the importance of proactive asset management strategies.

Looking ahead

In 2025/26 we will:

- Reconsent two of Tauranga's three water takes – those from the Waiorohi and Tautau streams, as the current resource consents expire in 2026. The planning process is well advanced, with a formal application set to be submitted to the Bay of Plenty Regional Council by March 2026.
- Begin a major trunk mains renewal programme, focusing on the pipelines supplying the Cambridge Road reservoirs. These mains are vital to Tauranga's water network, delivering water to approximately one-third of the city's total demand. The renewal work will improve system resilience and support long-term service reliability.
- Council will respond to regulatory changes affecting drinking water standards and environmental compliance, integrating updates into its operational frameworks to maintain the provision of safe, reliable drinking water.

Wastewater



What we do

The Wastewater activity provides a network of infrastructure to manage sewage, protecting public health and the natural environment. The activity collects wastewater from all connected properties in the city and transports it to two treatment plants. The wastewater receives tertiary treatment to a high-quality effluent standard and is then discharged to the ocean via wetlands and ultraviolet disinfection.

Te Maunga Wastewater Treatment Plant is being upgraded to accommodate the additional flow and load resulting from our city's growth while the Chapel Street plant is optimised to accommodate current flows and loads. The network will be efficiently operated and maintained while assets are renewed and replaced to provide timely delivery of requirements for our growing city.

How this affects you

The safe removal of wastewater from every connected property in the city protects public health and mitigates the risks of pollution and disease associated with wastewater. The Wastewater activity aims to ensure that a high-quality discharge is returned to the environment which meets community expectations, environmental standards and gives effect to Te Mana o te Wai.

KEY IMPACT ON COMMUNITY WELLBEING



Economic



Environmental



Social



Cultural

Highlights in 2024/25

Te Maunga treatment plant upgrades

Significant progress has been made at Te Maunga treatment plant, with major capacity upgrades underway. This includes ongoing construction of Bioreactor two and Clarifier three, along with enabling works for a new inlet structure. These upgrades are critical to supporting future growth and improving the resilience of Tauranga's wastewater treatment system.

Network renewals

Over \$12 million was invested in wastewater network renewals this year, helping ensure the existing infrastructure remains fit-for-purpose. These upgrades not only extend the life of key assets but also build resilience into the system to support long-term service delivery.

Chapel Street wastewater treatment plant improvements

A series of operational upgrades at the Chapel Street Wastewater Treatment Plant have successfully increased system capacity, enhanced energy production, and improved resilience. These improvements have also led to reduced operational costs, demonstrating the value of optimising existing infrastructure before investing in new assets.

SIGNIFICANT CAPITAL PROJECTS - WASTEWATER				
	2024/2025 Actual \$000's	2024/2025 Budget \$000's	2024/2025 Variance \$000's	Programme Description and Key Variance Explanations for 2025
Cameron Road Stage 2	861	150	(711)	Cameron Road stage 2 has been delayed.
Capital Delivery Adjustment	(10,000)	-	10,000	Removal of the capital delivery adjustment from FY25 onwards.
Eastern Corridor - Pāpāmoa East Wairakei	336	4	(332)	Pump stations for catchment 2 delayed.
Eastern Corridor - Trunk Wastewater	14,769	17,100	2,330	Accelerated works on the Opal Drive pump station has resulted in future years budgets brought forward.
Te Maunga Waste Water Treatment Plant	20,575	18,423	(2,152)	Delayed works with the bioreactor 2 portion of the treatment plant upgrade.
Te Papa Intensification	706	(14)	(720)	Provision for upgrades in the City Centre not required.
Wastewater Renewals/Upgrades Programme	983	-	(983)	Related to provision for upgrades in the City Centre not required.
Western Corridor - Tauriko Business Estate	1,547	675	(873)	Provision for the purchase of land which has not yet occurred.
Western Corridor - Belk Rd Plateau	155	237	83	Changes in scope driven by agreement on population numbers has caused complexities with feasibility study.
Western Corridor - Bethlehem	334	62	(273)	Carmichael Road watermain project delayed by community engagement. Lower pressure sewer option revisited.
Western Corridor - Tauriko West	2,063	1,018	(1,045)	Delays with NZTA works.
Waste Water Reticulation Upgrades & Renewals	20,641	14,464	(6,178)	Reprioritisation of reticulation upgrades and a delay with the Mansels Road upgrade.
Waste Water Treatment Plant Renewals	1,793	1,650	(143)	Tip Lane reseal and Chapel Street wastewater treatment plant recuperative thickening project delayed.

Note: includes operational projects of a capital nature, excludes vested assets and asset sales.

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TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - WASTEWATER					Key Variance Explanations for 2025
	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	
SOURCES OF OPERATING FUNDING					
General Rates, Uniform Annual General Charges, Rates Penalties	-	-	-	-	
Targeted Rates	44,615	48,200	48,449	249	Minor variance driven by volumes in the commercial sector.
Subsidies and Grants for Operating Purposes	-	-	-	-	
Fees and Charges	2,097	3,234	2,394	(840)	Lower recoveries from other councils using TCC waste water assets.
Internal Charges and Overheads Recovered	(1)	874	1,527	653	Internal interest revenue ahead of budget due to cash surpluses in the Wastewater activity.
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-	
Total Sources of Operating Funding (A)	46,711	52,308	52,370	62	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff and Suppliers	17,204	23,415	20,934	(2,481)	Lower than budgeted spend on bio solid waste removal due to delays relating to a new bioreactor and redirection of resource to stormwater planning.
Finance Costs	7,518	9,425	11,316	1,891	Internal interest is based on actual spend on projects and reserves balances and a change in methodology to correctly recognise opening balances since the LTP.
Internal Charges and Overheads Applied	7,651	7,403	8,246	843	Council's overall allocated costs are higher than budgeted, mainly due to a digital expenditure and project write offs. This resulted to a significant variance in most areas.
Other Operating Funding Applications	1,500	-	-	-	
Total Applications of Operating Funding (B)	33,873	40,243	40,496	253	
Surplus/(Deficit) of Operating Funding (A-B)	12,838	12,065	11,874	(191)	

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TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - WASTEWATER

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	400	-	4,825	4,825
Development and financial contributions	11,520	10,698	6,025	(4,673)
Increase/(Decrease) in debt	1,869	5,963	(3,015)	(8,978)
Gross Proceeds from the Sale of Assets	-	-	-	-
Lump sum contributions	-	-	210	210
Other Dedicated Capital Funding	-	-	-	-
Total Sources of Capital Funding (C)	13,789	16,661	8,045	(8,616)
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	42,123	30,522	37,647	7,125
- to improve level of service	802	4,322	679	(3,643)
- to replace existing assets	9,995	20,120	15,519	(4,601)
Increase/(Decrease) in reserves	(26,293)	(26,238)	(33,926)	(7,688)
Increase/ (Decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	26,627	28,726	19,919	(8,807)
Surplus/(Deficit) of Capital Funding (C-D)	(12,838)	(12,065)	(11,874)	191
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2025**

Grant funding related to Tauriko West development project. Grant was expected in prior years.

Lower than budget due to lower than anticipated growth and consent as a result of the downturn in the housing market.

Lower debt as a result of projects being deferred and delayed.

Additional revenue received towards capital.

Re-prioritisation saw accelerated spend on growth related projects. Major contributors were the Opal drive pump station and the Te Maunga wastewater treatment plant.







Delays with the Mansels road wastewater upgrades due to issuing permits for the relocation of lizards.





Lower spend than budget due to re-prioritisation and reallocation of reticulation budget.

Due to lower than anticipated growth and consent as a result of the downturn in the housing market less money went into development contributions reserves.

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PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide a reliable, well-maintained wastewater system that is available to all serviced zones and meets the expectations of our community	The number of dry weather wastewater overflows from the wastewater system, expressed per 1000 connections to the system DIA measure	 1.07	>2	 0.73	There were 44 instances of sewer overflows reported taking place in dry weather per 60,048 connected properties. There has been an increase of 0.12 when compared with 2023/24.
	Council's compliance with the resource consents for discharge from the sewerage system, measured by the number of: abatement notices, infringement notices, enforcement orders and convictions received by Tauranga City Council in relation to those resource consents DIA measure	 Nil	Nil	 Nil	There were 0 abatement notices, 0 infringement notices, 0 enforcement notices, and 0 convictions received for 2024/25.
We will provide a reliable, well-maintained wastewater system that is available to all serviced zones and meets the expectations of our community	The total number of complaints received by Council about any of the following: sewage odour, sewerage system faults, sewerage system blockages, and the Council's response to issues with its sewerage system, expressed per 1000 connections to the sewerage system DIA measure	 3.10	≤9	 3.86	The total number of complaints received by council were 232 per 60,048 connected properties. a) Sewage odour - 15 complaints. b) Sewerage system faults - 112 complaints. c) Sewerage system blockages - 101 complaints. d) the council's response to issues with its sewerage system - 4 complaints. There has been an increase of 0.76 when compared with 2023/24.

PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide emergency response to sewage overflows, to minimise the risk of safety to persons or damage to property	<p>Where Council attends to sewerage overflows resulting from a blockage or other fault in the sewerage system, the following median response times are measured:</p> <p>a) attendance time: from the time that Tauranga City Council receives notification to the time that service personnel reach the site</p> <p>DIA measure</p>	 23 min	≤ 90 min	 29 min	<p>There were 73 instances of overflow, or other faults reported as work orders, with the median attendance time being 29 minutes. Of those 73 instances, 96% were attended within 90 minutes.</p> <p>This is a slower response time in comparison with 2023/24 by 3 minutes but well within the target of 90 minutes.</p>
We will provide emergency response to sewage overflows, to minimise the risk of safety to persons or damage to property	<p>Where Tauranga City Council attends to sewerage overflows resulting from a blockage or other fault in the sewerage system, the following median response times are measured:</p> <p>b) resolution time: from the time that Tauranga City Council receives notification to the time that service personnel confirm resolution of the blockage or other fault</p> <p>DIA measure</p>	 2 hr 6 min	≤ 5 hr	 2 hr 33 min	<p>There were 73 instances of overflow, or other faults, reported as work orders, with the median resolution time being 2 hours and 33 minutes. Of those 73 instances, 86% were resolved within 5 hours.</p> <p>This result is a slower response time in comparison with 2023/24 by 27 minutes. It remains well within the target of under 5 hours.</p>

Challenges in 2024/25:

Bioreactor construction delays

Construction of a new bioreactor and the renewal of the existing bioreactor at Te Maunga have been delayed to the last quarter of 2026 due to challenging ground conditions. Despite this delay, the team has continued to maintain a high standard of wastewater treatment, ensuring compliance with all consent conditions and minimising impacts on service delivery. At Te Maunga, the bioreactor is a critical structure where naturally occurring microbes break down organic matter and remove nutrients from wastewater as part of the treatment process—helping ensure that treated water meets environmental standards before being discharged.

Preventing wastewater overflows

There is an ongoing need to continue raising community awareness about the danger of blocked wastewater pipes and what should not be put down the sink or flushed. The vast majority of overflows are caused by fats, oils and greases, or by the likes of wet wipes that enter the network and block the normal flow. These are preventable if dealt with properly and put in the waste stream instead.

Meeting growth demands

Keeping pace with the growth and development within the city is an ongoing challenge. Ensuring that the wastewater network and treatment plants have capacity for this while improving the systems resilience in the future is the aim.

Looking ahead

In 2025/26:

- Complete the upgrade of Opal Drive Pump Station and begin the Wairākei Pump Station upgrade. These are key upgrades to ensure capacity for growth within Pāpāmoa East into the future.
- The completion and commissioning of a new bioreactor and clarifier at the Te Maunga Wastewater Treatment Plant, alongside renewals of the existing bioreactor.
- Network Renewals Over \$10M of network and pump station renewals forecast for the year on major rising mains and the priority areas of the wastewater network to ensure capacity and resilience for the city into the future.
- Council will respond to regulatory changes affecting treatment standards and environmental compliance, integrating updates into its operational frameworks to maintain the effective and sustainable management of wastewater services.

Stormwater



What we do

This activity manages stormwater in an environmentally acceptable way to protect public health and safety whilst managing the effects of population growth. It provides sustainable long-term solutions, acknowledging Te Mana o te Wai and respecting the values tangata whenua place on water resources. The stormwater planning for stormwater management is based on the key requirement to service new development areas as well as intensification of existing areas to service a growing population.

How this affects you

This activity manages stormwater through infrastructure to receive, treat and dispose of stormwater through a network of soakage systems, pipes, open drains, treatment devices, secondary flow paths, and natural assets. In addition, this activity utilises planning mechanisms such as the City Plan and education activities.

KEY IMPACT ON COMMUNITY WELLBEING



Economic



Environmental



Social



Cultural

Highlights in 2024/25

Future proofing the city against flooding

Updating the city's stormwater modelling has continued to improve both the council's and the community's knowledge on potential flooding and overland flow paths within the city. This information enables both council and property owners to make considered decisions about protecting flow paths and reducing the potential for property flooding, while also building resilience against increasing weather events.

Upgrading our flood defences

Teams continued with culvert upgrades including Beaumaris Boulevard and Opal Drive, improving stormwater management within the city.

Tauriko West comprehensive consent

Council has applied for a new comprehensive stormwater consent for the Tauriko West growth area. This consent outlines requirements for managing stormwater in terms of both quantity and quality, aiming to reduce impacts on the community and the environment.

05 | GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS - STORMWATER				
	2024/2025 Actual \$000's	2024/2025 Budget \$000's	2024/2025 Variance \$000's	Key Variance Explanations for 2025
Cameron Road Stage 2	1,186	34	(1,152)	Cameron Road stage 2 has been delayed.
Comprehensive Stormwater Consents Capital Works	1,024	828	(197)	Additional geotech works has delayed this project.
Eastern Corridor - Pāpāmoa East Wairakei	282	493	211	Additional budget approved to cover unplanned costs of a gravity sewer pipeline along Te Okuroa Drive.
Eastern Corridor - Te Tumu	665	228	(438)	Complexities around planning for Wairakei Stream overflow into the Kaituna river has taken longer than anticipated.
Freshwater Management	357	341	(15)	Establishment of management tool delayed as initial results analysed.
Mount Intensification	237	159	(79)	Network capacity planning upgrades for Mount Maunganui delayed.
Ōtūmoetai Intensification	258	176	(82)	Network capacity planning upgrades for Ōtūmoetai delayed.
Stormwater Bulk Fund & Reactive Reserve	2,991	641	(2,351)	Projects funded by this reserve deferred.
Stormwater Minor Capital Works & Renewals	2,077	2,342	265	Stormwater reticulation renewals required earlier than anticipated.
Te Papa Intensification	615	470	(145)	Requirements for stormwater upgrades in the City Centre were under budget.
Wairakei Stream Culvert Upgrade	206	881	675	Accelerated works on these culverts as a results of the Opal Drive project being accelerated. Budget brought forward from future years.
Wairakei Stream Landscaping	877	406	(471)	Delayed in association with Bluehaven Developments.
Western Corridor - Pyes Pā West Growth Area	6,055	4,435	(1,620)	Planning for Pyes Pā West land purchase and pond construction has been delayed.
Western Corridor - Tauriko Business Estate	1,683	(102)	(1,784)	Works delayed to future years. Credit amount showing in actuals reflects over-accrual of a payment to a developer in FY24.
Western Corridor - Bethlehem	206	104	(103)	Carmichael Road watermain project delayed due to community engagement. Lower pressure sewer option revisited.

Note: includes operational projects of a capital nature, excludes vested assets and asset sales.

05 | GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - STORMWATER

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
SOURCES OF OPERATING FUNDING				
General rates, Uniform Annual General Charges, Rates Penalties	28,497	29,607	30,069	462
Targeted Rates	2,439	614	610	(4)
Subsidies and grants for operating purposes	-	-	152	152
Fees and charges	10	4	38	34
Internal charges and overheads recovered	-	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	1	-	-	-
Total Sources of Operating Funding (A)	30,947	30,225	30,869	644
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff & Suppliers	10,336	10,697	10,180	(517)
Finance Costs	5,912	7,864	8,024	160
Internal Charges and Overheads applied	4,591	3,186	3,553	367
Other Operating Funding applications	-	-	-	-

**Key Variance
Explanations for 2025**

Funded depreciation is greater than budgeted in the LTP in support of the intention to balance operational budgets.

Minor variance.

Higher than anticipated grants received for Waimapu catchment management plan from Ministry of Environment.

Minor variance.

Underspend on staff and consulting costs related to project delays.

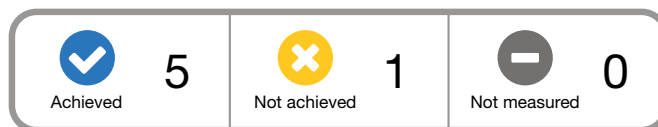
Internal interest is based on actual spend on projects and reserves balances and a change in methodology to correctly recognise opening balances since the LTP.


Council's overall allocated costs are higher than budgeted, mainly due to a digital expenditure and project write offs. This resulted to a significant variance in most areas.

05 | GROUPS OF ACTIVITIES



TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - STORMWATER					Key Variance Explanations for 2025
	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	
Total Applications of Operating Funding (B)	20,839	21,747	21,757	10	
Surplus/(Deficit) of Operating Funding (A-B)	10,108	8,478	9,112	634	
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	3,675	4,240	1,246	(2,994)	Lower than budget due to lower than anticipated growth and consent as a result of the downturn in the housing market.
Increase/(Decrease) in debt	21,896	6,251	3,603	(2,648)	Lower debt as a result of projects being deferred and delayed.
Gross Proceeds from the Sale of Assets	-	1,316	(106)	(1,422)	Asset realisation programme is currently on hold.
Lump sum contributions	-	-	-	-	
Other Dedicated Capital Funding	-	-	-	-	
Total Sources of Capital Funding (C)	25,571	11,807	4,743	(7,064)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	11,049	11,311	5,943	(5,368)	Lower spend than budgeted due to projects being delayed, a number of these are on track to be progressed in future years.
- to improve level of service	21,319	6,255	3,807	(2,448)	Lower spend than budgeted due to projects being delayed, a number of these are on track to be progressed in future years.
- to replace existing assets	1,522	1,154	1,685	531	Renewals were slightly above budget due to unscheduled works and cost escalations.
Increase/(Decrease) in reserves	1,789	1,565	2,420	855	Depreciation reserve balance was higher than planned due to more depreciation being funded than what was budgeted.
Increase/ (Decrease) of investments	-	-	-	-	
Total Applications of Capital Funding (D)	35,679	20,285	13,855	(6,430)	
Surplus/(Deficit) of Capital Funding (C-D)	(10,108)	(8,478)	(9,112)	(634)	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

05 | GROUPS OF ACTIVITIES



PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide a stormwater system that avoids impact on the environment	Council's compliance with resource consents for discharge from its stormwater system measured by the number of abatement notices, infringement notices, enforcement orders, and convictions received in relation to those resource consents DIA measure	 Nil	Nil	 Nil	
	The number of flooding events (A flooding event refers to an overflow of stormwater that enters a habitable floor (meaning a building, including a basement, but does not include garden sheds or garages)) DIA measure	 0	≤1	 1	The flooding event was in Brookfield in April 2025. This is an increase from 0 in 2023/24.
We will provide an effective conveyance and treatment network for managing stormwater to ensure the safety of our community and meet their expectations	For each flooding event, the number of habitable floors affected, expressed per 1000 connections to the stormwater system DIA measure	 0	≤1	 0.02	
	The median response time to attend a flooding event, measured from the time that council receives notification to the time that service personnel reach the site DIA measure	 28 min	≤ 90 min	 20 min	There were 98 notifications regarding some form of flooding event. These were responded to in a median time of 20 minutes. Of those 98 notifications, 98% were attended to in under 90 minutes.
We will provide a timely response to a flooding event	The median response time to attend a flooding event, measured from the time that council receives notification to the time that service personnel resolve the problem DIA measure	 1 hr 39 min	≤ 8 hr	 1 hr 3 min	There were 98 notifications regarding some form of flooding event. These were resolved with a median response time of 1 hour and 3 minutes. Of those notifications, the percentage of jobs that were restored in under eight hours was 97%.

05 | GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide an effective conveyance and treatment network for managing stormwater to ensure the safety of our community and meet their expectations	<p>The number of complaints received by council about the performance of the stormwater system, expressed per 1000 properties connected to the system</p> <p>DIA measure</p>	 1.49	≤2	 1.85	<p>Total of 114 requests for service were received per 61,661 connections.</p> <p>This is an increase of 0.36 when compared with 2023/24.</p>

Challenges in 2024/25:

Growth and development pressures

Balancing Tauranga's urban growth with the need to protect overland flow paths and flood-prone areas remains a significant challenge. It is essential to ensure that new development does not compromise stormwater resilience. At the same time, ageing stormwater infrastructure must be upgraded and renewed in a planned way to meet increasing demand and current environmental and quality standards.

Increased frequency of extreme weather events

More frequent and intense weather events are placing additional strain on council and contractor resources. These events lead to higher levels of stormwater system maintenance and a growing number of service requests, including calls to inspect and manage privately owned stormwater infrastructure.

Vegetation growth and maintenance demands

Favourable growing conditions over the past year have increased vegetation growth across stormwater reserves, ponds, and drains. This has resulted in higher maintenance needs and placed upward pressure on budgets in order to maintain agreed levels of service and ensure the ongoing functionality of the stormwater system.

Looking ahead

In 2025/26:

- Over \$1 million in stormwater network renewal works is planned to support the continued delivery of service levels and to strengthen system resilience across the city.
- Work will continue on updating stormwater modelling across Tauranga. This modelling is vital for informed planning, improving flood risk management, and supporting future infrastructure investment decisions.
- There will be an increased focus on incorporating stormwater treatment into city redevelopment projects, particularly in high-priority areas such as the transport network. These improvements are designed to reduce the amount of contaminants entering the environment and enhance overall water quality outcomes.
- Council will adapt its stormwater strategies in line with emerging requirements, including resilience planning and climate impact mitigation. These changes will be incorporated into core infrastructure programmes to support flood protection and urban waterway health.

Sustainability and Waste



What we do

The Sustainability and Waste activity enables council and our community to take action to improve our sustainability performance and contributes to economic, social, cultural and environmental wellbeing through:

- reducing and recovering waste within our city
- reducing resource (energy and water) consumption and carbon emissions within council operations
- building resilience to climate change across the city and council operations
- empowering our community to reduce emissions and prepare for a changing climate through communication and behavioural change programmes
- supporting the council and community members to incorporate sustainability considerations into decision-making processes
- collecting information and data to enable effective decision-making
- providing comprehensive waste programmes
- managing and monitoring historic and existing waste facilities
- planning to ensure future Tauranga residents have adequate services and facilities to better manage waste and further reduce waste to landfill
- creating and implementing relevant legislation and by-laws.

How this affects you

The Sustainability and Waste activity supports both the council and our community to improve its sustainability performance and ensure the protection of public health, culture, and the environment while development occurs in a sustainable manner. This activity aims to achieve the outcomes of the 2022 Waste Management and Minimisation Plan (WMMP), the Climate Action and Investment Plan, and Tauranga City Council's Sustainability Approach and Implementation Plan.

KEY IMPACT ON COMMUNITY WELLBEING



Economic



Environmental



Social



Cultural

Highlights in 2024/25

Waste transfer station upgrades

Significant upgrades and renewals were completed at Te Maunga Transfer Station and Maleme Street to ensure continued safe and efficient operation:

- Te Maunga: trade waste system upgrades, improved roading layout to ease traffic congestion, expanded garden waste drop-off area, implementation of a flat-rate charging system based on vehicle type, new safety barriers and barrier arm, installation of a new soak hole to prevent flooding, and replacement of aged roading infrastructure.
- Maleme Street: building and roading renewals to improve site functionality and user safety.

Litter bin renewals

In partnership with city operations, council delivered a major litter bin renewal programme. Around 100 end-of-life bins were replaced with new wheelie bin enclosures, significantly reducing manual handling risks for servicing contractors.

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Collaborating for a low-waste future

Council has backed a series of initiatives to reduce construction waste and support a more sustainable, circular economy in the building sector. Through support of the Circular Construction Collective, led by Priority One, council has helped unite over 40 local businesses and stakeholders to drive resource efficiency and waste reduction across the industry. A key outcome of this work was the pilot of the Mutu app—a digital platform enabling contractors to list and redistribute surplus materials between job sites. During the pilot, more than 76 tonnes of material were diverted from landfill and over 10 tonnes of carbon emissions were avoided, demonstrating not only cost savings for contractors but also a significant reduction in environmental impact. Together, these efforts are shifting Tauranga's construction industry towards a circular, low-waste future.

Operational emissions reduction

[FY2024/25 figures and emissions graph to be updated in September.]

SIGNIFICANT CAPITAL PROJECTS - SUSTAINABILITY & WASTE

	2024/2025 Actual \$000's	2024/2025 Budget \$000's	2024/2025 Variance \$000's	Key Variance Explanations for 2025
Kerbside Waste Collection Capital Works	5	(21)	(26)	Prior year-end costs were over accrued. All bins purchases in 2024/25 were moved to inventory.
Sustainability & Waste Upgrades & Renewals	3,470	1,849	(1,621)	Te Maunga closed landfill and associated renewals works deferred to FY26.
Waste Facilities Redevelopment	1,433	(2,228)	(3,661)	Changes to the scope of the project to enable future growth resulted in cancellation of the project and expensing of all costs to date. Funding of \$2.6m for this project was received from the Ministry for the Environment in FY24.

Note: includes operational projects of a capital nature, excludes vested assets and asset sales.

05 | GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - SUSTAINABILITY AND WASTE

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
SOURCES OF OPERATING FUNDING				
General rates, Uniform Annual General Charges, Rates Penalties	5,623	7,253	6,252	(1,001)
Targeted Rates	12,731	14,151	14,453	302
Subsidies and grants for operating purposes	551	1,380	2,949	1,569
Fees and charges	60	408	373	(35)
Internal charges and overheads recovered	-	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-
Total Sources of Operating Funding (A)	18,965	23,192	24,027	835
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff & Suppliers	12,966	19,472	20,558	1,086
Finance Costs	461	243	(84)	(327)
Internal Charges and Overheads applied	3,503	3,692	3,834	142
Other Operating Funding applications	-	-	51	51
Total Applications of Operating Funding (B)	16,930	23,407	24,359	952
Surplus/(Deficit) of Operating Funding (A-B)	2,035	(215)	(332)	(117)

**Key Variance
Explanations for 2025**

Rates funding is lower than budgeted due to slower than anticipated uptake of contestable grants and a late start to climate action plan projects.

Favourable variance to budget due to higher costs of public bin collection and increase in the instances of illegal dumping.

Waste Levy revenue from the Ministry for the Environment was under budgeted in the the LTP.

Slight variance due lower than expected licence and expense recovery revenue.

Above budget due to the expensing of costs relating to a cancelled capital project, as well as additional costs related to increased illegal dumping and public bin collection.

Below budget due to the cancellation of one project and re-phasing of some capital projects.

Council's overall allocated costs are higher than budgeted, mainly due to a digital expenditure and project write offs. This resulted to a significant variance in most areas.

Bad debts written off

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TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - SUSTAINABILITY AND WASTE

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(Decrease) in debt	1,602	5,457	3,711	(1,746)
Gross proceeds from the sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total Sources of Capital Funding (C)	1,602	5,457	3,711	(1,746)
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve level of service	2,543	3,783	(877)	(4,660)
- to replace existing assets	104	1,125	478	(647)
Increase/(Decrease) in reserves	990	334	3,778	3,444
Increase/ (Decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	3,637	5,242	3,379	(1,863)
Surplus/(Deficit) of Capital Funding (C-D)	(2,035)	215	332	117
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2025**

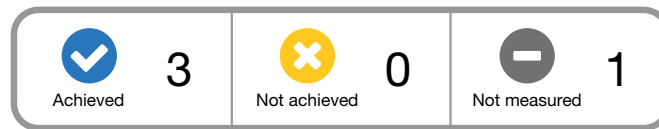
Lower than budgeted due to cancellation and re-prioritisation of capital projects.









Projects re-prioritised to later years and one project cancelled.

A portion of new bins have been transferred to inventory and some renewal projects came in under budget.

Increase in reserves due to higher than budgeted waste levy revenue which is held in reserve.

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PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide collection services supported by behaviour change programmes that lead to a reduction in waste sent to landfill	Percentage of residents that are neutral or satisfied with council's kerbside waste collection services	 82%	-25%	 96%	96% of residents were satisfied or neutral with Council kerbside waste collection services. This is the highest YTD result we have had and shows a steady increase year on year from 2021/22 result of 89%. Source: Annual Residents Survey
We will provide a waste transfer station that provides opportunities to reduce waste sent to landfill	Tonnes of waste processed at Te Maunga Transfer Station and disposed to landfill	 New measure	< 34,960 tonnes	 30,901 tonnes	30,901 tonnes of waste were processed at Te Maunga Transfer Station and disposed to landfill.
We will provide collection services supported by behaviour change programmes that lead to a reduction in waste sent to landfill	Annual per capita household kerbside waste volumes disposed to landfill	 New measure	<130 kg	 113 kg	This year 18,374 tonnes of household waste were disposed to landfill.
We will do our part in limiting global warming and reach net zero greenhouse gas emissions by 2050	Percentage of council's scopes 1 & 2 emissions reduced (compared to 2019 base year levels)	 New measure	-79%	 -	Data not yet available – measure is calculated annually and will be available late 2025.

Challenges in 2024/25:

Planning and directional uncertainty

Balancing the need for urgent climate action with funding constraints and shifting policy direction remains an ongoing challenge across the organisation. At the national level, evolving reforms and a fragmented mandate have contributed to uncertainty around how councils should plan for and respond to climate change. A national framework for adaptation, expected to be released soon, is anticipated to provide greater clarity and enable a more coordinated legislative mandate for this work. Changes to the resource management and emergency management systems, along with new requirements for how councils communicate climate-related information in Land Information Memoranda (LIMs), will have broad implications for how climate change is considered across council activities.

Operational challenges

Tauranga City Council has experienced an increase in illegal dumping across the community with many charity shops in Tauranga heavily impacted by illegal dumping, with people leaving unsellable or broken items and rubbish outside their doors, often after hours. Council's policies and support are crucial in helping these charities manage the burden of illegal dumping. This places additional cost and pressure on waste management services. Challenges also continue with consent and discharge issues at the city's two closed landfill sites, which require ongoing attention to ensure compliance and minimise environmental impacts.

Looking ahead

In 2025/26:

- Work has begun to undertake a city-wide climate risk assessment. This work aims to identify risks from climate-related hazards to our city, communities and the things people value. Central to the climate risk assessment will be building partnerships with our communities to develop a shared understanding of climate risk. This assessment will inform how we plan for and respond to climate change as a city.
- We are very excited to help develop a local emissions data platform which will give accurate data, updated annually, about our city's emissions and the effect that different interventions could have on these. Nineteen councils across New Zealand are already on board with this platform and it is hoped this will be rolled out to every council. This will enable more direct comparison between different cities and regions, and data to guide conversations with central government.
- We will continue to deliver waste collection and processing services for Tauranga households and continue delivering a significant litter bin renewal programme to refresh old, end of life bins in the community. Work will also continue with various stakeholders and regulatory bodies to manage and reduce the impact of discharges from the two closed landfills.

City and Infrastructure Planning



What we do

The City and Infrastructure Planning activity is responsible for the preparation of the City Plan, plan changes, and implementation issues within the statutory requirements of the Resource Management Act 1991, urban growth planning, and technical input into the SmartGrowth partnership. This includes the responsibility for leading greenfield structure planning and intensification spatial planning. We provide professional policy and technical advice to council on national, regional, sub-regional and local planning and growth management issues and practice. The activity monitors national, sub-regional and local population and land-use trends to ensure good information is available for Council's policy development and decision-making. The team is also responsible for growth funding through development contributions, developer agreements and new funding sources such as Infrastructure Funding and Financing (IFF) levies.

How this affects you

The City and Infrastructure Planning activity has an active role in promoting sustainable management of Tauranga's natural and physical resources for existing and future communities. We take an integrated land use and infrastructure approach to managing our city's current and future population and urban growth.

KEY IMPACT ON COMMUNITY WELLBEING



Economic



Environmental



Social



Cultural

Highlights in 2024/25

Residential land supply in Tauriko West and Ōhauiti South

Rezoning has been completed to enable residential development in Tauriko West (approximately 3000 homes) and Ōhauiti South (approximately 400 homes), with development expected to begin in early 2025. These areas will play a key role in addressing both current and future housing needs for the city.

Tauriko West is particularly significant due to the scale of development and the progress being made towards the delivery of the first homes, anticipated in 2026/27. Investment in transport and three waters infrastructure is well underway to support the initial 2400 homes. In addition, the government has announced a commitment of over \$3 billion for a new State Highway 29 as part of its Roads of National Significance programme, further supporting long-term growth in the area.

Consenting processes for Tauriko West are progressing well, with development earthworks set to begin shortly.

Tauriko Business Estate extension

In late 2024, rezoning was completed to enable over 100 hectares of additional development in the Tauriko Business Estate, specifically in the lower Belk Road area. The existing Tauriko Business Estate is effectively fully developed, and this expansion will provide much-needed industrial land to meet current demand and support growth over the next 5 to 10 years.

Strong market interest is already evident, with much of the new area pre-sold by the developer. This reflects the high demand for industrial land in this strategic location, which connects Tauranga and the Port to the Waikato and Auckland regions via State Highway 29.

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Earthworks, consenting, and infrastructure investment are well advanced. The government's planned \$3 billion investment in a new SH29 corridor, as part of its Roads of National Significance programme, is critical to unlocking the full potential of this industrial area.

The Tauriko Business Estate extension is a catalyst for the continued economic growth and prosperity of the city, which will provide thousands of additional employment opportunities for our residents.

Plan Change 27 – Flooding from intensive rainfall

Plan Change 27 was made operative in early 2025, following the resolution of several appeals. It forms part of a broader strategic response to the significant flood events experienced in Tauranga over the past two decades.

The purpose of the plan change is to reduce flood risk and ensure that future development does not exacerbate existing flooding issues. To achieve this, Plan Change 27 introduces new provisions into the Tauranga City Plan to manage development within floodplains, flood-prone areas, and overland flow paths. These provisions are designed to ensure that the potential effects of flooding are appropriately managed through the planning and development process.

The plan change was informed by detailed flood modelling based on a 1-in-100-year flood event. Updated flood maps have been made publicly available on the Tauranga City Council website.

Updated SmartGrowth Strategy

In mid-2024, Tauranga City Council and its partners in the Western Bay of Plenty SmartGrowth Urban Growth Partnership adopted an updated strategy to guide urban growth over the next 30 to 50 years. This incorporated the government requirements for a Future Development Strategy identifying sufficient residential and business development capacity for 30 years.

The updated strategy reinforces several key Tauranga City Council growth management priorities, including residential intensification and the delivery of key urban growth areas such as Te Tumu, Tauriko West, and Keenan Road. It also supports major transport initiatives such as the Turret/15th Avenue improvements, the Connecting Mount Maunganui project, and Cameron Road Stage 2.

The strategy also identified the Upper Belk Road area as strategically important for meeting long-term industrial land needs, and initial investigations are now underway.

While the strategy sets a clear direction, it also acknowledges the considerable challenges ahead. Particularly the scale of infrastructure investment required and the significant funding shortfalls, estimated to be in the billions of dollars.

To support delivery, an Implementation Plan was agreed in late 2024 to progress the strategy and provide a pathway to address key implementation issues.

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SIGNIFICANT CAPITAL PROJECTS - CITY AND INFRASTRUCTURE PLANNING

	2024/2025 Actual \$000's	2024/2025 Budget \$000's	2024/2025 Variance \$000's	Key Variance Explanations for 2025
City Planning	1,886	1,499	(387)	Work on project paused due to proposed Resource Management Act (RMA) changes.

Note: includes operational projects of a capital nature, excludes vested assets and asset sales.

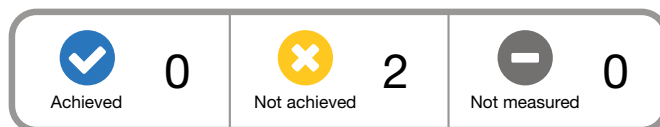
TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - CITY AND INFRASTRUCTURE PLANNING





	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	Key Variance Explanations for 2025
SOURCES OF OPERATING FUNDING					
General rates, Uniform Annual General Charges, Rates Penalties	14,047	10,930	8,212	(2,718)	Lower spend than budgeted due to slow down of plan change work as a result of proposed Resource Management Act reforms and other project challenges.
Targeted Rates	-	-	-	-	
Subsidies and grants for operating purposes	641	115	-	(115)	Grant from Central Government for Smart Growth not received.
Fees and charges	1,463	1,180	1,288	108	Additional fees are as a result of recovering costs associated with private plan changes.
Internal charges and overheads recovered	-	-	-	-	
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-	
Total Sources of Operating Funding (A)	16,151	12,225	9,500	(2,725)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	12,527	10,814	8,258	(2,556)	Lower spend than budgeted due to slow down of plan change work as a result of proposed Resource Management Act reforms and other project challenges.

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TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - CITY AND INFRASTRUCTURE PLANNING					Key Variance Explanations for 2025
	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	
Finance Costs	287	290	396	106	Interest on loan funded operational projects was higher than budgeted.
Internal Charges and Overheads applied	3,458	1,804	1,944	140	Council's overall allocated costs are higher than budgeted, mainly due to a digital expenditure and project write offs. This resulted to a significant variance in most areas.
Other Operating Funding applications	-	-	-	-	
Total Applications of Operating Funding (B)	16,272	12,908	10,598	(2,310)	
Surplus/(Deficit) of Operating Funding (A-B)	(121)	(683)	(1,098)	(415)	
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	-	-	-	-	
Increase/(Decrease) in debt	1,890	1,805	1,831	26	Loan funded operational projects were higher than budgeted. These mainly relate to city plan changes.
Gross Proceeds from the Sale of Assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
Other Dedicated Capital Funding	-	-	-	-	
Total Sources of Capital Funding (C)	1,890	1,805	1,831	26	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	-	-	-	-	
- to improve level of service	-	-	-	-	
- to replace existing assets	-	-	-	-	
Increase/(Decrease) in reserves	1,769	1,122	733	(389)	Some costs were carried forward into the 2025 financial year but were funded in the prior year from rates.
Increase/ (Decrease) of investments	-	-	-	-	
Total Applications of Capital Funding (D)	1,769	1,122	733	(389)	
Surplus/(Deficit) of Capital Funding (C-D)	121	683	1,098	415	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

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PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will deliver and monitor a planning framework for the city that provides sufficient development capacity to accommodate ongoing growth.	There will be sufficient (as defined in the National Policy Statement on Urban Development) residential zoned land provided with development capacity for at least:	 Not achieved	1 *	 Not achieved	<p>From 1 July 2022 to 30 June 2025, 1,655 fewer dwelling consents for additional dwellings were issued than projected demand for this period (i.e. 1781 dwelling consents issued vs 3436 dwellings projected).</p> <p>While the number of dwelling consents issued is significantly lower than projected from June 2022 to June 2025, a comparison of Tauranga City Housing and Business Capacity Assessment (TC HBA) population estimates with the latest available Stats NZ Estimated Resident Population (ERP) shows closer alignment (i.e. as at 30 June 2024 Stats NZ ERP 161,300 and TC HBA 163,040 = 1740 people difference). These differing trends for population and dwellings suggest that it is likely not a lack of demand for new houses that is leading to a downturn in new house construction but rather the result of land supply constraints and other market conditions impacting the housing market.</p>
We will deliver and monitor a planning framework for the city that provides sufficient development capacity to accommodate ongoing growth.	<p>There will be sufficient (as defined in the National Policy Statement on Urban Development) business zoned land provided with development capacity for at least:</p> <p>1) 3 years 2) 10 years 3) 30 years</p>	 New measure	1 *	 Not achieved	<p>The SmartGrowth Strategy 2024 seeks to address identified insufficiency in business land provision. It is likely that beyond the Tauriko Business Estate extension, most or all additional industrial land will have to be supplied in the adjoining Western Bay of Plenty District as suitable land is no longer available within the Tauranga City Council boundary.</p> <p>Council has written to the Minister for the Environment, as required per the NPS-UD and advised of the non-compliance.</p>

*While we continue to progress toward an Achieved target, targets are set realistically.

Challenges in 2024/25:

Providing for growth and balancing community needs

While significant progress has been made in providing additional residential and business development capacity, there remains an overall shortfall in zoned and serviced land to meet current and future growth demands. In some areas where growth is occurring, this is placing increasing pressure on existing infrastructure. For example, traffic congestion in Ōhauiti has generated substantial community concern.

Balancing the wellbeing of existing communities with the need to enable future growth continues to be a major challenge for Tauranga City Council, particularly in a fiscally constrained environment.

The Te Tumu and Keenan Road urban growth areas are critical to supporting Tauranga's long-term growth. Together, these areas have the potential to deliver more than 8000 new homes, alongside business land, schools, parks, reserves, and other essential amenities. However, both projects are progressing more slowly than initially anticipated due to several complex challenges.

Commercial feasibility

Commercial feasibility is not only a challenge in future urban growth areas; it also affects areas already zoned for development, particularly those intended for residential intensification.

Plan Change 33 enables significant intensification across the city, theoretically allowing for over 350,000 homes to be delivered through typologies such as apartments, terraced housing, and duplexes and could meet the city's projected need of approximately 30,000 additional homes over the next 30 years.

However, only a small fraction of this potential intensification is currently commercially feasible. High development costs, most of which lie outside of council's control, are a key barrier to uptake. While feasibility is expected to improve over time, particularly as market conditions recover, medium- to high-rise apartment development is likely to remain challenging in the short to medium term.

Government reforms

Tauranga City Council's planning and growth management activities are currently operating in a highly dynamic and uncertain environment, driven by the government's ongoing reform programme. This includes proposed changes and replacement of the Resource Management Act (RMA), the enabling of fast-track consenting, consideration of City and Regional Deals, shifting transport investment priorities, and reforms to growth funding mechanisms.

The government's recent Resource Management announcements in April 2025 signalled a significant change in direction to reduce the focus on amending the RMA and increase the focus on developing and implementing a completely new resource management system in a shorter timeframe. This raises the question of whether Tauranga City Council should, or will even be able to, progress a number of current projects under the RMA or whether they should be implemented through the new planning system.

These projects are:

- Plan Change 38 (Commercial and Industrial)
- Te Tumu urban growth area
- Keenan Road urban growth area.

Council is actively assessing its options to determine the most effective and efficient pathway forward for these projects. Similar assessments are underway across other councils, both within the region and nationally, as the local government sector works to respond to an evolving legislative and policy environment.

Looking ahead

In 2025/26 we will:

- Invest significant time and resource engaging on the government reform programme, especially the replacement of the resource management system.
- Make decisions on how key projects will progress (Plan Change 38, Te Tumu and Keenan Road) and progress these projects as far as possible, including resolution of access into Te Tumu.
- Progress early planning work for the proposed Upper Belk Road urban growth area.
- Further assess the commercial feasibility challenges facing growth in the city with a focus on exploring whether lower-cost infrastructure options or alternate funding options are available to improve feasibility outcomes.

Community Services



Activities Include

- Arts and culture
- City centre development and partnerships
- Community development
- Libraries
- Venues and events

What we do

We educate and support community organisations and internal teams. We also:

- manage the Tauranga Heritage Collection, Baycourt Community and Arts Centre, the Historic Village, and The Cargo Shed
- help fund Tauranga Art Gallery and The Elms
- manage relationship agreements with Creative Bay of Plenty and The Incubator
- add economic value to the city centre through the implementation of the City Centre Action and Investment Plan
- increase collaboration with the private sector to support opportunities for the growth and development of our city centre
- encourage and facilitate collaboration to ensure the most effective use of resources, and innovative solutions to community issues
- build and maintain partnerships in the local creative sector
- work to help build a city centre that is a great place to live, work, learn and play
- provide community hubs and resources for information, reading and recreation programmes, events and learning opportunities to engage our community
- approve events in council's public open spaces (parks, roads etc.)
- provide financial and development support to arts, culture and heritage organisations, and events
- provide civic events such as ANZAC Day commemorations.

How this affects you

Community Service activities include arts and culture, our city centre development and partnerships, community development, libraries, venues and events. These activities improve social equity while building a sense of community, mana and regional identity.

Arts, culture and heritage gives voice to our community, creating a sense of community pride and belonging., and creates accessible opportunities for our community to engage with, and participate in, a wide range of experiences.

Our city centre development adds economic value through Te Manawataki o Te Papa (Tauranga's new civic precinct), the waterfront development, and the Memorial Park project. Our aim is to build a city centre that is a great place to live, work, learn and play, and encourage a sense of pride and ownership.

Our community development activity increases capacity within our community so we can build strong, resilient, sustainable communities that celebrate our people and what they do. Our libraries are safe, warm, and vibrant places to access a wide variety of books, magazines, access to local and international news, audio recorded books and a good internet connection.

Events can build feelings of belonging, identity and a sense of pride and help to grow awareness of our culture and diverse community. They also help increase the visitor market and support talent attraction, making Tauranga a desirable destination for new residents.

KEY IMPACT ON COMMUNITY WELLBEING



Economic



Environmental



Social



Cultural

Highlights in 2024/25

Museum

- 1 **Digital access milestone**
The Tauranga Museum's digitalisation project Te Putanga o Ngā Taonga: Connecting Communities has reached a significant milestone, with 20,000 collection items now accessible online six months ahead of schedule. Each artefact is showcased with high-quality imagery and detailed information, supporting creativity, learning, and community engagement.
- 2 **Skateboarding exhibition success**
Inspired by the success of the new Destination Skatepark in Mount Maunganui, a special display of skateboards from the Tauranga Museum collection was exhibited at Tauranga City Library. A highlight of the exhibition was the Design a Deck competition, which attracted over 250 entries.
- 3 **Growing museum support**
The Friends of Tauranga Museum programme now includes over 1,200 members. Designed to foster a diverse community of museum supporters ahead of the museum's 2028 opening, the programme features activities such as museum collection tours, Tauranga art & history walking tours, and a series of public talks.
- 4 **Hands-on learning in schools**
The hands-on Tauranga education service continues to be a popular initiative among local schools. Over the year, 3,516 students participated in outreach sessions with the museum educator, and 715 objects were either loaned to teachers or brought into schools for learning purposes.

Libraries & Community Hubs

- 1 **Inclusive design and sensory spaces**
Community engagement for the new library community hub led to the creation of a sensory space designed for individuals with sensory needs. The project, shaped through collaboration with families and support agencies, received funding through a Lotteries Community Facilities Grant.

2 Supporting accessibility and inclusion

In response to the needs of the 27% of Tauranga's population living with a disability, libraries delivered several successful initiatives. These included weekly Just Want to Have Fun sessions for disabled adults, the Inclusivity Matters speaker series featuring paralympic athletes, and the adoption of the Hidden Disabilities Sunflower Scheme. Sensory storytime sessions, held regularly at Pāpāmoa and Greerton Libraries, continue to be fully booked and well received by the community.

City Development & Partnerships

- 1 **Bringing the city centre to life**
The "It's on in our City Centre" campaign delivered a range of activations to help residents enjoy new and vibrant spaces. Initiatives included Lights on Tauranga, (a winter light and art trail), the Kiwi Art Trail, and the Buskers Festival, which drew international performers and crowds to the newly reopened Masonic Park.
- 2 **Securing community funding**
The team successfully secured funding from the NZ Lottery Grants Board to support construction of the sensory room in the new Library and Community Hub within Te Manawataki o Te Papa. Additional funding for projects across Tauranga came from organisations such as TECT Community Trust, BayTrust, NZCT, Pub Charity Limited, The Lion Foundation, Grassroots Trust, and Akarana Community Trust. Port of Tauranga also contributed to the Te Awaiti viewing platform at Mauao, the Marine Parade Coastal Pathway, and the living seawall at The Strand.
- 3 **Telling the transformation story**
The story of the city centre's transformation is reaching a wider audience through presentations, business outreach and guided walking tours. A strong public-first approach has driven consistent communications and engagement, including the release of the first three episodes of the docuseries Restoring our City's Beating Heart, focused on the history of Te Manawataki o Te Papa.

4 Improving safety and engagement

An additional safety engagement officer was onboarded this year, allowing for increased support across retail areas. The safety engagement team continues to support businesses in the city centre, Greerton, and Mount Maunganui, working collaboratively with community partners and agencies to build a safe, resilient, and thriving retail environment.

Venues & Events**1 Strong venue performance**

Baycourt Community & Arts Centre achieved a strong utilisation rate of 76% in 2024/25. Although slightly lower than the previous year's 85%, this reflects a stable three-year average of 80%, indicating strong post-COVID recovery. Baycourt continues to balance community-focused events with commercial arts programming, ensuring broad accessibility. Meanwhile, The Cargo Shed increased its utilisation rate significantly from 29% in 2023/24 to 40% in 2024/25, reflecting growing demand and expanded community use.

2 Major upgrade at The Historic Village

The completion of the Complex 2 refurbishment marked a major milestone for The Historic Village. The project delivered substantial improvements including two new retail tenancies, an office tenancy, a new kitchen and café, and the Balcony Room – a flexible, themed function space capable of hosting up to 175 guests.

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SIGNIFICANT CAPITAL PROJECTS - COMMUNITY SERVICES				
	2024/2025 Actual \$000's	2024/2025 Budget \$000's	2024/2025 Variance \$000's	Key Variance Explanations for 2025
Baycourt Capital Renewals	396	374	(23)	Minor variance.
Capital Delivery Adjustment	(7,000)	-	7,000	Removal of the capital delivery adjustment from FY25 onwards.
City Centre Development	1,710	1,124	(586)	Large public art framework applications expected in FY25 were delayed and are now expected in FY26.
Historic Village Capital	4,882	3,919	(963)	Historic Village grounds development and other building upgrades have been deferred to FY26.
Library Capital Works	1,468	1,189	(278)	Deferral of the archive offsite climate controlled space and the Mount Maunganui library facade and entrance upgrade
Property Management Upgrades & Renewals	2,062	376	(1,686)	Deferral of the Mount Maunganui library roof replacement.
Te Manawataki ō Te Papa	72,221	48,128	(24,092)	Deferral of a portion of the FY25 construction budgets within the Central Library and Museum projects to align with contractor-provided cashflows.

Note: includes operational projects of a capital nature, excludes vested assets and asset sales.

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TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - COMMUNITY SERVICES

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
SOURCES OF OPERATING FUNDING				
General rates, Uniform Annual General Charges, Rates Penalties	29,304	38,587	39,096	509
Targeted Rates	5,873	-	-	-
Subsidies and grants for operating purposes	172	172	525	353
Fees and charges	2,287	1,650	2,142	492
Internal charges and overheads recovered	-	(388)	54	442
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-
Total Sources of Operating Funding (A)	37,636	40,021	41,817	1,796
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff & Suppliers	22,309	32,149	40,801	8,652
Finance Costs	1,199	1,846	2,476	630
Internal Charges and Overheads applied	8,725	8,899	9,897	998
Other Operating Funding applications	22	22	7	(15)
Total Applications of Operating Funding (B)	32,255	42,916	53,181	10,265
Surplus/(Deficit) of Operating Funding (A-B)	5,381	(2,895)	(11,364)	(8,469)

**Key Variance
Explanations for 2025**

Variance primarily due to decision to rates fund the City Centre Development and Infrastructure Fund, and also costs incurred on legal review of TMOTP contracts.

Higher than anticipated grants received for city events from TECT Community Trust, Bay Trust and DIA, and from Ministry of Social Development for Community Development.

Favourable variance to budget due to Baycourt's numerous sellout events for the period resulting favourable bar trading, ticketing and catering services.

Recovery of internal costs are higher resulting to favourable variance for community services.

Tauranga Art Gallery upgrade costs that had been budgeted as capital have been moved to operational expenses to reflect CCO ownership of the building.

Internal interest is based on actual spend on projects and reserves balances and a change in methodology to correctly recognise opening balances since the LTP.

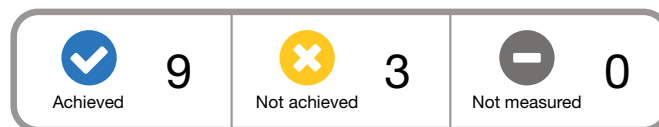
Council's overall allocated costs are higher than budgeted, mainly due to a digital expenditure and project write offs. This resulted to a significant variance in most areas.









Minor variance.

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TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - COMMUNITY SERVICES					Key Variance Explanations for 2025
	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	32,140	2,819	(29,321)	IFF grants relating to TMOTP were not received after the decision to fund this project on Council's balance sheet. Refer to section 2 for more information on IFF.
Development and financial contributions	-	-	-	-	
Increase/(Decrease) in debt	35,533	13,496	40,647	27,151	TMOTP projects moved into construction phase. Variance due to decision not to apply for IFF Funding for TMOTP projects, and subsequent timing differences in external funding leading to increased debt.
Gross Proceeds from the Sale of Assets	-	6,210	27	(6,183)	Asset realisation programme is currently on hold.
Lump sum contributions	-	9,851	3,425	(6,426)	The primary reason for the unfavourable variance to budget is the delay of external grant revenue expected for TMOTP. This grant revenue will be received in later years. There is also \$425k received from Lotteries Fund in respect of the new central library/ community hub project.
Other Dedicated Capital Funding	-	-	-	-	
Total Sources of Capital Funding (C)	35,533	61,697	46,918	(14,779)	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	-	-	-	-	
- to improve level of service	39,488	73,218	51,814	(21,404)	Deferral of some capital projects have resulted in lower capital spend in some areas. Tauranga Art Gallery upgrade costs that had been budgeted as capital have been moved to operational expenses to reflect CCO ownership of the building.
- to replace existing assets	2,656	5,006	3,257	(1,749)	Deferral of some capital projects have resulted in lower capital spend in some areas.
Increase/(Decrease) in reserves	(1,230)	(19,422)	(19,517)	(95)	Minor variance.
Increase/ (Decrease) of investments	-	-	-	-	
Total Applications of Capital Funding (D)	40,914	58,802	35,554	(23,248)	
Surplus/(Deficit) of Capital Funding (C-D)	(5,381)	2,895	11,364	8,469	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

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PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
Arts & Culture					
We will facilitate, support, and advocate for the arts, culture and heritage in Tauranga	Percentage of residents satisfied or neutral that Tauranga has a rich and diverse arts scene, culture, and heritage	 New measure	60%	 73%	The result exceeded the target for the year reflecting a higher than anticipated level of satisfaction in the community. Source: Annual Residents Survey
Community Development					
We will facilitate social outcomes by working with other organisations, and coordinate approaches to enable community-led initiatives and community capacity building	Percentage of available grant funding awarded to community organisations	 New measure	>95%	 102%	The target of 95% of expenditure has been met for the financial year with a slight overspend.
We will facilitate social outcomes by working with other organisations, and coordinate approaches to enable community-led initiatives and community capacity building	Number of stakeholder interactions with community organisations	 New measure	1,100	 1,247	This is the first year this measure has been reported, establishing a baseline for future performance tracking. The target of 1,100 was not only met but exceeded, with a total of 1,247 achieved—13% above target.
Libraries					
Library spaces are community hubs for place making in the city centre and neighbourhood centres	Percentage of residents satisfied with library services	 90%	85%	 88%	The overall satisfaction with library services from the Residents' Satisfaction survey for the year was 88%. This was slightly lower than the 2023/24 result by 2%. Source: Annual Residents Survey
Library spaces are community hubs for place making in the city centre and neighbourhood centres	Visits to Council libraries (all four combined)	 701,455	550,000	 642,451	The number of visits to council libraries (all four combined) was 642,451. While this was slightly lower than last year's results it still shows the popularity of our local libraries and has exceed what our target was for the year.





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PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide programmes, events and learning opportunities that build skills and connect our community	Number of participants in all programmes	 36,118	34,000	 36,203	A total of 36,203 participants engaged in programmes this year, exceeding the target of 34,000 and slightly surpassing last year's result of 36,118. This consistent performance reflects strong community interest and continued success in our library programmes.
We will provide digital resources for information, reading, and recreation	Total number of virtual visits	 1,192,040	1,000,000	 1,117,858	The number of virtual visits to Tauranga City Libraries' digital offerings was 1,117,858. This is a slight decrease in numbers from last year but still shows a high number of virtual visits.
Venues and Events					
We will deliver, support, and advocate for events in Tauranga	Percentage of residents satisfied with the range and frequency of event experiences in Tauranga	 New measure	75%	 66%	Despite the overall result not meeting target for the year, the city successfully hosted a range of sporting, concert, and cultural events. Looking ahead, we plan to establish a process to gather feedback from residents on the types of events they would like to see in the future. This marks the first year this data has been captured, and results will continue to be monitored over time to inform future programming and community engagement. Source: Annual Residents Survey

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PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide a network of arts, cultural, and events spaces in Tauranga	Percentage of residents satisfied with the accessibility and quality of Tauranga's arts, cultural, and events spaces	 New measure	75%	 53%	<p>While the city continues to host a variety of sporting, cultural, and entertainment events, a lack of purpose-built facilities often requires organisers to retrofit existing spaces sometimes resulting in compromises to quality or accessibility.</p> <p>To address this, a number of building upgrades are underway at the Historic Village, designed in alignment with our accessibility guidelines and intended to support future events. In addition, Te Manawataki o Te Papa will introduce new and improved civic spaces, including a library and community hub, museum, and exhibition gallery, offering purpose-built venues that will enhance the city's capacity to host inclusive and high-quality events.</p> <p>This marks the first year this data has been captured, and results will continue to be monitored over time to inform future programming and community engagement.</p>
City Centre Development and Partnerships					
We will provide a vibrant, accessible, and sustainable city centre by delivering key projects like Te Manawataki o Te Papa and the Tauranga Moana Waterfront, whilst promoting city centre activation for economic and social wellbeing.	Percentage of residents satisfied with the city centre as the commercial and cultural heart of Tauranga	 New measure	45%	 25%	<p>For the full year the result was 25% satisfied compared to just 16% the previous year. While this remains some way off the target it shows year on year improvement in the satisfaction of the city centre, despite ongoing construction. The number of residents dissatisfied has also dropped from 67% to 57%.</p> <p>This shows that the work to revitalise and activate our city centre is making a difference. When breaking down the data further there are some key insights such as those closest to the city centre, in the Te Papa ward show 33% of respondents satisfied compared to those in Pāpāmoa where only 14% of respondents answered they were satisfied.</p> <p>Source: Annual Residents Survey</p>

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PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide a vibrant, accessible, and sustainable city centre by delivering key projects like Te Manawataki o Te Papa and the Tauranga Moana Waterfront, whilst promoting city centre activation for economic and social wellbeing.	The average daily number of pedestrian movements in the city centre	 New measure	10,000	 13,786	For the period 1 July 2024 to 30 June 2025, the average daily number of pedestrian movements in the city centre is 13,786. The day with the highest foot traffic was 9 October 2024, with 24,705. Wednesday is the busiest day of the week, with a daily average of 15,602. The busiest time of the day is between 12 and 2pm, with a daily average of 4,527. Two additional cameras were installed in the city centre on 12 March 2025.
We will provide a vibrant, accessible, and sustainable city centre by delivering key projects like Te Manawataki o Te Papa and the Tauranga Moana Waterfront, while promoting city centre activation for economic and social wellbeing.	The number of new civic buildings delivered with a minimum Green Star rating of 5 stars	 New measure	1	 1	In the 2024/25 financial year, we saw the 90 Devonport Road council building completed. This building achieved a 6 Green Star design accreditation which is the highest possible rating under the New Zealand Green Building Council's Green Star System. Construction was completed by Willis Bond and the fitout was completed by civic development.

Challenges in 2024/25:

Integrating customer service centre and Tauranga City Council Library Services

We introduced a more efficient and convenient model for delivering the customer service centre and library services this year. A key challenge has been integrating library and council services through multi-skilling, with 25 team members completing three weeks of additional training to respond to a wide range of enquiries. As part of this transition, the Mount Hub was closed and council services were relocated to the Mount Maunganui Library.

Lack of fit-for-purpose event venues

Tauranga continues to face a shortage of fit-for-purpose indoor and outdoor event venues. This gap in infrastructure limits the city's ability to attract and host large-scale, high-profile events, which could provide significant cultural, social and economic benefits. The city is often overlooked by major event producers due to venue constraints that don't meet technical or capacity requirements.

High utilisation creating operational pressure

While the high utilisation rates of Baycourt Community & Arts Centre and The Cargo Shed are positive indicators of strong community engagement, they also present operational challenges. Managing both venues with limited resources puts pressure on teams to maintain productivity and service quality. The Cargo Shed requires careful balancing of increased usage with deepening cultural engagement, which calls for strategic planning, staff investment, and close collaboration with community and cultural partners.

Supporting tenants at The Historic Village

The economic climate has placed financial strain on some retail tenants at The Historic Village. Supporting these tenants to remain viable and engaged within the village community has been an ongoing challenge throughout the year.

Looking ahead

In 2025/26, we will:

- Continue to work on the first exhibitions that will open in the new building in 2028 and will begin negotiations with other museums for the loan of taonga and objects for the long-term exhibitions.
- Maintain the momentum of city centre transformation with public and private projects coming to a close, and new spaces opening.
- Confirm through public consultation, the city centre movement framework and streetscape investment case.
- Develop the fit-out and operating model of the new Library and Community Hub due to open in October 2026. Put plans in place for a smooth transition to a grand opening and forward bookings of the community hub spaces.
- As a result of investment from the Major Event Fund, announce a number of significant events that have been attracted to Tauranga. These events will drive considerable economic benefits and see the event team working at maximum capacity to ensure successful outcomes.
- Tauranga's collaborative approach to funding will continue to grow in 2025/26 with a refreshed Kaupapa Māori Event Fund that is accessible for events throughout the region. The existing partnership with TECT and Bay Trust will expand to welcome the Western Bay of Plenty District, Tauranga City Council and the Acorn Foundation. The fund will support events that celebrate Tauranga Moana tangata whenua, promote and share tikanga Māori and raise events of historical and cultural significance while telling our unique local stories.

Community, People and Relationships



Activities Include

- Community Relations
- Customer Service
- Democracy Services
- Te Pou Takawaenga Māori Unit

What we do

The Local Government Act 2002 provides Council with a broad purpose to make decisions and act by, and on behalf of communities. While elected members represent a geographic

area of the city, they must make decisions that are in the best interests of the whole city.

This requires elected members to make decisions that consider the wider context and the needs of both current and future generations.

Our Community, People, and Relationships activity:

- supports our commissioners (and from 2024 our mayor and councillors), and staff
- to be effective, responsible and accountable decision-makers
- provides opportunities for all residents to participate in decision-making processes,
- and respond to official information and privacy requests
- runs local elections and carries out representation reviews responds to enquiries, information requests, registrations and payment
- transactions from the community
- communicates and engages with the community about council work in an open
- and transparent manner that builds trust and confidence.

How this affects you

This activity includes community relations, customer service, democracy services and our Te Pou Takawaenga Māori Unit. A key purpose of council is to enable democratic, local decision-making and action by, and on behalf of our communities, in an open and transparent manner, and to promote community wellbeing. Commissioners (and from 2024 our mayor and councillors) have a responsibility to consider how we are meeting community needs, both now and in the future. We connect people with council, helping communities understand how we work and how they can play a part in the decision-making that shapes our city. Customer Services provide a first point of contact for those who need help with an issue or information relating to council services, process and policies. While many council services and information are available online, different segments of the community often prefer direct contact with council staff to resolve enquiries. This may be due to their social needs, age demographic, level of digital enablement or simply that a particular issue is complex and better resolved via direct contact. In future, the community hub in our city centre and in other neighbourhood locations will provide an integrated space for our library and service centre functions. Te Pou Takawaenga drives our relationship and engagement with mana whenua to meet our desire to work in partnership. It also delivers on our obligations under the Local Government Act and other relevant legislation. We are developing and nurturing a partnership that enhances Tauranga by recognising our history, ensuring participation in all levels of decision-making and adopting the best aspects of kaupapa Māori approaches to planning, implementation and community development. A trusted relationship enables a strong understanding of opportunities to reflect this partnership in Tauranga.

KEY IMPACT ON COMMUNITY WELLBEING



Economic



Environmental



Social



Cultural

Highlights in 2024/25

System modernisation

The contact centre successfully migrated to a modern contact centre management system, significantly improving the reliability of the telephone system. This upgrade has supported business continuity and enabled more accurate and timely responses to customer enquiries.

Delivering Newsbeat

This year saw the launch of Newsbeat, a platform designed to provide the community with news from council, while also offering media outlets ready-to-use, articles, improving outreach and transparency.

Integrated engagement and consultation success

With a focus on 'finding the right balance', as guided by councillors, we delivered a combined consultation on the 2025/26 Annual Plan and Local Water Done Well. A total of 968 submissions were received. All campaign collateral and consultation documents were developed in-house, showcasing staff expertise while delivering value for money. The community relations team supported 24 in-person engagement sessions across the city, assisting the mayor and councillors in connecting with their communities.

Cost-effective by-election campaign

While delivering the Annual Plan and Local Water Done Well consultation, we developed and launched the 2025 by-election campaign. By adapting creative elements from the Vote 24 campaign, we were able to develop cost-effective collateral. The campaign included candidate videos and made use of new social media channels to reach a broader audience.













05 | GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - COMMUNITY, PEOPLE & RELATIONSHIPS					Key Variance Explanations for 2025
	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	
SOURCES OF OPERATING FUNDING					
General rates, Uniform Annual General Charges, Rates Penalties	-	-	-	-	
Targeted Rates	-	-	-	-	
Subsidies and grants for operating purposes	3	3	-	(3)	Minor variance
Fees and charges	1,689	10	69	59	Minor variance
Internal charges and overheads recovered	9,514	12,393	10,790	(1,603)	Customer Services was restructured into other parts of the business with some residual unallocated budget remaining. This did not incur any actual expenditure in 2024/25. There was also underspend in Communications, Democracy and Strategic Māori Engagement, primarily relating to staff and contract underspend.
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-	
Total Sources of Operating Funding (A)	11,206	12,406	10,859	(1,547)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	11,067	12,271	10,958	(1,313)	Customer Services was restructured into other parts of the business with some residual unallocated budget remaining. This did not incur any actual expenditure in 2024/25. There was also underspend in Communications, Democracy and Strategic Māori Engagement primarily relating to staff and contract underspend.
Finance Costs	104	132	129	(3)	Minor variance
Internal Charges and Overheads applied	-	-	-	-	
Other Operating Funding applications	-	-	-	-	
Total Applications of Operating Funding (B)	11,171	12,403	11,087	(1,316)	
Surplus/(Deficit) of Operating Funding (A-B)	35	3	(228)	(231)	
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	-	-	-	-	
Increase/(Decrease) in debt	-	-	66	66	Funding for the purchase of new camera equipment by Communications.
Gross Proceeds from the Sale of Assets	-	-	-	-	
Lump sum contributions	-	-	-	-	
Other Dedicated Capital Funding	-	-	-	-	
Total Sources of Capital Funding (C)	-	-	66	66	

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - COMMUNITY, PEOPLE & RELATIONSHIPS					Key Variance Explanations for 2025
	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	-	-	-	-	
- to improve level of service	-	-	66	66	Related to purchase of camera equipment by Communications
- to replace existing assets	-	-	-	-	
Increase/(Decrease) in reserves	35	3	(228)	(231)	Some costs were carried forward into the 2025 financial year and therefore were funded from reserves in the 2025 year.
Increase/ (Decrease) of investments	-	-	-	-	
Total Applications of Capital Funding (D)	35	3	(162)	(165)	
Surplus/(Deficit) of Capital Funding (C-D)	(35)	(3)	228	231	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

05 | GROUPS OF ACTIVITIES



PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will consult and engage with the community	Percentage of residents who are satisfied or neutral with the efforts of council in consulting and engaging directly with the community	 New measure	50%	 55%	This result is encouraging, and recent city-wide survey response rates have also been encouraging (i.e. the Annual Plan). The engagement newsletter Korero Mai may also be helping to increase the visibility of opportunities to engage. Source: Annual Residents Survey
	Percentage of face-to-face enquiries that are resolved at the first point of contact	 99%	98%	 98%	21,886 (98%) of 22,353 face-to-face enquiries were resolved at the first point of contact, which is a consistent result in comparison to previous years.
We will provide a service centre and a 24/7 contact centre to respond to enquiries by multiple access channels where customers can make enquiries and request information	Percentage of phone enquiries that are resolved at the first point of contact	 87%	85%	 90%	The contact centre has undergone significant transformation over the past year, with to significant system and process changes, including new telephony and knowledgebase tools. Achieving a 90% result is a strong outcome, and we look forward to continued improvement in the year ahead.
	Customers satisfaction with the service centre and contact centre is excellent (>45 NPS score)	 58	>45	 -	Data not available for the 2024/25 year due to a change in systems. Reporting will resume in the 2025/26 year.
	Percentage of Land Information Memoranda provided within the 10-day statutory timeframe	 83%	85%	 99%	3567 out of 3602 Land Information Memoranda (LIMs) were issued on time for the full year period. The increase in 2024/25 is due to increased staff upskilling as well as the implementation of more efficient processes.
We will make decisions in the best interests of the city	Percentage of residents who are satisfied or neutral that the Council makes decisions in the best interests of the city	 New measure	≥50%	 55%	This is the first year this measure has been reported, providing a valuable baseline for future performance monitoring. The result of 55% exceeds the target of >50%, indicating a strong starting point and positive initial performance. Source: Annual Residents Survey

Challenges in 2024/25:

We continue to bring more work in-house, for example graphic design and operational engagement, to avoid using contractors as much as possible.

We continue to work across the organisation to ensure that communications and engagement is included at every stage in the project delivery life cycle.

Managing public consultation on the 2025/26 Annual Plan and Local Water Done Well, plus the by-election during an organisational re-set and moving to 90 Devonport Road, was challenging. However, we were able to deliver each campaign with existing staff resources and to a high standard.

Looking ahead

In 2025/26:

- The contact centre will implement artificial intelligence software using voice recognition to search for the appropriate information to help our team members to answer enquiries.
- As we look to bring all communications and design work in-house, we are refreshing our Tone of Voice Guidelines to empower the organisation to provide relevant, engaging and consistent messaging across all of council communications.
- Together with our refreshed Tone of Voice, we're rolling out our 2025 Brand Guidelines to ensure a more consistent and cohesive look and feel across Tauranga City Council collateral.
- We're also solidifying our social media strategy to capitalise on our own channels, and will continue creating engaging and informative content, and drive engagement through connecting with a wide audience.
- We're expanding our in-house media training programme to include the mayor and councillors and the executive.
- The Contact Centre will implement Artificial Intelligent software using voice recognition to search for the appropriate information to assist our team members to answer enquiries.

Economic Development



Activities Include

- Airport
- Economic Development

What we do

We aim to improve economic opportunities for Tauranga, mostly through Priority One and Tourism Bay of Plenty. Our focus is on visitors, investors, business and skill attraction, skill development and supporting innovation. We provide a high-quality airport that is self-funding and generates income.

How this affects you

This activity includes our airport, economic development and marine precinct. Our investments improve prosperity for the whole community while building economic resilience and sustainability. The airport connects Tauranga with the rest of the country and the world, while our marine precinct provides a purpose-built marine servicing facility at Sulphur Point which is managed by Tauranga City Council under the Vessel Works brand.

KEY IMPACT ON COMMUNITY WELLBEING



Economic



Environmental



Social



Cultural

Highlights in 2024/25

Collaboration:

A major achievement this year was our collaborative work across sectors and organisations on the regional deal submission. This initiative reflects our commitment to securing long-term investment and support for Tauranga and the wider Bay of Plenty region. The submission process has strengthened regional partnerships and positioned Tauranga as a key contributor to national growth.

The sale of the Marine Precinct was an achievement for the year.

Talent attraction and development

We also placed a strong emphasis on talent attraction and development, recognising that a thriving economy depends on a skilled and resilient workforce. Through targeted campaigns and partnerships with education providers and industry, we worked to attract talent to Tauranga and build local capability in our key sectors

We continue to invest in Tauranga Airport

We continue to provide upgrades that support growing passenger demand and enhance airport operations. This includes:

- The completion of 340 additional public car parks, improving accessibility for travellers.
- The construction of two new aircraft stands for commercial aircraft parking, increasing capacity and efficiency.
- The full replacement of all airfield lighting and visual navigation aids, reducing operational disruptions due to poor weather and significantly lowering electricity usage.

These improvements ensure Tauranga Airport remains a reliable and efficient gateway for the region.

05 | GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS - ECONOMIC DEVELOPEMENT

	2024/2025 Actual \$000's	2024/2025 Budget \$000's	2024/2025 Variance \$000's	Key Variance Explanations for 2025
Airport Upgrades & Renewals	2,943	522	(2,421)	Delivery of new fire truck delayed until 2025/26 (deposit only paid in FY25) and Civic Aviation Authority security upgrade deferred to FY34.
Marine Facilities Upgrades & Renewals	6,728	-	(6,728)	Budget includes \$5.7m for new Alongside Wharf at the Marine Precinct, which has been deferred until FY26. Remaining budget was for Marine Precinct renewals, which did not occur.

Note: includes operational projects of a capital nature, excludes vested assets and asset sales.

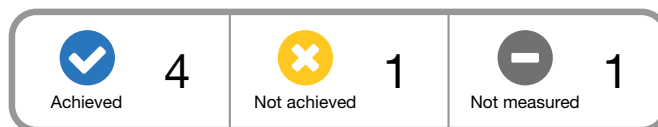
TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - ECONOMIC DEVELOPEMENT











	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	Key Variance Explanations for 2025
SOURCES OF OPERATING FUNDING					
General rates, Uniform Annual General Charges, Rates Penalties	-	-	-	-	
Targeted Rates	5,165	5,347	5,399	52	Minor variance due to payments for digital content resource.
Subsidies and grants for operating purposes	-	-	-	-	
Fees and charges	11,079	16,205	16,365	160	Minor variance due to Marine Precinct user fees being collected for longer than expected and Airport parking revenue volumes.
Internal charges and overheads recovered	16	(1,320)	742	2,062	Internal interest revenue ahead of budget due to cash surpluses in the Airport activity.
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-	
Total Sources of Operating Funding (A)	16,260	20,232	22,506	2,274	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	10,355	10,335	11,256	921	The delayed settlement of the Marine Precinct resulted in extended contracts paid by TCC for the staff working in that area.
Finance Costs	944	721	2,250	1,529	Higher than budgeted interest costs associated with the Airport carpark and maintenance projects being approved after the LTP.
Internal Charges and Overheads applied	1,508	533	691	158	Council's overall allocated costs are higher than budgeted, mainly due to a digital expenditure and project write offs. This resulted to a significant variance in most areas.
Other Operating Funding applications	-	-	1,419	1,419	Provision for loss expected on stage 2 of Marine Precinct land sales
Total Applications of Operating Funding (B)	12,807	11,589	15,616	4,027	
Surplus/(Deficit) of Operating Funding (A-B)	3,453	8,643	6,890	(1,753)	

05 | GROUPS OF ACTIVITIES



TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - ECONOMIC DEVELOPMENT					Key Variance Explanations for 2025
	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	-	-	-	
Development and financial contributions	-	-	-	-	
Increase/(Decrease) in debt	4,742	2,921	5,462	2,541	Higher than budgeted debt associated with the Airport carpark and maintenance projects being approved after the LTP.
Gross Proceeds from the Sale of Assets	-	4,140	3,399	(741)	Loss from stage 1 of Marine Precinct land sales
Lump sum contributions	-	-	-	-	
Other Dedicated Capital Funding	-	-	-	-	
Total Sources of Capital Funding (C)	4,742	7,061	8,861	1,800	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	212	-	3,852	3,852	Airport Carpark and new apron gates were approved after the LTP.
- to improve level of service	4,530	7,292	1,539	(5,753)	Airport Security project and Marine Precinct projects have prioritised to later years.
- to replace existing assets	289	2,379	1,462	(917)	Airport fire truck delivery postponed to 2025/26 with only the deposit being paid in 2024/25.
Increase/(Decrease) in reserves	3,164	6,033	8,898	2,865	Increase in reserves due to airport surplus.
Increase/ (Decrease) of investments	-	-	-	-	
Total Applications of Capital Funding (D)	8,195	15,704	15,751	47	
Surplus/(Deficit) of Capital Funding (C-D)	3,453	(8,643)	(6,890)	1,753	
Funding Balance ((A-B)+(C-D))	0	0	0	0	

05 | GROUPS OF ACTIVITIES



PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide airport customers with fit-for-purpose airport facilities	Percentage of the time airport operational infrastructure is available (safe and fully compliant with CAA regulations)	 New measure	450,000	 100%	For the year 1 July 2024 to 30 June 2025, the percentage of time the airport's operational infrastructure was available (safe and compliant with CAA regulations) was 100%.
We are committed to enhancing Tauranga's reputation as a desirable visitor destination by fostering positive resident sentiment and collaborating with Tourism Bay of Plenty and the tourism sector	Percentage of residents who believe the tourism sector makes a positive impact to the community	 New measure	60%	 85%	This is a positive result, with 85% of residents continue to have a sentiment toward tourism—well above the target of 60%. The result shows that residents continue to highlight positive views of tourism in the community. As this is a new measure, it establishes a strong baseline for future reporting and reinforces the value of ongoing engagement with residents on tourism-related matters. Source: Annual Residents Survey
	Domestic and international tourism spending in the city	 0.1%	Increasing	 -2.2%	Despite international visitor spend being up by over 20%, this was not enough to offset a soft domestic market, which continues to be impacted by challenging economic conditions. This resulted in overall domestic and international spending decreasing by 2.2% in comparison to the previous year.
With our City Partners, we will foster economic development in Tauranga by facilitating investment, innovation, and small business support, while aligning residents' skills with business needs for meaningful work outcomes.	Knowledge Intensive Jobs – share of total jobs	 New measure	210	 249	This was a positive result for council, surpassing our target of 210 with participants looked to begin new businesses.
	The percentage of knowledge-intensive jobs in Tauranga as a share of total jobs	 29.6%	28%	 29.7	In 2024, Tauranga City had 25,528 people employed in knowledge-intensive industries, making up 29.7% of the city's total employment. While this is slightly below the national average of 33.0%, Tauranga saw stronger growth in this sector, with a 3.6% increase in employment, compared to New Zealand's overall rate of 2.5%.

05 | GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide the marine and fishing industries with efficient and reliable facilities in the Marine Precinct, including vessel lifting and hardstand facilities, berthing facilities, and wharves for loading and unloading ice	Hardstand occupancy rate	 36%	≥40%	 -	A result for this measure is not available for the financial year as the Marine Precinct sold on 30 April 2025, and is no longer controlled by council.

Challenges in 2024/25:

Economic conditions have continued to affect key sectors essential to Tauranga's prosperity, leading to reduced activity and investment. In addition, shifts in central government priorities have also introduced uncertainty around funding and policy direction, requiring council to be agile and responsive.

Road congestion continues to impact business and freight productivity. We have continued advocating for increased investment in transport solutions while working with partners to explore innovative approaches to infrastructure development.

At the day-to-day delivery level, we encountered some operational challenges with technical and supply chain issues, which impacted on-time performance and cancellation rates at the airport. The construction of new car parks required careful planning to ensure uninterrupted access for vehicular traffic, including 24/7 emergency services. The installation of a new lighting system, particularly at the operations centre, had to be meticulously coordinated to avoid disruptions to existing operations.

The sale of the Marine Precinct was a challenge this year after the sale was halted by a High Court interim injunction after concerns were raised about the process and potential impacts on local marine businesses. In April 2025, the injunction was dismissed allowing the sale to proceed.

Looking ahead

In 2025/26, we will:

- As we move into the next financial year, Priority One will begin the search for a new Chief Executive to lead the organisation into its next phase. This transition provides an opportunity to refresh our strategic direction and strengthen leadership capacity.
- With the regional deal MOU signed as of 2 July 2025, we will advance negotiations and implementation planning to ensure Tauranga fully capitalises on this opportunity. Our commitment to attracting and developing talent remains strong, with new initiatives designed to connect local talent with emerging opportunities and foster inclusive economic growth.
- In response to continued airport growth, we plan to construct an additional aircraft stand, replace a 40-year-old fire truck, and complete a new aircraft hangar complex.

Emergency Management



What we do

Our emergency management activity works with communities, businesses and partners/ stakeholders (e.g. NZ Police, Fire & Emergency NZ, non-government organisations and community groups) to ensure effective resilience to, response to, and recovery from hazard events in Tauranga. Central to this is an all-hazards, all risks, integrated and community-focused approach that prioritises:

- identifying, assessing and communicating hazards and risks to the community
- promoting and enabling our communities to be aware of, and resilient to hazard consequences
- preparing Tauranga City Council for its role of coordinating the response to, and recovery from, emergencies
- collaborating with partner agencies and organisations to be able to collectively support our communities during and after emergencies
- leading or supporting a city-wide response and coordination of relief for people and animals during an emergency
- enhancing Tauranga's capability to recover from emergencies.

How this affects you

Tauranga City Council is part of the Bay of Plenty Civil Defence Emergency Management (CDEM) group, along with the region's regional and district councils. The functions of the CDEM group includes the coordination of civil defence emergency management planning, delivering CDEM programmes and CDEM activities across the region, and carrying out risk management. The emergency management activity aims to increase community awareness, understanding, readiness, resilience, and participation in emergency management.

KEY IMPACT ON COMMUNITY WELLBEING



Economic



Environmental



Social



Cultural

Highlights in 2024/25

Stronger connections through community engagement

Community engagement was a key priority for the emergency management team during the last 12 months. Recent events across the country and the world have reinforced the need for communities to better understand the impacts of emergency events and how to be better prepared for when the next event occurs. The team have attended more than 100 community engagement activities and events, including making connections with new groups such as multi-ethnic and disability groups across the city.

Expanding virtual reality education to flood preparedness

Building on the recent success of our earthquake and tsunami virtual reality education tool, we have developed an additional module based on flooding preparedness and response. Launched in late 2024, the new module has already been well received by the public and has further enhanced our ability to communicate preparedness messaging by utilising modern and interactive technology.

Growing emergency response capability

We have worked hard to grow and maintain our response capability alongside ongoing recruitment, training and development opportunities for Emergency Operations Centre (EOC) staff. We have been able to exceed our required KPI measurements in relation to numbers of trained and engaged staff. Monthly 'stand-up' sessions, scenario-based learning and promotion of external courses have seen council continue to be response ready for the city.

05 | GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - EMERGENCY MANAGEMENT

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
SOURCES OF OPERATING FUNDING				
General rates, Uniform Annual General Charges, Rates Penalties	1,876	1,530	1,272	(258)
Targeted Rates	422	176	175	(1)
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	-	-	-
Internal charges and overheads recovered	-	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	-	-	-
Total Sources of Operating Funding (A)	2,298	1,706	1,447	(259)
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff & Suppliers	1,357	1,333	1,045	(288)
Finance Costs	179	79	78	(1)
Internal Charges and Overheads applied	577	289	313	24
Other Operating Funding applications	-	-	-	-
Total Applications of Operating Funding (B)	2,113	1,701	1,436	(265)
Surplus/(Deficit) of Operating Funding (A-B)	185	5	11	6
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(Decrease) in debt	9	-	1	1
Gross Proceeds from the Sale of Assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-
Total Sources of Capital Funding (C)	9	-	1	1

**Key Variance
Explanations for 2025**

Rates requirement was lower than budgeted due to lower consultancy, education and operating costs.

Minor variance.

Lower consultancy, education and operating costs due to the team being understaffed for part of the year. Vacancies were not filled immediately resulting in delayed projects and associated spend.

Minor variance.

Council's overall allocated costs are higher than budgeted, mainly due to a digital expenditure and project write offs. This resulted to a significant variance in most areas.

Minor variance.

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - EMERGENCY MANAGEMENT

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve level of service	-	-	1	1
- to replace existing assets	37	-	-	-
Increase/(Decrease) in reserves	157	5	11	6
Increase/ (Decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	194	5	12	7
Surplus/(Deficit) of Capital Funding (C-D)	(185)	(5)	(11)	(6)
Funding Balance ((A-B)+(C-D))	0	0	0	0









**Key Variance
Explanations for 2025**

Minor variance.

Minor variance.

05 | GROUPS OF ACTIVITIES



PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide an Emergency Operations Centre (EOC) to ensure an effective emergency response	Percentage of EOC positions filled	 New measure	≥60%	 100%	The council is required to have 60% of positions filled for the Emergency Operations Centres, which was achieved for the year. This number is agreed by Emergency Management Bay of Plenty.
	Percentage of EOC staff adequately trained	 New measure	≥60%	 100%	Council is required to have at least 60% of staff trained at an intermediate level as set by Emergency Management Bay of Plenty. This year, all EOC staff were adequately trained.
	Number of training activities or exercises conducted	 New measure	≥1	 9	Emergency management staff conducted three training sessions for EOC staff, as well as two sessions for Duty Emergency Management Officers and Controllers.
We will provide community education initiatives to increase public awareness and preparedness	Percentage of residents that know they need to be self-reliant in the event of a major civil defence emergency	 New measure	80%	 82%	<p>Council staff actively participated in a wide range of community events, including school visits and local initiatives such as the Sirens & Services event in Welcome Bay, helping to raise awareness and build resilience.</p> <p>The Community Emergency Hub Pilot Programme has now concluded. Planning and engagement efforts are now focused on the next priority areas: Welcome Bay, Ōhauiti, and Maungatapu</p> <p>Source: Annual Residents Survey</p>

Challenges in 2024/25:

Evacuation planning

Evacuation planning for the Mount Maunganui to Pāpāmoa East coastline continues to be a challenge for the emergency management team. With a greater focus on community-led planning combined with improved collaboration with council departments and other stakeholders such as emergency services, this work remains a priority. Some proposed solutions will require significant financial contribution and planning. However, community education and better emergency preparedness will help us to have a well-prepared city.

Looking ahead

In 2025/26:

- We will broaden our engagement footprint across the city by establishing new connections with the disabled, multi-ethnic and youth communities. This work, alongside the roll-out of the Community Emergency Hub program and Community-led Evacuation Working Groups shows our commitment to improving the city's ability to better understand and plan for emergencies.
- We will complete the new dedicated Emergency Operations Centre facility.
- Implement the proposed changes to the current Civil Defence Emergency Management Act 2002. The new Emergency Management Bill aims to strengthen New Zealand's emergency management system and take a whole-of-society approach to emergency management.
- 2025/26 Annual Plan and Long-Term Plan deliberations have highlighted the community's desire for Council to improve evacuation planning and education across the city. A project team will be created to continue to improve the city's ability to better understand and plan for emergencies such as tsunamis.
- Support changes to the proposed changes to the current Civil Defence Emergency Management Act 2002. The new Emergency Management Bill aims to strengthen New Zealand's emergency management system and take a whole-of-society approach to emergency management.

Regulatory and Compliance



Activities Include

- Animal Services
- Building Services
- Environmental Health and Licencing Environmental Planning
- Regulation Monitoring

What we do

This activity includes animal services, building services, environmental health and licensing, environmental planning and regulation monitoring.

We administer acts, regulations, bylaws and policies relating to:

- the owning, keeping and managing of a wide variety of animals within our city
- the Building Act 2004, Building Code, and associated legislation. We also ensure all building projects meet these requirements
- the efficient processing, review and delivery of resource consent (and related) decisions. We also consider Building Consent applications through an RMA lens, and provide technical planning and engineering advice to both internal and external customers
- protecting public health through education, registration and monitoring of food and health-related businesses, and ensuring that activities undertaken on public and private land do not cause public health risk and nuisance
- the enforcement of bylaws and various land transport legislation, contributing to the community's wellbeing by educating the public on specific legislative responsibilities.

How this affects you

We promote a safe and healthy environment for people and animals, ensuring that building work is safe and meets code, and that our city develops in the right way. We ensure bylaws are consistently applied, and that people are educated about their responsibilities. We promote an environment where people and animals can interact without fear or intimidation, while also providing adequate opportunities to fulfil the exercise, recreational and socialisation needs of dogs and their owners. We aim to ensure city development and growth occurs effectively and efficiently in a manner that is consistent with our community's expectations and key legislation, while providing fit-for-purpose vested council infrastructure.

KEY IMPACT ON COMMUNITY WELLBEING



Economic



Environmental



Social



Cultural

Highlights in 2024/25

Modernising parking compliance through technology

Developing and implementing a successful enforcement approach to monitor the parking buildings was a key focus this year. As part of the removal of barrier arms to our two parking buildings, these areas required proactive enforcement. Working with our transport team and external suppliers, the parking team implemented a successful approach to monitor compliance using automatic number plate recognition (ANPR) technology.

Alcohol Fees Bylaw

Council adopted its Alcohol Fees Bylaw, allowing us to set our own alcohol licensing fees. Currently, these fees are prescribed by government legislation and have remained unchanged since 2013. The new bylaw gives council the option to review how alcohol licensing is funded and provides an opportunity to shift a greater share of costs from general rates to licensing fees.

Environmental Health secures IANZ accreditation

The Environmental Health team successfully passed the external IANZ audit of their Quality Management System (QMS), securing approval as a Recognised Verification Agency for an additional three years. This accreditation is essential for continuing to carry out food business verifications (inspections).

Bark in the Park continues to grow in popularity

The annual 'Bark in the Park' event was a great success and continues to grow, becoming an important date in the calendar for dog owners. This year saw twice the number of vendors attend and an estimated 1000 dog owners, up from 500 the previous year.

LIM applications

The LIM and Property File team experienced a year-on-year increase of approximately 10% in LIM applications. Despite the higher volume, the team successfully delivered 99% of LIMs within the statutory 10-day timeframe—an improvement from 83% in the previous year.

Request for information module a success

Building services worked with our software provider, Objective Build, through 2024 to develop and deliver a new Request For Information (RFI) module that is now used across the county. We launched the new RFI environment in September 2024, and it has significantly streamlined the process of raising and tracking RFIs—for both our team and colleagues nationwide. This has helped improve the customer experience as we can now see the same view that applicants see and can talk through the issues raised far more easily.

Consent approvals

The building services consent allocation timeframe and compliance with statutory timeframes have both improved significantly over the year. Allocations were typically completed by day 12, whereas now they generally do not exceed five days. This, amongst other things, has helped significantly improve statutory timeframes.

This year we have seen an ongoing improvement in compliance with legislative timeframes, with 97% of all new resource consent applications being processed on time. This is a significant improvement on recent years where this figure was as low as 60% (2021/22) and marks the first time council has met its target (95%) since at least 2017/18.

05 | GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - REGULATORY & COMPLIANCE					Key Variance Explanations for 2025
	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	
SOURCES OF OPERATING FUNDING					
General rates, Uniform Annual General Charges, Rates Penalties	7,323	9,229	7,932	(1,297)	Lower expenditure and higher revenue in some areas, mainly Environmental Planning, has resulted in a lower overall rates requirement.
Targeted Rates	-	268	282	14	Higher volume of targeted rates for pool inspections.
Subsidies and grants for operating purposes	-	-	23	23	Unplanned MBIE grants payment to support the Bylaws Monitoring area for a Freedom Camping Transition.
Fees and charges	20,813	21,474	19,294	(2,180)	Building consents are under budget due to lower volumes. This is partially offset by higher volumes in Environmental Planning and LIM requests.
Internal charges and overheads recovered	-	(341)	214	555	Budgeted interest on cash deficits has been recognised in applications of operational funding below. This is mainly related to the Building Services area.
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	160	128	186	58	Regulation Monitoring penalties and fines revenue is above budget due to higher volumes than expected.
Total Sources of Operating Funding (A)	28,296	30,758	27,931	(2,827)	
APPLICATIONS OF OPERATING FUNDING					
Payments to Staff & Suppliers	17,780	23,106	21,845	(1,261)	Building Services and Environmental Planning salaries lower due to position vacancies.
Finance Costs	339	118	805	687	Internal interest is based on actual spend on projects and reserves balances and a change in methodology to correctly recognise opening balances since the LTP.

05 | GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - REGULATORY & COMPLIANCE

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
Internal Charges and Overheads applied	12,141	9,018	9,162	144
Other Operating Funding applications	-	-	11	11
Total Applications of Operating Funding (B)	30,260	32,242	31,823	(419)
Surplus/(Deficit) of Operating Funding (A-B)	(1,964)	(1,484)	(3,892)	(2,408)
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase/(Decrease) in debt	11	13	284	271
Gross Proceeds from the Sale of Assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other Dedicated Capital Funding	-	-	-	-
Total Sources of Capital Funding (C)	11	13	284	271
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	-	-	-	-
- to improve level of service	11	11	286	275
- to replace existing assets	-	3	(2)	(5)
Increase/(Decrease) in reserves	(1,964)	(1,485)	(3,892)	(2,407)
Increase/ (Decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	(1,953)	(1,471)	(3,608)	(2,137)
Surplus/(Deficit) of Capital Funding (C-D)	1,964	1,484	3,892	2,408
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2025**

Council's overall allocated costs are higher than budgeted, mainly due to a digital expenditure and project write offs. This resulted to a significant variance in most areas.

Bad debts in Building Services area have been written off.

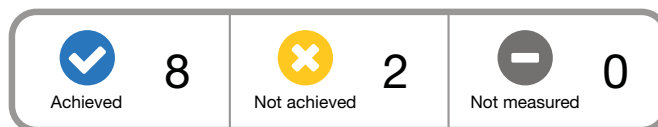
This related to the Pound refurbishment project











The Pound refurbishment was delayed in 2023/24 and the budget was carried forward for completion in 2024/25

Minor variance.











Lower than budgeted revenue, primarily in Building Services, has resulted in a higher cash deficit.

05 | GROUPS OF ACTIVITIES



PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide technical advice and consent decisions within statutory timeframes	Percentage of building consent applications approved within statutory timeframes	 65%	95%	 83%	The result shows an 8% increase over the 65% result from the previous year, continuing a long-term trend of improvement. Building Services has several processes and mechanisms in place to monitor and drive improvements which are clearly being effective, despite the overall result being below target.
We will provide timely building inspections.	Average minimum wait time for a standard building inspection	 1.1 days	≤4 Days	 1.3 days	Due to a slowdown in building activity within the city, the average wait time for a building inspection has been 1.3 days on average, below the target of 4 days.
We will meet the community's expectations through making professional regulatory decisions.	Percentage of new resource consent applications processed within statutory timeframes	 85%	95%	 96%	Council issued 425 resource consent decisions during the 2024/25 financial year, including 340 new consents. Of the new consents, 96% were processed within statutory timeframes. Overall, 92% of all consent decisions met the required statutory timeframes.
We will monitor traffic and parking bylaw and related legislation, taking an education approach to raise awareness in the community, or enforcement where appropriate.	Percentage of parking complaints responded to within 24 hours	 92%	95%	 95%	2,707 complaints were received within the 2024/25 financial year, of which all but 139 (5%) were attended to within 24 hours.
We will provide a prompt response to animal behavioural issues	Percentage of animal complaints involving a rush or attack on a person contacted within 60 minutes where there is an ongoing risk to safety	 85%	95%	 76%	There were 28 incidents during the year where a complaint was received involving an animal rushing or attacking a person. Of these, there were four occasions where the person was not contacted within the one-hour timeframe due to being understaffed. On two of these occasions the attacking animal had returned home but could not be confirmed that the animal was secure, and the complaints weren't passed on to animal after-hours service.

05 | GROUPS OF ACTIVITIES

PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide an effective dog registration process that supports a safe community	Percentage of known dogs that are registered	 99%	95%	 97.7%	There were 14,648 dogs registered from a database of 15,861 known dogs. Of the 1,213 known unregistered dogs, 605 infringements were issued, and 249 unregistered dogs were impounded.
We will inspect alcohol-licensed premises and conduct enforcement as appropriate.	Percentage of venues with new or renewed alcohol licences that have been inspected	 93%	95%	 96%	Between 1 July 2025 and 30 June 2025, 108 premises were required to be inspected, of which 104 were completed (96%).
We will verify registered food premises and conduct enforcement as appropriate.	Percentage of food premises that have been inspected as required by the Food Act 2014	 98%	95%	 101.6%	610 of 600 verifications were completed (101.6%) within this financial year. In addition, throughout the year, Food Safety Officers conducted 49 food safety investigations, 37 of which required enforcement action. Note: As food businesses open, close, or undertake short-term suspensions of operations, the number of required verifications change (both up and down).
We will provide a noise control service to ensure community wellbeing is protected from excessive and unreasonable noise	Percentage of noise complaints that are attended within 1 hour of the second call to the Customer Service Centre	 100%	95%	 95%	We achieved the target for the 2024/25 year.
We will monitor the Freedom Camping Bylaw and provide education and enforcement where appropriate.	Freedom camping bylaw patrol completion rate a) Daily patrols of key designated and prohibited freedom camping sites from November - April b) Patrol same sites 4 nights a week from May - October	 100%	95%	 100%	100% of patrols were completed for the year over 13 key designated and prohibited freedom camping sites. During these patrols, 1,628 infringements were issued. In addition, 143 complaints received to council were actioned and investigated

Challenges in 2024/25:

Managing rising aggression and conflict during enforcement

We have continued to see an increase in challenging interactions when dealing with the community in our enforcement capacity across all teams. Rising economic pressures and other stressors have contributed to the challenging interactions, particularly within parking, animal services, and alcohol and food licensing.

In response, we have prioritised staff wellbeing and safety through conflict management training, tailored for both face-to-face and digital engagements. We've deployed personal protective equipment to minimise risk.

Ongoing challenges with homelessness and compliance complaints

Homelessness is a growing issue in Tauranga. The number of people experiencing homelessness has increased, and the lack of a multi-agency response often leaves us as the only agency providing outreach support. There has been a 38% increase in bylaw compliance-related complaints this financial year compared with last year, including a 43% increase specifically in homelessness-related complaints.

Refining processes through new alcohol licensing

A new Alcohol Licensing Quality Management System (QMS) and accompanying key performance indicators (KPIs) were implemented this year. Auditing the QMS revealed inefficiencies and errors within our application process - an essential step toward process improvement. One key issue identified was the absence of a payment mechanism in the online application system. Without the ability to pay at the time of applying, some applications remain unprocessed for months despite staff follow-up.

Decreased voluntary compliance in animal services

The Animal Services team has experienced a drop in voluntary compliance and an increase in more difficult interactions with customers. There has been an increase in impounded dogs, with fewer of these being claimed by their owners. A 20% increase in dog registration fees for 2024/25 has likely contributed to this trend. It resulted in fewer registrations being made on time and a higher number of dogs declared as dead. For the first time, the total number of known dogs has decreased, after years of averaging 3% annual growth.

Falling adoption rates

Finding new homes for adoption dogs has become increasingly difficult, leading to a rise in annual euthanasia. While local rescue agencies have helped, including by

rehoming dogs to the South Island, reduced interest in adoption is a trend seen across the upper North Island. Many councils are reporting increased impounds and euthanasia, which is also taking an emotional toll on staff.

Looking ahead

In 2025/26:

- Our Bylaws team will be working closely with the Transportation and Property teams as we begin to charge for use of public space with Licence to Occupy agreements. We expect this to be demanding on our resources given the continued increase in bylaw-related complaints
- The Ministry for Primary Industries (MPI) has introduced new legislation where all food businesses will be required to pay a levy. The legislation requires us to invoice and collect this levy on MPI's behalf. We will also be implementing a new charging system for verifications which will ensure more user pays and less ratepayer funding. Although most businesses will pay more for verifications, the charging will be transparent and based on actual time spent on this service.
- Animal Services is reviewing its Keeping of Animals and Dog Management Bylaw, seeking public feedback on a range of issues. Some of the topics covered are whether there should be more "lead control" areas for dogs to protect sensitive species near estuaries and waterways, the implementation of 'dog parks', whether professional dog walkers need to be licensed, and how much poultry should be allowed to be kept at residential properties.
- The LIM and Property File team aims to maintain its high standard of timeliness while continuing to ensure the accuracy of information provided. In preparation for upcoming regulatory changes, the team plans to collaborate closely with the Department of Internal Affairs, other territorial authorities and the Regional Council to support the implementation of the new requirements.
- The Building Act is expected to change in the next 12 months, with an increase in self-certification, changes to liability provisions and reduced regulatory oversight of low-risk building work. Our team are actively working with MBIE to help make these changes successful.
- Central government is also progressing major reform in resource management and planning, with the pending replacement of the Resource Management Act. This presents an opportunity to influence policy towards improving the way resource management works. It also presents a challenge preparing our staff and the wider community for this new framework.

Spaces and Places



Activities Include

- Cemeteries
- Mount Beachside Holiday Park
- Marine Facilities
- Spaces and Places

What we do

This activity includes our cemeteries, Mount Beachside Holiday Park, marine facilities and our city's spaces and places. We provide cemetery and cremation services, quality beachside accommodation, safe and well-maintained marine facilities, attractive parks and quality urban spaces. We provide services and spaces that make Tauranga a better place to live while helping to connect our communities. This includes access to cremation, burial plots, memorials, a chapel and lounge at our cemeteries and a peaceful environment to remember the deceased.

How this affects you

We provide a place to preserve the history of the deceased and deliver social and cultural benefits by having a place for remembrance and connection.

We enable residents to enjoy our marine environment and encourage outdoor activity, contributing to Tauranga's lifestyle and supporting local marine-based entities.

We plan for, maintain and enhance a well-utilised network of quality reserves and community facilities that enables a range of experiences including passive recreation, sport and play.

KEY IMPACT ON COMMUNITY WELLBEING



Economic



Environmental



Social



Cultural

Highlights in 2024/25

This year saw several milestones in our work to enhance spaces and places for the people of Tauranga:

Waitaha Reserve upgrade

This project transformed an underutilised reserve into a vibrant, multi-purpose community space. The design emphasises inclusivity, accessibility and environmental sustainability, creating a destination that supports wellbeing and community connection.

Te Rere o Ōmanawa Falls

The final phase of this culturally significant project was completed with the opening of a new visitor facility, incorporating an information centre, café and hub. This development supports safe and respectful access to the falls and enhances the overall visitor experience.

National recognition of community outcomes

Several of our projects were acknowledged by Recreation Aotearoa awards. These awards recognise the value these spaces are delivering to our community and the high standard of design and delivery by our teams and partners. See the awards and recognition section for a list of these awards.

Kōpūrererua Stream realignment

The three-year realignment of the Kōpūrererua Stream is now complete. This major ecological restoration reconnects the stream with its natural flood-plain, improves biodiversity, and builds resilience in our urban environment. It represents one of the largest projects of its kind nationally.

Warehouse building becomes indoor courts

In May 2025, we proudly opened the Haumaru Sport and Recreation Centre and welcomed the University of Waikato as the naming rights sponsor. This was a landmark for delivering quality community infrastructure quickly and cost-effectively.

Pāpāmoa pathway

In December 2024, the installation of a section of boardwalk over the dunes near Alexander Place marked the completion of stage one of the Pāpāmoa shared pathway. The pathway connects Pāpāmoa Domain with Parton Road, enhancing access to the coastline and improving connectivity across the suburb. The project helps promote active transport along with safe, accessible infrastructure for the local community.

05 | GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS - SPACES & PLACES				
	2024/2025 Actual \$000's	2024/2025 Budget \$000's	2024/2025 Variance \$000's	Key Variance Explanations for 2025
Active Reserve Development	15,935	10,875	(5,060)	Reprioritisation of initiatives, particularly Bay Park and Blake Park reserve development budgets which have been deferred to FY26.
Bay Venues New Capital	7,364	3,097	(4,267)	Deferral of projects to offset the prioritisation of Baypark masterplanning work post-adoption of the 2024-34 LTP. Actual spend reflects 80% of new capital investment funded by TCC (pertaining to assets across the funded network).
Capital Delivery Adjustment	(13,000)	-	13,000	Removal of the capital delivery adjustment from FY25 onwards.
Cemeteries Capital Programme	218	713	495	A carry forward was approved from FY24 to allow for the purchase of a new cremator.
City Centre Development	2,067	1,232	(835)	Budgets have been re-prioritised in this category and reduced to reflect a smaller programme of work in parks, reserves and other green spaces around the City Centre.
City Centre Waterfront Development	9,149	9,126	(24)	Minor variance.
City Operations Capital	880	1,053	173	Additional budget was approved during the year to allow for the set up of a new depot.
Community Centres	11,183	6,177	(5,005)	The Gate Pā Community Centre was delayed due to resource consent notification and will be completed in FY26. The Merivale Community Centre is tracking under budget.
Marine Facilities Upgrades & Renewals	5,143	1,323	(3,820)	Deferral of Fisherman's Wharf renewal.
Memorial Park Aquatics & Recreation Hub	20,572	9,129	(11,443)	Delay in the start of the Memorial Park Aquatics Facility project while further investigations and options are considered.
Memorial Park to City Centre Pathway	669	3,765	3,096	A carry forward was approved from FY24 to complete Stage 1 (underpass and Strand boardwalk).
Neighbourhood Reserves & Other Minor Capital Projects	3,943	2,352	(1,590)	Budgets have been deferred in this category and reduced to reflect a smaller programme of work.
Ōmanawa Falls Development	-	505	505	A carry forward was approved from FY24 to complete the building at Ōmanawa falls.
Parks Level of Service Capital Development	2,895	1,179	(1,716)	Mount infill development, Coronation Park refurbishment and Maunganui Road commercial area streetscape enhancement projects deferred to later years.
Parks Renewals	3,927	3,221	(706)	Various minor project delays and deferrals.
Property Management Upgrades & Renewals	878	921	43	Minor variance.
Te Manawataki ō Te Papa	4,428	4,752	325	Delayed completion of Masonic Park in FY25, partly offset by deferral of site A establishment budget into future years.
Te Papa Intensification	3,623	3,915	292	Unspent FY24 bulk budget relating to city centre public spaces upgrades was carried forward into FY25. Most of the work undertaken in the year related to the demolition of 79 Grey Street in preparation for a laneway through to Durham Street, with the balance being used to upgrade Red Square.
TACT Park Development	207	250	43	Minor variance.

Note: includes operational projects of a capital nature, excludes vested assets and asset sales.

05 | GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - SPACES & PLACES

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
SOURCES OF OPERATING FUNDING				
General rates, Uniform Annual General Charges, Rates Penalties	52,928	68,611	74,997	6,386
Targeted Rates	5,992	196	177	(19)
Subsidies and grants for operating purposes	72	3	2,165	2,162
Fees and charges	5,868	6,862	6,069	(793)
Internal charges and overheads recovered	-	(269)	70	339
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	515	1,153	1,042	(111)
Total Sources of Operating Funding (A)	65,375	76,556	84,520	7,964
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff & Suppliers	38,031	62,088	63,118	1,030
Finance Costs	6,775	13,551	15,471	1,920
Internal Charges and Overheads applied	9,084	10,294	11,373	1,079
Other Operating Funding applications	-	-	3	3
Total Applications of Operating Funding (B)	53,890	85,933	89,965	4,032
Surplus/(Deficit) of Operating Funding (A-B)	11,485	(9,377)	(5,445)	3,932

**Key Variance
Explanations for 2025**

Increased rates requirements due to unbudgeted spend across City Operations, Bay Venues, Spaces and Places, Marine Facilities and Cemeteries

Minor variance

Unbudgeted grants received from Crown Infrastructure Partners (CIP) as reimbursement for work done in relation to the landslide in Maungatapu and grants from Port of Tauranga for to contribute towards funding of seawalls maintenance.

Loss of boat ramp parking revenue following decision to no longer charge and lower than budgeted user fees in Beachside Holiday Park. Lower than budgeted depreciation transfer on new capital from Bay Venues due to reclassification of assets to the funded network.

Recovery of internal recharges from City Operations to other business areas are higher than budgeted due to unplanned works.

Decreased intercompany revenue due to lower intra-group loan balance between TCC and Bay Venues.

A grant to Bay Oval Trust was delayed from the previous year so funds were carried forward and paid in 2024/25, this is partially offset by a lower renewals grant to Bay Venues due to delayed project delivery.

Internal interest is based on actual spend on projects and reserves balances and a change in budget methodology to correctly recognise opening balances since the LTP.

Council's overall allocated costs are higher than budgeted, mainly due to a digital expenditure and project write offs. This resulted to a significant variance in most areas.

Minor variance.

05 | GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - SPACES & PLACES

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
SOURCES OF CAPITAL FUNDING				
Subsidies and grants for capital expenditure	36,000	4,099	0	(4,099)
Development and financial contributions	1,121	1,590	1,313	(277)
Increase/(Decrease) in debt	(4,402)	46,364	61,085	14,721
Gross Proceeds from the Sale of Assets	-	-	82	82
Lump sum contributions	4,483	9,747	847	(8,900)
Other Dedicated Capital Funding	-	-	-	-
Total Sources of Capital Funding (C)	37,202	61,800	63,327	1,527
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	11,706	17,394	8,793	(8,601)
- to improve level of service	28,479	50,879	49,410	(1,469)
- to replace existing assets	11,455	10,307	4,958	(5,349)
Increase/(Decrease) in reserves	(2,953)	(26,157)	(5,279)	20,878
Increase/ (Decrease) of investments	-	-	-	-
Total Applications of Capital Funding (D)	48,687	52,423	57,882	5,459
Surplus/(Deficit) of Capital Funding (C-D)	(11,485)	9,377	5,445	(3,932)
Funding Balance ((A-B)+(C-D))	0	0	0	0

**Key Variance
Explanations for 2025**

IFF grants relating to TMOTP were not received after the decision to fund this project on Council's balance sheet. Refer to section 2 for more information on IFF.

Lower than budget due to lower than anticipated growth and consent as a result of the downturn in the housing market.

Higher expenditure resulted in more borrowing requirements.

Minor variance.

Expected subsidies relating to the Memorial park aquatics facilities and the Cameron road indoor courts were not received from TECT and Gaming Trust respectively.

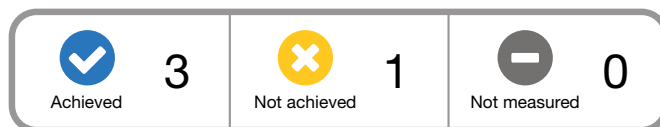
Behind budget due to reprioritisation of capital budgets mainly within the active reserves programme.









Minor variance.

Deferral of project to upgrade the Northern end of the Strand seawall (to include a living seawall). Fergusson Park boat ramp renewal project only partially completed this year but was budgeted to be completed in 2024/25.

Lower than budgeted renewals as identified above along with higher than budgeted depreciation being transfer into reserves have resulted in a positive variance.

05 | GROUPS OF ACTIVITIES



PERFORMANCE MEASURES					
Level of service	Performance measures	2023/24 result	2024/25 target	2024/25 result	Comments
We will provide a network of open spaces, parks, and play spaces	Percentage of residential households that are within 500m of a neighbourhood area open space	 92%	95%	 87%	While this result is under the target. The development of a new reserve in Pāpāmoa East increases the number of homes with easy access to neighbourhood area open space. This is anticipated to increase in the new financial year with the completion of a new reserve development at Pyes Pā. While this measure only considers access to neighbourhood area open space as defined in the Open Space Level of Service Policy, almost all residents are within some form of open space including stormwater reserves and the coast.
	Percentage of residents satisfied or neutral with the quality and experiences offered by Tauranga open spaces, parks, and play spaces	 New measure	85%	 94%	Overall satisfaction with open space remains high with residents highlighting recent park upgrades and investment in boardwalks and shared paths. Feedback also supported further investment in shade, seating options, and a greater range of play equipment, including exercise equipment. Source: Annual Residents Survey
We will value, protect, and enhance our environment	Percentage of vegetation canopy cover in Tauranga	 New measure	≥21%	 22%	This is a three-year measure. The next measure will be taken in 2026.
	Percentage of residents satisfied or neutral with the opportunities to access and experience nature in Tauranga	 New measure	75%	 92%	A total of 92% of residents responded as satisfied or neutral regarding their opportunities to access to nature (76% satisfied, 16% neutral). Source: Annual Residents Survey

Challenges in 2024/25:

Our city's rapid growth, along with historical underinvestment in parks and community facilities, continues to place pressure on our network. While we remain focused on delivering the highest value with available funding, demand is increasingly outpacing capacity.

Managing competing demands on our active reserves is becoming more challenging, with rising participation putting pressure on field availability and the provision of supporting facilities.

We are placing greater emphasis on nature and biodiversity education—working to build community understanding of the role trees and natural ecosystems play in urban environments, particularly in relation to climate resilience, health, and community identity.

Looking ahead

In 2025/26, we are:

- Opening the new Merivale Community Centre and commencing construction of the Gate Pā Community Centre. These centres have been developed with community input to ensure they reflect local needs and aspirations
- Commencing the Baypark Masterplan, starting with enabling works to support the relocation of the Tauranga Netball Centre from Blake Park. This is a key step in the long-term development of the Baypark precinct as a hub for major events and sport
- Opening the new artificial turf at Links Ave that will provide a durable, all-weather training and competition surface. This facility will support increased access for local football clubs, relieve pressure on natural fields, and boost year-round sporting capacity
- Working with multiple sporting groups across active reserves to assess needs and plan for future facility provision. This will ensure fair access and support participation growth across a range of codes
- Continuing our programme of playground enhancements, focused on delivering high-quality, inclusive and culturally reflective play spaces for local communities.

Support Services

What we do

Support Services predominantly provide internal support to our organisation. A successful city balances social, cultural, economic and environmental wellbeing, alongside effective urban form and transport. These internal activities assist in the effective and efficient delivery of all council services. By actively promoting health and safety, council can provide a safe, healthy and engaged work environment that contributes to our success, and ultimately deliver better outcomes for our staff and the wider community.

How this affects you

Support Services predominantly provide internal support to our organisation. A successful city balances social, cultural, economic and environmental wellbeing, alongside effective urban form and transport. These internal activities assist in the effective and efficient delivery of all council services. By actively promoting health and safety, council can provide a safe, healthy and engaged work environment that contributes to our success, and ultimately deliver better outcomes for our staff and the wider community.

Asset Services

Ensures public assets and asset management activities are fit-for-purpose and support sustainable communities. We provide capital programme assurance to ensure Tauranga City Council's capital programme is planned and executed effectively, consistently, and delivers on the agreed community outcomes.

Highlights in 2024/25

- Completed 2024-2034 Asset Management Plans and reviewed Asset Management Steering Group Terms of Reference and Commitment. These documents form the foundation of our council's asset management approach, ensuring optimal whole-of-life outcomes for council-owned assets.
- Agreed rainfall design criteria for flood management (secondary stormwater system) as part of Plan Change 27, incorporating climate change consideration to enhance city resilience.

- Improved processes for receiving information from construction projects. Accurate asset data is crucial for effective asset management.

Challenges in 2024/25

- Growing pressure from suppliers to include non-compliant products on the approved materials list amid the economic downturn.
- Continual community concerns and inquiries about natural hazard information.
- Reduction in capital expenditure disrupted the renewal programme, increasing the risk of asset failures.

Looking ahead

In 2025/26 we will:

- Jointly release coastal flood mapping with Bay of Plenty Regional Council
- Undertake a triennial review of the Infrastructure Development Code, including a review of easement requirements and the primary stormwater system design rainfall requirements
- Continue contributing towards the National Asset Data Standards and changing to a new asset information system for three waters.

Strategic Investment and Commercial Facilitation

Supports the strategic planning of projects involving our council's property needs and assets. This enables growth, the success of our city as a place with good infrastructure and civic facilities, attracts and supports a range of business and education opportunities, and ensures Tauranga is well connected with a range of sustainable transport choices.

Highlights in 2024/25

- Highlights for the Strategic Property team included the settlement of the Marine Precinct sale, completion of property agreements for Tauriko West Enabling Works, acquisition of slip-affected properties in Maungatapu, settlement of land sale and lease for 90 Devonport Road, settlement of the 134 Durham Street purchase for laneway connection, obtaining a strategic disposal

05 | GROUPS OF ACTIVITIES

classification for 79 Grey Street, and entering into a conditional lease with the University of Waikato for a future Marine Research facility.

Challenges in 2024/25

- Making decisions on selling surplus properties through the Asset Realisation Reserve.

Looking ahead

In 2025/26 we will progress:

- The process for the sale of Smith's Farm
- Developer agreements for the Tauriko West Urban Growth Area Development, Pukemapu / Rowesdale development, and Tauriko Business Estate Stage 4
- Collaboration with the Commercial Legal and Property Leasing teams to maximise efficiency and reduce operational expenditure
- Expression of interest (EOI) and request for proposal documentation for the Durham Street laneway connection
- Complex property documentation for Baypark Speedway and stakeholder engagement.

Digital Services

Helps the council meet its long-term-plan goals through the provision of digital services, products and support that enable our organisation to be effective, efficient and leverage modern tools to support planning, operations and engagement with our community.

Highlights in 2024/25

- Strengthened core digital infrastructure and cybersecurity through an infrastructure technology modernisation programme improving efficiency, reliability and security.
- Enabled improved customer experience through implementation of a new contact centre telephony platform.
- Continued to roll out our programme to modernise Enterprise Resource Planning technology, with a focus on property rating, collections and land management.
- Enhanced management of environmental monitoring processes through automation and processing tracking technology.
- Improved staff experience through deployment of a new recruitment, onboarding and learning management capability.
- Launched the Smartzoom application, improving spatial data access for over 500 staff.

Challenges in 2024/25

- With over 30,000 service desk tickets, demand for digital support continues to grow. Balancing this with strategic project delivery and maintaining service quality remains a challenge, particularly as we support major transitions like the new City Operations function and new facilities.
- The pace of advancement in emerging technologies like AI presents both opportunities and challenges. While AI offers potential to enhance service delivery and automate routine tasks, it also places increasing pressure on technology teams to adapt quickly, upskill, and evaluate new tools responsibly.
- Despite Smartzoom's success, the team faced rising project demand, limited field resources, and high expectations for real-time, accurate spatial data.

Looking ahead

In 2025/26 we will:

- Continue to enhance our digital platforms, with a focus on automation, self-service, and smarter workflows. This helps our organisation run more efficiently and minimises down-time for departments providing services to our community
- Continue planning to improve our security with new tools, education and processes. This helps protect our data and continuity of service for our community
- Support spatial data needs for the Local Water Done Well transition.

Finance

The finance function ensures we can continue delivering services to our community to meet the four wellbeing's and agreed priority outcomes in an affordable and financially sustainable way.

Highlights in 2024/25

- Developing the rates and debt collection modules in SAP to enable migration from the old Ozone platform. The new modules went live in July 2025.
- Achieving the financial analysis and draft financials for consultation on the Annual Plan and Local Waters Done Well.
- Gaining approval for a bespoke borrowing covenant from the Local Government Funding Agency up to 330% of debt to revenue. This enables a higher level of borrowing where it can be supported by sufficient revenue.
- Continuing to provide quality financial reporting and analysis to support project and service delivery and value for money initiatives.

Challenges in 2024/25

- Debt levels rising to close to LGFA borrowing covenant levels because of the large capital programme. Council decided to apply for a bespoke higher borrowing covenant from LGFA for Te Manawataki o Te Papa rather than borrow through Infrastructure Funding and Financing. A bespoke covenant has been granted, reducing this pressure.
- Cost saving targets and continuous improvement requirements for our council to achieve value for money.

Looking ahead

In 2025/26 we will:

- Continue to seek cost savings through expenditure review advice and reporting
- Contribute to shared services (including water reform shared services) and overhead management.

Capital Programme Assurance Division

The division gives assurance that our capital programme is planned and executed effectively, consistently, and delivers on agreed community outcomes.

Highlights in 2024/25

- We introduced a 'stage gate' process early in the financial year to enhance project management. Projects meeting certain criteria now pass through structured checkpoints, reviewed by our team and Finance, before additional budget is released. This ensures early assurance, better visibility, and stronger delivery confidence. The process releases a spend amount which is aligned with outcomes.

Challenges in 2024/25

- The absence of a centralised project management tool leads to fragmented data, making reporting slow and heavily reliant on manual quality assurance.
- Data quality and governance continue to be a challenge for business intelligence and will be a key focus for improvement next year.

Looking ahead

In 2025/26 we will:

- Roll out a portfolio and project management system to centralise scheduling, risks, issues, financials and baselining (setting reference points for future measurements)
- Review our governance framework and explore AI to support faster, more informed decision-making
- Enhance executive reporting through PowerBI expanding AI use, and creating a unified portal for all reports and data access.

Legal, Risk and Procurement

Our in-house legal team provides cost-effective advice and legal support for all areas of our council while liaising with external legal counsel and insurers. The Risk team provides a platform for clearly defined objectives and helps ensure the risks to achieving them are considered and minimised. Business continuity ensures our council can continue to operate through disruption. The Procurement team supports our organisation in their procurement processes to deliver the right outcomes for the council and help staff function effectively. Decisions are made in a fair, transparent and commercially astute manner to achieve the best outcomes for our customers and community.

- The Risk & Assurance team has enhanced our enterpriserisk management system to foster collaboration and reduce risk exposure. They have conducted assurance audits and facilitated business continuity validation exercises, incorporating lessons into future plans. The mayor and councillors established a new Audit and Risk Committee to ensure robust risk management and assurance activities. Our team supports this committee.

Highlights in 2024/25

- Settled the last of the leaky building claims, bringing an end to years of litigation.
- The Bella Vista prosecution reached its conclusion after being appealed to the Court of Appeal.
- Settlement of regulatory disputes, successful prosecutions and other claims.

05 | GROUPS OF ACTIVITIES

Challenges in 2024/25

- Due to various changes within our organisation, including governance, we have seen an increase in volume and legal needs. We have also seen an increasing community appetite to challenge the council before the courts.

Looking ahead

In 2025/26 we will:

- Monitor and respond to various law reforms as appropriate
- Implement a business continuity policy (and associated framework) to recognise the importance of this discipline
- Expand the use of our enterprise risk management system to further enhance our tools to ensure integrity.

People, Performance, and Culture

Provides employment and safety-related support services ensuring council staff can provide services for our community. Our council must meet all normal employment, health and safety requirements, as well as good employer obligations under local government legislation.

Highlights in 2024/25

- Strengthening internal capability by gaining accreditation to deliver Communicate Powerfully, our most popular learning programme. This allows more staff to benefit from high-impact training, reduces external delivery costs, and enhances collaboration across the council.
- Renewing the agreement with the Ministry of Social Development to continue delivering our successful Cadet Programme – demonstrating our shared commitment to workforce development.
- Delivering operational savings to support our council's broader cost-saving targets.
- Supporting the successful move into our new corporate office at 90 Devonport Road. This has improved staff connectivity and collaboration.

Challenges in 2024/25

- Balancing workforce engagement and development with budget constraints. Ensuring we maintained momentum in people initiatives required adaptability and prioritisation.

Looking ahead

In 2025/26 we will:

- Explore opportunities to strengthen diversity, equity and inclusion (DEI) practices, with the aim of ensuring our policies, procedures and day-to-day practices are inclusive and aligned with our council's values
- Focus on maintaining a positive and engaged workforce while helping our council to operate efficiently and sustainably
- Continue to work towards WELL healthy building certification for 90 Devonport Road.

Strategy and Corporate Planning

Helps the mayor, councillors and staff make good decisions while ensuring that our organisation is future-focussed and keeping up with change.

Highlights in 2024/25

- Led the development of an organisation-wide induction process for the newly-elected Council.
- Helped the mayor and councillors adopt the 2023/24 Annual Report in October 2024, and the 2025/26 Annual Plan in June 2025.
- Started a programme of bylaw and policy work with the mayor, councillors and community.

Challenges in 2024/25

- Introducing a completely changed governance group to a wide range of new legislative and other processes.

Looking ahead

In 2025/26 we will:

- Develop the 2026/27 Annual Plan and start significant work on the Long-term Plan 2027-2037
- Lead the mayor, councillors and community through a comprehensive review of user fees and charges
- Work through a comprehensive work programme of policy and bylaw reviews and improvements.

Health and Safety

We are committed to ensuring that our people are healthy and safe every day at work. By actively promoting health and safety we will provide a better work environment that contributes to our success, and ultimately deliver better outcomes for our community.

Highlights in 2024/25

- Strengthened safe workplace practices through the implementation of a Drug and Alcohol Policy to support safe and healthy work environments.
- Enhanced reporting capabilities with the launch of an interactive eLearning module, guiding staff through the event- reporting process. This has contributed to an increase in reported events, helping us identify trends and proactively address risks.
- Continued development of a comprehensive suite of health and safety documentation, including guidance on health monitoring and workplace exposure, as part of our alignment with ISO 45001.

Challenges in 2024/25

- Changes in team resources required careful planning and adaptability to maintain consistent service delivery throughout the year.
- Health and safety reporting systems required ongoing investment and development.

Looking ahead

In 2025/26 we will:

- Continue to partner with other teams to strengthen understanding and management of health, safety and wellbeing risks, including support with risk register reviews, increasing awareness of critical risks, and enhancing the effectiveness of mitigation strategies
- Further progress aligning with ISO 45001, focusing on embedding our health, safety and wellbeing standards and guidance documents into everyday practice.

05 | GROUPS OF ACTIVITIES

SIGNIFICANT CAPITAL PROJECTS - SUPPORT SERVICES				
	2024/2025 Actual \$000's	2024/2025 Budget \$000's	2024/2025 Variance \$000's	Key Variance Explanations for 2025
Civic Administration Building	12,500	22,559	10,060	Variance caused by delay in completion of project and movement of contingency budget into 2026. Timing difference only.
Digital Services Capital Programme	19,239	20,137	898	Increased resource across Digital to support the delivery of initiatives including SAP Rates implementation, increased City Operations programme of work, Contact Centre changes, Success Factors and payroll, Payment Card Industry Data Security Standard (PCI DSS) requirements, upgrade of lifecycle systems and a cyber security uplift. This resulted in a \$5m overspend, offset by a similar reduction through a prior year write-off to operational costs. BI & GIS resource was also increased to deliver unbudgeted initiatives including LTP performance measure solution and reporting, SAP property reporting, changes to valuation source and Success Factors data consumption and GIS system migration.
Strategic Acquisition Fund	5,175	4,760	(415)	Strategic land purchases are dependent on suitable land and properties becoming available for purchase.
Te Manawataki ō Te Papa	3,334	2,115	(1,220)	A portion of the Civic Whare construction budget deferred to future years to align with contractor-provided cashflows.

Note: includes operational projects of a capital nature, excludes vested assets and asset sales.

05 | GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - SUPPORT SERVICES

	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's
SOURCES OF OPERATING FUNDING				
General rates, Uniform Annual General Charges, Rates Penalties	(5,684)	1,545	(9,416)	(10,961)
Targeted Rates	1,628	-	-	-
Subsidies and grants for operating purposes	425	120	336	216
Fees and charges	7,207	9,521	8,425	(1,096)
Internal charges and overheads recovered	104,927	134,812	138,642	3,830
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	2,100	3,777	11,302	7,525
Total Sources of Operating Funding (A)	110,603	149,775	149,289	(486)
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff & Suppliers	53,292	78,901	85,293	6,392
Finance Costs	(6,804)	6,265	(3,443)	(9,708)
Internal Charges and Overheads applied	43,561	71,953	73,685	1,732
Other Operating Funding applications	1,200	500	530	30
Total Applications of Operating Funding (B)	91,249	157,619	156,065	(1,554)
Surplus/(Deficit) of Operating Funding (A-B)	19,354	(7,844)	(6,776)	1,068

**Key Variance
Explanations for 2025**

Rates allocation was lower than LTP due to lower than budgeted net external interest costs.

Unbudgeted grants received from central government, mainly in relation to waters reforms.

Primarily related to loss of off-street parking revenue previously managed by property services which is offset in the transportation activity where it is now managed internally.

Recovery of internal costs are above budget. This is primarily due to expenditure on major IT projects that was approved after the LTP and is now recognised as operational spend due to the nature of licencing. In addition to this, there was a historical IT project that was written off. These costs are somewhat offset by the corporate treasury function generating lower external internal costs than budgeted.

Favourable interest revenue due to higher than budgeted deposit balances.

Variance mainly relates to Digital Services, where significant prior year project costs were written-off and a lower rate of capitalisation of salary costs occurred.

Finance costs primarily relate to the net interest in Corporate Treasury. This is the difference between interest paid on external debt and interest charged on internal debt to all other activities within council. Variance reflects lower than budgeted capital spend across council.

Council's overall allocated costs are higher than budgeted, mainly due to write-off of prior year digital services projects.

Minor variance

05 | GROUPS OF ACTIVITIES

TAURANGA CITY COUNCIL: FUNDING IMPACT STATEMENT FOR 2024/25 - SUPPORT SERVICES					Key Variance Explanations for 2025
	2023/2024 LTP \$000's	2024/2025 LTP \$000's	2024/2025 Actual \$000's	2024/2025 Variance \$000's	
SOURCES OF CAPITAL FUNDING					
Subsidies and grants for capital expenditure	-	3,314	1	(3,313)	Central government funding for waters reform was not received after the new governments decision to amend waters reform plans.
Development and financial contributions	-	-	-	-	
Increase/(Decrease) in debt	27,859	34,357	95,792	61,435	Changes to the capital programme, particularly in digital services and civic complex, have required additional debt funding.
Gross Proceeds from the Sale of Assets	-	177	(801)	(978)	Unbudgeted sale of asset.
Lump sum contributions	1,303	(866)	-	866	Funding adjustment relating to TMOTP project.
Other Dedicated Capital Funding	-	-	-	-	
Total Sources of Capital Funding (C)	29,162	36,982	94,992	58,010	
APPLICATION OF CAPITAL FUNDING					
Capital Expenditure					
- to meet additional demand	5,305	5,175	4,760	(415)	Reduced spend on growth related strategic property acquisitions.
- to improve level of service	27,837	11,991	22,566	10,575	Fit out costs for the new administration building were budgeted occur mainly in 2023/24, due to delays the remaining budget was carried forward and utilised in the 2024/25 plus an additional \$4m was approved for IT components.
- to replace existing assets	3,552	2,333	1,364	(969)	Lower renewals spend in Digital Services.
Increase/(Decrease) in reserves	11,822	9,639	59,526	49,887	Higher than budgeted debt levels as commented on above.
Increase/ (Decrease) of investments	-	-	-	-	
Total Applications of Capital Funding (D)	48,516	29,138	88,216	59,078	
Surplus/(Deficit) of Capital Funding (C-D)	(19,354)	7,844	6,776	(1,068)	
Funding Balance ((A-B)+(C-D))	0	0	0	0	



06

Council Controlled Organisations/
Ngā Whakahaere a Te Kauniher



Council-controlled organisations

Tauranga City Council controlled organisations (CCOs) give a local authority the opportunity to engage people with the right skills and experience to operate a business or other undertaking on its behalf.

Tauranga City Council has established several CCOs to achieve certain objectives for our city. We support the CCOs, which manage facilities and/or deliver services on behalf of Tauranga City Council and our community.

Our CCOs include:

- Bay Venues Limited (Bay Venues)
- Tauranga Art Gallery (TAGT)
- Western Bay of Plenty Tourism and Visitors Trust, trading as Tourism Bay of Plenty (TBOP)
- Te Manawataki o Te Papa Charitable Trust (The Charitable Trust)
- Te Manawataki o Te Papa Limited (TMoTPL)
- Local Government Funding Agency Limited (LGFA)
- Bay of Plenty Local Authority Shared Services Limited (BOPLASS).

The CCOs each have an approved statement of intent that includes set targets. The following section describes each of these organisations, what they do, how they have performed, and what they have achieved over the past year.

More information

The CCOs' statements of intent, six monthly and annual reports are available at: www.tauranga.govt.nz/cco

Bay Venues Limited



What we do

Bay Venues is the kaitiaki (guardian) of more than 20 community facilities – including aquatic centres, indoor sport and fitness facilities, event venues, community centres and halls.

Bay Venues has a commercial mind and a community heart. Its business units help keep entry to public facilities affordable and accessible.

Highlights in 2024/25

- Opened the University of Waikato Haumaru Sport & Recreation Centre, adding new indoor courts and expanding our city's indoor sport capacity for the first time in over a decade.
- Leased Pavilion 3 at Mercury Baypark to Bay Roller Sports, creating a dedicated space for roller activities and enhancing local recreation opportunities.
- Welcomed over two million visits to its venues, with satisfaction scores of 87% for events, 90% for sports & fitness, 83% for aquatics, and 100% for community centres and halls.
- Upgraded facilities to meet community needs, including badminton lines at Greerton Hall, kapa haka mirrors at Mercury Baypark, and accessibility improvements to ageing halls.
- Introduced new digital tools including online booking, LED scoreboards, improved rostering, digital wayfinding, and a successful trial of Microsoft Copilot (AI).
- Advanced sustainability with composting machines at Bay Catering and solar panel installations at Mercury Baypark, The Adams Centre, and Mount Hot Pools.
- Expanded inclusivity through partnerships with ConneXu, sign language swimming lessons, family water safety workshops, and multicultural events at community centres.

Challenges in 2024/25

- Economic pressures and rising costs saw reduced spending at aquatic facilities, lower event hire, and fewer community bookings.
- A small number of redundancies and a leadership restructure were undertaken to prepare for an 8.5% reduction in council subsidy in 2025/26.
- Homelessness, theft, and anti-social behaviour continued to affect venues, prompting enhanced security measures and staff training.

Looking ahead

In 2025/26 Bay Venues will:

- Work with Tauranga City Council to plan the future of our aquatics network, focusing on maintaining ageing facilities and meeting growing demand
- Continue planning for the future of Mercury Baypark to help address the city's shortage of sport and recreation spaces
- Strengthen our health, safety, and security culture, aligning with ISO 45001 and enhancing systems and staff training
- Continue upgrading technology to improve service delivery and operational efficiency
- Roll out a new stakeholder engagement plan alongside the appointment of a Māori engagement lead
- Launch new catering offerings at the Historic Village café, followed by Mercury Baypark Arena in the summer of 2026 and Baywave in 2027.

06 | COUNCIL CONTROLLED ORGANISATIONS

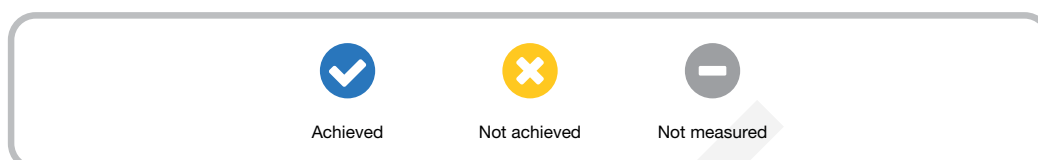
FINANCIAL PERFORMANCE		
	2025 Actual \$000's	2024 Actual \$000's
Revenue		
Operating Expenditure		
EBITDA		
Total Surplus/Deficit		
Tax benefit/Expense		
Net surplus/(deficit) for year		









INCOME DERIVED FROM COUNCIL		
	2025 Actual \$000's	2024 Actual \$000's
Operational grant		
Debt servicing grant		
Renewal funding grant		
Total Council Derived Income		

Note: These are draft unaudited financials

Performance measures

The following icons have been used to indicate the status of each activity's performance measures:



PERFORMANCE MEASURES			
Activity	Target	Status	Comments
We will maximise activity and events	Health and safety - no preventable serious harm incidents in our facilities	 Achieved	
	Host >2.0 million visits to our facilities and host >75 significant events (500+ people)	 Achieved	
	Achieve a customer feedback rating >85%	 Achieved	
We will look after our assets	No preventable unplanned facility closures	 Not achieved	
	Establish three preventative maintenance initiatives	 Achieved	
	Reduce energy consumption by >5%	 Achieved	
We will leverage our capability	Achieve break-even budgeted financial position or better	 Not achieved	
	Explore new revenue-generating initiatives	 Achieved	

Tauranga Art Gallery Trust

tauranga art gallery
toi tauranga

What we do

The Tauranga Art Gallery Trust was established in 2005 to manage and operate the Tauranga Art Gallery Toi Tauranga, ensuring sound governance and financial management.

The Trust aims to create exceptional art experiences that engage, inspire, challenge, and educate through exhibitions, public programmes, and events.

Highlights in 2024/25

- Progressed the design and interior fit-out of the redeveloped gallery to ensure a high-quality and immersive visitor experience upon reopening.
- Secured corporate and private support through the Naming Partners programme, enabling sponsorship of gallery spaces and funding for future exhibitions.
- Designed a new art storage facility near the main gallery site to house the Gallery Art Collection.
- Delivered sold-out public programmes including a lecture series and an art-focused trip to Hamilton, maintaining strong community engagement.
- Established Te Kāhu ō Hinewa, a Māori advisory group comprising Tauranga Moana industry leaders, to provide cultural guidance and support for Māori artist representation.

Challenges in 2024/25

- Fundraising remained difficult during the gallery's temporary closure, with economic pressures contributing to a competitive funding environment.
- Shifting reopening dates impacted planning, programming, and budgeting, requiring adjustments to timelines and operations.
- The redevelopment of the 1950s building revealed additional structural and maintenance issues, adding complexity to the project and reinforcing the need for a resilient, future-proofed facility.

Looking ahead

In 2025/26 we will:

- Reopen the upgraded art gallery, offering better accessibility and a new visitor experience
- Deliver a diverse programme of over 15 exhibitions, featuring works from the gallery's collection, artist commissions, and curated shows across various mediums
- Resume the school education programme, supported by the Art Bus, alongside public lectures, workshops, and artist talks to engage the wider community.

06 | COUNCIL CONTROLLED ORGANISATIONS

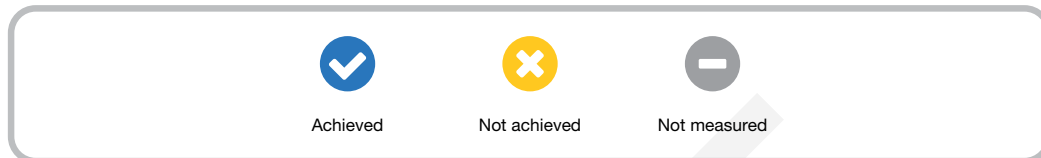
FINANCIAL PERFORMANCE		
	2025 Actual \$000's	2024 Actual \$000's
Revenue		
Expenditure		
Net surplus/(deficit) for year		









INCOME DERIVED FROM COUNCIL		
	2025 Actual \$000's	2024 Actual \$000's
Operational grant		
Collection curation service contract		
Total Council Derived Income		

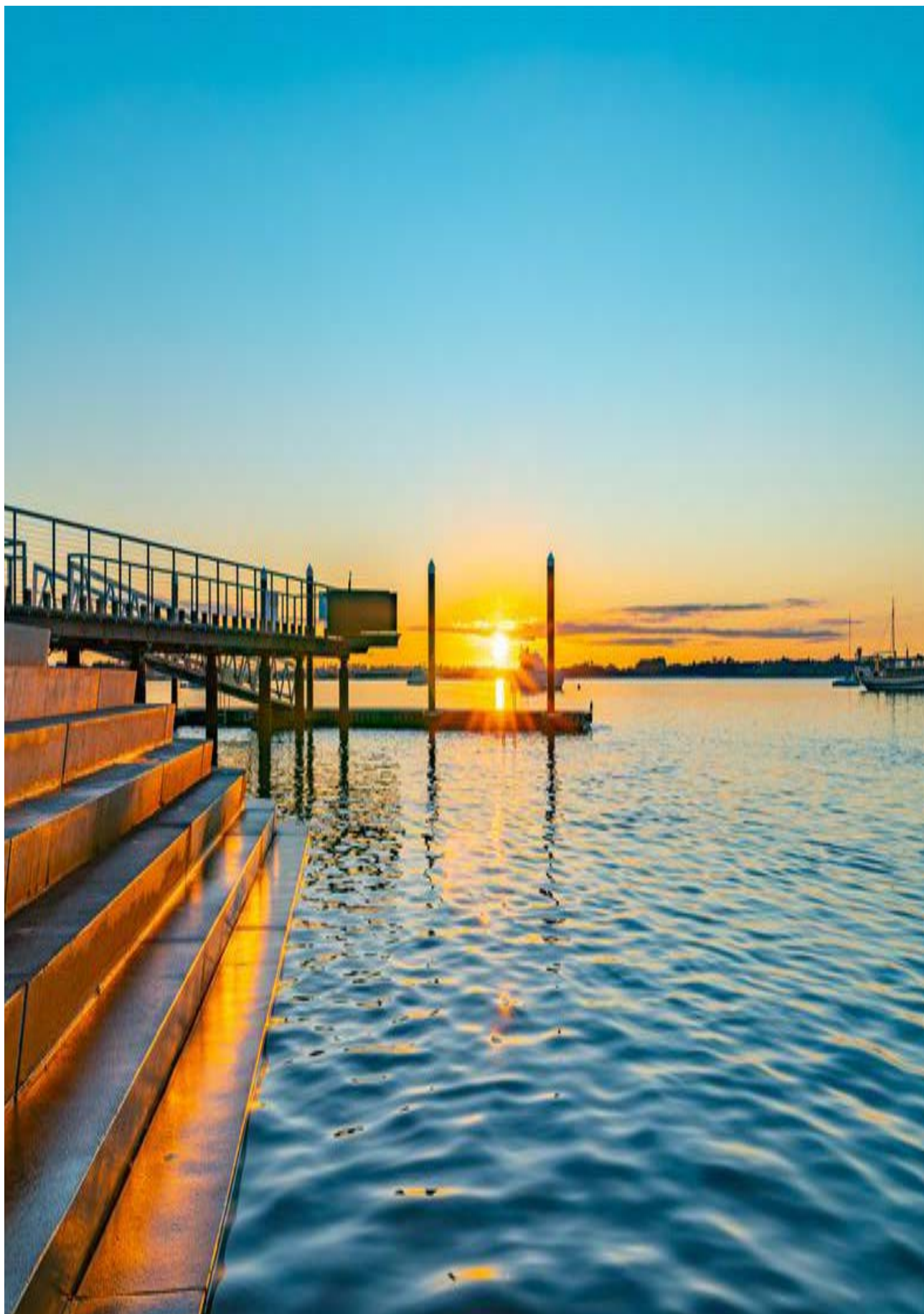
* Note: this figure is the relocation grant to the pop up gallery on Devonport Road (due to the gallery closure for its redevelopment as part of TMOTP).
Note: These are draft unaudited financials

Performance measures

The following icons have been used to indicate the status of each activity's performance measures:



PERFORMANCE MEASURES			
Activity	Target	Status	Comments
To be an anchorage of diversity	Enhance our marketing and communications	 Achieved	
	Partner with mana whenua and ensure strong engagement with Māori	 Achieved	
	Partner with government agencies, Tauranga City Council and other organisations.	 Achieved	
To be an anchor of enduring success	Develop a greater awareness of our Social Return on Investment (SROI)	 Not achieved	
	Implement prudent financial management processes	 Achieved	
To be an anchor of great shelter	Be involved in the city centre redevelopment project (civic precinct) discussions	 Not achieved	
	Effective management of assets	 Achieved	
To be an anchor for development	Approach to governance - collaborate with Tauranga City Council (helping to develop the city brand), Tauranga Events, Accessible Tauranga, Arts Culture and Heritage Action and Investment plans, and participating in governance-to-governance meetings	 Not achieved	





Tourism Bay of Plenty

What we do

We lead initiatives that drive the prosperity of our people and places through tourism.

The Western Bay of Plenty Tourism and Visitor Trust, trading as Tourism Bay of Plenty (TBOP), is owned by Tauranga City Council and Western Bay of Plenty District Council.

We support the community and environmental goals of both councils.

We play the lead role in promoting and managing our region as a quality destination, ensuring the sustainable growth of our vital visitor economy.

Highlights in 2024/25

Successful marketing campaigns and promotional activity

TBOP delivered three cost-effective domestic marketing campaigns and a small-scale Australian activation, all supported by our corporate communications.

These four marketing campaigns generated over 89,000 targeted landing page views, more than 13,000 e-newsletter signups, and tens of thousands of social media interactions.

The winter campaign (08/06/24 - 06/07/24) featured a freshly built Matariki hub on our website and a getaway package. This campaign out-performed expectations: landing page views hit 26,915 (well over the 14,000 target) and organic interactions topped 33,000.

The spring campaign (18/10/24 - 17/11/24) showcased our new destination video and worked with influencers to inspire adventure-seekers to explore the region. It achieved a 115% increase in website traffic compared with the previous year, along with 60,045 landing page views and 4323 new subscribers.

A targeted Anzac weekend campaign (14/03/25 - 24/04/25) amplified some of the region's major events, including X*Air and a Chiefs rugby game. It generated over 2000 landing page views and 519 new email signups.

We also participated in Tourism New Zealand's Minecraft DLC campaign, achieving more than 43,000 video views across Australia. This helped put the Bay on the radar of a new, younger audience.

Also during the year, we hosted nine media 'famils' (familiarisation trips). These included six with international media (of which five were in partnership with Tourism NZ) and three with domestic media. These helped boost global awareness and supported high-value coverage across print, digital and broadcast platforms.

Cruise ship visitation and economic contribution

Ninety-one ships, carrying 163,00 passengers and 71,000 crew, visited Tauranga during the 2024/2025 season.

Our Tourism Bay of Plenty cruise team and volunteer ambassadors operate at the port every day a ship arrives with capacity for 1000 or more passengers. This resulted in 51 operational days at the port.

The Cruise Lines International Association (CLIA) Australasia, in partnership with the New Zealand Cruise Association, released research which showed the direct and indirect economic value of the 2023/2024 season was \$111.8 million for the Bay of Plenty. This included \$35.5 million in passenger spending and \$2.9 million of crew spending. Data for 2024/2025 has not yet been released.

Flavours of Plenty Festival wins another national award and strengthens regional impact

TBOP's signature culinary tourism platform, the Flavours of Plenty collective, grew in strength and profile in 2024/2025.

It won the Industry Collaboration and Alignment award at the New Zealand Tourism Awards.

This was a proud moment for TBOP, acknowledging the collective power of our hospitality sector and proving that a grassroots idea can become a leading force in regional storytelling and economic development.

The accolade helped raise profile, boost industry confidence, and unlock new partnership opportunities.

The platform's centrepiece, the 2025 Flavours of Plenty Festival, ran for an expanded 18 days (28 March – 13 April) with a programme of 51 events across the coastal Bay of Plenty. The festival engaged more than 115 food businesses, including 70 based in Tauranga. It generated \$162,000 in ticket revenue, with 81% of tickets sold, and drew more than 5000 attendees, resulting in 921 additional bed nights across the region.

The festival is supported by local government and corporate sponsors and is working to become more self-sustaining through strategic collaborations and a 'modest ticket clip' model. This helps future-proof the event while delivering value for participating businesses and the wider region.

Attendee satisfaction remained strong, with 89% of festival-goers rating their experience positively and 85% indicating they would attend again. Media coverage amplified the region's food story, with 60+ media features and an equivalent advertising value (EAV) of \$1 million across publications such as Cuisine, Dish, NZ Herald, Kia Ora, Stuff and Radio NZ.

Flavours of Plenty remains a vital part of our destination positioning work, which champions four PlaceDNA™ pillars: Horticultural Provenance, Māori Culture, Natural Landscapes, and Ocean & Beaches, offering economic and reputational value to the region year-round.

Growth in cultural tourism experiences

Cultural experiences play a vital role in Tauranga tourism offerings, with a growing focus on showcasing the stories and experiences of tangata whenua.

TBOP is working alongside Māori operators to ensure their voices are represented across trade, business events (BE) collateral, digital platforms, and industry presentations. This approach helps bring regional stories to life and provides visitors with meaningful ways to connect with the culture and history of Te Moana-a-Toi.

Key national events such as MEETINGS and TRENZ have become platforms for cultural activation, allowing Māori tourism operators to engage directly with trade and media audiences. Through these events, the region shares immersive experiences and strengthens its cultural tourism footprint. Curated content on platforms like Roady features local storytellers, adding depth and personality to the region's narratives.

To further connect with potential visitors, TBOP is running online travel agency campaigns that promote Māori-led experiences and storytelling.

The Native Nations platform is now live, giving visitors and travel agents direct access to Māori operators and storytelling trails across the region, creating clear pathways to book and engage with cultural tourism offerings.

Collaborations with cruise operators are underway to ensure Māori history and storytelling are a key part of the experience for cruise passengers visiting Tauranga.

This cultural lens is also being embedded into the design and delivery of the new isite, with a commitment to bringing our regional story to life in a visible and engaging way.

Experiences such as visiting Ōmanawa Falls are central to the cultural narrative, with care being taken to respectfully and accurately share the local story.

All business event engagement is delivered with a strong cultural foundation—from pōwhiri (welcoming) and anaaki (nurturing) by mana whenua, to performances and hosted

experiences—ensuring visitors are welcomed and connected through the values and traditions of our place.

The Green Room | Te Rūma Kākāriki sustainability programme

The Green Room | Te Rūma Kākāriki sustainability programme was a finalist in the 2024 New Zealand Tourism Awards for Industry Collaboration and Alignment. In June 2025, another 35 organisations completed this industry-leading sustainability programme, bringing the total to 135.

The programme encourages tourism, accommodation, hospitality, retail, and event sector organisations to improve their environmental, social, cultural, and financial sustainability. Businesses learn how to monitor, report, and reduce their carbon and waste footprint while reviewing their business plans to build resilience and participate in community and environmental initiatives.

Challenges in 2024/25

Domestic visitor spend decreases

International visitor spend in Tauranga experienced strong year-on-year growth of 22.1% for July 2024 - June 2025. However, there was a 6.5% decline in year-on-year domestic visitor spend as challenging economic conditions affected discretionary incomes. This trend is being felt across New Zealand.

Cruise sector uncertainty

The economic contribution from the cruise sector continues to be significant for our region. Port bookings for the 2025/2026 season suggest similar cruise passenger numbers to the previous season, but uncertainty about the long-term outlook remains. This is largely due to factors beyond our control, such as increases to operational costs and port arrival charges, a complex NZ regulatory environment, and rising global geopolitical tension. We'll continue to support our operators and other key stakeholders as we navigate this uncertainty.

International visitors

An ongoing challenge is to motivate visitors to explore beyond the main touring routes into other parts of our region by expanding the range of experiences on offer.

We intend to focus on key international markets such as Australia and North America, contributing to the new North Island regional tourism organisation collective (Kiwi North) and Tourism New Zealand's marketing and sales initiatives, while supporting the development and introduction of new tourism products to showcase more of our region. This will help strengthen our global presence.

Looking ahead

In 2025/26 we will:

Drive off-peak visitation with a business events framework

TBOP is strengthening its business events (BE) framework to attract more high-value business into the region. In the past year, we've seen encouraging growth with 30 confirmed leads, highlighting our city's growing appeal as a destination for conferences, meetings, and incentive travel. This success reflects stronger collaboration between key partners, enabling a more unified and strategic regional presence in the BE market.

With a noticeable increase in supply and demand, we're focused on keeping the momentum going. A refreshed BE strategy and sales plan are underway alongside updated resources to support planners and event organisers. A targeted digital campaign will be launched to showcase our region's unique venues, cultural experiences, and natural landscapes, helping to raise awareness and convert interest into confirmed bookings.

Our approach is designed to support long-term, sustainable growth. By focusing on attracting business events during off-peak periods, we aim to spread visitation more evenly throughout the year to maximise the economic and social benefits for local communities and operators. This year-round strategy helps Tauranga build its reputation as a professional, vibrant, and culturally rich BE destination.

International visitor growth opportunities

International visitation presents a significant growth opportunity for the coastal Bay of Plenty to counterbalance the softening domestic market.

TBOP is committed to helping local operators build their capability and readiness for inbound tourism by encouraging the adoption of trade-friendly systems, competitive pricing structures, and focusing on long-term international partnerships. This aligns with Tourism New Zealand's shift towards off-peak international promotion—a move that's designed to double tourism's export earnings over the next decade.

We continue to play a key role in maximising funding opportunities like the government's Regional Boost Fund, which will allow us to lead campaign activity in international markets including Australia and North America.

These efforts take advantage of direct flights into the region like Jetstar's new Australian connections with Hamilton. They help strengthen demand and grow awareness of Tauranga as an international destination. Collaboration with local businesses ensures our region is well-positioned to take

full advantage of these investments while extending visitor dispersal into the wider Bay of Plenty.

TBOP contributes to the new Kiwi North collective—a strategic partnership to enhance the international visibility of North Island destinations. By presenting a unified front to global travel sellers and Tourism New Zealand's offshore offices, this collaborative approach will deliver stronger impact, greater efficiency, and a more compelling trade proposition. This work will ensure Tauranga is well-represented in international markets while giving visitors more reasons to extend their time in the North Island.

Leading the way in digital tourism

We're striving to be one of the most digitally innovative regional tourism organisations in the country. We're establishing a multi-purpose digital kiosk network and integrated destination app to help share information with locals and visitors.

Our digital kiosk network now includes four interactive kiosks at high-traffic visitor locations (Tauranga Airport, the Mount Hot Pools, and the city centre's Masonic Park and Red Square), with a fifth in development which will feature the Battle of Gate Pā.

These kiosks offer touchpoints outside normal trading hours. They include maps, event listings and business directories, alongside live emergency updates being launched with Emergency Management Bay of Plenty. Early data shows strong engagement, particularly in terms of hospitality and events content.

Our Explore Bay of Plenty app, developed with the government's Covid-19 recovery funding, offers an on-the-go guide for locals and visitors. It features event listings, activity suggestions, and an evolving deals section where tourism and hospitality businesses can showcase exclusive offers. It's been soft-launched to the Flavours of Plenty community, enabling us to gather user feedback, and will officially go live to the wider public soon.

Rounding out our digital offering is a newly launched AI-powered travel assistant on our website. This helps people find walking trails, cruise ship details, and more.

Together, these tools are helping us connect people to places in smart, seamless, and future-focused ways.

Continuing regenerative sustainability

Following the success of our The Green Room sustainability programme, the next phase is to support these organisations and leverage their success through ongoing marketing.

We will also align with Tourism Industry Aotearoa's new sustainability programme, Akiaki, to improve cost efficiencies.

Social licence and reputational management

Our latest social wellbeing data shows relatively high resident sentiment towards tourism, positively reflecting our corporate communication, media liaison, and public relations efforts.

As media and social media platforms become increasingly fragmented and polarised, we intend to regularly communicate key information, messaging and storytelling to our stakeholders with an authentic voice.

We can use these channels to manage the reputation of our destination and visitor economy. This supports our team's mahi and ensures successful outcomes for our region.

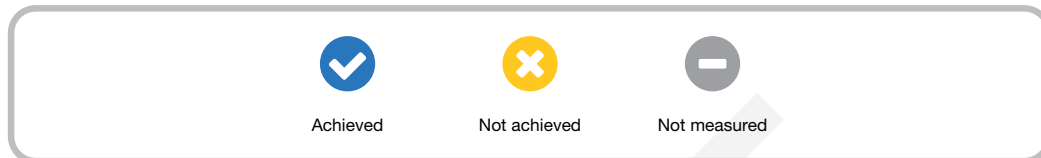
FINANCIAL PERFORMANCE		
	2025 Actual \$000's	2024 Actual \$000's
Revenue	3,737	3,524
Expenditure	4,017	3,697
Net surplus/(deficit) for year	(280)	(173)






INCOME DERIVED FROM COUNCIL		
	2025 Actual \$000's	2024 Actual \$000's
Operational grant	1,513	1,631
Service delivery contract	543	528
Total Council Derived Income	2,056	2,159






Note: These are draft unaudited financials

Performance measures

The following icons have been used to indicate the status of each activity's performance measures:



PERFORMANCE MEASURES			
Activity	Target	Status	Comments
Economic wellbeing	Trends in visitor spending via electronic card transactions.	 Not achieved	Total = -1.4%* Domestic = -4.8% International = +20.6% *Despite international visitor spend up YoY considerably, domestic visitor spend continues to be impacted by challenging economic conditions. Domestic visitor spend accounts for 84% of total visitor spend.
Social wellbeing	Residents' sentiment towards tourism. Measured by the percentage of residents who agree that tourism has a positive impact on their community. Residents provide a rating of 1 to 10, where 1 is strongly disagree and 10 is strongly agree.	 Achieved	TCC YE June 2025 = 66%.
Cultural wellbeing	Improving the cultural wellbeing of the community through tourism.	 Work in progress	Both cultural history and stories continue to be updated on various platforms, including the TBOP website, digital kiosks and Te Ara Whānui app.
Environmental wellbeing	Industry-focused environmental sustainability and regeneration initiatives facilitated or enabled by TBOP.	 Achieved	An additional 35 organisations completed the Green Room sustainability programme for YE June 2025. This takes the total number to 135.
TBOP organisation wellbeing	TBOP staff engagement.	 Achieved	June Employment Engagement score of 94%.

PERFORMANCE MEASURES			
Activity	Target	Status	Comments
Destination management and marketing	Develop, update, and promote informative material on cycle trail options in the western bay.	 Achieved	7,500 copies of the Western Bay of Plenty and Tauranga cycle trails booklet were printed, distributed and deployed online.
	Provide opportunities for western bay operators to train or upskill in sales, marketing and trade capability areas while also gaining, retaining or achieving higher Qualmark rated certification.	 Achieved	Operators continue to be supported by TBOP to build capability, with five new operators accredited with Qualmark certification for YE June 2025.
	Facilitate leads and bids for business events in the region.	 Achieved	44 conference bids have been submitted, and 31 have been confirmed.
	Promote and support the delivery of the Flavours of Plenty Festival to draw visitors to the Coastal Bay of Plenty region.	 Achieved	The Flavours of Plenty festival took place from the 27th of March to 13th of April, and included 51 events, with 81% of festival tickets sold.
	Annual development and delivery of marketing campaigns that incorporate our key DNA™ pillars that reach and convert the travel intentions of our target markets to visit, stay and spend in the region.	 Achieved	Our spring campaign ran from 18 October to 17 November 2024, focusing the outdoor adventure-seeking market. Key results included: 60k campaign landing page views, 226k video views and 4.3k new email subscribers.

Te Manawataki o Te Papa Charitable Trust

What we do

The Charitable Trust was established in October 2022 to own the land referred to as 'Site A' at the Te Manawataki o Te Papa civic precinct, following consultation with mana whenua partners and our community.

The CCO offers a unique pathway forward in partnership with the Ōtamataha Trust, helping to reconcile past events and restore mana to hapū and iwi. It means we can move ahead together with exciting plans for this area knowing how the land will be owned and used in the future. Everyone in our community benefits from this.

Ōtamataha Trust represents mana whenua from Ngāi Tamarāwaho, Ngāti Tapu and Te Materāwaho – direct descendants of people who originally released the land to the Church Missionary Society in 1838.

Highlights in 2024/25

- The launch of the documentary series Te Manawataki o Te Papa: Restoring Our City's Beating Heart brings our city's story to life, showing how this transformational project is an integral part of our future. Te Manawataki o Te Papa is more than a construction project—it represents reconciliation, restoration, and shared pride. A place once marked by injustice is becoming a centre for connection and renewal, with council, mana whenua, and the community working together to shape a new heart for Tauranga built on truth, understanding, and respect.
- A new Statement of Intent (2025–28) has been developed, acknowledging the founding documents of this CCO. It includes two key deliverables: an annual review of the statement of intent and a commitment to preserving Te Papa's history for future generations.
- Through regular engagement, we continue to strengthen collaborative relationships with the council, Te Manawataki o Te Papa Charitable Trust and Te Manawataki o Te Papa Limited Board. This ensures a united approach to our city's future.

Challenges in 2024/25

- No specific challenges were reported in this reporting period.

Looking ahead

In 2025/26 we will:

- Continue to ensure that the Te Manawataki o Te Papa civic development project respects and reflects the history and importance of the area to mana whenua
- Ensure the history of Te Papa is captured and protected for future generations by establishing an archive of stories and knowledge.

06 | COUNCIL CONTROLLED ORGANISATIONS

FINANCIAL PERFORMANCE		
	2025 Actual \$'000's	2024 Actual \$'000's
Revenue	0	0
Expenditure	0	0
Surplus/Deficit	0	0
Tax benefit/Expense	0	0
Net surplus/(deficit) for year	0	0

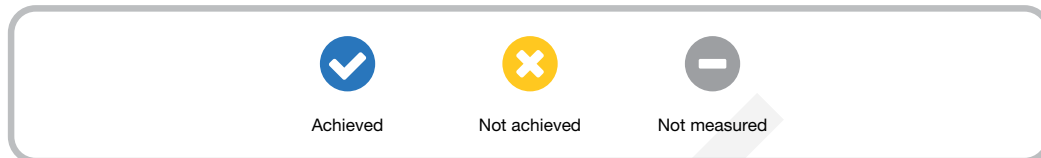
INCOME DERIVED FROM COUNCIL		
	2025 Actual \$'000's	2024 Actual \$'000's
Operational grant	0	0
Debt servicing grant	0	0
Renewal funding grant	0	0
Total Council Derived Income	0	0








Note: These are draft unaudited financials

06 | COUNCIL CONTROLLED ORGANISATIONS

Performance measures

The following icons have been used to indicate the status of each activity's performance measures:



PERFORMANCE MEASURES			
Activity	Target	Status	Result
Support and encourage the development of a vibrant civic precinct	Quarterly meetings with Te Manawataki o Te Papa Limited Board.	 Achieved	
Ensure that the project respects and reflects the significant history and importance of the area to mana whenua	Representative of Otamataha Trust to act as Cultural Advisor to the Te Manawataki o Te Papa Limited Civic Development Advisory Group.	 Achieved	
Stakeholder relationships	Nurture respectful and open relationships in the best interest of the community and the city.	 Achieved	
Approach to governance	Otamataha Trust and Tauranga City Council both have the power, exercisable by deed, to appoint up to two persons as Trustees.	 Achieved	
	Te Manawataki o Te Papa Charitable Trust will have Half-Yearly and Annual board meetings.	 Achieved	
Accounting policies	The CCO Charitable Trust will adopt accounting practices that comply with NZIFRS, the requirements of the Local Government Act (2002), and the Financial Reporting Act (1993).	 Achieved	
Financial reporting	Within three months after the end of each financial year, the CCO Charitable Trust will deliver audited financial statements in respect of that financial year.	 Achieved	

Te Manawataki o Te Papa Limited (TMoTPL)

What we do

Te Manawataki o Te Papa Limited was established in December 2022 and is responsible for governing the delivery of a suite of projects for the benefit of our community. It draws upon a range of industry and commercial expertise and has strong governance in place.

The projects include:

- Te Manawataki o Te Papa civic precinct (the heartbeat of Te Papa) – including new facilities such as a library and community hub, museum, a civic whare (public meeting house), and an exhibition gallery
- redevelopment of the public realm and waterfront
- the Memorial Park Aquatics and Recreation Hub
- new indoor courts facility at 483 Cameron Road
- the fit-out of 90 Devonport Road offices

Highlights in 2024/25

- Completed Masonic Park, the first stage of the civic precinct, creating a vibrant new urban space in the city centre and achieving a milestone for the Te Manawataki o Te Papa programme.
- Opened Te Hononga ki Te Awanui (underpass and boardwalk), reconnecting the public with the harbour on the southern part of The Strand and completing the connection to Tunks Reserve. The high-quality design allows people to pass through, linger and enjoy the space with views over the harbour.
- Delivered the park north, seawall, and Waterfront Playground, transforming the former The Strand carpark into a popular recreational space. The new living seawall enhanced the harbour connection while promoting ecological diversity for all to see.
- Celebrated the opening of the Waterfront Playground with a session for Tauranga Special School whose students had contributed to the design. The playground officially opened with a community whānau day. This was followed by national recognition as Playspace of the Year (over \$500,000) by Recreation Aotearoa. Additional shade sails were unveiled in response to public feedback.
- Final approval and signing of construction contracts for the Library and Community Hub and the

Civic Whare Exhibition Centre and Museum were administrative milestones.

- Construction of the Library and Community Hub progressed rapidly, creating a striking new feature in the city centre.
- Council staff moved into the new civic administration building at 90 Devonport Road, with the project completed on time and within budget. The building has been well received by staff and stakeholders.

Challenges in 2024/25

- Unplanned structural upgrades at Haumaru and Tauranga Art Gallery Toi Tauranga caused delays and budget increases, requiring careful planning and stakeholder engagement.
- Managing concurrent construction, fit-out, and landscaping works across multiple sites demanded close coordination, with 90 Devonport Road standing out as a model of delivery excellence.
- Despite the complexity of the programme, the team maintained a strong health and safety record, supported by innovative site hazard solutions through the development partnership with Willis Bond and LT McGuinness.

Looking ahead

In 2025/26 we will:

- Complete construction and fit-out of the Library and Community Hub by June 2026, with surrounding public realm works to follow ahead of a late 2026 opening
- Finalise and open the retrofitted Tauranga Art Gallery Toi Tauranga, featuring a new integrated café and direct connection to Masonic Park
- Progress final design and approval for the central plaza and wharewaka (boat house) to complete the waterfront upgrade
- Advance construction of the civic whare, exhibition centre and museum, with major structural works on the Te Manawataki o Te Papa development beginning to define its scale and impact on the city centre.

06 | COUNCIL CONTROLLED ORGANISATIONS

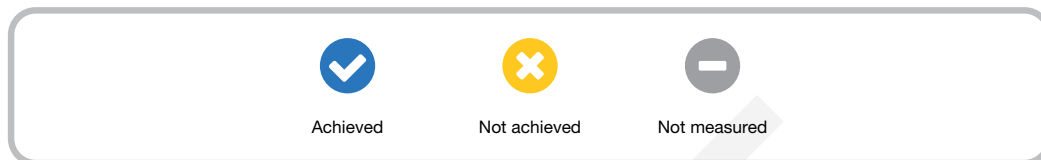
FINANCIAL PERFORMANCE		
	2025 Actual \$000's	2024 Actual \$000's
Revenue		
Expenditure		
Surplus/Deficit		
Net surplus/(deficit) for year		







INCOME DERIVED FROM COUNCIL		
	2025 Actual \$000's	2024 Actual \$000's
Operational grant		
Total Council Derived Income		

Note: These are draft unaudited financials

Performance measures

The following icons have been used to indicate the status of each activity's performance measures:



PERFORMANCE MEASURES			
Activity	Target	Status	Result
We will facilitate services and procurement which provide savings and efficiencies to Tauranga City Council	Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS, a company owned by nine councils	 Achieved	
	Investigate new joint procurement initiatives for goods and services for BOPLASS	 Achieved	
	Identify opportunities to collaborate with other local authority shared services in procurement or shared service projects where alliance provides benefits to all parties	 Achieved	
	Further develop and extend the collaboration portal for sharing project information and opportunities with other councils and the greater local government community to increase breadth of BOPLASS collaboration	 Achieved	
We will facilitate services and procurement which provide savings and efficiencies to Tauranga City Council	Communicate with each shareholding council at appropriate levels	 Achieved	
	Ensure current funding model is appropriate	 Achieved	

Local Government Funding Agency



What we do

The New Zealand Local Government Funding Agency (LGFA) is a CCO operating under the Local Government Act 2002.

LGFA specialises in financing the New Zealand local government sector, providing more efficient financing costs and diversified financing sources for local authorities and CCOs. LGFA was established to raise debt on behalf of local authorities on terms that are more favourable to them than if they raised the debt directly.

Highlights in 2024/25





- LGFA worked with the Department of Internal Affairs on council finances and the Local Water Done Well (LWDW) Programme. We met staff, advisors and elected officials at numerous councils, as well as Water NZ, to share views on the programme. We accepted the invitation from the Minister of Local Government to be a member of the panel reviewing the water services delivery plans.
- We supported the Ratepayer Assistance Scheme project managed by a group of councils with advice from Cameron Partners. A group of councils have provided financial support for updating the business case that will be presented to the Minister of Local government later this year to ask for his support.
- We continue to progress two initiatives to reduce compliance and documentation requirements for councils when they borrow from LGFA.
- The total number of approved green, social and sustainability loans since inception remains at seven with a combined value of \$675.3 million. There were \$453.9 million in loans undertaken in the year to 30 June 2025. Eligible council or CCO projects receive a discounted loan margin.

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FINANCIAL PERFORMANCE (BASED ON DRAFT)

	2024 Draft \$000's	2023 Actual \$000's
Revenue	1,215,612	764,950
Expenditure	1,205,562	762,445
Net surplus/(Deficit) for the year	10,050	2,505

PERFORMANCE MEASURES

Activity	Target	Status	Result
Governance, capability and business practice	Comply with the shareholder foundation policies and the board-approved Treasury Policy at all times	 Not achieved	There was a breach of the Foundation Policy where the nominal amount of loans to a non guarantor council exceeded the \$20 million limit by \$186,000
	Maintain LGFA's credit rating equal to central Government's sovereign rating where both entities are rated by the same rating agency	 Achieved	LGFA credit ratings equivalent to NZ Sovereign.
	A succession plan be put in place for the board and staff and be reviewed annually	 Achieved	Plan established. Staff plan shared with board and board plan shared with Shareholders' Council
	LGFA's total operating income for the period to 30 June 2025 > \$31.4m	 Achieved	Total operating revenue was \$35.547 million as at 30 June 2025
	LGFA's total operating expenses (excluding AIL) for the period to 30 June 2025 <\$11.5m	 Achieved	Total operating expenses (excluding AIL) was \$11.182 as at 30 June 2025
Optimising financing services for local government	Share of aggregate long-term debt funding to the local government sector > 80%	 Not achieved	Lending to the sector was 75%
	Total lending to participating borrowers >\$23,597m	 Not achieved	Lending to participating borrowers \$22.5bn
	Conduct an annual survey of participating borrowers who borrow from LGFA as to the value added to the borrowing activities. Target is >85%	 Achieved	94% score in December 2024 survey
	Successfully refinance existing loans to councils and LGFA bond maturities as they fall due. Target is 100%	 Achieved	100% of loans refinanced
	Meet all lending requests from participating borrowers where those requests meet LGFA operational and covenant requirements. Target is 100%	 Achieved	100% of lending request met

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PERFORMANCE MEASURES			
Activity	Target	Status	Result
Environmental and social responsibility	Comply with the Health and Safety at Work Act 2015. Target is no breaches	 Achieved	No breaches
	Maintain Toitū Carbon Zero certification		Carbon-zero certification maintained
	Meet reduction targets outlined in our carbon reduction management plan	 Achieved	Carbon Reduction Plan established
	Increase our green, social and sustainability (GSS) Lending Book and Climate Action Loans (CALs). Target is two new GSS Loans and three new borrowers enter CALs	 Not achieved	One new GSS loan approved, and no new CAL borrowers approved
	Meet all mandatory climate reporting standards	 Achieved	100% of mandatory reporting met
	Provide annual seminar for councils updating them on latest sustainability developments, climate change impact and LGFA reporting requirements	 Achieved	One seminar for councils and CCOs
Industry leadership and engagement	Provide input into Local Water Done Well legislation	 Achieved	Feedback provided to the Department of Internal Affairs and Treasury during legislation drafting
	Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA	 Achieved	Four quarterly updates to councils and CCOs.
	Meet annually with Infrastructure Commission, Local Government New Zealand, Taituarā, Water New Zealand, Infrastructure New Zealand, Crown infrastructure partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues	 Achieved	Nine meetings with stakeholders

Bay of Plenty Local Authority Shared Services



What we do

Bay of Plenty Local Authority Shared Services (BOPLASS) was established by the nine councils in the Bay of Plenty / Gisborne region to foster collaboration in the delivery of services, particularly back-office or support services.

The nine councils are:

- Bay of Plenty Regional Council
- Gisborne District Council
- Kawerau District Council
- Ōpōtiki District Council
- Rotorua Lakes Council
- Taupō District Council
- Tauranga City Council
- Western Bay of Plenty District Council
- Whakatāne District Council.

BOPLASS investigates, develops and delivers shared services and joint procurement on behalf of these councils, maximising cost savings.

Highlights in 2024/25

- BOPLASS procurement continued to deliver significant savings to shareholding councils. In many cases, this was achieved using minimal council resources. This year saw several large contracts due for renewal and, in almost every case, we were able to renew or replace the contract with similar or improved rates. This was primarily through leveraging aggregated volumes across the BOPLASS councils, but also more regularly in conjunction with other LASS. These are great examples of how inter-council and inter-regional collaborations can deliver quality outcomes for local government.
- A recent joint tender for occupational health services run by BOPLASS and Co-Lab was a good example of achieving financial and resource savings through collaboration. While procurement was clearly simpler and cheaper by doing it once, as opposed to 19 councils running separate tenders, the additional leverage of combining such a large group of councils ensured competitive proposals. There are also benefits from establishing best-practice service levels across a large group of councils as it is more efficient for both the provider and for the councils.
- One of the larger and important projects initiated was earthquake loss modelling for infrastructural assets across all of the BOPLASS councils. Having a consistent and accurate assessment of the hazards and exposure of declared assets on councils' infrastructure insurance policy is essential. Accurate loss estimates are also vital for supporting strategic decisions within councils on how much risk to transfer through insurance and the appropriate type of risk transfer mechanisms. Undertaking this project through BOPLASS saved the councils over \$171,000, compared with undertaking the same work individually.

Challenges in 2024/25

Given the impending changes with councils' water assets, maintaining the benefits from the BOPLASS insurance programme will present new challenges. Work has already begun on informing and educating the insurance underwriters to enable strategies to be developed to ensure ongoing coverage and benefits for all parties. BOPLASS is also engaging with central government to provide assistance and understanding on collective insurance programmes and key requirements.

Looking ahead

In 2025/26 we will:

- Continue to work alongside our shareholding councils to progress projects that are important to them or identified by them.
- Further develop inter-regional initiatives in shared services and joint procurement to ensure BOPLASS is maximising the value delivered to shareholder councils.
- Closely monitor outcomes from councils' consultations and their decisions with water service delivery, and how to manage the changes within the BOPLASS group insurance policies.

FINANCIAL PERFORMANCE		
	2025 Actual \$000's	2024 Actual \$000's
Revenue	1,756	2,460
Expenditure	1,776	2,462
Surplus/Deficit	(20)	(1)
Tax Benefit Expense/(Benefit)	0	0
Net surplus/(deficit) for year	(20)	(1)

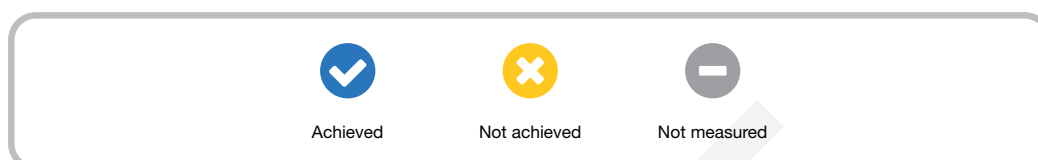
INCOME DERIVED FROM COUNCIL		
	2025 Actual \$000's	2024 Actual \$000's
Operational contributions	65	63
Total Council Derived Income	359	348

Note: These are draft unaudited financials

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Performance measures

The following icons have been used to indicate the status of each activity's performance measures:



PERFORMANCE MEASURES		
Performance Targets	Status	Comments
<p>Ensure supplier agreements are proactively managed to maximise benefits for BOPLASS councils.</p> <p>Manage and/or renegotiate existing contracts.</p> <p>Contracts are reviewed annually to test for market competitiveness.</p> <p>New suppliers are awarded contracts through a competitive procurement process involving two or more vendors where applicable.</p>	<p>Achieved</p>	<p>Contracts negotiated and/or renewed for:</p> <p>NAMS+ Subscription (Asset Management) – BOPLASS renewed the collective NAMS+ agreement with discounted rates for BOPLASS councils through a collective agreement.</p> <p><i>No alternative provider in NZ.</i></p> <p>IPWEA Membership (Engineering) – The Institute of Public Works Engineering Australasia (IPWEA) agreement was renewed in 2024 to provide a single BOPLASS portal to allow all constituent councils to access the full IPWEA online catalogue at heavily reduced pricing. The standards are used by all councils for a variety of engineering purposes. The collective agreement provides for unrestricted access for all councils at a significantly lower cost than under individual arrangements.</p> <p><i>No alternative provider in NZ</i></p> <p>Inter-Council Network (ICN) – BOPLASS renegotiated the network agreement with Kordia for a further 12 months on the same terms. The Kordia service covers the primary connectivity to the ICN for councils. The BOPLASS agreement achieves a reduction in cost of approximately 19% for these services.</p> <p>Additional services were added to the ICN as requested by participating councils.</p> <p>In conjunction with participant councils, BOPLASS will be going to market for network services in the next financial year.</p> <p>Zoom Video Conferencing Services (VC) – The Zoom enterprise agreement was renewed by BOPLASS on behalf of the participating councils. While Microsoft Teams has become the primary VC platform for most councils' internal and external communications, Zoom is still widely used by council governance teams and for public meetings.</p> <p><i>No alternative provider</i></p> <p>VertiGIS Studio (GIS) – Contracts were renewed for the VertiGIS Studio products. BOPLASS councils continue to benefit from the collective contract through reduced pricing, collective training, and the utilisation of common software across the councils.</p> <p><i>No alternative provider in NZ</i></p> <p>NZ Archaeological Association (NZAA) – BOPLASS has been in negotiations with NZAA to establish a new collective agreement for councils' access to archaeological information and to ensure financial savings and benefits continue to be delivered through the collective agreement.</p> <p><i>No alternative suppliers</i></p> <p>Esri Enterprise Licensing Agreement (GIS) – With the expiration of the existing agreement, BOPLASS has negotiated for a new three-year agreement for Esri software used extensively within BOPLASS councils. The agreement includes discounted pricing and supports a common GIS platform across BOPLASS councils.</p> <p><i>No alternative suppliers.</i></p> <p>Insurance Brokerage Services – The collective insurance brokerage agreement with Aon reached the end of its term in June 2025, with an option for a further and final two-year extension. After reviewing performance, and consulting member councils, BOPLASS received approval to proceed with the contract extension. This retains alignment with the MW LASS and Co-Lab contracts, allowing for future collective procurement opportunities. Under the contract extension, Aon have committed to maintaining current pricing and service levels.</p>

06 | COUNCIL CONTROLLED ORGANISATIONS




PERFORMANCE MEASURES		
Performance Targets	Status	Comments
		<p>n3 (Procurement) – As a group buying organisation, n3 usually charge individual membership fees. Through BOPLASS a collective purchasing group membership has been negotiated to cover all BOPLASS. Councils achieve significant savings on membership costs and have access to trade pricing through the group scheme. The agreement has been renewed with the same discounted rates.</p> <p><i>Sole NZ provider.</i></p> <p>My Everyday Wellbeing (H&S) – BOPLASS renewed the agreement for the staff online wellbeing platform. Discounted pricing is provided to BOPLASS as a single entity, allowing all member councils to benefit from the associated savings. The agreement has been extended to cover MW LASS and Co-Lab councils. Increased participation from MW LASS, Co-Lab and BOPLASS councils this year has resulted in further financial savings for all participating councils.</p> <p>Media Copyright Agency (MCA) – A collective contract providing savings for all BOPLASS councils has been renewed with MCA (originally PMCA) for councils' print and media copyright services.</p> <p><i>Sole NZ provider of print and media copyright services.</i></p> <p>Cyber Insurance – All councils have successfully secured full cyber insurance cover through the collective BOPLASS programme, despite increasingly stringent requirements from insurers.</p> <p>Maintaining this cover requires consistently high standards of cyber security across all councils. To support this, BOPLASS facilitated a cyber-crime information session for IT Managers led by a cyber security insurance expert. This was provided at no cost to the councils and provided insights into evolving insurer expectations, emerging cyber threats, and best practices for incident response.</p> <p><i>Cyber cover is an annual agreement that requires going to market every year.</i></p> <p>Standards NZ – BOPLASS has renewed the agreement with Standards NZ for discounted access to the full Standards catalogue at significantly reduced pricing for all BOPLASS councils. In addition to the financial savings for councils, the BOPLASS agreement provides full access to all standards and the full standards library for councils.</p> <p><i>No alternative provider in NZ.</i></p>


06 | COUNCIL CONTROLLED ORGANISATIONS

PERFORMANCE MEASURES		
Performance Targets	Status	Comments
<p>Investigate new Joint Procurement initiatives for goods and services for BOPLASS councils.</p> <p>Procure from sources offering best value, service, continuity of supply and/or continued opportunities for integration.</p> <p>A minimum of four new procurement initiatives investigated. Initiatives provide financial savings of greater than 5% and/or improved service levels to the participating councils.</p>	 <p>Achieved</p>	<p>Procurement initiatives which have been investigated during the year are as follows:</p> <p>Oblique Aerial Imagery – BOPLASS investigated collaborative opportunities for the capture of Oblique Aerial Imagery for the BOPLASS councils. Working with the councils a free trial was negotiated. Group pricing has been investigated but, given the limited number of councils currently able to commit, the benefits are not significant enough at this time.</p> <p>Infrastructure Earthquake Loss Modelling – BOPLASS engaged Aon, as our risk advisor, to provide a collective loss modelling proposal covering all BOPLASS councils. This project was essential for reassessing risk exposure and informing decisions on insurance coverage and risk transfer strategies.</p> <p>Approaching the procurement collectively through BOPLASS resulted in a 39% saving, when compared with if councils were to undertake the risk modelling independently.</p> <p>Risk Management Resourcing – Quality and accuracy of valuation and asset data continues to hold high-importance with insurance underwriters and the quality of this data has a direct impact on councils' premium rates. While these data demands are equally applicable to all councils, some of the smaller councils may not have dedicated risk management resource to deliver on all the requirements. In collaboration with our risk advisors, a specialised service has been established to provide on-demand expert assistance in areas such as risk appetite, maturity assessments, policy and framework reviews, business continuity planning, strategic risk, and organisational risk registers.</p> <p>Not only has this initiative strengthened councils' ability to meet insurance requirements, but it has also helped improve overall risk governance without the need to employ specialist staff.</p> <p>Starlink Management – As a result of the major interruptions to communication technologies during and following Cyclone Gabrielle, BOPLASS IT Managers explored the potential of collective procurement of Starlink satellite WAN services to enhance business continuity and disaster recovery capabilities.</p> <p>While collective procurement options did not yield financial benefits, councils opted to assess and implement Starlink solutions based on individual needs, ranging from disaster recovery to supporting remote operations. The initiative fostered significant knowledge sharing across councils. Additionally, a separate project is underway to evaluate Starlink and alternative technologies for improving connectivity for lone workers in remote areas, led by BOPLASS Health & Safety and IT Managers.</p> <p><i>Project still underway</i></p> <p>High Volume Print – BOPLASS is working with councils to investigate a collective approach to high-volume printing in response to rising costs and evolving council requirements. Councils currently operate with a mix of in-house and outsourced services, and there is strong interest in assessing the opportunity for councils to address print requirements as a strategic group. Engagement is underway to evaluate alignment across councils and identify opportunities for coordinated procurement that deliver improved service outcomes and cost efficiencies.</p> <p><i>Project still underway</i></p> <p>Office supplies – BOPLASS is leading a collective secondary procurement process to engage All of Government (AoG) panellists for the provision of general office supplies. Coordinating the procurement process collectively offers efficiencies in time and resources and may provide enhanced leverage with suppliers.</p> <p><i>Project still underway</i></p> <p>Energy Services – An Eastern Bay consortium of councils has appointed a provider for energy services. BOPLASS has investigated the opportunity for Western Bay councils to participate in the arrangements. Most of the other BOPLASS councils are contracted directly with providers or through the All of Government agreement. Opportunities for savings will continue to be investigated.</p> <p><i>Project still underway</i></p> <p>Infrastructure Insurance – Placements for BOPLASS councils' infrastructure insurance are only provided on a 12-month term and all placements need to be procured annually through a process involving multiple underwriters and insurance syndicates. This involves identifying and negotiating with alternative markets every year and considering options to undertake placements through new or different insurers.</p>

PERFORMANCE MEASURES		
Performance Targets	Status	Comments
		<p>Negotiations for councils' infrastructure insurance were undertaken in late 2024 through direct engagement with the international and local markets. The size of the collective BOPLASS account allows us to undertake this direct engagement.</p> <p>Particularly good outcomes were achieved for the 2024-25 infrastructure placements, with an average reduction of approximately 5% on last year's rates, and a saving of up to 20% when compared with councils that don't procure through a collective group.</p> <p>The high standard of the information being provided by BOPLASS councils, and our historical relationships with the international markets, have proven to be a strength for us at renewal time. Most insurers demonstrate ongoing support for the BOPLASS programme, however, BOPLASS continues to review alternative risk transfer options and alternative markets.</p> <p>Aerial Imagery – Two tenders for aerial imagery were managed by BOPLASS on behalf of participating councils. Tenders were awarded to Woolpert for urban orthophotography covering Tauranga City, Kawerau, Ōpōtiki, and Whakatāne, with additional capture over Moutohora and Whakaari Islands.</p> <p>Occupational Health Services Tender – Working in conjunction with Co-Lab, a joint tender for the procurement of occupational health services for BOPLASS and Waikato councils has been awarded.</p> <p>While each LASS will be managed independently, the aggregated tender volumes provided greater leverage for securing competitive pricing and enhanced services.</p> <p>Contours from LiDAR – A regional initiative is in progress to generate contour mapping for the entire Bay of Plenty using LiDAR data acquired collectively by BOPLASS councils. This will deliver a comprehensive topographic layer for council mapping systems. The joint procurement approach ensures cost savings and operational efficiency through a streamlined process.</p> <p><i>Project still underway</i></p>

06 | COUNCIL CONTROLLED ORGANISATIONS

PERFORMANCE MEASURES		
Performance Targets	Status	Comments
<p>Identify opportunities to collaborate with other LASS in Procurement or Shared Service projects where alliance provides benefits to all parties.</p> <p>BOPLASS to regularly engage with other LASS to identify and explore opportunities for further inter-regional collaboration.</p> <p>Quarterly reporting on engagement and a minimum of one new collaborative initiative undertaken annually.</p>	 Achieved	<p>BOPLASS continues to work closely with MW LASS and Co-Lab with the LASS leads engaging regularly and aiming to meet formally on a quarterly basis.</p> <p>Shared services projects being undertaken by other LASS have been offered to BOPLASS councils. Equally, most BOPLASS projects are offered to the other LASS.</p> <p>Some of the shared service projects offered to BOPLASS councils include:</p> <ul style="list-style-type: none"> Wellbeing health and safety training Debt Management Archives Building Consent services <p>BOPLASS is leading or managing, on behalf of other LASS:</p> <ul style="list-style-type: none"> Waste Operator and Licensing Data System Staff wellbeing portal Regional contractor database Rates collections Inter-council secondments Insurance broker renewal/appointment Workforce management system <p>Workforce Management System – BOPLASS has engaged with the incumbent supplier on behalf of Co-Lab and BOPLASS councils to address service issues and to negotiate collective pricing.</p> <p>Occupational Health Services – BOPLASS and Co-Lab collectively initiated a joint procurement project for occupational health services across BOPLASS and Waikato councils.</p> <p>NZ Aerial Imagery consortium – BOPLASS engaged with other regions to explore the potential for a national aerial imagery consortium. The concept aimed to improve pricing and coordination of flying schedules through a larger, collective tender. BOPLASS participated in meetings to assess the feasibility and potential benefits of the initiative. After reviewing the proposal against the existing BOPLASS aerial imagery programme, which has consistently delivered strong results through smaller, regionally focused tenders, it was determined that a national approach would not offer additional value to BOPLASS councils. The current model ensures timely delivery, equitable service to smaller councils, and maintains market competitiveness.</p> <p>Engagement with other LG collaborative groups – In addition to the two North Island LASS, BOPLASS continues to offer support to other local government collaborative groups looking to leverage benefits from working collectively.</p>
<p>Further develop and extend the Collaboration Portal for access to, and sharing of, project information and opportunities from other councils and the greater Local Government community to increase breadth of BOPLASS collaboration.</p> <p>Increase usage of the Collaboration Portal by providing support and training material for new and existing users.</p> <p>Proactively market the benefits to the councils.</p> <p>Number of active users to increase by 5% per year.</p>	 Achieved	<p>Collaborative projects continue to be added to the MahiTahi Local Government Collaboration Portal, along with several specific Teams or Channels established for confidential projects outside of the main Portal.</p> <p>There has been continued promotion of the MahiTahi LG Collaboration Portal within local government and this has seen a 5% increase in registered users with numbers increasing from 507 to 539.</p> <p>Induction and training material has been developed for creating smooth on-boarding of any new members.</p> <p>The Te Uru Kahika hub (regional and unitary councils) has continued to grow and is hosted within the same environment as the MahiTahi Collaboration Portal.</p> <p>There are now 3,191 users within the wider portal.</p>
<p>Communicate with each shareholding council at appropriate levels.</p> <p>Actively engage in obtaining political support for identified projects.</p> <p>Information provided to elected members, and feedback sought, on BOPLASS projects, benefits to local communities, and value added to each council.</p>	 Achieved	<p>BOPLASS continues to regularly engage with our constituent councils, senior management, and shareholders to ensure opportunities continue to be developed to the benefit of all stakeholders.</p> <p>In addition, BOPLASS chairs and coordinates meetings and activities for specific council advisory groups that manage or lead new collaborative initiatives. These groups generally comprise of managers from each council.</p> <p>The BOPLASS Statement of Intent, Annual and Half-Yearly reports are provided to council for comment or feedback and the CEO is available to attend council meetings as requested.</p>

PERFORMANCE MEASURES		
Performance Targets	Status	Comments
Ensure current funding model is appropriate. Review BOPLASS expenditure and income and review council contributions and other sources of funding. Performance against budgets reviewed quarterly. Company remains financially viable.	<div> Achieved</div>	<p>The sources of BOPLASS funding and the viability of the funding model are regularly reviewed with financial reporting provided to the BOPLASS Board.</p> <p>Council contributions were levied with annual council contributions CPI adjusted.</p> <p>Contributions were received from activities that are producing savings.</p> <p>An annual contribution from Co-Lab, MW LASS, Regional Software Holdings (RSHL) and BOPLASS councils is received for membership of the MahiTahi Local Government Collaboration Portal.</p> <p>Monthly and quarterly performance reviewed.</p> <p>Financial statements and budget variances reported and reviewed at Board meetings.</p> <p>Financial position year end 30 June 2025: (20,344) deficit.</p>





07

Financials/Pūrongo Pūtea



Photo credit: Hunter Studios

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Introduction to financial section

The financial section contains the core financial information required by the Local Government Act 2002 and the Financial Reporting and Prudence Regulations 2014.

The section includes:

- Financial Prudence Benchmarks
- Rating Base Information
- Whole of Council Funding Impact Statement (FIS)
- Financial Statements
- Notes to the Financial Statements

The Financial Prudence Benchmarks are produced in accordance with the Financial Reporting and Prudence Regulations 2014. Their purpose is to disclose the council's financial performance in relation to various benchmarks that are also presented by other councils.

Rating Base Information explains the basis on which rates are set and trends over recent years.

The whole of Council Funding Impact Statement (FIS) is prepared in accordance with the Financial Reporting and Prudence Regulations 2014 and provides the full year results compared to budget and the prior year in a format that shows revenue and expenditure categorised as either operational or capital sources and applications of funds. Depreciation expense is excluded from operational application of funds. Under the Funding Impact Statement presentation, depreciation is included in the movement of reserves as a source of capital funding.

Following on from the whole of Council Funding Impact Statement, the **Tauranga City Council Group Financial Statements** are presented in accordance with the Local Government Act 2002, which also includes the requirement to prepare the accounts in accordance with New Zealand Generally Accepted Accounting Practice, and the new Public Benefit Entity requirements. **The Financial Statement of Comprehensive Revenue and Expense** presents operational and capital revenue and expenditure in a different format to the Funding Impact Statement. Operating expenditure includes depreciation and some non cash expenses such as provisions for doubtful debts.

Depreciation is a non cash operating expense which recognises the use of an asset over the year. Because over time assets will wear out and require replacement, depreciation of assets should be recognised as a cost of operation. Council does not always have to pay the full cost of replacement of assets so it does not fully fund (through rates and user fees and charges) the costs of depreciation e.g. for replacement of Road assets which are partially funded by Waka Kotahi NZ Transport Agency.

The Statement of Financial Position shows what Tauranga City Council owns (its assets) and what it owes (its liabilities) at the end of the financial year. This statement shows a snapshot of Tauranga's net worth (assets less liabilities) at a point in time.

This statement is supported by a **Statement of Movements in Equity** which shows how the net worth of the organisation has moved over the year, and a **Statement of Cashflows** which records the transactions of council for the year that have involved movements in cash and therefore explains the balance of cash at year end.

The notes to the accounts explain the items in the financial statements in more detail.

Financial prudence

Annual Report Disclosure Statement for the Year Ending 30 June 2025

The purpose of this statement is to disclose the councils financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions used in this statement.

Base figures used in the benchmark calculations are attached in a table at the end of this section.

Rates Affordability Benchmarks

The council meets this benchmark if:

- Its actual rates income for the year equals or is less than each quantified limit on rates; and
- Its actual rates increases for the year equal, or are less than each quantified limit on rates increases.

Rates Income Affordability Benchmark

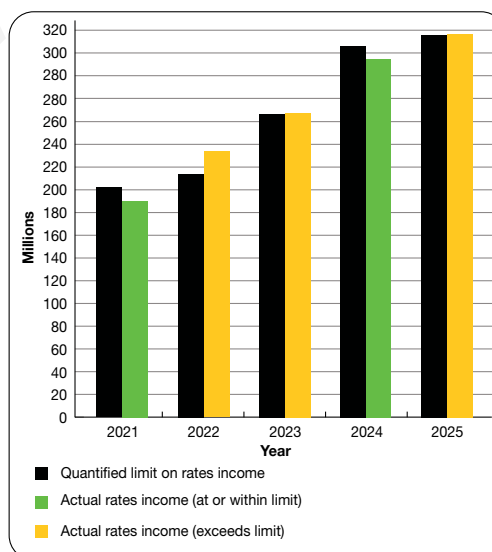
Quantified Limit on Rates

The total rates requirement for each year of the Long-term Plan will be no more than shown in the adopted Long-term Plan for that year. The following graph compares Council's actual rates income with a quantified limit on rates contained in the financial strategy included in council's Long-term Plan.

2022 - actual rates have exceeded quantified limits due to the higher number of rateable properties and higher increase in rates per rateable property than budgeted.

2023 - actuals rates have exceeded limits due to continued growth in the region, resulting in higher number of rateable properties and an increase in rates per rateable property.

2025 - actuals rates have exceeded limits due to higher volumes in metered water usages.



Rates Increases Affordability Benchmark

Quantified Limit on Rates Increases

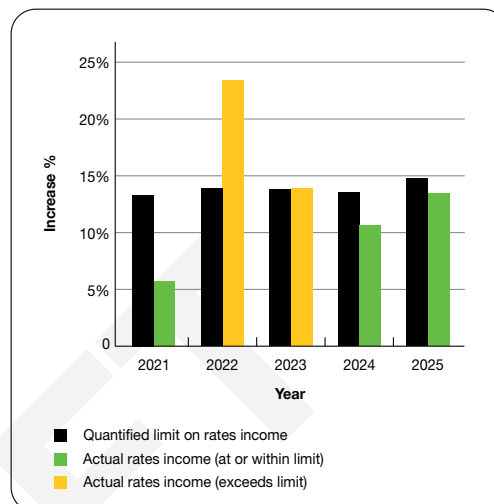
The quantified limit varies for each year. It is equal to the sum of:

- the estimated percentage growth in the number of rateable properties in the city in the year to 30 June preceding the relevant rating year in question, and
- twelve percent.

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's Long-term Plan.

2022 - rates increase exceeded quantified limits due to implementation of new targeted rates and funding increased level of service and new initiatives.

2023 - rates increase exceeded limits due to increased funding requirements.



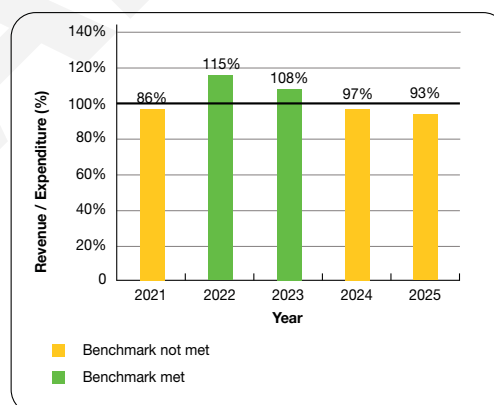
Balanced Budget Benchmark

The following graph shows the council's revenue (excluding development contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). This benchmark is met if revenue equals or is greater than operating expenses.

2021 - Expenditure includes significantly higher depreciation expense and operating costs, as well as a large provision expense.

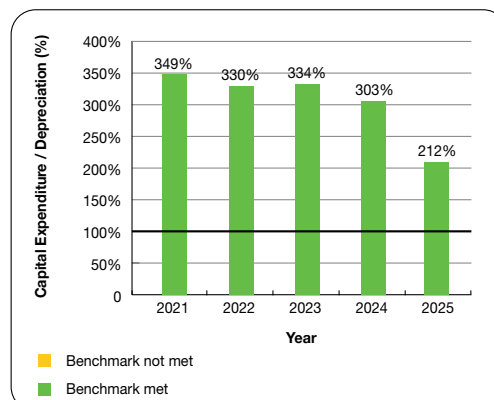
2024 - Expenditure includes significantly higher depreciation expense and operating costs from inflationary pressures.

2025 - Depreciation expense surpassed budget due to capitalisation of significant projects and increase in asset valuations. Personnel costs are also higher than expected due to market movement and inflation. Capital subsidy revenue is significantly lower than budgeted due to a decision to not proceed with TMOTP IFF and changes to NZTA funded projects.



Essential Services Benchmark

The following graph shows the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



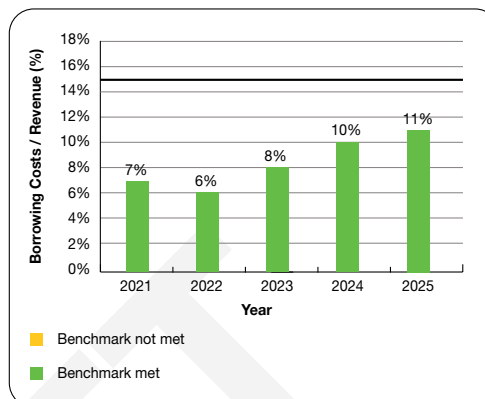
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Debt Servicing Benchmark

The following graph compares council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment).

Revenue included in this calculation is rates, user fees, finance revenue, grants received on a regular basis (NZTA) and gains on financial instruments.

Because Statistics New Zealand projects the council's population will grow faster than the national population growth rate (as at 1/7/2013), it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its revenue.

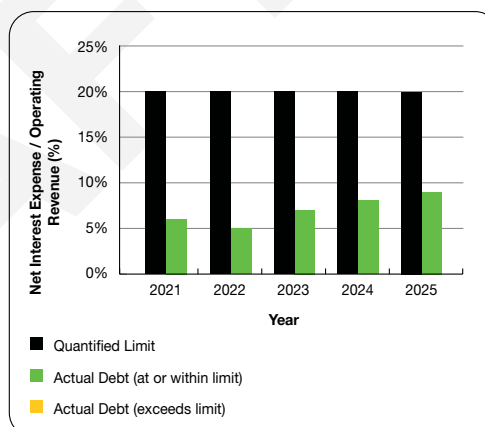


Debt Affordability Benchmark

The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. Tauranga City Council has 3 quantified limits on borrowing.

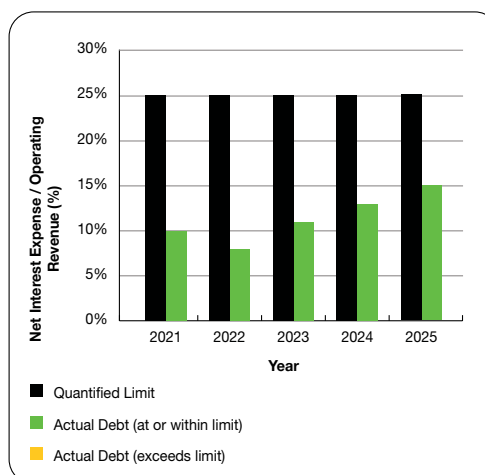
Debt Affordability Benchmark 1 - Net Interest Expense on External Debt as a Percentage of Operating Revenue

The following graph compares the council's actual borrowing with the first quantified limit on borrowing stated in the financial strategy included in the Council's Long-term Plan. The quantified limit is net interest expense (after interest rate risk management costs/benefits) on external debt as a percentage of annual operating revenue (excluding development contributions) will not exceed 20%.



Debt Affordability Benchmark 2 - Net Interest Expense on External Debt as a Percentage of Rates Revenue

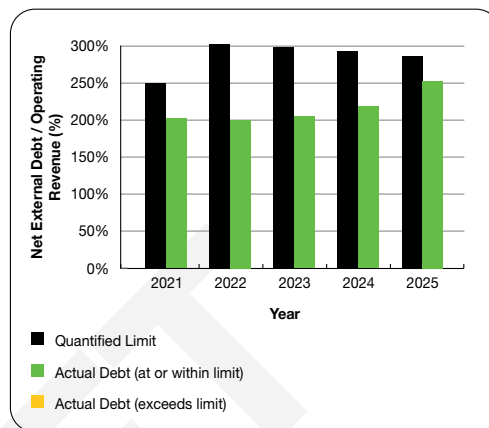
The following graph compares the council's actual borrowing with the second quantified limit on borrowing stated in the financial strategy included in the Council's Long-term Plan. The quantified limit is net interest expense (after interest rate risk management costs/benefits) on external debt as a percentage of annual rates revenue will not exceed 25%.



Debt Affordability Benchmark 3 - Net External Debt as a Percentage of Operating Revenue

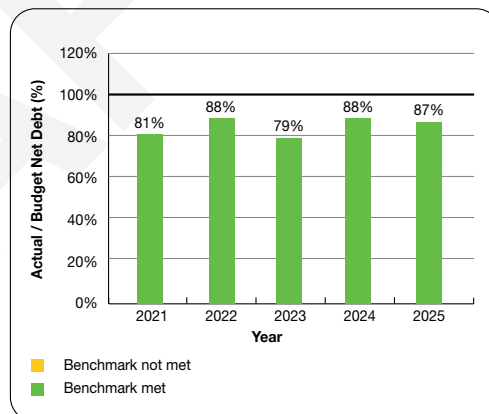
The following graph compares the council's actual borrowing with the third quantified limit on borrowing stated in the financial strategy included in the Council's Long-term Plan. The quantified limit is Net External debt as a percentage of annual operating revenue (excluding development contributions) will not exceed 300% (for the years 2019 to 2021 the limit was 250% and prior to 2019 the limit was 225%).

Council's capacity to borrow was extended by an increase in the New Zealand Local Government Funding Agency's (LGFA) net debt to revenue ratio limit from 250% to 300% for the 2020/21 and 2021/22 financial years, decreasing by 5% until a limit of 280% which will apply for and from the 2025/26 financial year.



Debt Control Benchmark

The following graph displays the council's actual debt as a proportion of planned net debt. In this statement net debt means financial liabilities less financial assets (excluding trade and other receivables). The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations Control Benchmark

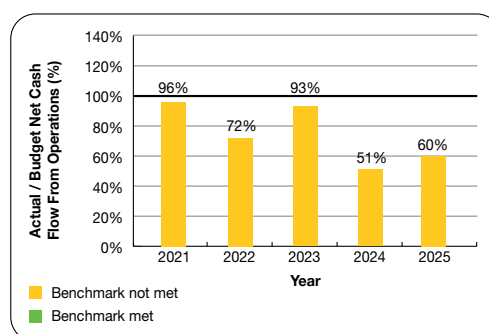
This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flows from operations. The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

2021 - Operating cash flows were adversely affected by elevated payments to suppliers, due to the timing of payments.

2022 - Operating cash flows were adversely affected by lower subsidies and reduced user fees & charges due to COVID-19 Omicron restrictions during the year and elevated payments to suppliers.

2023 - Operating cash flows were adversely affected by high inflation, council's user fees & charges are fixed early and suppliers have greater ability to adapt to current economic conditions, resulting in elevated payments.

2024 - Operating cash flows continue to be adversely affected by higher inflation than budgeted resulting in elevated payments to suppliers and employees. Interest rates remain high which generates higher interest revenue but the increase in interest revenue is not sufficient to offset the increase in interest expense, particularly with a higher borrowing level than budgeted. Grants revenue is also lower than budget due to cost pressures within NZ economy.



2025 - Operating cash flows were adversely affected by the change in Central Government policy, particularly in transport, which resulted in lower grants and subsidies received. User Fees & Charges was also impacted by economic downturn which has seen lower volumes and charges in Building Services, Wastewater and Airport.

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CALCULATIONS

	2021	2022	2023	2024	2025
RATES INCOME AFFORDABILITY \$000					
Annual Report Rates Income	189,802	234,259	266,800	295,016	334,155
Relevant Long-term Plan Rates Budget / Calculated limit *	203,492	216,184	266,608	305,221	333,230

RATES INCREASES AFFORDABILITY					
Rates Revenue Budget	182,979	201,489	230,774	245,686	291,495
Water by Meter Revenue Budget	24,399	32,789	38,143	42,101	41,736
Rates Revenue Actual	165,518	202,064	230,045	257,766	294,592
Water by Meter Revenue Actual	24,284	32,195	36,755	37,250	39,563
Rates Increase	5.7%	23.4%	13.9%	10.6%	13.3%
Rating Limit/ CPI increase *	11.0%	12.0%	12.0%	12.0%	13.1%
Growth	2.3%	1.9%	1.8%	1.5%	1.5%
Total Rates Increase Limit	13.3%	13.9%	13.8%	13.5%	14.6%

* A specific numeric limit was not given in the Long-term Plan. In place of this a calculated limit was given, being prior years rates income, inflated by the current year rates limit increase.

BALANCED BUDGET					
Operating Revenue	257,690	303,445	357,723	406,582	473,903
Plus: Capital subsidy revenue	22,126	39,843	93,498	85,557	70,855
Plus: Investment property revaluation gains	14,691	31,949	-	-	4,311
Plus: Other gains on non financial instrument's	1,118	1,830	7,305	2,620	3,823
Total Revenue excluding Asset Development	295,625	377,067	458,526	494,760	552,892
Operating Expenditure	271,304	308,693	403,840	491,700	584,100
Plus: Other losses on non financial instruments	9,749	13,072	21,614	15,322	7,345
Plus: Provisions Expense	26,438	6,959	-	1,380	1,718
Total Expenditure excluding Financial Instruments	307,491	328,724	425,454	508,402	593,163
Revenue/Expenditure**	96%	115%	108%	97%	93%

** The Operating Surplus/(Deficit) using Financial Prudence amounts differs from that presented in other sections of this document due to the prescriptive nature of the legislation.

ESSENTIAL SERVICES BENCHMARK					
Capital Expenditure					
Stormwater	7,305	9,795	16,359	21,608	11,435
Waste Water	13,951	43,035	38,492	38,723	53,845
Water Supply	68,825	56,204	34,632	23,734	20,503
Transportation	43,414	48,563	106,398	134,685	88,900
Capital Expenditure on Essential Services	133,495	157,597	195,881	218,750	174,683
Depreciation					
Stormwater	5,618	7,537	6,790	8,722	8,805
Waste Water	10,348	14,217	14,301	18,104	18,995
Water Supply	7,731	8,300	10,411	14,026	14,686
Transportation	14,585	17,730	27,176	31,455	40,078
Depreciation on Essential Services	38,282	47,784	58,678	72,307	82,564
Capital Expenditure as proportion of Depreciation	349%	330%	334%	303%	212%

DEBT SERVICING BENCHMARK					
Revenue	295,625	377,067	427,627	494,760	552,892
Borrowing costs	20,435	21,364	35,038	49,528	60,447
Borrowing Costs Revenue	7%	6%	8%	10%	11%
Limit	15%	15%	15%	15%	15%

	2021	2022	2023	2024	2025
DEBT AFFORDABILITY BENCHMARK LIMIT 1					
Borrowing costs	20,435	21,364	35,038	49,528	60,447
Interest Revenue	1,426	1,834	6,819	10,112	11,902
Net Interest Expense	19,009	19,530	28,219	39,416	48,545
Operating Revenue	295,625	377,067	427,627	494,760	552,892
Net Interest Expense/Operating Revenue	6%	5%	7%	8%	9%
Quantified Limit	20%	20%	20%	20%	20%
DEBT AFFORDABILITY BENCHMARK LIMIT 2					
Borrowing costs	20,435	21,364	35,038	49,528	60,447
Interest Revenue	1,426	1,834	6,819	10,112	11,902
Net Interest Expense	19,009	19,530	28,219	39,416	48,545
Rates Revenue	189,802	234,259	266,800	295,017	334,155
Net Interest Expense/Rates Revenue	10%	8%	11%	13%	15%
Quantified Limit	25%	25%	25%	25%	25%
DEBT AFFORDABILITY BENCHMARK LIMIT 3					
Actual Net External Debt					
Cash and Equivalents	39,835	19,987	80,538	84,662	35,574
Borrowings Current	66,012	56,054	56,065	116,065	220,946
Borrowings Non Current	569,361	715,199	892,339	1,054,514	1,186,762
Total Borrowings	635,373	771,253	948,404	1,170,579	1,407,708
Actual Net External Debt	595,538	751,266	867,866	1,085,915	1,372,134
Net External Debt/Revenue	201%	199%	203%	219%	248%
Quantified Limit	250%	300%	295%	290%	285%
DEBT CONTROL BENCHMARK					
Actual Net Debt					
Financial Assets (excluding debtors and other receivables)	104,693	128,840	198,804	217,881	197,800
Financial Liabilities	698,810	922,372	1,015,201	1,260,389	1,511,353
Actual Net Debt	594,117	793,532	816,397	1,042,508	1,313,553
Planned Net Debt					
Financial Assets (excluding debtors and other receivables)	23,399	36,900	38,280	39,716	56,987
Financial Liabilities	761,180	940,934	1,070,234	1,221,859	1,573,239
Planned Net Debt	737,781	904,034	1,031,954	1,182,143	1,516,252
Actual/Budget Percentage	81%	88%	79%	88%	87%
OPERATIONS CONTROL BENCHMARK					
Actual Cash flows	120,158	93,526	165,428	131,743	92,697
Planned Cash Flows	125,230	129,475	178,621	258,288	155,426
Actual/Budgeted Cash Flows	96%	72%	93%	51%	60%

Rating base information

Councils general rates are set based on capital value, with a residential/commercial differential of 1:2.1 and a residential/industrial differential of 1:2.6.

The uniform annual general charge is set on each separately used or inhabited part of a rating unit. The uniform annual general charge and other rates set on a uniform basis are set at close to 10% of the total assessed rates. Targeted rates for resilience, stormwater and community is assessed on all rateable properties based on capital value with a commercial/industrial differential of 1:1.6. A targeted rate for transportation is assessed on all rateable properties based on capital value with a commercial/industrial differential of 5.2.

Council also set minor targeted rates for level of service in three subdivisions (The Lakes, Pāpāmoa Coast and Excelsa), three graduated urban growth targeted rates over the whole city and

four Mainstreet targeted rates assessed on commercial and industrial properties within each Mainstreet area.

Council sets targeted rates for wastewater and water supply on properties that are, or can be, connected to the reticulation systems. Water targeted rates are predominantly based on a volumetric rate for each cubic metre of water consumed. Targeted waste rates are assessed on all residential properties who receive a small, standard or large kerbside collection for glass, food, recycling and general waste collection service. Targeted rates are also assessed on residential properties who have opted in to receive a 2 weekly or 4 weekly garden waste kerbside collection service.

All of the above are set and assessed under the Local Government (Rating) Act 2002.

TAURANGA CITY COUNCIL RATEPAYER DATA

	2020	2021	2022	2023	2024	2025
Number of rating Units	58,116	59,640	60,130	60,847	61,570	62,101
Total Capital Value (\$ Millions)	51,912	53,048	54,021	84,990	82,476	79,953
Total Land Value (\$ Millions)	28,552	28,848	29,098	51,917	52,207	49,623

FURTHER BREAKDOWN *

Residential Ratepayers

Residential rating Units	54,979	55,818	56,419	57,065	57,698	58,077
Residential rating units growth from previous year	2.3%	1.5%	1.1%	1.2%	1.1%	0.7%
Residential capital Value (\$ Millions)	42,807	43,619	44,407	67,758	68,434	64,031
Residential capital Value growth from previous year	50.0%	1.9%	1.8%	52.6%	1.0%	-6.4%
Residential Category General Rates (\$million)	68.0	86.3	95.4	104.7	113.1	130.4

Commercial Ratepayers

Commercial rating Units	3,511	3,642	3,711	3,782	3,872	1,851
Commercial rating units growth from previous year	2.2%	3.7%	1.9%	1.9%	2.3%	-52.2%
Commercial capital Value (\$ Millions)	9,104	9,429	9,614	13,847	14,042	6,422
Commercial capital Value growth from previous year	33.3%	3.6%	2.0%	44.0%	1.4%	-54.3%
Commercial Category General Rates (\$million)	15.4	20.8	30.7	38.6	46.3	27.2

Industrial Ratepayers

Industrial rating Units	2,173
Industrial rating units growth from previous year	100.0%
Industrial capital Value (\$ Millions)	9,501
Industrial capital Value growth from previous year	100.0%
Industrial Category General Rates (\$million)	42.5

* Number of rating units for residential and commercial/industrial exceeds the total number of rating units because it includes primary and secondary rating units.

Funding impact statement - whole of council

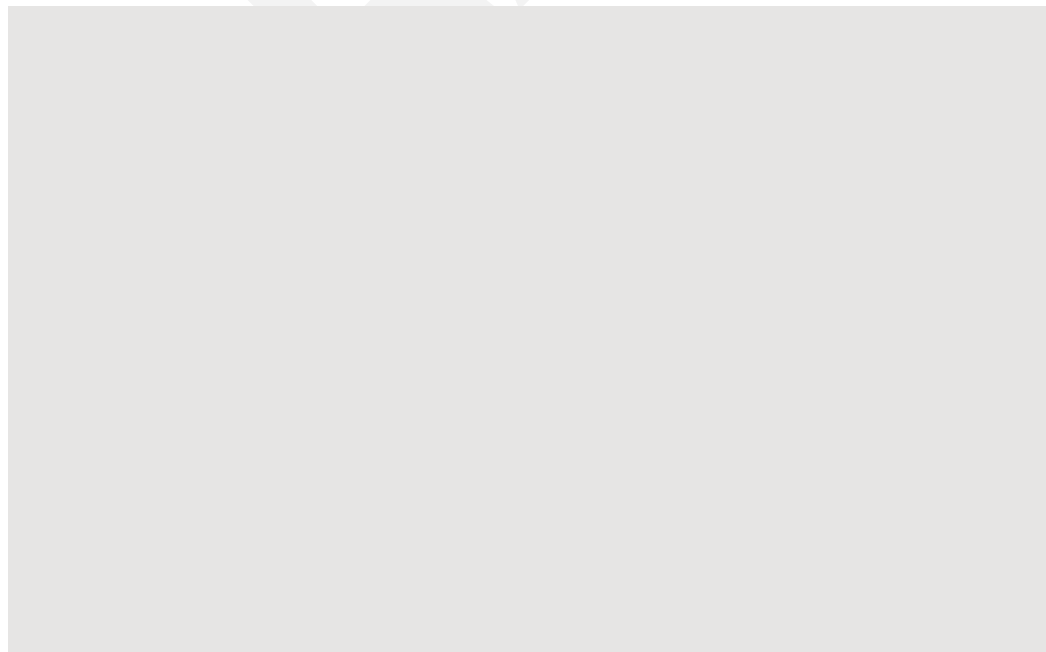
Tauranga City Council: Funding Impact Statement for Whole of Council for the year ended 30 June 2025

	2023/2024 AP \$000s	2023/2024 Actual \$000s	2024/2025 AP \$000s	2024/2025 Actual \$000s
SOURCES OF OPERATING FUNDING				
General Rates, Uniform Annual General Charges, Rates Penalties	174,564	175,379	219,469	219,791
Targeted Rates	116,198	119,637	113,762	114,365
Subsidies and Grants for Operating Purposes	36,585	35,631	59,503	59,663
Interest and Dividends from Investments	4,878	10,686	4,930	12,344
Fees and Charges	61,425	61,566	68,180	63,776
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	1,896	3,683	4,050	3,965
Total Sources of Operating Funding (A)	395,546	406,582	469,894	473,904
APPLICATIONS OF OPERATING FUNDING				
Payments to Staff and Suppliers	323,548	344,941	405,432	410,400
Finance Costs	43,513	49,527	63,084	60,447
Other Operating Funding Applications	1,222	2,355	522	2,044
Total Applications of Operating Funding (B)	368,283	396,823	469,038	472,891
Surplus/(Deficit) of Operating Funding (A-B)	27,263	9,759	856	1,013
SOURCES OF CAPITAL FUNDING				
Subsidies and Grants for Capital Expenditure	78,973	82,408	100,633	66,370
Development and Financial Contributions	37,471	22,655	33,973	18,670
Increase/(Decrease) in Debt	195,585	222,176	176,987	237,128
Gross Proceeds from the Sale of Assets *	2,021	16,418	11,843	2,621
Lump Sum Contributions	7,083	3,149	18,731	4,484
Other Dedicated Capital Funding	-	-	-	-
Total Sources of Capital Funding (C)	321,132	346,806	342,167	329,273
APPLICATION OF CAPITAL FUNDING				
Capital Expenditure				
- to meet additional demand	86,399	114,864	147,181	105,237
- to improve level of service	219,484	201,534	192,788	157,091
- to replace existing assets	56,987	49,870	83,903	66,082
Increase/(Decrease) in Reserves	(14,474)	(9,703)	(80,849)	1,875
Increase/(Decrease) of Investments *	-	-	-	-
Total Applications of Capital Funding (D)	348,396	356,565	343,023	330,285
Surplus/(Deficit) of Capital Funding (C-D)	(27,264)	(9,759)	(856)	(1,013)
Funding balance ((A-B)+(C-D))	0	0	0	0

Reconciliation from surplus of operating funding to operating surplus

The following reconciliation bridges the difference between the funding impact statement and the statement of comprehensive revenue and expenditure.

	2025 \$000	2024 \$000
Surplus of Operating Funding	1,013	9,759
Operating surplus items not included in operating funding:		
Depreciation and Amortisation Expense	(112,925)	(96,257)
Vested Assets	15,711	19,897
Net other gains/(losses)	(13,040)	(7,281)
Operating Surplus not included under operating funding:		
Development Contributions	18,670	22,655
Grants, Subsidies and Other Capital Expenditure Contributions	70,854	85,557
Other Revenue and Expense items	(2)	(160)
Share of associate's surplus/deficit	(147)	-
Operating surplus	(19,866)	34,170



Financial statements

Tauranga City Council: Statement of Comprehensive Revenue and Expenses for the year ended 30 June 2025

	Note	Council			Consolidated	
		Actual 2025 \$'000	Budget 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Revenue						
Rates		334,155	333,230	295,016	334,155	294,871
Fees & Charges		66,462	71,008	64,024	66,462	84,371
Grants & Subsidies		60,942	60,726	36,856	60,942	36,948
Finance Revenue		12,344	4,930	10,686	12,344	9,453
Revenue from Operations		473,903	469,894	406,582	473,903	425,643
Asset Development Revenue						
Vested Assets		15,711	29,523	19,897	15,711	19,897
Development Contributions		18,670	33,973	22,655	18,670	22,655
Grants, Subsidies, and Other Capital Contributions		70,855	119,364	85,557	70,855	85,557
Total Asset Development Revenue		105,236	182,860	128,109	105,236	128,109
Total Revenue	2	579,139	652,754	534,691	579,139	553,752
Expenditure						
Depreciation and Amortisation expense	3	(112,925)	(104,656)	(96,257)	(112,925)	(103,319)
Personnel Expenses	4	(126,271)	(118,153)	(106,883)	(126,271)	(125,238)
Finance Expenses	5	(61,086)	(63,819)	(50,159)	(61,086)	(50,165)
Other Operating Expenses	6	(283,818)	(286,565)	(238,401)	(283,818)	(236,630)
Total Operating Expenditure		(584,100)	(573,192)	(491,700)	(584,100)	(515,352)
Other Expenditure						
Provisions Expense	24	(1,718)	(500)	(1,380)	(1,718)	(1,380)
Total Expenditure		(585,818)	(573,692)	(493,080)	(585,818)	(516,732)
Operating surplus/(deficit) before gains and losses		(6,679)	79,062	41,611	(6,679)	37,020
Net other gains/(losses)	7	(13,040)	(15,875)	(7,281)	(13,040)	(7,281)
Share of associate's surplus/(deficit)	15	(147)	-	(160)	(147)	(247)
Surplus before tax		(19,866)	63,186	34,170	(19,866)	29,492
Income tax expense	8	9	-	(1,242)	9	(7,972)
Surplus after tax		(19,857)	63,186	32,928	(19,857)	21,520
OTHER COMPREHENSIVE REVENUE AND (EXPENSES)						
Financial assets at fair value through other comprehensive income		-	-	7,529	-	7,529
Property, Plant & Equipment Revaluation Gain/(Loss)	30	131,306	229,277	277,629	131,306	299,438
Tax on Other Comprehensive Revenue		-	-	447	-	(5,688)
Total other comprehensive income		131,306	229,277	285,605	131,306	301,279
TOTAL COMPREHENSIVE INCOME		111,449	292,462	318,533	111,449	322,799

Explanation of major variances against budget are provided in note 31.

Summary of accounting policies and the accompanying notes form part of these financial statements.

Tauranga City Council: Statement of Financial Position as at 30 June 2025

		Council			Consolidated	
	Note	Actual 2025 \$'000	Budget 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	10	35,574	5,702	84,662	56,335	87,322
Debtors and Other Receivables	11	77,939	65,427	67,937	82,561	67,852
Derivative Financial Instruments	12	167	-	-	167	-
Inventories		1,618	1,107	1,390	2,045	1,872
Other Current Financial Assets	13	60,000	10,000	27,850	61,729	28,766
Non-Current Assets Held For Sale	14	3,864	21,819	7,882	3,864	7,882
Total Current Assets		179,163	104,055	189,721	206,701	193,694
NON CURRENT ASSETS						
Derivative Financial Instruments	12	664	8,616	6,965	664	6,965
Financial Assets:	13					
Investments - Other Entities		326	5,294	256	326	256
Investments - Council Controlled Organisations		172,848	127,415	154,467	50,108	34,670
Investments - Other Non Current Financial Assets		30,950	37,375	28,914	30,950	28,914
Investments in Associates	15	2,560	-	140	2,560	569
Investment Property	16	110,544	126,319	118,144	110,544	118,144
Intangible Assets	17	43,337	58,372	53,402	43,717	53,611
Forestry Assets	18	5,789	8,825	7,318	5,789	7,318
Property, Plant and Equipment	19	7,618,161	7,878,660	7,242,451	7,787,816	7,410,888
Te Manawataki o Te Papa Charitable Trust Land	20	18,436	-	18,436	18,436	18,436
Total Non Current Assets		8,003,615	8,250,876	7,630,493	8,000,910	7,679,771
TOTAL ASSETS		8,182,777	8,354,931	7,820,214	8,267,611	7,873,465
LIABILITIES						
CURRENT LIABILITIES						
Payables and Accruals	21	114,527	94,138	118,250	119,985	120,632
Deposits Held	21	10,103	11,827	10,255	10,130	10,279
Revenue in Advance	21	4,384	3,887	2,044	5,623	2,739
Employee Entitlements	22	14,185	10,611	8,130	16,525	10,355
Borrowings	23	220,946	155,923	116,065	211,946	117,065
Provisions	24	2,241	960	2,430	2,342	2,430
Total Current Liabilities		366,497	277,346	257,174	366,662	263,500
NON CURRENT LIABILITIES						
Deferred Tax Liability	9	13,090	-	13,090	5,439	34,429
Derivative Financial Instruments	12	9,075	1,084	1,721	9,075	1,721
Other Non-Current Liabilities	21	1,057	6,109	-	1,057	-
Borrowings	23	1,186,762	1,310,267	1,054,514	1,186,762	1,054,514
Provisions	24	1,415	4	-	1,415	-
Total Non Current Liabilities		1,211,399	1,317,464	1,069,325	1,203,748	1,090,664
TOTAL LIABILITIES		1,577,896	1,594,810	1,326,499	1,570,410	1,354,164
NET ASSETS		6,604,881	6,760,121	6,493,715	6,697,201	6,519,301
EQUITY						
Retained Earnings		1,746,932	1,943,630	1,693,315	1,746,932	1,667,900
Other reserves		4,857,948	4,816,491	4,800,400	4,950,269	4,851,401
TOTAL EQUITY		6,604,881	6,760,121	6,493,715	6,697,201	6,519,301

In accordance with the Local Government Act 2002 Schedule 10 Part 3(34), all statutory requirements in relation to the Annual Report have been complied with. Explanations of major variances against budget are provided in note 31.

Summary of accounting policies and the accompanying notes form part of these financial statements.

Mahé Drysdale
Mayor
29 October 2025

Marty Grenfell
Chief Executive
29 October 2025

**Tauranga City Council: Statement of Movements in Equity
for the year ended 30 June 2025**

	Council			Consolidated	
	Actual 2025 \$'000	Budget 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
EQUITY AT END OF PRIOR YEAR	6,493,715	6,464,026	6,175,232	6,519,301	6,199,741
Total Comprehensive Income	111,449	292,462	318,533	(2,301)	322,799
Other Movements	(284)	3,633	(50)	150,200	(3,239)
Movements in Equity for the Year	111,165	296,095	318,483	147,899	319,560
EQUITY AS AT 30 JUNE	6,604,881	6,760,121	6,493,715	6,667,200	6,519,301
COMPONENTS OF EQUITY					
Retained Earnings					
Reserves at Beginning of Year	1,693,315	1,762,044	1,632,515	1,657,900	1,611,157
Surplus/(Deficit) After Taxation for the Year	(19,857)	292,462	32,928	(1,364)	21,520
Net Transfers From Other Reserves	73,985	(220,671)	27,903	73,731	29,706
Other Adjustments	(491)	109,801	(31)	2,005	5,517
Retained Earnings at End of the Year	1,746,932	1,943,630	1,693,315	1,749,272	1,667,900
Restricted Reserves					
Reserves at Beginning of the Year	(321,326)	(335,443)	(278,769)	(326,882)	(283,325)
Net Transfer (to)/from Retained Earnings	(57,484)	(56,805)	(42,557)	(7,449)	(43,557)
Restricted Reserves at End of the Year	(378,810)	(392,248)	(321,326)	(334,331)	(326,882)
Restricted Reserves Consists of:					
Trusts	45	45	43	45	43
Other Restricted Reserves	3,183	3,352	3,029	2,338	(2,527)
Development Contributions	(382,038)	(395,645)	(324,398)	(332,038)	(324,398)
Restricted Reserves as at 30 June	(378,810)	(392,248)	(321,326)	(334,331)	(326,882)
Council Created Reserves					
Reserves at Beginning of the Year	147,584	(223,666)	132,931	147,715	133,864
Net Transfers from/(to) Retained Earnings	(16,481)	277,476	14,653	(6,282)	13,851
Council Created Reserves at End of Year	131,103	53,810	147,584	141,433	147,715
Council Created Reserves Consists of:					
Depreciation Reserves	143,620	109,332	150,544	143,620	150,675
Other Special Purpose Reserves	(12,517)	(55,522)	(2,960)	(2,187)	(2,960)
Council Created Reserves as at 30 June	131,103	53,810	147,584	141,433	147,715
Asset Revaluation Reserves					
Reserves at Beginning of the Year	4,974,142	4,925,652	4,688,555	5,000,568	4,738,044
Shareholding Revaluation Gains/(Losses)	-	-	7,529	-	7,529
Property, Plant and Equipment Revaluation Gains/(Losses)	131,306	229,277	277,629	(937)	299,438
Movements in Assets	(3)	-	(18)	138,195	(8,785)
Deferred Tax on Asset revaluations	-	-	447	-	(5,658)
Net Transfers from/(to) Retained Earnings on Asset Disposals	-	-	-	210	-
Asset Revaluation Reserves at End of the Year	5,105,655	5,154,929	4,974,142	5,138,036	5,030,568
Asset Revaluation Reserves Consists of:					
Airport	16,929	21,333	17,046	6,929	17,046
Heritage	1,579	1,839	1,579	1,579	1,579
Distribution Systems	1,547,233	1,572,875	1,409,883	1,547,233	1,409,883
Library	1,550	2,055	1,550	2,059	1,550
Land, Building and Improvements	2,647,985	2,753,104	2,653,706	2,709,713	2,716,267
Te Manawataki o Te Papa Charitable Trust	2,334	-	2,334	2,334	2,334
Road Network	897,948	816,814	897,948	897,948	897,432
Deferred Tax on Asset Revaluations	(17,432)	(13,090)	(17,432)	(7,498)	(23,052)
Shareholding	7,529	-	7,529	7,529	7,529
Asset Revaluation Reserves as at 30 June	5,105,655	5,154,929	4,974,142	5,137,826	5,030,568
EQUITY AT END OF THE YEAR	6,604,881	6,760,121	6,493,715	6,667,410	6,519,301

Explanations of major variances against budget are provided in note 31.

Summary of accounting policies and the accompanying notes form part of these financial statements.

Tauranga City Council: Statement of Cash Flows for the year ended 30 June 2025

	Council			Consolidated	
	Actual 2025 \$'000	Budget 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Cash flows from operating activities					
Receipts from Rates Revenue*	331,128	328,888	292,198	319,026	292,198
Grants and Subsidies Received	133,714	180,090	143,246	134,058	143,407
Development and Financial Contributions Received	18,670	33,973	22,655	18,670	19,226
Fees and Charges Received	68,930	71,008	67,423	101,676	89,197
Interest Received	11,902	4,405	10,111	11,020	10,177
Dividends Received	442	525	575	442	581
Cash Flows from Operating Activities	564,786	618,889	536,208	584,892	554,786
Payments to Suppliers	(281,948)	(282,225)	(230,250)	(294,290)	(226,266)
Payments to Employees	(119,480)	(118,153)	(109,365)	(128,582)	(127,317)
Interest Paid	(61,294)	(63,084)	(48,842)	(61,294)	(48,842)
GST (net)	(9,367)	-	(16,008)	(9,702)	(15,953)
Total Operating Cash Applied	(472,089)	(463,462)	(404,465)	(493,868)	(418,378)
Net cash flow from operating activities	25	92,697	131,743	91,026	136,408
Cash flows from investing activities					
Receipts from Sale of Investment Property	(210)	-	-	(210)	-
Receipts from Sale of Intangible Assets	-	-	-	-	-
Receipts from Sale of Property, Plant and Equipment	-	-	-	-	-
Receipts from Other Investments	8,500	-	-	8,500	-
Receipts from Sale of Non Current Assets Held for sale	4,685	11,843	23,276	4,685	23,276
Receipts from Sale of Investments and Council Controlled Organisation's Repayment of Borrowings	-	-	-	-	(1,070)
Cash flows from investing activities	12,975	11,843	23,276	12,975	22,206
Purchase of Property, Plant and Equipment	(311,915)	(423,483)	(366,349)	(347,690)	(375,770)
Purchase of Intangible Assets	3,398	(389)	(3,911)	(568)	(3,911)
Purchase of Other Investments	(42,566)	(5,000)	14,700	(43,379)	14,700
Investments in Council Controlled Organisation's	(18,381)	(7,364)	(13,807)	(50,108)	(13,807)
Purchase of Investment Property	(181)	-	(1,234)	(181)	(1,234)
Total Investing Cash Applied	(369,645)	(436,236)	(370,601)	(441,926)	(380,022)
Net cash flow from investing activities	25	(356,670)	(347,325)	(428,951)	(357,816)
Cash flows from financing activities					
Proceeds from Borrowings	354,758	384,949	275,000	351,630	282,331
Repayment of Borrowings	(116,065)	(115,982)	(55,297)	(116,065)	(55,297)
Net Cash Flow from Financing Activities	238,693	268,967	219,703	235,565	227,034
NET INCREASE / (DECREASE) IN CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS	25,280	-	4,121	(102,360)	5,626
Opening Cash, Cash Equivalents and Bank Overdrafts	84,662	5,702	80,541	87,322	81,696
CASH, CASH EQUIVALENTS, AND BANK OVERDRAFTS AT THE END OF THE YEAR	109,942	5,702	84,662	(15,038)	87,322

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Explanation of major variances against budget are provided in note 31

Summary of accounting policies and the accompanying notes form part of these financial statements.

Basis of reporting

This section contains the significant accounting policies of the council and the group that relate to the financial statements as a whole.

Significant accounting policies are also included in the related note disclosures.

Signposts

Explanation headings



Accounting Policy



Critical Accounting Estimates, Assumptions and Judgements



Local Government Disclosures

Note 1: General accounting policies - for the year ended 30 June 2025

1.1 Reporting entity

Tauranga City Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the council's operations includes the Local Government Act 2002 and the Local Government (Rating) Act 2002.

The council's principal address is 21 Devonport Road Tauranga.

The Tauranga City Council Consolidated group consists of Tauranga City Council and its subsidiaries; Bay Venues Limited (100%); Tauranga Art Gallery (100%); Te Manawataki o Te Papa Charitable Trust (50%); Te Manawataki o Te Papa Limited (100%).

Tauranga City Council has 50% interest in Tourism Bay of Plenty which is treated as an investment in an associate, as per note 15.

All of Tauranga City Councils' subsidiaries are incorporated and domiciled in New Zealand.

The primary objective of Tauranga City Council and group is to provide local infrastructure, local public services and perform regulatory functions for the community. The Council does not operate to make a financial return. Accordingly, Tauranga City Council has designated itself and the group as Public Benefit Entities (PBE's) for financial reporting purposes.

The council authorises the Chief Executive to make necessary minor presentation or typographical amendments to the financial statements after their issue.

The Financial Statements of Tauranga City Council and group are for the year ended 30 June 2025. The Financial Statements were authorised for issue by Tauranga City Council on 29 October 2025.

1.2 Basis of preparation

The financial statements have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements of Tauranga City Council and group have been prepared in accordance with the requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements and service performance information have been prepared in accordance with Tier 1 Public Benefit Entity (PBE) accounting standards.

The council and management of Tauranga City Council confirm that all statutory requirements. In relation to this annual report have been met including those outlined in the Local Government Act 2002, and the local Government (Financial Reporting and Prudence) Regulations 2014.

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000), unless otherwise stated.

Foreign currency transactions

Foreign currency transactions are converted into NZ\$ using the exchange rates prevailing at the dates of the transactions. Foreign monetary assets and liabilities held at year end are also converted into NZ\$'s. Foreign exchange gains and losses from these activities are recognised in the surplus or deficit.

Goods and Services Tax

All items in the financial statements are stated exclusive of Goods and Services Tax (GST), except for receivables and payables, which are presented on a GST inclusive basis. When GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net GST paid to, or received from the IRD, including GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by Tauranga City

Council in its 2024-34 Long-term Plan. The budget figures have been prepared in accordance with GAAP, using accounting policies that are consistent with those adopted by the council in preparing these financial statements.

Cost allocation

The cost of service for each significant activity of the council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Changes in accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and there have been no changes in accounting policies.

Council has revised its presentation to improve usefulness and relevance of information presented. Accounting policies remain unchanged from prior year.

Significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the council and group are:

No standards pending adoption by Council.

Standards issued and adopted in current reporting period

Standards and amendments, issued that have been adopted, and which are relevant to the Council and group are:

• 2023 Omnibus Amendments to PBE Standards

Applies for annual periods beginning on or after 1 January 2023.

This Standard amends the following: PBE IPSAS 16 Investment Property, PBE IPSAS 30 Financial Instruments: Disclosures, PBE IPSAS 13 Leases, PBE IPSAS 21 Impairment of Non Cash Generating Assets, PBE IPSAS 26 Impairment of Cash Generating Assets, PBE IPSAS 22 Disclosure of Information about the General Government Sector, PBE FRS 47 First time Adoption of PBE Standards, PBE IPSAS 41 Financial Instruments, PBE IPSAS 19 Provisions, Contingent Liabilities

and Contingent Assets, PBE IPSAS 17 Property, Plant and Equipment, PBE IPSAS 5 Borrowing Costs, PBE IAS 12 Income Taxes, and PBE IPSAS 27 Agriculture.

Adoption of this standard has not resulted in any significant impact on the Council and group financial statements.

2024 Omnibus Amendments to PBE Standards

Applies for annual periods beginning on or after 1 January 2026, with early adoption permitted.

This Standard amends the following: PBE IPSAS 1 Presentation of Financial Reports and PBE IAS 12 Income Taxes.

Adoption of this standard has not resulted in any significant impact on the Council and group financial statements.

Critical accounting estimates, and assumptions

In preparing these financial statements Tauranga City Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. This applies to the following notes:

Note 13 - Other Financial Assets

Note 16 - Investment Property

Note 19 - Property, Plant and Equipment

Note 24 - Provisions

Other Matters

The water services legislation (namely the Water Services Entities Act 2022, the Water Services Legislation Act 2023 and the Water Services Economic Efficiency and Consumer Protection Act 2023), was repealed on 17 February 2024. The Government has recently enacted the Local Government (Water Services Preliminary Arrangements) Act 2024. The new legislation requires Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. The plan must include the anticipated or proposed model or arrangements and implementation plan for delivering water services. Council will not know what the model or arrangements are likely to be until the WSDP is approved by the Secretary. The new legislation has not had an impact on the 30 June 2025 financial statements or performance information.

1.3 Basis of consolidation

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, and expenses of entities in the group on a line by line basis. All

intragroup balances, transactions, revenues and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when the council obtains control of the entity and ceases when the council loses control of the entity.

Control over an entity is determined when the council has exposure, or rights, to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. The council considers all relevant facts and circumstances in assessing whether it has power over another entity.

For example, the ability to appoint or remove most of the entity's governance and management, binding arrangements the council enters into, group voting rights, and pre determination mechanisms. The council reassesses whether or not it controls another entity if facts and circumstances change.

The accounting policies of controlled entities are consistent with the policies adopted by the controlling entity, or if not, adjustments are made to the consolidated financial statements to bring alignment of subsidiaries with the group's accounting policies. All intra group balances, transactions, income, expenses, and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

SUBSIDIARIES

Tauranga City Council consolidates in the group financial statements all entities where Tauranga City Council has the capacity to control their financing and operating policies to obtain benefits from the activities of the subsidiary. This power exists where Tauranga City Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Tauranga City Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

Tauranga City Councils' investments in its subsidiaries are carried at cost in Tauranga City Councils' own "parent entity" financial statements.

ASSOCIATE

An associate is an entity over which the Tauranga City Council has significant influence and is neither a subsidiary nor an interest in a joint venture. Refer to note 15.

INVESTMENT

Tauranga City Council also has an 11.11% interest in Bay of Plenty Local Authority Shared Service (BOPLASS), a company set up by nine local authorities in the Bay of Plenty region. This is not consolidated but is accounted for as investments by Tauranga City Council. Refer to note 13.

Operating notes

Note 2: Revenue

Accounting policy



The Tauranga City Council Group (the group) and Tauranga City Council (the council) receive their revenue from exchange and non exchange transactions.

Exchange transaction revenue arises when the council and the group provide goods and services to a third party and receives approximately equal value in return that is directly related to those goods and services. Non exchange transaction revenue arises when the council and the group receive value from another party without having to provide goods or services of equal value directly. Non exchange revenue comprises rates and transfer revenue. Transfer revenue includes grants, subsidies and fees and user charges derived from activities that are partially funded by rates.

The group and the council's significant items of revenue are recognised and measured as follows:

Type	Recognition and Measurement
Rates	<p>General rates, targeted rates (excluding water by meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The council considers the effect of payment of rates by instalments is not enough to require discounting of rates receivables and subsequent recognition of interest revenue.</p> <p>Revenue arising from late payment penalties is recognised when rates become overdue.</p> <p>Rates remissions are recognised as a reduction of rates revenue when the council has received an application that satisfies its Rates Remission Policy. Tauranga City Council's rates remission policy allows rates to be remitted on condition of a ratepayer's extreme financial hardship, land used for sport and land protected for historical, cultural or other charitable purposes.</p> <p>Revenue from water by meter rates is recognised on an accrual basis. Revenue is based on the actual usage as a result of meter reading. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.</p> <p>Non Rateable Land</p> <p>Under the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves, and unused Māori freehold land. These non rateable properties may be subject to targeted rates in respect of sewerage, water, refuse, and sanitation. The non rating of non rateable land does not constitute a remission under the council's rates remission policy.</p>

Type	Recognition and Measurement
Grants and Subsidies	<p>Grants and subsidies are recognised when they become receivable unless there is an obligation in substance to return the funds if conditions of the grants and subsidies are not met. If there is such an obligation, the grants and subsidies are initially recorded in the statement of financial position when received at fair value as grants and subsidies received in advance. As the conditions are satisfied, the carrying amount of the liability is reduced and an equal amount is recognised as revenue.</p> <p>Waka Kotahi NZ Transport Agency (NZTA) - Roadway Capital Subsidies</p> <p>Council received funding assistance from NZTA. These grants are reimbursements that subsidise part of the costs of capital expenditure on the local roadway infrastructure. The subsidies are recognised as revenue when conditions pertaining to eligible expenditure have been fulfilled.</p> <p>Waka Kotahi NZ Transport Agency (NZTA) - Roadway Operating Subsidies</p> <p>Council received funding assistance from NZTA. These grants are reimbursements that subsidise part of the costs of maintenance on the local roadway infrastructure. These works mainly relate to traffic signals and streetlights on state highways. Neither the costs nor recoveries related to this work are included in the surplus or deficit (except for an administration fee). The subsidies are recognised as revenue when conditions pertaining to eligible expenditure have been fulfilled.</p> <p>Operational Grants</p> <p>Operational grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if the conditions of the grant are not met. If there is such a condition, the grants or subsidies are initially recorded as grants received in advance and recognised as revenue when the condition of the grant is satisfied.</p> <p>Other Grants Received</p> <p>Government grants and other grants are recognised as revenue when any conditions relating to eligible expenditure have been fulfilled.</p> <p>Crown Infrastructure Partner (CIP) supports infrastructure development through the implementation of alternative financing models, such as the Infrastructure Funding and Financing Act (IFF).</p>
Development Contributions	<p>Development Contributions relate to the revenue received from developers towards various infrastructure projects. Development and financial contributions are recognised as revenue when Tauranga City Council provides, or can provide, the service for which the contribution was charged. In cases where contributions are collected in advance to fund a service that is not currently provided in an area, the contribution is initially recognised as revenue in advance.</p>
Vested Assets	<p>For assets received for no or nominal consideration, the asset is recognised when the council obtains control of the asset. The fair value of the asset is determined by reference to the cost of constructing the asset at the time, and recognised as revenue, unless there is a use or return condition attached to the asset.</p>
Interest Revenue	<p>Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rates.</p>
Dividend Revenue	<p>Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre acquisition surpluses, the dividend is deducted from the cost of the investment.</p>

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Type	Recognition and Measurement
Other Fees and Charges	User fees and charges are recognised based on actual services provided. Any fees and charges received in advance are recognised as unearned income in Deferred Revenue. Entrance fees are charged to users of the council's local facilities, such as pools and the Tauranga Art Gallery. Revenue from entrance fees is recognised upon entry to such facilities.
Infringement Fees and Fines	Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when the infringement notice is issued, factoring in the probability of collection. Fifty percent of warrant and registration fines are payable to central government. These are recognised as a liability until payment is made to central government.
Property Revenue	Rental property lease revenue is recognised on a straight line basis over the term of the lease.
Consents, Licenses and Permits	Revenue from the rendering of services (e.g. building consent fees) is recognised by reference to the stage of completion of the transaction, based on the actual service provided as a percentage of the total services to be provided. Under this method, revenue is recognised in the accounting periods in which the services are provided. Some rendering of services are provided at a market rate or on a full cost recovery basis (e.g. parking permits and fees) and these are classified as exchange. License revenue is recognised when the license is issued, and revenue received or invoiced.
Sale of Goods	Revenue from the sale of goods is recognised when the product is sold to the customer.
Port Operations	Revenue from port operations includes revenue from services, ship exchange, berthage, goods wharfage, landing charges, and collection and transport of containers. Revenue is recognised when the services are provided, by reference to the stage of completion of specific transactions, assessed on the basis of actual service provided as a proportion of the total services to be provided.
Water and Wastewater	Water revenue comprises the amounts received and receivable at balance date for water supplied to customers in the ordinary course of business. Wastewater revenue is a combination of a fixed charge and a volumetric charge based on a percentage of water used. Water and wastewater revenue includes estimated unbilled amounts for unread meters at balance date. As meter reading is cyclical, management applies judgement when estimating the daily average water consumption of customers between meter readings. Unbilled amounts from the last bill reading date to the end of the month are recognised as revenue.

For the purposes of the Local Government Funding Agency Limited (LGFA) Guarantee and Indemnity Deed disclosure, the council's annual rates revenue for the year ended 30 June 2025 is \$334 million (2024: \$295 million). Refer to Note 24 for further information on the LGFA guarantees and indemnities.

Local government disclosures

Rating Units, Capital Value and Land Value

Rates Revenue is the main source of funding for Tauranga City Council, in the district or region of the local authority, as at 30 June 2025. The total number of rating units for 2025 was 62,101 compared with 61,570 the previous year.

Separately used or inhabited parts of a rating unit (SUIPS) 2025: 69,994 (2024: 69,262).



	2025 \$ million	2024 \$ million
Capital Value	79,953	82,476
Land Value	49,623	52,207

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
OPERATING REVENUE				
Revenue from Rates				
Rates Revenue	210,470	165,227	210,470	165,089
Ancillary General & Targeted Rates	6,065	6,281	6,065	6,281
Rates Penalty	845	875	845	875
Rates Remission	(11,578)	(5,491)	(11,578)	(5,491)
Uniform Annual General Charge	19,377	16,470	19,377	16,470
Wastewater Charge	50,900	45,436	50,900	45,436
Community Facilities Targeted Rates	-	6,252	-	6,252
Resilience Targeted Rate	1,145	960	1,145	960
Stormwater Reactive Reserve Targeted Rates	517	1,533	517	1,533
Transport Targeted Rates	2,381	6,588	2,381	6,588
Water by Meter Targeted Rate	39,563	37,250	39,563	37,243
Kerbside Collection Targeted Rates	14,470	13,635	14,470	13,635
Total Revenue from Rates	334,155	295,016	334,155	294,871
Fees and Charges				
Consents, Licenses and Permits	13,004	12,650	13,004	12,651
Infringement Fees and Fines	2,686	2,460	2,686	2,460
Other Fees and Charges Revenue	19,589	21,020	27,943	21,051
Other Exchange Revenue	7,947	6,990	20,192	6,990
Port Operations Revenue	8,015	5,599	8,015	5,599
Property Revenue	10,998	10,728	10,998	10,729
Water and Wastewater	1,354	1,557	1,354	1,557
Sale of Goods	2,869	3,020	5,852	23,334
Total Fees and Charges	66,462	64,024	90,045	84,371
Grants and Subsidies				
Petrol Tax	1,279	1,223	1,279	1,223
Operating Grants and Subsidies	18,952	9,982	19,296	10,074
Waka Kotahi NZTA Operational Subsidies	40,711	25,651	40,711	25,651
Total Grants and Subsidies	60,942	36,856	61,286	36,948
Finance Revenue				
Dividends	442	575	442	581
Interest Revenue	11,902	10,111	11,020	8,872
Total Finance Revenue	12,344	10,686	11,462	9,453
TOTAL OPERATING REVENUE	473,903	406,582	496,948	425,643
ASSET DEVELOPMENT REVENUE AND OTHER REVENUE				
Vested Assets	15,711	19,897	15,711	19,897
Development Contributions	18,670	22,655	18,670	22,655
Grants, Subsidies and Other Capital Contributions				
Waka Kotahi NZTA Capital Contributions	35,259	42,942	35,259	42,942
Central Government Grants & Subsidies	3,863	11,214	3,863	11,214
Central Government Funding incl. IFF*	27,043	28,252	27,043	28,252
Other Capital Contributions	1,690	3,149	4,690	3,149
Total Grants, Subsidies and Other Capital Contributions	70,855	85,557	70,855	85,557
TOTAL ASSET DEVELOPMENT REVENUE AND OTHER REVENUE	105,236	128,109	105,236	128,109
TOTAL REVENUE	579,139	534,691	602,182	553,752
Total Revenue from Exchange Transactions	117,257	110,561	131,603	129,638
Total Revenue from Non Exchange Transactions	461,882	424,130	470,580	424,114

* Total Drawings upon IFF equal \$23m, \$5.8m relates to Operational funding and is recorded as Operating Grants and Subsidies.

Note 3: Depreciation and amortisation by groups of activity

Accounting policy

Depreciation

Depreciation is provided on all property, plant and equipment other than land, on a straight line (SL), at rates calculated to allocate the asset cost less estimated residual value, over the estimated useful life. When assets are revalued, depreciation rates are overridden by the new annual depreciation rates which may be outside the range for the class of asset to accurately reflect the useful life of the asset.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. Amortisation charge for each period is recognised in the surplus or deficit.

Intangible assets capitalised to infrastructural assets are amortised at the rate of the principal asset to which they have been capitalised.



Local government disclosures

Under the Local Government (Financial Reporting and Prudence) Regulations 2014, the council is required to disclose the Group's depreciation and amortisation by group of activities.



Depreciation & Amortisation

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
City and Infrastructure Planning	-	17	-	17
Community Services	3,369	2,984	3,369	2,984
Community, People and Relationships	7	67	7	67
Economic Development	3,436	2,858	3,436	2,858
Emergency Management	5	5	5	5
Regulatory and Compliance	67	21	67	21
Spaces and Places	13,813	8,892	23,093	15,954
Stormwater	8,805	8,722	8,805	8,722
Support Services	8,218	7,828	8,219	7,828
Sustainability and Waste	1,446	1,278	1,446	1,278
Transportation	40,078	31,455	40,078	31,455
Wastewater	18,995	18,104	18,995	18,104
Water Supply	14,686	14,026	14,686	14,026
Total depreciation and amortisation	112,925	96,257	122,205	103,319

Note 4: Personnel expenses

Accounting policy

Personnel expenses for salaries and wages, annual leave, long service leave and other similar benefits are recognised as expenditure and liabilities when they accrue to employees.



- Contributions to Defined Superannuation Scheme includes employer contributions to Kiwisaver and Defined Benefit Plan Contributors Scheme. Refer to Note 27.
- Direct Personnel Overheads includes ACC, recruitment costs, staff training costs and other staff support costs.

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Salaries and Wages	115,871	99,401	134,018	116,993
Elected Members Salaries and Wages	1,239		1,239	
Commissioner Salaries and Wages	10	1,006	10	1,006
Other Community Representation Remuneration	203	244	202	244
Contributions Defined Superannuation Scheme	3,442	3,173	3,771	3,494
Direct Personnel Overheads	2,587	2,885	2,950	3,327
2025 Organisational Reset & Redundancy Expenses	2,603	-	2,604	-
Remuneration Benefits	313	174	313	174
TOTAL PERSONNEL EXPENSES	126,268	106,883	145,107	125,238

2025 Organisational Reset

On 7 March 2025, the Executive/CEO of Tauranga City Council formally approved a restructuring plan focused on streamlining operations and reducing personnel costs. The restructure is planned in two phases, Phase one consolidates activity areas and changes reporting lines to better align our resources, processes, and talent, in order to reduce our operating costs; Phase Two focuses on how our groups and teams are led, organised and structured.

As at 30 June 2025, Phase One has been fully committed too and communicated to affected staff resulting in the redundancy of personnel as 98 roles were disestablished, The affected employees under Phase One were formally notified on 9 May 2025. All termination benefits, including redundancy payments and accrued leave, have been calculated in accordance with contractual and legal obligations. The entity has recognised a provision as at 30 June 2025, as the plan was finalised and communicated prior to balance date, creating a constructive obligation under PBE IPSAS 19. Refer to provisions in Note 24.

Phase Two was not finalised as at 30 June 2025.

Local government disclosures



Remuneration of the Mayor and Councillors is in accordance with the Provision of Clause 6 of Schedule 7 of the Local Government Act 2002 and is determined by Council Resolution within limits set by the Local Government Elected Members. The monetary remuneration detailed below includes Salary and Expenses Allowances, in accordance with Council Resolution, and the Act.

The following people held office as elected Members of the Council's governing body during the reporting period:

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Current				
Baker, Hautapu	127,014	-	127,014	-
Crowther, Glen	127,014	-	127,014	-
Curach, Rick	127,014	-	127,014	-
Drysdale, Mahé (Mayor)	167,592	-	167,592	-
Morris, Steve	127,014	-	127,014	-
Rolleston, Hemi	21,953	-	21,953	-
Rozeboom, Marten	127,014	-	127,014	-
Schuler, Kevin (Herb)	127,014	-	127,014	-
Scoular, Jen (Deputy Mayor)	144,622	-	144,622	-
Taylor, Rod	127,014	-		-
Past				
Sydney, Mikaere (resigned)	8,363	-	8,363	-
Total Elected Representatives' Remuneration	1,231,629	-	1,104,615	-

Chief Executive Remuneration

The total remuneration (including any non financial benefits) paid or payable for the year to the chief executive was \$599,433 (2024: \$606,755) and \$12,770 (2024: \$4,403) was employer contributions to superannuation schemes. Included in the total remuneration package were fringe benefits of \$12,500 (2024: \$12,500) for the company vehicle.

The current Chief Executive commenced on 3 September 2018 and was reappointed to the role on 4 September 2023, under contract for a five year term. The remuneration package was based on advice given to council by an independent consultant.

Council employees

The number of employees who were employed at 30 June are detailed below. Those receiving remuneration of \$60,000 or more are grouped into \$20,000 bands. If there are less than five or fewer employees in a band, they are combined upwards with the next banding as stipulated in the Local Government Act 2002.

Total annual remuneration by band for employees as at 30 June:

Number of employees	2025
< \$60,000	101
\$60,000-\$79,999	344
\$80,000-\$99,999	246
\$100,000-\$119,999	206
\$120,000-\$139,999	187
\$140,000-\$159,999	84
\$160,000-\$179,999	35
\$180,000-\$199,999	12
\$200,000-\$219,999	18
\$220,000-\$239,999	9
\$240,000-\$259,999	10
\$300,000-\$359,000	7
\$600,000-\$619,999	1
Total employees	1,260

Number of employees	2024
< \$60,000	158
\$60,000-\$79,999	347
\$80,000-\$99,999	236
\$100,000-\$119,999	218
\$120,000-\$139,999	144
\$140,000-\$159,999	75
\$160,000-\$179,999	29
\$180,000-\$199,999	16
\$200,000-\$219,999	15
\$220,000-\$259,999	9
\$300,000-\$359,999	7
\$600,000-\$619,999	1
Total employees	1,255

	2025	2024
Full-time equivalent		
Full time	1,024	1,016
Part time	119	121
Casual	14	11
Total Full-time equivalent	1,157	1,147

Severance Payments

Severance payments include any consideration (monetary or non monetary) provided to any employee in respect of the employee's agreement to terminate his or her employment with council. These payments are additional to any final payment of salary, holiday pay or superannuation contributions.

For the year ended 30 June 2025, the Council made 5 severance payments to employees totalling \$88,656 (2024: Two payments totalling \$20,000). The value of each of the severance payments was \$15,000, \$21,156, \$45,000, \$2,500 and \$5,000.

Note 5: Finance expenses

Accounting policy

Borrowing costs are recognised as an expense in the period in which they were incurred.



	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Interest on Borrowings	60,447	49,528	60,447	49,534
Other Financial Expenses	639	631	639	631
TOTAL FINANCE EXPENSES	61,086	50,159	61,086	50,165

Note 6: Other expenses

Accounting policy

Grant Expenditure

Non discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the council and the approval has been communicated to the applicant. The council's grants awarded have no substantive conditions attached.

- Utilities and Occupancy expenses includes rates, electricity and other general occupancy expenses.
- Other Operating Expenditure includes, but is not limited, to such items as waters management, traffic management, emergency management, and compliance fees



	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
	Council		Consolidated	
Administration	2,058	5,664	5,117	8,195
Audit Fees - Audit New Zealand for Council's Financial Statements	466	387	669	563
Other Audit Fees				
• Audit Fees - Audit NZ Debenture Trust Deed	12	11	12	11
• Audit Fees - Audit NZ for Council's Long Term Plan	19	144	19	144
• Audit Fees - Audit NZ Annual Report additional costs	12	20	12	-
Bad Debts Written Off	107	60	107	60
Consultants	18,081	16,996	18,962	18,104
Consultants - Professional Services related to Projects	31,231	26,361	40,923	26,361
Grants Expenditure	40,923	25,981	16,039	10,892
Insurance	7,414	6,627	9,028	6,627
Loss Allowance for Receivables	217	915	217	915
Operating Lease Payments	9,182	6,321	9,370	6,321
Operational Contracts	11,321	7,532	11,321	7,532
Other Operating Expenditure	499	5,686	6,001	5,543
• Transport	3,571	6,524	3,571	6,524
• Three Waters	17,548	23,438	17,548	23,438
• Spaces & Places	6,520	5,053	7,603	12,005
Repairs and Maintenance	4,382	4,527	5,465	4,528
• Transport	9,049	8,014	9,049	8,014
• Three Waters	12,537	14,953	12,537	14,953
• Spaces & Places	8,044	10,561	8,044	11,907
Software and Application Expenditure	21,150	19,152	21,150	19,152
Tauriko West - NZTA Expenditure for capital works	55,972	23,266	55,972	23,266
Utilities and Occupancy	19,008	15,796	20,483	17,143
Vegetation and Planting	4,495	4,412	4,495	4,412
Total Other Expenses	283,818	238,401	298,906	236,630

Note 7: Other gains and losses

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Financial Instruments				
Gain / (Loss) on Interest Rate Swaps	(13,599)	(2,289)	(13,599)	(2,289)
Gain on Financial Instrument Concessionary Loans	2,189	2,620	2,189	2,620
Housing Infrastructure Fund - Initial Discount Recognition / (Unwind)	1,564	(2,470)	1,564	(2,470)
Impairment of CCO Loan	(600)	-	(600)	-
Non Financial Instruments				
Gain / (Loss) on Carbon Credits	245	269	245	269
Growth of Forestry Asset	153	(278)	153	(278)
Gain / (Loss) on Revaluation of Forestry Assets	182	(258)	182	(258)
Property, Plant and Equipment				
Capital Gain / (Loss) on Disposal of Property, Plant and Equipment	(210)	9,158	(274)	9,158
Assets Written Off	(7,345)	(12,815)	(10,009)	(12,815)
Investments				
Revaluation Gain / (Loss) on Investment Property	4,311	(1,181)	4,311	(1,181)
Other				
Loss on Unrealised Income	70	(37)	70	(37)
TOTAL NET OTHER GAINS AND LOSSES	(13,040)	(7,281)	(15,768)	(7,281)

Tax notes

Note 8: Income tax expense / (benefit)

Accounting policy

Local Authorities are generally exempt from income tax except for certain income received from council controlled organisations and port related commercial undertakings.

Income tax comprises current tax and deferred tax calculated using the tax rate that has been enacted or substantively enacted by the balance date. Income tax is charged or credited to the surplus or deficit, except when it relates to items that are recognised in other comprehensive revenue and expenses, or directly in equity.

Current tax is the amount of income tax payable or refundable in the current period, plus any adjustments to income tax payable in respect of prior periods. Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.



Relationship Between Tax Expense and Accounting Profit

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Operational Surplus/ (Deficit) Before Tax	(13,100)	34,170	(10,297)	29,492
Tax at 28%	(3,668)	9,568	(2,883)	8,260
Prior year Adjustment		-		150
Non Taxable Income		(10,108)		(10,097)
Deferred Tax Adjustment		(398)		(47)
Removal of tax depreciation on commercial buildings		2,180		9,706
TAX EXPENSE	(3,668)	1,242	(2,883)	7,972
Represented by:				
Deferred Tax on Temporary Difference	(3,668)	1,242	(2,883)	7,972
	(3,668)	1,242	(2,883)	7,972

* On 28 March 2024 the Taxation (Annual Rates for 2023-24, Multinational Tax, and Remedial Matters) Act passed into law. The Act removed tax depreciation deductions for industrial and commercial buildings with an estimated tax useful life of 50 years or more, with effect from 2024/25 income tax year. Application of the enacted tax law has resulted in a \$2,180k decrease in the recognition of deferred tax expense in the Statement of Comprehensive Income and a corresponding increase to the deferred tax liability recognised in the Statement of Financial Position.

Note 9: Deferred tax asset / (liability)**Accounting policy**

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.



	Property, Plant and Equipment \$'000	Employee Entitlements \$'000	Other Provisions \$'000	Tax Losses \$'000	Total \$'000
Council					
Balance as at 1 July 2023	(17,816)	-	5	5,521	(12,290)
Charge to Surplus or Deficit	(701)	-	-	(541)	(1,242)
Charge to Other Comprehensive Revenue and Expense	447	-	-	-	447
Balance as at 30 June 2024	(18,070)	-	-	4,980	(13,090)
Balance as at 1 July 2024					
Charge to Surplus or Deficit					
Charge to Other Comprehensive Revenue and Expense					
Adjustment					
Balance as at 30 June 2025					

	Property, Plant and Equipment \$'000	Employee Entitlements \$'000	Other Provisions \$'000	Tax Losses \$'000	Total \$'000
Consolidated					
Balance as at 1 July 2023	(40,264)	376	17	19,100	(20,773)
Charge to Surplus or Deficit	(9,406)	80	(1)	1,357	(7,972)
Charge to Other Comprehensive Revenue and Expense	(5,688)	-	-	-	(5,688)
Balance as at 30 June 2024	(55,358)	456	16	20,457	(34,429)
Balance as at 1 July 2024					
Charge to Surplus or Deficit					
Charge to Other Comprehensive Revenue and Expense					
Balance as at 30 June 2025					

Financial position notes

Note 10: Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short term highly liquid investments with original maturities of three months or less and net of bank overdrafts.

The carrying value of short term deposits approximate their fair value. Council also receives interest from cash held at the bank.



	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Cash at Bank and On Hand	31,967	63,645	27,037	66,305
Short Term Deposits	-	20,000	-	20,000
Contractual Holdings	3,607	1,017	3,607	1,017
TOTAL CASH AND CASH EQUIVALENTS	35,574	84,662	30,644	87,322
Weighted Average Effective Interest Rate	3.25%	5.74%	3.25%	5.74%

Contractual Holdings relates to cash holdings for retentions in accordance with Australian and New Zealand contractual requirements. This cash is not available for general use.

Note 11: Debtors and other receivables

Accounting policy

Receivables are recorded at the amount due, less an allowance for Expected Credit Loss (ECL).

The council and group apply the simplified ECL model of recognising lifetime ECL for receivables.



	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Rates Receivable	7,440	5,755	7,440	5,755
Water Rates Receivable	9,902	8,967	9,902	8,967
Roading Subsidy Due	9,552	11,469	9,552	11,469
Other Receivables	16,349	19,629	23,337	19,216
GST	28,698	19,330	29,032	19,330
Prepayments	5,830	5,401	6,183	5,746
Gross Debtors and Other Receivables	80,770	70,551	85,446	70,484
Less Allowance for Loss	(2,831)	(2,614)	(2,885)	(2,632)
TOTAL DEBTORS AND OTHER RECEIVABLES	77,939	67,937	82,561	67,852
TOTAL EXCHANGE RECEIVABLES AND OTHER RECEIVABLES	39,669	26,429	44,010	26,344
TOTAL NON EXCHANGE RECEIVABLES AND OTHER RECEIVABLES	38,270	41,508	38,551	41,508

Local government disclosures

The Chief Executive approved the write off of rates receivable during the year under Local Government (Regulations) 2002, as follows (in whole \$ numbers)

	2025	2024
Section 90A	91,483	\$56,339
Section 90B	27,409	Nil



Expected Credit Loss

Accounting policy

The ECL allowance has been calculated based on a review of specific overdue receivables and a collective assessment. The collective allowance is based on an analysis of past collection history and debt write offs. Individual allowance has been determined based on the significant financial difficulties and circumstances being experienced by the debtor.



Rates Receivable

Council does not provide for ECL on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R)A 2002) to recover any outstanding debt. These powers allow the council to commence legal proceedings to recover any rates that remain unpaid for four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then the council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Rate payers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

Other Receivables

ECL for other receivables is based on the payment profile of revenue on credit over the prior two years the measurement date and the corresponding historical credit losses experienced for that period. This historical loss rates are adjusted for current and forward looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

There have been no changes in the estimation techniques or significant assumptions in measuring the loss allowance.

The allowance for credit losses based on council and group's credit loss matrix is as follows:

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30 June 2025	Receivable days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total \$'000
Council					
Expected credit loss rate	0.44%	21.50%	3.26%	46.22%	
Gross carrying amount (\$'000)	61,398	200	491	5,411	67,500
Lifetime expected credit loss (\$'000)	271	43	16	2,501	2,831

30 June 2025	Receivable days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total \$'000
Consolidated					
Expected credit loss rate	0.76%	97.20%	2.80%	45.55%	
Gross carrying amount (\$'000)	61,698	250	571	5,491	68,010
Lifetime expected credit loss (\$'000)	471	243	16	2,501	3,231

30 June 2024	Receivable days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total \$'000
Council					
Expected credit loss rate	0.23%	1.33%	1.89%	26.84%	
Gross carrying amount (\$'000)	41,624	1,564	427	9,268	52,883
Lifetime expected credit loss (\$'000)	97	21	8	2,488	2,614

30 June 2024	Receivable days past due				
	Current	More than 30 days	More than 60 days	More than 90 days	Total \$'000
Consolidated					
Expected credit loss rate	24.00%	1.60%	1.71%	26.75%	
Gross carrying amount (\$'000)	40,974	1,687	467	9,343	52,471
Lifetime expected credit loss (\$'000)	98	27	8	2,499	2,632

Movements in the allowance for credit losses are as follows:

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Movement in the allowance for credit losses				
Opening balance as at 1 July	2,614	1,699	2,632	1,716
Additional allowance made during the year	324	975	328	976
Allowance reversed during the year	-	-	3	-
Receivables written off during the year	(107)	(60)	(104)	(60)
Balance at 30 June	2,831	2,614	2,859	2,632

All receivables greater than 30 days in age are considered to be past due.

Note 12: Derivative financial instruments

Accounting policy



Tauranga City Council uses derivative financial instruments to manage exposure to interest rate and foreign exchange risks arising from the Council's operational activities and risk arising from council's financing and investing activities. In accordance with its Treasury Policy, Tauranga City Council does not hold or issue derivative financial instruments for trading purposes. Tauranga City Council has not adopted hedge accounting, Financial Instrument Risk is detailed in note 29.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value at each balance date. The resulting gain or loss is recognised in surplus or deficit.

The portion of the fair value of a derivative that is expected to be realised within 12 months of the balance date is classified as current, with the remaining portion of the derivative classified as non current.

Council monitors the use of derivative financial instruments using well defined market and credit risk limits and timely reporting to Council. Council's treasury policy sets out the overall minimum/maximum levels of fixed rate exposure permitted based on time bands.

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Current Asset Portion				
Interest Rate Derivatives	167	-	167	-
Total current asset portion	167	-	167	-
Non Current Asset Portion				
Interest Rate Derivatives	664	6,965	664	6,965
Total non-current asset portion	664	6,965	664	6,965
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS - ASSETS	831	6,965	831	6,965
Non Current Liabilities Portion				
Interest Rate Derivatives	9,075	1,721	9,075	1,721
Total Non Current Liabilities Portion	9,075	1,721	9,075	1,721
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS - LIABILITIES	9,186	1,721	9,186	1,721
TOTAL NET DERIVATIVE FINANCIAL INSTRUMENTS	(8,355)	5,244	(8,355)	5,244

There were no financial instruments held for trading. Currently Derivative Financial Instruments only include Non Hedged Interest Rate Derivatives.

Fair Value

Significant judgements and estimates used in the valuation of derivative financial statements

The derivatives of council and the group are all under Level 2 of the fair value hierarchy (refer Note 30). The fair value of level 2 derivatives are determined using discounted cash flow valuation techniques based on the terms and valuation inputs from independently sourced market parameters as summarised below.

Instrument	Valuation Input
Interest Rate Swaps	Spot and Forward Interest rate yield curve

Note 13: Other financial assets

Accounting policy



Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); or
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the council and group's management model for managing them. Management determines the classification of its investments at initial recognition.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Initial recognition of concessionary loans

Loans made at nil or below market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. The difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The council and group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long term.



Council has designated its shares in LGFA as at FVTOCRE. This measurement basis is considered more appropriate than through surplus or deficit because the investments have been made for long term strategic purposes rather than to generate a financial return through trading.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit. Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Council has designated the following instruments as FVTSD:

- Shares in unrelated entities
- Derivatives (refer to note 12)
- Concessionary Loan

Expected credit loss allowance

The council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL). When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the council and group's historical experience and informed credit assessment and including forward looking information.

The council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full. Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

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Shares in subsidiaries (at cost)

The investment in subsidiaries is carried at cost in council's parent entity financial statements.

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Current				
Short term deposits maturing four to twelve months from date of acquisition	60,000	20,000	61,729	20,916
Concessionary Loans	-	7,850	-	7,850
TOTAL CURRENT OTHER FINANCIAL ASSETS	60,000	27,850	61,729	28,766
Non Current				
Investments in CCOs and Similar Entities				
Investment in Bay of Plenty Local Authority Shared Services	17	17	17	17
Investment in Bay Venues Limited	101,729	84,232	-	-
Investment in Tauranga City Art Gallery Trust	1,000	1,000	-	-
Investment in Te Manawataki o Te Papa Charitable Trust	-	-	-	-
Investment in Te Manawataki o Te Papa Ltd	-	-	-	-
Loan to Bay Venues Limited	20,011	34,565	-	-
Borrower Notes NZ LGFA	40,696	25,258	40,696	25,258
Unlisted Shares in NZ LGFA	9,395	9,395	9,395	9,395
Total Investments in CCOs and Similar Entities	172,848	154,467	50,108	34,670
Other Investments				
Concessionary Loans	30,100	28,690	30,100	28,690
Listed Shares in Unrelated Entities	326	256	326	256
Loan to Lessee - Elizabeth Street Carpark Strengthening	850	224	850	224
Total Other Investments	31,276	29,170	31,276	29,170
TOTAL NON CURRENT OTHER FINANCIAL ASSETS	204,124	183,637	81,384	63,840

Fair value disclosures**Term Deposits**

The carrying amount of term deposits approximates their fair value.

Loans to Related Parties

The carrying amount approximates their fair value. All loans to related parties are loans to CCOs of council.

Listed Shares

Listed shares are recognised at fair value. The fair value of listed shares are determined by reference to published current bid price quotations in an active market.

Unlisted Shares

Tauranga City Council is one of the 31 shareholders (30 local authorities and the Crown). Due to the immaterial size and nature of the Council's investment in the LGFA, the council has estimated the fair value of this investment based on LGFA's net asset backing at 30 June.

Fair value disclosures



Borrower Notes

Borrower notes are subordinated convertible debt instruments that the council is required to subscribe for when borrowing from the LGFA, currently set at 2.5% (2024: 2.5%) of the aggregate borrowings by that local authority. The borrower notes mature as the underlying debt matures.

Borrower notes are held at amortised cost. Amortised cost at initial recognition is the fair value of the underlying asset at initial recognition plus or minus any transaction costs.

Concessionary Loan

Loans made at nil or below market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

- Te Tumu

The face value of the Te Tumu transactions is \$32.9m, made up of Property Subdivision Rights and the fair value of the Concessionary Loan.

The original transaction created a financial asset whereby council has a right to receive cash when the vendor exercises their option to repurchase the property. The vendor has until December 2036 to exercise their buyback option, whereby if the vendor does not exercise their right, the land reverts to council and at that time will be recognised as Council owned land within its accounts. Council purchased the land to ensure its development was consistent with the Smart Growth Strategy.

The interest rate per the agreement is 4% per annum. The fair value of the loan at initial recognition has been determined using cash flows discounted at the agreed rate. The property subdivision rights have been recognised as the difference between the amount paid and the present value of discounted future cash flows on the option, if exercised, and between a market overdraft rate of 8%. Council has determined the market rate based on everyday whole market sale pricing, an assessment of the vendor's financial validity, and a risk premium given the borrowing time frame of 15 years.

- Devonport Road

The face value of the Devonport Development is \$8.5m, consisting of the concessionary loan at fair value.

The transaction created a financial asset whereby council has a right to receive cash for the land sale, upon completion of the site redevelopment. The financial asset was settled in 2025.

The interest rate per the agreement market rate is 12% per annum. The fair value of the loan at initial recognition has been determined using cash flow discounted at the lending rate at the date of settlement.

Movements in the carrying value of concessionary loans are as follows:

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	Council/Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000
At 1 July	36,540	34,118
Loans repaid during the year	(8,500)	-
Unwind of discount and interest charged	2,060	2,422
As at 30 June	30,100	36,540

Credit Risk, including ECL**Term Deposits**

The council and group consider there has not been a significant increase in credit risk for investments in term deposits because the banks continue to have low credit risk at balance date. Term deposits are held with banks that have a long term AA investment grade credit rating, which indicates the bank has a very strong capacity to meet its financial commitments.

No ECL has been recognised for term deposits as the loss allowance is trivial.

Related Party Loans

ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the council and group expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

Concessionary loans

- Te Tumu - council considers there has not been a significant increase in the credit risk for concessionary loans because the underlying value of the land has increased since the original transaction.

No ECL has been recognised for concessionary loans.

Other Financial Assets

ECL measured for other financial assets are trivial. They are low risk and council has not identified any indications that credit risk associated with those instruments has significantly increased since initial recognition.

Note 14: Non current assets held for sale

Accounting policy

Non current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write downs are recognised in surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).



Non Current Assets Held for Sale are:

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Land	3,404	5,829	3,404	5,829
Buildings	460	1,792	460	1,792
Other Property, Plant & Equipment	-	261	-	261
TOTAL NON CURRENT ASSETS HELD FOR SALE	3,864	7,882	3,864	7,882

Councils financial asset strategy includes the group identifying assets that are surplus to requirements in providing council services. This will help match funding with investment demand over the next 10 years.

As at 30 June 2025, there are 6 assets held for disposal. These assets are expected to be disposed within the next 12 months.

Note 15: Investment in associate

Accounting policy

Tauranga City Council accounts for investments in associates in the group financial statements using the equity method. An associate is an entity over which the Tauranga City Council has significant influence and is neither a subsidiary nor an interest in a joint venture. The investment in an associate which shows the carrying amount in the group financial statements is increased or decreased to recognise Tauranga City Council's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the group financial statements.

If the share of the deficits of an associate equals or exceeds its interest in the associate, the group discontinues recognising its share of further deficits. After Tauranga City Council's interest is reduced to zero, additional deficits are provided for and a liability is recognised, only to the extent that Tauranga City Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, Tauranga City Council will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate. Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.



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Critical Judgements in applying accounting policies

Council's main objective in the ownership of Tourism Bay of Plenty is to support and provide economic growth to our community which can benefit from opportunities that tourism provides. The council has concluded that it has significant influence but does not control Tourism Bay of Plenty for financial reporting purposes. Council does not have power over the entity and is not able to use its power to affect the nature or amount of the variable benefits to which the council is exposed as a result of its involvement with the entity. Tauranga City Council accounts for its 50% interest in the Groups accounts using the Equity Method.

Council's main objective in the ownership of Bay of Plenty Housing Equity Fund is to support and provide the necessary funding to address the critical need for housing in the region. The council has concluded that it has significant influence but does not control Bay of Plenty Housing Equity Fund for financial reporting purposes. Council does not have power over the entity and is not able to use its power to affect the nature or amount of the variable benefits to which the council is exposed as a result of its involvement with the entity. Tauranga City Council accounts for its 33% interest using the Equity Method.

The council has an agreement with Bay of Plenty Housing Equity Fund to provide total capital of \$20m, of which \$17.2m remains uncalled as year end (2024: 14.7m)

	Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000
Tourism Bay of Plenty	-	429
Bay of Plenty Housing Equity Fund Limited	2,560	140
TOTAL INVESTMENT IN ASSOCIATE	2,560	569

Summarised Financial Information of Associate

	Aggregate balances		Group's 50% portion	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
(a) Tourism Bay of Plenty				
Current assets		1,511		755
Non-current assets		183		92
Total assets		1,694		847
Current liabilities		820		410
Non-current liabilities		-		-
Total liabilities		820		410
NET ASSETS		874		437
Income		3,524		1,762
Expenditure		(3,681)		(1,841)
Surplus before income tax		(157)		(79)
Surplus after income tax		(157)		(79)

	Aggregate balances		Group's 41% portion	Group's 33% portion
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
(b) Bay of Plenty Housing Equity Fund				
Current assets	1,017	674	419	222
Non-current assets	591	-	244	-
Total assets	1,608	674	663	222

	Aggregate balances		Group's 41% portion	Group's 33% portion
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Current liabilities	522	253	214	83
Non-current liabilities	-	-	-	-
Total liabilities	522	253	214	83
NET ASSETS	1,086	422	449	140
Contributions to BOP HEF since 31 Mar	-	-	2,111	-
Adjusted Investment in BOP HEF	-	-	2,560	140
Income	80	-	33	-
Expenditure	(437)	(480)	(180)	(160)
Surplus / (deficit) before income tax	(357)	(480)	(147)	(160)
Surplus / (deficit) after income tax	(357)	(480)	(147)	(160)

Bay of Plenty Housing Equity Fund Limited, produced financial statements for the 102 day period, ended 31 March 2024.

Note 16: Investment properties

Accounting policy

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Properties classified as investment properties are measured initially at cost including transaction costs. After initial recognition Tauranga City Council and group measures all investment property individually at fair value at each reporting date and no depreciation on the properties is recognised. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.



Critical accounting estimates, assumptions and judgements

This note provides information about the estimates and assumptions applied in determining the fair value of investment properties.



Investment Property Class	Valuation Method and Assumptions Used
Land	<p>Independent Value: Quotable Value Ltd (QV)</p> <p>Individually considered and valued in accordance with current market based evidence.</p> <p>Valued as vacant under freehold or leasehold tenure.</p> <p>Valuations consider the size, contour, quality, location, zoning, designation, and current and potential use.</p>
Commercial Building	<p>Independent valuer: Quotable Value Ltd (QV)</p> <p>All the council owned assets valued for this exercise are valued with reference to the market where market evidence exists.</p> <p>QV have considered the highest and best use of the property when formulating which approach to undertake the building valuation with. Where market based evidence exists, structures have been valued on a current market basis in relation to market based net rates per square metre.</p> <p>We have not been made aware of any buildings that are considered earthquake prone and therefore no deductions have been made.</p> <p>All lessee building improvements (Non council owned) have been excluded from this valuation if advised of them. All removable plant is excluded.</p>

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	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Balance as at 1 July	118,144	126,319	118,144	126,319
Net Increase/(decrease) in Fair Value of Investment Property	4,311	(1,180)	4,311	(1,180)
Additions from Acquisition	181	1,234	181	1,234
Disposals	(210)	-	(210)	-
Net Transfers to/from PP&E, and assets held for sale	(11,882)	(8,229)	(11,882)	(8,229)
Balance at 30 June	110,544	118,144	110,544	118,144

The group and council have no investment property pledged as security for liabilities during the year (2024: nil).

Investment property operations

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Rental Income from Investment Properties	1,444	1,538		1,538
Expenses from Investment Property Generating Revenue	117	164		164
Expenses from Investment Property not Generating Revenue	-	54		54

Note 17: Intangible assets

Accounting policy

Purchased intangible assets are initially recognised at cost. For internally generated intangible assets, the cost includes direct employee costs, a reasonable portion of overhead and other direct costs that are incurred within the development phase of the asset. Intangible assets acquired at no cost are initially recognised at fair value where they can be reliably measured. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.



Useful Lives

Amortisation of intangible assets is provided on a straight line (SL) basis that will write off the cost of the intangible asset to estimated residual value over their useful lives.

The useful lives for associated amortisation rates of major classes of intangible assets have been estimated as follows:

Class of Intangible Asset	Estimated Useful Life (Years)
Acquired Computer software	4
Core Systems Software	3-15
Enduring Access rights	Indefinite
Finite Access Rights	3-50
Carbon Credits	Indefinite

Disposals

Gains and losses from the disposal of intangible assets are recognised in surplus or deficit.

Impairment

Intangible assets are tested annually for impairment. An impairment loss is recognised in surplus or deficit for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash generating assets is the present value of expected future cash flows.

For non cash generating assets, value in use is determined using an approach based on a depreciated replacement cost.

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

INTANGIBLE ASSETS COMPRISE:**Software Acquisition and Development**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Property Subdivision Rights

Council has a property subdivision right in terms of the land block referred to as Te Tumu. This has been recognised as an intangible asset and is being amortised over the period of the agreement. Refer to note 13.

**Easement and Access Rights**

Right of access is the cost of the Tauranga City Council contributions to community infrastructure (buildings) within the city which Tauranga City Council does not own, but the community has access to use. Easements provide council with access to infrastructural assets for an indefinite time period

Easements and Access Rights are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements used for access to council infrastructure assets are included in Property, Plant and Equipment and easements used by council for access to restricted assets such as reserves are included as part of intangible assets.

Where easements have an indefinite useful life, they are not amortised. These are capitalised to the asset to which they belong. They are tested for impairment as part of the regular asset impairment testing.

Where access Rights have a definite life, they are amortised over the life of the right given.

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. Carbon credits allocated by the Crown are recognised at fair value on receipt. New Zealand Units have been assessed as having an indefinite useful life because they have no expiry date but will continue to have economic benefit if the Emissions Trading Scheme is in place.

Carbon credits held are valued each year and the resulting movement is put through the Surplus and deficit. Carbon credits were revalued using the latest carbon credit market trading price as at 30 June, as quoted by Carbon News.

They are derecognised when they are used to satisfy carbon credit emission obligations. Any costs associated with maintaining New Zealand Units (NZU) are recognised as an expense when incurred.

Note 17: Intangible Assets											
Council	1 July 2024					Current year movements					30 June 2025
	Cost / Revaluation	Accumulate amortisation & impairment charge	Carrying amount	Disposals & Impairment	Additions	Amortisation	Transfers*	Amortisation Adjustment	Revaluation	Cost / Revaluation	Accumulate amortisation & impairment charge
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Computer Software	44,210	(18,906)	25,304	(2,395)	5,055	(6,263)	-	2,395	-	46,870	(22,774)
Access Rights	10,943	(900)	10,043	-	568	-	-	-	-	11,511	(900)
Property Subdivision Right	9,620	(4,918)	4,702	-	-	(648)	-	-	-	9,620	(5,566)
Carbon Credit	1,445	-	1,445	-	-	-	-	-	245	1,690	-
Work in progress	11,908	-	11,908	-	1,738	-	(7,283)	-	-	2,887	-
Total intangible assets	78,126	(24,724)	53,402	(2,395)	3,885	(6,911)	(7,283)	2,395	245	72,578	(29,240)
											43,338

Council	1 July 2023					Prior year movements					30 June 2024
	Cost / Revaluation	Accumulate amortisation & impairment charge	Carrying amount	Disposals & Impairment	Additions	Amortisation	Transfers*	Amortisation Adjustment	Revaluation	Cost / Revaluation	Accumulate amortisation & impairment charge
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Computer Software	46,281	(17,270)	29,011	(4,129)	2,405	(5,798)	(347)	4,162	-	44,210	(18,906)
Access Rights	10,955	(900)	10,055	(90)	78	-	-	-	-	10,943	(900)
Property Subdivision Right	9,618	(4,141)	5,478	-	-	(776)	-	-	-	9,620	(4,918)
Carbon Credits	1,176	-	1,176	-	-	-	-	-	269	1,445	-
Work in progress	10,481	-	10,480	-	4,303	-	(2,875)	-	-	11,908	-
Total intangible assets	78,511	(22,311)	56,200	(4,219)	6,786	(6,574)	(3,222)	4,162	269	78,126	(24,724)
											53,402

Note 17: Intangible assets													
Consolidated	1 July 2024				Current year movements						30 June 2025		
	Cost / Revaluation	Accumulate amortisation and impairment charge	Carrying amount		Disposals & Impairment	Amortisation	Transfers*	Amortisation Adjustment	Revaluation	Cost / Revaluation	Accumulate amortisation and impairment charge	Carrying amount	
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Computer Software	46,463	(20,929)	25,534		(2,471)	(6,299)	-	2,467	-	49,188	(24,761)	24,427	
Access Rights	10,943	(900)	10,043		-	-	-	-	-	11,511	(900)	10,611	
Property Subdivision Right	9,620	(4,918)	4,702		-	(648)	-	-	-	9,620	(5,566)	4,054	
Carbon Credits	1,445	-	1,445		-	-	-	-	245	1,690	-	1,690	
Work in progress	11,887	-	11,887		-	-	(7,283)	-	-	2,948	-	2,948	
Total intangible assets	80,358	(26,747)	53,611		(2,471)	(6,947)	(7,283)	2,467	245	74,957	(31,227)	43,730	

Consolidated	1 July 2023				Prior year movements						30 June 2024		
	Cost / Revaluation	Accumulate amortisation and impairment charges	Carrying amount		Disposals	Reclassification Adjustments	Amortisation	Amortisation Adjustment	Transfer	Revaluation	Cost / Revaluation	Accumulate amortisation and impairment charges	Carrying amount
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Computer Software	48,525	(19,136)	29,389		(4,129)	-	(5,955)	4,162	(347)	-	46,463	(20,929)	25,534
Access Rights	10,955	(900)	10,055		(90)	-	-	-	-	-	10,943	(900)	10,043
Property Subdivision Right	9,620	(4,142)	5,478		-	-	(776)	-	-	-	9,620	(4,918)	4,702
Carbon Credit	1,176	-	1,176		-	-	-	-	-	269	1,445	-	1,445
Work in progress	10,674	-	10,674		-	-	-	-	(2,875)	-	11,887	-	11,887
Total intangible assets	80,950	(24,178)	56,772		(4,219)	-	(6,731)	4,162	(3,222)	269	80,358	(26,747)	53,611

Note 18: Forestry assets

Accounting policy



Standing forestry assets are independently valued annually at fair value less estimated costs to sell for one growth cycle.

All current forests have been valued on a going concern basis.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

Critical accounting estimates and assumptions



Fair value of forestry assets

Independent registered valuer, Yannina Whiteley, of Interpine Group Ltd, value forestry assets as at 30 June annually. This valuation is based on existing sustainable felling plans and assessment regarding growth, timber prices, felling costs and silvicultural costs. It takes into consideration environmental, operational, and market restrictions. The Standards applied in the valuation are the PBE IPSAS 27 as issued by the External Reporting Board (XRB) and the Forest Valuation Standards issued by the NZ Institute of Forestry. The following significant valuation assumptions have been adopted in determining the fair value of forestry assets:

- The valuation considers only the costs and revenues associated with the current crop (single rotation).
- An appropriate discount rate is derived based on evidence from industry practice.
- An average pre tax discount rate of 2025: 7.8% (2024: 7.8%) has been used in valuing the forest crops.
- A compound rate of 3.4% (2024: 3.4%) was applied to value the commercial, minor species crops (applicable to TECT forest only).
- A land rental cost is charged against the tree crop value for each stand until harvested.
- Wood flow is based on a presumed harvest schedule for a typical forest owner and not specific to the current owner.
- Costs are based on industry standard management and operational requirements.
- Logs processed are based on market rates and forecast based on best estimates of future supply and demand.

The Forest crop assets held in Tauranga City Council consist of water catchments and TECT All Terrain Park forest, forestry assets were valued by the Registered Valuer.

The two areas of forest valued by Interpine have been approached individually. The approach to non radiata species is different because the TECT forest area contains other exotic species that can be harvested while this is not the case for the water catchment area which only consists of Radiata.



- The method used to measure the Pinus radiata tree crops in this valuation is the Expectation method. The Expectation method employs a conventional discounting approach to determine the present value of future cash flows. Previous expenditure on the forest is treated as sunk costs and are excluded from the valuation determination.
- Interpine have varied the methodology on valuing young radiata stands to a discounted cash flow basis instead of compounding cost approach to allow for better analysis of year to year change. This change had minor effect on the total valuation.
- Non radiata tree crops have been valued using a compounded cost methodology. Here a fair value is determined to be the compounded cost of the operations required to grow each crop to its current age.

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Balance as at 1 July	7,318	8,160	7,318	8,160
Gains/(losses) Arising from Changes Attributable to Physical Changes	153	(278)	153	(278)
Gains/(losses) Arising from Changes Attributable to Price Changes	182	(258)	182	(258)
Decreases due to Harvest	(1,864)	(306)	(1,864)	(306)
Balance as at 30 June	5,789	7,318	5,789	7,318

The council owns a total of 346.5 (2024: 331) hectares of forestry assets, including around council's water catchments and council's 50% share of the TECT All Terrain Park.

The forestry assets have no restrictions on title or any known pledges against them.

Financial Risk Management Strategies

The council is exposed to financial risks arising from changes in timber prices. The forest crops owned by the council and group are held primarily for conservation purposes and are not intended to be logged and sold in substantial portions in order to earn income.

Therefore, no measures have been taken to manage the risks of a decline in timber prices. The council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

Note 19: Property, plant and equipment

Accounting policy



The property, plant and equipment of the Tauranga City Council are classified into three categories:

- Infrastructure assets include land under roads and systems and networks integral to the city's water and transport infrastructure. These assets are intended to be maintained indefinitely, even if individual assets or components are replaced or upgraded.
- Restricted assets include parks and reserves, property and improvements owned by the Tauranga City Council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Operational assets include property, plant and equipment used to provide core council services, either as a community service, for administration, or as a business activity. Other operational assets include landfill post closure, marine facilities and structures, motor vehicles, office equipment, library books, furniture and fittings.

Initial recognition and subsequent measurement

Property, plant and equipment is initially recognised at cost, unless acquired through a non-exchange transaction, in which case the asset is recognised at fair value at the date of acquisition. The cost of third party constructed assets generally comprises the sum of costs invoiced by the third party. The cost of self-constructed assets comprises purchase costs, time allocations and excludes, where material, any abnormal costs and internal surpluses.

Subsequent costs that extend or expand the asset's future economic benefits and service potential are capitalised. After initial recognition, certain classes of property, plant and equipment are revalued. Work in progress is recognised at cost less impairment and is not depreciated.

Depreciation

Depreciation is provided on a straight line basis (SL) on all property, plant, and equipment other than land which is not depreciated.

Useful Lives

When assets are revalued, depreciation rates are overridden by the new annual depreciation rates which may be outside the range for the class of asset, to accurately reflect the useful life of the asset.

The residual value and remaining useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

Disposals

Gains and losses on the disposal of property, plant and equipment are recognised in surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Class of Asset Depreciated	Estimated Useful Life (Years)
INFRASTRUCTURAL ASSETS	
Wastewater - Treatment Plants and Facilities	1-70
Other Wastewater Systems	10-95
Water Supply - Treatment Plants and Facilities	7-90
Other Water Supply Systems	5-85
Stormwater System	1-420
Roading Network	5-80
Roading Network - Formation	Infinite
Roading Corridor Land	N/A
Other Roading Assets	1-100
RESTRICTED ASSETS	
Land	N/A
Buildings	5-80
Parks Facilities	3-80

Class of Asset Depreciated	Estimated Useful Life (Years)
OPERATIONAL ASSETS	
Land	N/A
Buildings	5-80
Airport Infrastructure Assets	4-210
Jetties, Wharves, Marine Facilities and Structures	4-100
Library Books	7-50
Heritage	N/A
Office Furniture and Equipment	1-30
Plant and Equipment	1-50
Motor Vehicles	4-45
TRUST LAND	
Land	N/A

Impairment

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of property, plant and equipment exceeds its recoverable amount. Any impairment loss is recognised immediately in surplus or deficit unless the asset is revalued, in which case any impairment loss is treated as a revaluation decrease. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Assets are considered cash generating if their primary objective is to provide a commercial return. The value in use for cash generating assets is the present value of expected future cash flows. For non cash generating assets, value in use is determined using an approach based on a depreciated replacement cost.

Revaluation

Infrastructure assets (except land under roads), restricted and operational assets (except office furniture, plant equipment and vehicles) undergo a full revaluation with sufficient regularity, and at least every three years on a cyclical basis to ensure that their carrying amounts do not differ materially from fair value. The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then those asset classes are revalued. Revaluations are accounted for on an asset class basis.

Net revaluation gains are recognised in other comprehensive revenue and expenditure and are accumulated in the asset revaluation reserve in equity for each class of asset. Revaluation losses that result in a debit balance in an asset class's revaluation reserve are recognised in surplus or deficit. Any subsequent gain on revaluation is recognised first in surplus or deficit up to the amount previously expensed and then recognised in other comprehensive revenue and expenditure.

Replacement cost as recorded in property, plant and equipment tables, is from the most recent valuation provided by independent valuers (as below) for the relevant asset class.

Local government disclosures



Core assets

Under the Local Government (Financial Reporting and Prudence) Regulations 2014, the council is required to disclose information about the Group's core assets.

Tauranga City Council has applied section 6 information disclosure requirements to its core assets in Property, Plant and Equipment.

Significant judgements and estimates



The group uses the optimised depreciated replacement cost (ODRC) method in revaluing most of its property, plant and equipment and operational land and buildings are valued at market value.

ODRC is calculated based on the replacement cost new of a modern equivalent asset as the starting point and applies optimisation and depreciation to adjust for age, condition, performance and remaining useful life. Replacement cost estimates refer to current construction costs and are adjusted where necessary for fees, lead time, demolition cost and any other necessary changes.

Market value is based on recent equivalent sales, the present value of future cash flows.

It is assumed that all asset classes have no residual value at the end of their useful lives.

The following asset classes have been valued at an individual asset level as at 30 June 2025: 3 Waters.

The table below summarises the key assumptions adopted by independent valuers in determining the fair value of each class of asset at the date of valuation. The remaining asset classes have been assessed for movement in fair value to ensure that their carrying values do not differ materially from their fair values.

Infrastructure Asset Classes

WASTEWATER, WATER, STORMWATER (3 Waters)

Wastewater, water and stormwater infrastructural assets were valued effective at 30 June 2025 and are scheduled to be valued again as at 30 June 2028.

Independent valuer: GHD Valuations.

Valuing method used: Optimised Depreciated Replacement Cost method.

Assets include wetwells, water and wastewater pump stations, treatment plants equipment, drains and stormwater ponds

Key valuation assumptions and notes

In order to minimise the risk of significant movement in the replacement cost of infrastructure assets, infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset (NZIAV) and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience.

Asset inspections, deterioration, and condition modelling are also carried out regularly as part of asset management planning activities. These provide further assurance over useful life estimates.

TRANSPORTATION

Roading network and other roading infrastructural assets were valued effective at 30 June 2024 and are scheduled to be valued again as at 30 June 2027.

Independent valuer: BECA Valuation Limited.

Valuing method used: Optimised Depreciated Replacement Cost method.

Assets include roads, footpaths, street lights, traffic signals and bridges.

Key valuation assumptions and notes

- The 2024 rates have been derived from a review of current and recent contract rates provided by Tauranga City Council as well as against other similar New Zealand Road Controlling Authorities.
- Rates where no corresponding recent contract rate was available have been increased or decreased according with Waka Kotahi's infrastructure cost indices.
- Useful lives were determined considering the age, condition information held on these assets and the assets future service potential. These assumptions are affected by local conditions such as ground type, weather patterns and road usage.
- Land under roads and Roothing Corridor land were valued based on fair value provided by previous valuations in 2012 of the Roothing Network. This valuation was carried out by BECA Valuation Limited. On transition to New Zealand's External Reporting Board (XRB) International Public Sector Accounting Standards (PBE IPSAS) at 1 July 2014, the council elected to use the fair value of land under roads and roading corridor land as at 30 June 2012 as the deemed cost. Land under roads and roading corridor land are no longer revalued.

Vested land under roads are not valued.

Restricted and Operational Assets Classes**LAND AND BUILDINGS**

Land and building assets were valued effective at 30 June 2024 and are scheduled to be valued again as at 30 June 2027.

Independent valuer: Quotable Value Limited (QV).

Valuing method used: Land and buildings are mainly valued based on recent equivalent sales information and/or market evidence. Where no market existed for the buildings, ODRC was used with allowance for age, condition and configuration of the building.

Fair value assessment: The values of the assets have been considered on a Fair Value basis in accordance with PBE IPSAS 17 under a highest and best use scenario.

Key valuation assumptions and notes

Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.

Restrictions on the council's ability to sell land would not normally impair the value of the land because the council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Classification of property

The council owns properties that had previously been used by council in the course of operation, which was classified as property, plant and equipment. These properties will eventually be offered for sale. Such property has been classified as investment property.

Restricted Asset Classes	
PARKS FACILITIES	<p>Parks Facilities infrastructure assets were valued effective at 30 June 2023 and are scheduled to be valued again as at 30 June 2026.</p> <p>Independent valuer: BECA Projects NZ Limited.</p> <p>Valuing method used: Optimised Depreciated Replacement Cost method.</p> <p>Reserves land and buildings were valued as part of council's land and building asset class effective at 30 June 2024 and are scheduled to be valued again as at 30 June 2027.</p> <p>Independent Valuer: Quotable Value Limited.</p> <p>Valuing method used: Market value.</p> <p>Assets include sports fields, courts and reserves equipment.</p> <p>Key valuation assumptions and notes</p> <p>Parks infrastructure assets have been valued in accordance with New Zealand Infrastructure Asset Valuation and Depreciation Guidelines Manual.</p> <p>The valuation process used included:</p> <ul style="list-style-type: none"> Optimising the asset factor out over design, over capacity and redundant assets. Calculation of depreciated replacement cost using the optimal factors on the gross replacement cost of the modern equivalent assets. Calculation of the annual depreciation on a straight line basis to delineate the degradation of the asset over its expected useful life.
Operational Asset classes	
AIRPORT	<p>Airport Infrastructure assets were valued effective at 30 June 2023 and are scheduled to be valued again as at 30 June 2026.</p> <p>Independent valuer: BECA Projects NZ Limited.</p> <p>Valuing method used: Optimised Depreciated Replacement Cost method for specialised assets, where replacement costs are derived from construction contracts of like assets, reference to publications such as Rawlinson's Construction Handbook, recent costings obtained from construction details and Property Institute of New Zealand's cost information.</p> <p>Airport Land Operational assets were valued as part of council's land and building asset class effective at 30 June 2024 and are scheduled to be valued again as at 30 June 2027.</p> <p>Independent Valuer: Quotable Value Limited.</p> <p>Valuing method used: Market value.</p> <p>Assets include airside assets of the runways and taxiways and land.</p> <p>Key valuation assumptions and notes</p> <p>Airport land is valued as vacant and incorporates the influences of size contour, quality, location, zoning, designation and current and potential usage. An open market, "willing buyer, willing seller", scenario is assumed.</p> <p>The airport land consists of some 225 hectares of land of which some 86 hectares is jointly owned by Tauranga City Council (TCC) and Western Bay of Plenty District Council (WBOPDC). WBOPDC own 14.45% of the jointly owned land. The jointly acquired land is held by TCC on trust for itself and WBOPDC. As the legal owner, TCC must exercise its rights of ownership in terms of the Trust and for the benefit of the Trustees.</p> <p>The terms of the Trust are that TCC may use the jointly acquired land rent free provided the land is used as an airport. If the jointly owned airport land is sold and the principal use of the land is no longer an airport then a liability to WBOPDC is created.</p>

MARINE	<p>Marine infrastructure assets were valued effective at 30 June 2023 and are scheduled to be valued again as at 30 June 2026.</p> <p>Independent valuer: Aecom Limited.</p> <p>Valuing method used: Optimised Depreciated Replacement Cost method and are deemed specialised assets.</p> <p>Assets include wharves, jetties/pontoons, boat ramps and coastal structures.</p> <p>Key valuation assumptions and notes</p> <p>These marine assets were broken down to a component level and depreciated individually. The assets were generally valued based on construction in green field or undeveloped sites. Depreciation has been applied to depreciable assets on a straight line basis over the total assessed economic life of the asset. Land formation and earthworks have not been depreciated</p>
LIBRARY COLLECTIONS	<p>Library collections assets were valued effective at 30 June 2023 by Tauranga City Council staff member(s) deemed experts in their field. These assets are scheduled to be valued again as at 30 June 2026.</p> <p>Valuing method used: Optimised Depreciated Replacement Cost method in accordance with the guidelines released in 2002 by the New Zealand Library Association and the National Library.</p> <p>Assets include library books.</p>
OTHER ASSETS	<p>All other asset classes are carried at depreciated book value.</p>
GROUP RECREATIONAL FACILITIES	<p>BVL infrastructural assets were valued effective at 30 June 2024 by Independent valuer: Quotable Value Limited. These assets are scheduled to be valued again as at 30 June 2027.</p> <p>Valuing method used: Optimised Depreciated Replacement Cost.</p> <p>Assets include building and improvements, plant, machinery and chattels.</p> <p>Key valuation assumptions and notes</p> <p>Plant, machinery and chattels are revalued together with building and improvement assets as they are part of the building structures of the pool buildings.</p> <p>Plant, machinery and chattels associated with pools have been valued on the "in use" basis assuming the on going economic life of the relevant facility.</p>

Note 19: Council 2025 - Property, plant and equipment													
	1 July 2024			Current year movements							30 June 2025		
	Cost / Revaluation \$'000	Accumulated depreciation & impairment charge \$'000	Carrying amount \$'000	Additions Constructed by Council \$'000	Additions Vested Assets Transferred to Council \$'000	Disposals & Impairment \$'000	Depreciation \$'000	Transfers* \$'000	Other Depreciation Adjustments \$'000	Net Revaluation Surplus \$'000	Cost / Revaluation \$'000	Accumulated depreciation & impairment charge \$'000	Carrying amount \$'000
Council Infrastructural Assets													
Wastewater - Treatment Plants and Facilities	182,225	(4,734)	177,491	1,899	254	(81)	(4,762)	(21,708)	(107)	13,076	166,062	-	166,062
Other Wastewater Systems	769,078	(13,309)	755,769	9,077	1,743	(26)	(13,917)	64	26	3,422	756,168	(9)	756,159
Water Supply - Treatment Plants and Facilities	145,680	(4,468)	141,212	9,635	-	(156)	(5,242)	15,011	(376)	65	160,149	(1)	160,148
Other Water Supply Systems	451,429	(9,063)	442,366	7,957	1,577	(163)	(8,914)	(14,399)	513	23,496	452,441	(7)	452,434
Stormwater System	781,260	(9,035)	772,225	16,681	3,452	(54)	(8,790)	159	43	97,291	881,085	(78)	881,007
Roading Network	788,521	(16)	788,505	27,995	4,360	-	(21,346)	(1,628)	(4)	-	819,248	(21,366)	797,882
Roading Corridor Land	1,368,572	-	1,368,572	157	761	-	-	709	-	-	1,370,199	-	1,370,199
Other Roading Assets	603,477	(20)	603,457	51,834	2,796	-	(16,127)	1,628	4	-	659,735	(16,143)	643,592
Work in Progress	247,285	-	247,285	186,351	-	-	-	(136,153)	-	-	297,483	-	297,483
Total Council Infrastructural Assets	5,337,527	(40,645)	5,296,882	311,586	14,943	(480)	(79,098)	(156,317)	99	137,351	5,562,570	(37,604)	5,524,966
Council Restricted Assets													
Land	816,021	-	816,021	6,708	762	-	-	3,399	-	-	826,890	-	826,890
Buildings and Improvements	43,165	(1)	43,164	2,456	-	-	(1,799)	(626)	-	(3,901)	41,094	(1,800)	39,294
Parks Facilities	61,197	(5,000)	56,197	79,982	-	(123)	(8,811)	38	77	(870)	140,224	(13,734)	126,490
Work in Progress	140,414	-	140,414	126,777	-	-	-	(147,485)	-	-	119,706	-	119,706
Total Council Restricted Assets	1,060,797	(5,001)	1,055,796	215,923	762	(123)	(10,610)	(144,674)	77	(4,771)	1,127,914	(15,534)	1,112,380
Council Operational Assets													
Land	594,933	-	594,933	15,273	-	-	-	7,392	-	-	617,598	-	617,598
Buildings and Improvements	125,357	(37)	125,320	10,954	-	(1,308)	(4,298)	-	32	(604)	134,399	(4,303)	130,096
Airport Buildings and Operational Assets	55,647	(2,046)	53,601	7,795	-	(34)	(2,377)	-	4	(116)	63,292	(4,419)	58,873
Jetties, Wharves, Marine Facilities and Structures	37,001	(3,142)	33,859	8,131	-	(236)	(1,600)	-	236	(557)	44,339	(4,506)	39,833
Library Books	6,193	(764)	5,429	1,959	-	-	(897)	-	-	-	8,152	(1,661)	6,491
Heritage	3,888	(3)	3,885	212	6	-	-	-	-	-	4,106	(3)	4,103
Office Furniture and Equipment	29,259	(17,658)	11,600	45,446	-	(7,891)	(2,548)	(53)	5,693	-	66,761	(14,513)	52,248
Plant and Equipment	28,319	(11,750)	16,570	7,560	-	(2,889)	(3,797)	21,513	1,002	-	54,503	(14,545)	39,958
Motor Vehicles	6,162	(2,084)	4,078	2,534	-	(19)	(792)	-	19	-	8,677	(2,857)	5,820
Work in Progress	40,499	-	40,499	27,129	-	-	-	(41,835)	-	-	25,793	-	25,793
Total Council Operational Assets	927,257	(37,484)	889,773	126,993	6	(12,377)	(16,309)	(12,983)	6,986	(1,277)	1,027,619	(46,807)	980,812
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	7,325,581	(83,130)	7,242,451	654,502	15,711	(12,980)	(106,017)	(313,974)	7,162	131,302	7,718,103	(99,945)	7,618,158

Note 19: Consolidated 2025 - Property, plant and equipment													
1 July 2024			Current year movements								30 June 2025		
Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000	Additions Assets Constructed by Council \$'000	Additions Vested Assets Transferred to Council \$'000	Disposals and Impairments \$'000	Depreciation \$'000	Transfer \$'000	Other Depreciation Adjustment \$'000	Net Revaluation Surplus \$'000	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000	
Consolidated Infrastructural Assets													
Wastewater - Treatment Plants and Facilities	182,225	(4,734)	177,491										
Other Wastewater Systems	769,078	(13,369)	755,709										
Water Supply - Treatment Plants and Facilities	145,680	(4,468)	141,212										
Other Water Supply Systems	451,429	(9,063)	442,366										
Stormwater System	781,260	(9,035)	772,225										
Roading Network	788,521	(16)	788,505										
Roading Corridor Land	1,368,572	-	1,368,572										
Other Roading Assets	603,477	(20)	603,457										
Work in Progress	247,285	-	247,285										
Total Consolidated Infrastructural Assets	5,337,527	(40,645)	5,296,882										
Consolidated Restricted Assets													
Land	816,021	-	816,021										
Buildings and Improvements	43,165	(1)	43,164										
Parks Facilities	61,197	(5,000)	56,197										
Work in Progress	140,414	-	140,414										
Total Consolidated Restricted Assets	1,060,797	(5,001)	1,055,796										
Consolidated Operational Assets													
Land	601,351	-	601,351										
Buildings and Improvements	258,131	(1,496)	256,634										
Airport Buildings and Operational Assets	55,647	(2,046)	53,601										
Jetties, Wharves, Marine Facilities and Structures	37,001	(3,142)	33,859										
Library Books	6,193	(764)	5,429										
Heritage	5,853	(3)	5,850										
Office Furniture and Equipment	38,716	(22,514)	16,202										
Plant and Equipment	48,225	(11,866)	36,360										
Motor Vehicles	7,272	(2,584)	4,688										
Work in Progress	44,237	-	44,237										
Total Consolidated Operational Assets	1,102,625	(44,415)	1,058,212										
TOTAL CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT	7,500,949	(90,061)	7,410,888										

Note 19: Council 2024 - Property, plant and equipment													
	1 July 2023				Prior year movements								30 June 2024
	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000	Additions Assets Constructed by Council \$'000	Additions Vested Assets Transferred to Council \$'000	Disposals and Impairments \$'000	Disposals Depreciation \$'000	Depreciation \$'000	Transfer \$'000	Transfer Depreciation \$'000	Net Revaluation Surplus \$'000	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000
Council Infrastructural Assets													
Wastewater - Treatment Plants and Facilities	154,414	(96)	154,318	27,907	-	(96)	96	(4,734)	-	-	-	182,225	(4,734)
Other Wastewater Systems	730,713	(137)	730,576	36,830	1,535	-	-	(13,172)	-	-	-	769,078	(13,309)
Water Supply - Treatment Plants and Facilities	142,460	(2)	142,458	3,222	-	(2)	2	(4,468)	-	-	-	145,680	(4,468)
Other Water Supply Systems	432,852	(50)	432,802	17,170	1,178	-	-	(9,011)	229	(2)	-	451,429	(9,063)
Stormwater System	753,063	(370)	752,693	26,055	2,142	-	-	(8,665)	-	-	-	781,260	(9,035)
Roading Network	718,644	(15,966)	702,678	68,521	1,047	(1,020)	92	(18,459)	(2,159)	36	37,769	788,521	(16)
Roading Corridor Land	1,363,319	-	1,363,319	1,308	341	-	-	-	3,604	-	-	1,368,572	-
Other Roading Assets	351,418	(11,352)	340,066	67,138	11,209	(1,410)	282	(10,701)	1,795	276	194,802	603,477	(20)
Work in Progress	291,883	-	291,883	227,864	-	-	-	-	(272,462)	-	-	247,285	-
Total Council Infrastructural Assets	4,938,766	(27,974)	4,910,793	476,015	17,452	(2,528)	472	(69,210)	(268,993)	310	232,571	5,337,527	(40,645)
Council Restricted Assets													
Land	804,143	-	804,143	899	1,829	(127)	-	-	(14,649)	-	23,926	816,021	-
Buildings and Improvements	39,738	(1,608)	38,130	3,367	-	(241)	67	(1,581)	490	(502)	3,435	43,165	(1)
Parks Facilities	45,449	(76)	45,373	15,160	616	(28)	28	(4,952)	-	-	-	61,197	(5,000)
Work in Progress	68,256	-	68,256	116,037	-	-	-	-	(43,879)	-	-	140,414	-
Total Council Restricted Assets	957,586	(1,684)	955,902	135,463	2,445	(396)	95	(6,533)	(58,038)	(502)	27,361	1,060,797	(5,001)
Council Operational Assets													
Land	567,537	-	567,537	19,006	-	(9)	-	-	(4,920)	-	13,319	594,933	-
Buildings and Improvements	100,835	(3,475)	97,360	25,273	-	(1,556)	73	(3,413)	(1,634)	108	9,109	125,357	(37)
Airport Buildings and Operational Assets	52,553	-	52,553	3,094	-	-	-	(2,046)	-	-	-	55,647	(2,046)
Jetties, Wharves, Marine Facilities and Structures	43,879	(1,861)	42,018	2,673	-	(2,242)	290	(1,574)	(244)	3	(7,065)	37,001	(3,142)
Library Books	6,193	-	6,193	-	-	-	-	(764)	-	-	-	6,193	(764)
Heritage	3,123	(3)	3,120	765	-	-	-	-	-	-	-	3,888	(3)
Office Furniture and Equipment	29,680	(18,770)	10,910	3,213	-	(3,038)	3,038	(2,423)	(596)	496	-	29,259	(17,658)
Plant and Equipment	22,835	(9,974)	12,861	7,040	-	(2,551)	1,811	(3,238)	995	(348)	-	28,319	(11,750)
Motor Vehicles	4,452	(1,698)	2,754	2,032	-	(93)	93	(481)	(229)	2	-	6,162	(2,084)
Work in Progress	29,927	-	29,927	22,669	-	-	-	-	(12,098)	-	-	40,499	-
Total Council Operational Assets	861,014	(35,781)	825,233	85,765	-	(9,489)	5,305	(13,939)	(18,726)	261	15,363	927,257	(37,484)
TOTAL COUNCIL PROPERTY, PLANT AND EQUIPMENT	6,757,366	(65,439)	6,691,929	697,243	19,897	(12,413)	5,872	(89,682)	(345,757)	69	275,295	7,325,581	(83,130)
													7,242,451

Note 19: Consolidated 2024 - Property, plant and equipment													
	1 July 2023				Prior year movements							30 June 2024	
	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000	Additions Assets Constructed by Council \$'000	Additions Vested Assets Transferred to Council \$'000	Disposals and Impairments \$'000	Disposals Depreciation \$'000	Depreciation \$'000	Transfer \$'000	Transfer Depreciation \$'000	Net Revaluation Surplus \$'000	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000
Consolidated Infrastructural Assets													
Wastewater - Treatment Plants and Facilities	154,414	(96)	154,318	27,907	-	(96)	96	(4,734)	-	-	-	182,225	(4,734)
Other Wastewater Systems	730,713	(137)	730,576	36,830	1,535	-	-	(13,172)	-	-	-	769,078	(13,309)
Water Supply - Treatment Plants and Facilities	142,460	(2)	142,458	3,222	-	(2)	2	(4,468)	-	-	-	145,680	(4,468)
Other Water Supply Systems	432,852	(50)	432,802	17,170	1,178	-	-	(9,011)	229	(2)	-	451,429	(9,063)
Stormwater System	753,063	(370)	752,693	26,055	2,142	-	-	(8,665)	-	-	-	781,260	(9,035)
Roading Network	718,644	(15,966)	702,678	68,521	1,047	(1,020)	92	(18,459)	(2,159)	36	37,769	788,521	(16)
Roading Corridor Land	1,363,319	-	1,363,319	1,308	341	-	-	3,604	-	-	-	1,368,572	-
Other Roading Assets	351,418	(11,352)	340,066	67,138	11,209	(1,410)	282	(10,701)	1,795	276	194,802	603,477	(20)
Work in Progress	291,883	-	291,883	227,864	-	-	-	(272,462)	-	-	-	247,285	-
Total Consolidated Infrastructural Assets	4,938,766	(27,974)	4,910,793	476,015	17,452	(2,528)	472	(69,210)	(268,993)	310	232,571	5,337,527	(40,645)
Consolidated Restricted Assets													
Land	804,143	-	804,143	899	1,829	(127)	-	-	(14,649)	-	23,926	816,021	-
Buildings and Improvements	39,738	(1,608)	38,130	3,367	-	(241)	67	(1,581)	490	(502)	3,435	43,165	(1)
Parks Facilities	45,449	(76)	45,373	15,160	616	(28)	28	(4,952)	-	-	-	61,197	(5,000)
Work in Progress	68,256	-	68,256	116,037	-	-	-	(43,879)	-	-	-	140,414	-
Total Consolidated Restricted Assets	957,586	(1,684)	955,902	135,463	2,445	(396)	95	(6,533)	(58,038)	(502)	27,361	1,060,797	(5,001)
Consolidated Operational Assets													
Land	574,055	-	574,055	19,006	-	(9)	-	-	(4,920)	-	13,219	601,351	-
Buildings and Improvements	223,504	(11,995)	211,509	29,503	-	(1,556)	73	(7,632)	(1,634)	108	26,264	258,131	(1,496)
Airport Buildings and Operational Assets	52,553	-	52,553	3,094	-	-	-	(2,046)	-	-	-	55,647	(2,046)
Jetties, Wharves, Marine Facilities and Structures	43,879	(1,861)	42,018	2,673	-	(2,242)	290	(1,574)	(244)	3	(7,065)	37,001	(3,142)
Library Books	6,193	-	6,193	-	-	-	-	(764)	-	-	-	6,193	(764)
Heritage	5,086	(3)	5,083	767	-	-	-	-	-	-	-	5,853	(3)
Office Furniture and Equipment	37,127	(22,567)	14,560	5,223	-	(3,038)	3,038	(3,481)	(596)	496	-	38,716	(22,514)
Plant and Equipment	45,942	(14,836)	31,105	8,700	-	(2,697)	1,811	(5,815)	995	(348)	2,608	48,225	(11,866)
Motor Vehicles	5,432	(2,078)	3,354	2,162	-	(93)	93	(601)	(229)	2	-	7,272	(2,584)
Work in Progress	31,880	-	31,880	32,179	-	(7,725)	-	(12,098)	-	-	-	44,237	-
Total Consolidated Operational Assets	1,025,651	(53,340)	972,311	103,308	-	(17,360)	5,305	(21,913)	(18,726)	261	35,026	1,102,625	(44,415)
TOTAL CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT	6,922,003	(82,996)	6,839,008	714,786	19,897	(20,284)	5,872	(97,656)	(345,757)	69	294,958	7,500,949	(90,061)

Council - Work in progress

	Council		Consolidated	
	Actual 2025 \$000	Actual 2024 \$000	Actual 2025 \$000	Actual 2024 \$000
PROPERTY, PLANT AND EQUIPMENT WORK IN PROGRESS				
Council Infrastructural Assets				
Wastewater - Treatment Plants and Facilities	63,909	37,839	63,909	37,839
Other Wastewater Systems	35,578	21,942	35,578	21,942
Water Supply - Treatment Plants and Facilities	3,267	5,253	3,267	5,253
Other Water Supply Systems	28,560	22,074	28,560	22,074
Stormwater System	27,136	35,924	27,136	35,924
Roading Network	123,708	106,034	123,708	106,034
Roading Corridor Land	-	-	-	-
Other Roading Assets	15,324	18,219	15,324	18,219
Total Infrastructural Assets Work in Progress	297,483	247,285	297,483	247,285
Council Restricted Assets				
Land	395	1,807	395	1,807
Buildings and Improvements	89,633	45,069	89,633	45,069
Park Facilities	29,677	93,538	29,677	93,538
Total Restricted Assets Work in Progress	119,706	140,414	119,706	140,414
Council Operational Assets				
Land	2,125	1,400	2,125	1,400
Buildings and improvements	13,668	16,520	13,668	17,817
Airport Buildings and Operational Assets	3,114	6,298	3,114	6,298
Jetties, Wharves, Marine Facilities and Structures	657	7,520	657	7,520
Library Books	192	1,073	192	1,073
Heritage	98	-	98	-
Office Furniture and Equipment	574	2,473	574	2,619
Plant and Equipment	4,798	5,037	4,798	7,326
Vehicles - Motor and Electric	568	177	568	183
Total Operational Assets Work In Progress	25,793	40,498	25,793	44,236
Total Property, Plant and Equipment Work In Progress	442,982	428,197	442,982	429,895
INTANGIBLE WORK IN PROGRESS				
Software	2,887	11,908	2,887	11,946
Total Intangibles Work in Progress	2,887	11,908	2,887	11,946
TOTAL WORK IN PROGRESS	445,869	440,105	445,869	441,841

Insurance of assets

Local government disclosures

Under the Local Government Act 2002, the council is required to disclose the following information on insurance of the Group's assets as at 30 June.

Disclosure as required under Local Government Amendment (No3) Act.



	Carrying Amounts 2025 \$'000	Replacement Costs 2025 \$'000	Insured Amounts 2025 \$'000	Carrying Amounts 2024 \$'000	Replacement Costs 2024 \$'000	Insured Amounts 2024 \$'000
Assets Covered by Insurance Contracts						
Infrastructural Assets						
Wastewater - Treatment Plants and Facilities	166,062	275,087	245,385	177,491	252,972	239,022
Water Supply - Treatment Plants and Facilities	160,148	232,770	135,305	141,212	197,215	194,741
Other Water Supply Systems*	452,434	681,272	546,487	442,366	616,966	540,858
Other Wastewater Systems*	756,159	1,175,873	108,012	755,769	1,088,438	192,949
Stormwater Systems*	881,007	1,106,051	2,495	772,225	925,418	2,731
Bridges	32,273	59,866	81,867	32,117	59,866	79,914
Total Infrastructural Assets Insurance Coverage	2,448,083	3,530,918	1,119,551	2,321,179	3,140,875	1,250,216
Operational Assets						
Buildings and Improvements	169,390	552,828	869,688	168,484	552,828	738,568
Airport Buildings and Operational Assets	58,873	52,121	-	53,601	52,121	-
Jetties, Wharves, Marine Facilities and Structures	39,833	96,096	-	33,859	96,096	-
Library books	6,491	-	-	5,429	-	-
Heritage	4,103	-	-	3,885	-	-
Office Furniture and Equipment	52,248	-	-	11,600	-	-
Plant and Equipment	39,958	-	-	16,570	-	-
Work in Progress	449,749	-	-	428,197	-	-
Motor Vehicles	5,820	-	16,298	4,078	-	11,962
Forestry	5,789	-	3,379	7,318	-	2,716
Total Operational Assets Insurance Coverage	825,487	701,045	889,365	733,021	701,045	753,246
Total Assets Covered by Insurance Contracts	3,273,570	4,231,963	2,008,915	3,054,200	3,841,919	2,003,461
Financial Risks Sharing Arrangements Assets						
Roading Corridor Land	1,370,199	-	-	1,368,572	-	-
Other Roothing Assets	611,318	919,028	-	573,422	919,028	-
Land	1,444,488	-	-	1,410,954	-	-
Parks Facilities	126,490	122,397	-	56,197	122,397	-
Roothing Network	797,882	1,210,365	-	786,423	1,210,365	-
Total Financial Risks Sharing Arrangements	4,350,377	2,251,789	-	4,195,568	2,251,790	-
TOTAL INSURANCE OF ASSETS	7,623,947	6,483,752	2,008,915	7,249,768	6,093,708	2,003,461
Te Manawataki o Te Papa Charitable Trust Land	18,436	-	-	-	-	-
TOTAL INSURANCE OF ASSETS INC TRUST LAND	7,642,383	6,483,752	2,008,915	7,249,768	6,093,708	2,003,461

*1 Replacement costs for 3 Waters infrastructural assets have come from the latest valuation provided by GHD effective 30 June 25.

Note 20: Te Manawataki o Te Papa Charitable Trust Land

During the year, council transferred to Te Manawataki o Te Papa Charitable Trust the legal title for the land under the civic precinct. A lease agreement of the land back to council was executed simultaneously, which will provide council with the right to the land in perpetuity. This land is reflected as a separate council asset in the financials for compliance with XRB standards and recognises the ongoing benefit of the land asset remaining with council for the benefit of the wider community.



As such, Trust Land will be treated in the same manner as other land assets. Refer to note 19.

	1 July 2024			Current year movements		30 June 2025		
	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000	Additions \$'000	Revaluations \$'000	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000
Te Manawataki o Te Papa Charitable Trust	18,436	-	18,436			18,436	-	18,436
	1 July 2023			Prior year movements		30 June 2024		
	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000	Additions \$'000	Revaluations \$'000	Cost/Revaluation \$'000	Accumulated Depreciation and Impairment Charges \$'000	Carrying Amount \$'000
Te Manawataki o Te Papa Charitable Trust	-	-	-	16,102	2,334	18,436	-	18,436

Note 21: Payables and accruals

Accounting policy

Current payables and accruals represent amounts payable within 12 months of balance date and are recognised at cost. Current payables and accruals are non-interest bearing and normally settled on 30-day terms; therefore, the carrying value approximates the fair value.

Any non-current payables and accruals represent amounts payable more than 12 months from balance date and are measured at the present value of the estimated future cash outflows.



	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Current Portion				
Trade Payables	25,203	17,913	27,285	20,295
Accrued Expenses	46,404	56,149	49,780	56,149
Rates in Advance	30,022	27,044	30,022	27,044
IFF Levy Payable	149	-	149	-
Other Payables	2,254	6,441	2,254	6,441
Accrued Interest on Borrowings	10,495	10,703	10,495	10,703
General Deposits	7,846	7,860	7,873	7,884
Site Development Bonds	2,257	2,395	2,257	2,395
Revenue in Advance	4,384	2,044	5,623	2,739
Total Current Payables and Accruals	129,014	130,549	135,738	133,650
Non current Portion				
Other Liabilities	1,057	-	1,057	-
Total Non Current Payables and Accruals	1,057	-	1,057	-
TOTAL PAYABLES AND DEPOSITS	130,071	130,549	136,795	133,650
Total Payables and Accruals from Exchange Transactions	99,943	94,421	106,667	97,524
Total Payables and Accruals from Non Exchange Transactions	30,128	36,128	30,128	36,126

Note 22: Employee entitlement liabilities

Accounting policy

Provision is made in respect of Tauranga City Council's liability for salaries, wages, annual leave, long service leave and gratuities, accrued up to balance date.



Short Term Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned to, but not yet taken at balance date.

A liability and an expense are recognised for bonuses where the council or group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long Term Employee Entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

Presentation of Employee Entitlements

Sick leave, annual leave and vested long service leave are classified as a current liability. Non vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non current liability.

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Current Portion				
Accrued Pay	5,887	-	6,546	567
Annual Leave	8,084	7,527	9,765	9,185
Long Service Leave	214	603	214	603
Total Employee Entitlements	14,185	8,130	16,525	10,355

Note 23: Borrowings

Accounting policy

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Tauranga City Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date, or if the borrowings are expected to be settled within 12 months of balance date.

Council's borrowings are regularly reviewed to establish their effect on the going concern assumption. Management reviews its borrowings and liquidity to ensure compliance with set ratios, council remains solvent and that its debt repayments can be met. Future economic impacts are assessed for potential impact on council's ability to carry on its primary objectives.



	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Current Portion				
Secured				
Adams Centre Loan	-	-	1,000	1,000
Local Government Funding Agency	213,500	110,000	213,500	110,000
Housing Infrastructure Fund	7,446	6,065	7,446	6,065
Total Current Portion	220,946	116,065	221,946	117,065
Non Current Portion				
Secured				
Wholesale Borrowing	14,320	13,585	14,320	13,585
Local Government Funding Agency	1,053,778	930,116	1,053,778	930,116
Housing Infrastructure Fund	118,664	110,813	118,664	110,813
Total Non Current Portion	1,186,762	1,054,514	1,186,762	1,054,514
TOTAL BORROWINGS	1,407,708	1,170,579	1,408,708	1,171,579
Consisting of:				
Adams Centre Loan	-	-	1,000	1,000
Housing Infrastructure Fund	126,110	116,878	126,110	116,878
Wholesale Borrowings at Floating Interest Rates	719,500	585,000	719,500	585,000
Wholesale Borrowings at Fixed Interest Rates	562,098	468,701	562,098	468,701
TOTAL BORROWINGS	1,407,708	1,170,579	1,408,708	1,171,579

Credit standby arrangements

At balance date Tauranga City Council had undrawn bank facilities of \$200m (2024: \$200m), with facility maturing October 2026.

Security

The borrowings (including any debentures) are secured by a charge over all Rates from time to time set or assessed by Tauranga City Council.

Weighted Average Interest on Outstanding Borrowings
(as at balance date)

Council		Consolidated	
30 June 2025	30 June 2024	30 June 2025	30 June 2024
4.21%	4.82%	4.21%	4.82%

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Housing Infrastructure Fund

During the year council made loan repayments of \$6.065m (2024: \$6.065m).

On 29 June 2023, council signed a new funding agreement for the Pāpāmoa East Interchange under the Housing Infrastructure Fund. The project enables the development of Wairakei Housing and Urban Development. During the current financial year, \$16.9m drawn down (2024: \$nil). The undrawn amount under the Housing Infrastructure Fund at 30 June is \$17.3m (2024: \$nil).

Housing Infrastructure Fund offers interest free loans, a gain is recognised to reflect the initial fair value adjustment at market interest rates at the time any new loan is drawn down, refer to note 7.

Local government disclosures

Internal Borrowings

In relation to each group of activities, the council has incurred no internal borrowings during the year (2024: nil). The group and council maintain sufficient cash balances at all times. Internal borrowings would be eliminated on consolidation of activities in council's financial statements

Credit Ratings

Tauranga City Council's credit ratings are A+ (long-term) and A-1 (short-term) with a 'negative' outlook. The S&P's rating was affirmed in May 2025.



Fair Value

The fair values are based on a yield to maturity basis, assuming interest payments are on a semi annual basis (in accordance with market convention). Fair value interest rates range for fixed interest rate borrowings from 3.43% to 4.73% (2024: 5.12% to 5.89%). Fair Value excludes accrued interests as at 30 June.

	Council		Council	
	Carrying Amount 2025 \$'000	Fair Value 2025 \$'000	Carrying Amount 2024 \$'000	Fair Value 2024 \$'000
Current Borrowings	220,946	226,244	116,065	115,077
Housing Infrastructure Fund	118,664	118,664	110,813	91,464
Wholesale Borrowings at Floating Interest Rate	561,000	561,000	505,000	505,000
Wholesale Borrowings at Fixed Interest Rate	507,098	467,098	438,701	435,489
TOTAL COUNCIL FAIR VALUE CARRYING AMOUNTS	1,407,708	1,373,006	1,170,579	1,147,030

	Consolidated		Consolidated	
	Carrying Amount 2025 \$'000	Fair Value 2025 \$'000	Carrying Amount 2024 \$'000	Fair Value 2024 \$'000
Current Borrowings	220,946	226,244	116,065	115,077
Adams Centre Loan	1,000	1,000	1,000	1,000
Housing Infrastructure Fund	118,664	118,664	110,813	91,464
Wholesale Borrowings at Floating Interest Rate	561,000	561,000	505,000	505,000
Wholesale Borrowings at Fixed Interest Rate	507,098	467,098	438,701	435,489
TOTAL COUNCIL FAIR VALUE CARRYING AMOUNTS	1,408,708	1,374,006	1,171,579	1,148,030

Note 24: Provisions

Accounting policy

Tauranga City Council recognises a provision for future expenditure of an uncertain amount or timing when:

- there is a present obligation, (either legal or constructive) as a result of a past event, and
- it is probable that an outflow of future economic benefits will be required to settle the obligation, and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs".



Critical accounting estimates, assumptions and judgement

Landfill Closure Costs (Aftercare Liability)

As historic operator of the Cambridge Road and Te Maunga landfills, Tauranga City Council has a legal obligation to provide ongoing maintenance and monitoring services at the landfill sites after closure. A calculation of the estimated future costs of this monitoring has been discounted and is recognised in the surplus or deficit and as a liability in the Statement of Financial Position. Discounts rates have been determined using New Zealand Government bond yield information. Both landfill sites are closed. The economic outflow of benefits associated with monitoring is expected to continue over the foreseeable future.

2025 (Organisational) Reset

On 7 March 2025, the Executive/CEO of Tauranga City Council formally approved a restructuring plan focused on streamlining operations and reducing personnel costs.

Refer to Note 4 for more details.

Rent Credit on Sale

Council signed a Sales and Purchase agreement in 2018 with Te Mana o Ngai Tamarawaho Inc to sell the site at 60 Chapel Street. Due to significant delay in settlement, Council agreed all rental income from 1 July 2021 received from the tenant will be applied to the purchase price upon settlement. As such the costs associated with settling the outflow of resources from the rental revenue has been provided for in the financials as past actions have created an obligation to be settled in the future.

Future Sale Expenditure

Council has signed Sales and Purchase agreement(s) for the sale of property, where settlement is not scheduled to occur in the next financial period. As such costs incurred related to the future sale have been provided for.



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	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Current Portion Provisions				
Aftercare Liability	10	10	10	10
Provision for FOSAL	-	1,380	-	1,380
2025 Reset	736	-	736	-
Rent Credit on Sale	760	-	760	-
Other provisions	735	1,040	735	1,040
Total current portion	2,241	2,430	2,241	2,430
Non Current Provisions				
Future Sale Expenditure	1,415	-	1,415	-
Total Non Current Provisions	1,415	-	1,415	-
TOTAL PROVISIONS	3,656	2,430	3,656	2,430

Other Provisions

New Zealand Local Government Funding Agency (NZLGFA)

Accounting standards require Tauranga City Council to recognise the guarantee liability at fair value. However, the council has been unable to determine a sufficiently reliable fair value for the guarantee and therefore has applied the 12 month expected credit loss model. At the end of the financial year, the group and council have assessed the 12 month expected credit losses of the guarantee liability and based on market information of the underlying assets held by the LGFA. The council considers the risk of the LGFA defaulting on repayment of interest or capital to be very low on the basis that council is not aware of any local authority default events in New Zealand, and Local government legislation would enable local authorities to levy a rate to recover enough funds to meet any debt obligation if further funds were required. Therefore council has not recognised a liability.

Movement for each class of provision are as follows:

Movements	Aftercare Liability \$'000	FOSAL \$'000	2025 Reset \$'000	Rent Credit on Sale \$'000	Future Sale Expenditure \$'000	Other \$'000	Total \$'000
Council / Consolidated 2025							
Balance as at 1 July	10	1,380	-	-	-	1,040	2,430
Additional Provisions Made	-	-	736	760	1,415	-	2,911
Amounts Used	-	(1,380)	-	-	-	-	(1,380)
Unused Amounts Reversed	-	-	-	-	-	(305)	(305)
Balance as at 30 June 2025	10	-	736	760	1,415	735	3,656
Council / Consolidated 2024							
Movements							
Balance as at 1 July	10	-	-	-	-	950	960
Additional Provisions Made	-	1,380	-	-	-	90	1,470
Balance as at 30 June 2024	10	1,380	-	-	-	1,040	2,430

Note 25: Note to Statement of Cashflows

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Surplus/(Deficit) After Tax	(19,857)	32,928	(43,821)	21,520
Add/(Less) Non Cash Items:				
Depreciation and Amortisation Expense	112,925	96,257	122,205	103,319
Revaluation Movement Investment Properties	(4,311)	1,181	(4,311)	1,181
Capital Gains on Disposal of Property, Plant and Equipment	210	(9,158)	274	(9,302)
Gain on Forestry due to Physical Changes and Remapping	(153)	278	(153)	278
Gain/(Loss) on Carbon Credit Valuation	(245)	(269)	(245)	(269)
Gain on Financial Instrument - Concessionary Loans	(2,189)	(2,620)	(2,189)	(2,620)
Housing Infrastructure Fund Initial Discount Recognition/(Reversal)	(1,564)	2,471	(1,564)	2,470
Reduction in Forestry Crop due to Harvest	1,864	306	1,864	306
Assets Vested to Tauranga City Council	(15,711)	(19,897)	(15,711)	(19,897)
(Gains)/Losses on Derivative Financial Instruments	13,599	2,289	13,599	2,289
Deferred Tax	-	800	-	7,521
Assets Written Off	7,345	12,815	10,009	12,815
Revaluation Movement on Forestry Assets	(182)	258	(182)	258
Unrealised Investment Income	(70)	37	(70)	37
Provision Expense	1,718	1,380	1,718	1,380
Other Non Cash Items	(217)	(755)	(217)	(755)
Other Adjustments	4,028	-	14,149	1,187
Total Non-Cash Items	117,047	85,372	139,176	100,198
Add/(Less) Movements in Working Capital Items				
(Increase)/Decrease in Receivables	(10,002)	(2,571)	(14,709)	(1,588)
(Increase)/Decrease in Inventory	(228)	(283)	(173)	(295)
Increase/(Decrease) in Payables	(3,723)	19,485	(647)	19,378
Increase/(Decrease) in Deposits Held	(152)	(1,572)	(149)	(1,572)
Increase/(Decrease) in Income Tax Payable	2,340	1,242	2,884	1,131
Increase/(Decrease) in Provisions	(9)	1,466	1,067	1,466
Increase/(Decrease) in Employee Entitlements	1,226	(2,482)	1,226	(2,080)
Increase/(Decrease) in Revenue In Advance	6,055	(1,842)	6,170	(1,750)
Net movement in working capital items	(4,493)	13,443	(4,331)	14,690
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	92,697	131,743	91,024	136,408

Reconciliation of liabilities arising from financing activities

The table below provides a reconciliation between the opening and closing balance of liabilities with cash flows that were, or future cashflows that will be, classified as a financing activity in the statement of cash flows.

	Cash Movements \$'000	Non cash movements \$'000	Total \$'000
Council Borrowings			
Balance as at 1 July 2023	1,170,579		1,170,579
Proceedings from Borrowings	354,758		354,758
Repayment of Borrowings	(116,065)		(116,065)
Other Adjustments	-	(1,564)	(1,564)
Balance as at 30 June 2024	1,409,272	(1,564)	1,407,708
Opening Balance as at 1 July 2024	948,404		948,404
Proceedings from Borrowings	275,000		275,000
Repayment of Borrowings	(55,297)		(55,297)
Other Adjustments	-	2,472	2,472
Balance as at 30 June 2025	1,168,107	2,472	1,170,579
Consolidated Borrowings			
Opening Balance as at 1 July 2023	1,171,579		1,171,579
Proceedings from Borrowings	351,630		351,630
Repayment of Borrowings	(116,065)		(116,065)
Other Adjustments		(1,564)	(1,564)
Balance 30 June 2024	1,407,144	(1,564)	1,405,580
Opening Balance as at 1 July 2024	949,404		949,404
Proceedings from Borrowings	282,331		282,331
Repayment of Borrowings	(55,297)		(55,297)
Other Adjustments		(4,859)	(4,859)
Balance 30 June 2025	1,176,438	(4,859)	1,171,579

Note 26: Events occurring after balance date

Local Waters Done Well

A decision on the preferred delivery model is expected to be considered at the Council meeting on 14 July 2025.

2025 Organisational Reset - Phase 2

On 7 March 2025, the Executive/CEO of Tauranga City Council formally approved a restructuring plan focused on streamlining operations and reducing personnel costs. The restructure is planned in two phases, Phase one consolidates activity areas and changes reporting lines to better align our resources, processes, and talent, in order to reduce our operating costs; Phase Two focuses on how our groups and teams are led, organised and structured.

The final plan was communicated to affected employees on 12 July 2025. As the final decision on Phase Two reset occurred after the reporting date of 30 June 2025, Council did not make provision for redundancy costs in the 2024-5 financial statements as sufficient evidence of conditions existing at that date did not exist. The estimated cost of the restructuring is approximately \$XXX,XXX and will be recognised in the 2025-26 financial year.

Tauranga Art Gallery

Completion of the Works and the transfer/settlement of the land to TCC in exchange for funding. On the Group level this transaction has no impact on the financials.

No other significant events, favourable or unfavourable, that impact the financial statements have occurred since balance date.

Note 27: Commitments and contingencies

27.1 COMMITMENTS

Accounting policy

Capital Commitments

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.



	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Capital commitments				
Water system	82,911	86,864	82,911	86,864
Roading network	33,352	79,132	33,352	79,132
Buildings	138,560	69,984	138,560	69,984
Intangible assets	529	3,176	529	3,176
Parks Facilities	11,691	59,946	11,691	59,946
TOTAL CAPITAL COMMITMENTS	267,043	299,102	267,043	299,102

Accounting policy

Finance Leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether title is eventually transferred. Tauranga City Council does not have any finance leases.

Operating Lease

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.



Operating Leases as Lessee

Tauranga City Council leases property, plant and equipment in the normal course of business. The majority of these leases have a minimum non cancellable term of at least 60 months.

The future aggregate minimum lease payments to be made under non cancellable operating leases are as follows:

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Operating Leases				
Not later than one year	8,054	3,362		3,406
Later than one year and not later than five years	29,035	1,876		1,906
Later than five years	62,408	355		355
TOTAL NON-CANCELLABLE OPERATING LEASES	99,497	5,593		5,667

Operating Leases as Lessor

Tauranga City Council leases its Commercial properties under operating leases. The majority of these leases have a non cancellable term of at least 60 months.

The future aggregate minimum lease payments to be collected under non cancellable operating leases are as follows:

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Operating Leases				
Not later than one year	9,721	7,711		8,033
Later than one year and not later than five years	29,033	21,812		22,444
Later than five years	31,543	21,666		23,403
TOTAL NON-CANCELLABLE OPERATING LEASES	70,297	51,190		53,881

No contingent rents have been recognised during the year (2024: nil).

27.2 CONTINGENCIES

Accounting policy

The council does not recognise contingent liabilities and contingent assets in the financial statements due to their uncertainty or the fact they cannot be reliably measured. Disclosures are provided as follows:

- Contingent liabilities are disclosed unless the possibility is remote.
- Contingent assets are only disclosed when the possibility is probable.



CONTINGENT LIABILITIES

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
Contingent Liabilities				
Guarantee from Tauranga City Council for Loans on Behalf of Bay Venues Limited	(1,000)	1,000	(1,000)	1,000
TOTAL CONTINGENT LIABILITIES	(1,000)	1,000	(1,000)	1,000

Financial guarantees

Tauranga City Council has provided a guarantee to Waikato University for a loan of \$1m (2024: \$1m) to Bay Venues Limited.

New Zealand Mutual Liability Riskpool Scheme

Riskpool is a NZ mutual liability scheme, of which Tauranga City Council is a member, established to manage liability claims. The Scheme is in wind down; however, the council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme.

As a result of a Supreme Court decision on 1 August 2023, it has been clarified that Riskpool now has liability for member's claim in respect of non-weather-tight defects. Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Other quantifiable contingent liabilities

Tauranga City Council is not aware of any potential general contract claims.

Uncalled capital

New Zealand Local Government Funding Agency (NZLGFA)

Tauranga City Council is a shareholder of The New Zealand Local Government Funding Agency Limited. Refer to Note 13.

All 30 local authority shareholders have uncalled capital equal to their individual shareholding totalling \$20 million in aggregate which can be called on if an imminent default is identified. At year end, New Zealand Local Government Funding Agency had borrowings totalling \$XXbil (2024: \$23bil).

Tauranga City Council is a guarantor of all New Zealand Local Government Funding Agency borrowings, refer to note 24.

Bay Venues Limited

A contingent liability exists to Bay Venues Ltd for \$18m of uncalled capital.

Bay of Plenty Housing Equity Fund

Tauranga City Council is a Shareholder in the Bay of Plenty Housing Equity Fund Limited. At year end, council has uncalled capital totalling \$17.2m (2024: \$14.7m).

Lease to University of Waikato - Sulphur Point

The University of Waikato is establishing a new, state-of-the-art marine research and education facility at Sulphur Point. This facility, located at Marine Park, will be a part of the University's Environmental Research Institute and will replace the existing Coastal Marine Field Station. The new facility is expected to be completed in 2027-28 and will feature research laboratories, classrooms, and public engagement spaces. The tender process for leasing the land was completed in March 2023. Council received only one tender. Through its tender, the University of Waikato demonstrated the capability to establish and operate such a facility. Negotiations with the University of Waikato commenced in April 2023 and concluded successfully in June 2024, and the Lease of the land will be implemented in due course.

Legal risk

Council is aware of potential legal claims and has not included these as a contingency. At the time of writing this report the amount of these claims was unknown. Council has not disclosed any further detailed information about this contingency due to its commercial sensitivity.

Treaty settlement

Tangata Whenua are identified as a priority for Tauranga City Council and it remains committed to developing the partnership together. From a long history and a strong foundation of protocol agreements, Tauranga City Council continues to develop systems and relationships to meet the changing political, economic and social environments in Tauranga Moana. A key change will be the treaty settlements when they are finalised.

Tauranga City Council is currently working closely with the Tangata Whenua Collective to build a stronger voice to assist and guide Council decision making processes. Collective strategic engagement and effective communication will bring the best out of the partnership between Tauranga City Council and the Tangata Whenua of Tauranga Moana.

Superannuation schemes

Council is a participating employer in the DBP Contributors Scheme (the scheme), which is a multi employer defined benefit scheme. The funding arrangements are governed by the requirement of Section 44 of the National Provident Fund Restructuring Act 1990, and by the Trust Deed.

A single contribution rate is determined for all employers which is expressed as a multiple of the contributions of members of the Scheme who are employees of that employer.

There is no minimum funding requirement and employers have no right to withdraw from the plan.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the Scheme, the extent to which the deficit will affect future contributions by employers, as there is no prescribed basis for allocation.

As at 31 March 2025, the Scheme had a past service deficit of \$x.x million (x.x% of past service liabilities). This amount is exclusive of Employer Superannuation Contribution Tax. This deficit was calculated using a discount rate equal to the expected return on the assets but otherwise the assumptions and methodology were consistent with the requirements of PBE IPSAS 39.

The current employer contribution rate is four times contributor contributions, inclusive of Employer Contribution Withholding Tax. The Actuary has recommended the employer contribution rate of four times contributor contributions continues. The Board has agreed to maintain the contribution rate recommended to the Minister at four times contributors' contributions, in order to keep the employer contribution at a reasonable level as the number of members reduces. Due to the small number of contributory members, this contribution rate is not expected to be sufficient to meet the cost of both the future benefit payments and future administration costs and the Board has proposed that if a shortfall exists that this is met from Board reserves, subject to the consent of the Minister.

The key assumptions in the review were:

- the difference between the future investment returns and the rates of CPI inflation assumed when calculating future factors for transfers from this Scheme to the Defined Benefit Plan Annuitants Scheme
- the future investment returns assumed for the Scheme over the next ten years.

The following shows the Scheme investment return over the next ten years, and the difference between investment return and CPI inflation assumed when calculating future factors for transfers from the Scheme to the Defined Benefit Plan Annuitants Scheme.

	Valuation date	
	31 March 2025 %	31 March 2024 %
DBPC Scheme investment return		
First year		3.7
Second year		2.9
Third to fifth year		2.7
Sixth year		2.5
Thereafter		2.4 reducing to 1.8
Transfer factors: Difference between investment return and CPI inflation		
First year		1.4
Second year		1.9
Third year		2.0
Fourth to ninth years		1.9
Thereafter		1.3

The DBPC Scheme had XX members at 31 March 2025. One of these is an employee of council.

Note 28: Related party transactions

Accounting policy

Related parties include subsidiaries, associates, joint ventures, key management personnel, appointed commissioners, elected representatives of the council, their close family members, and entities controlled by them. Close family members include spouses or domestic partners, children, and dependents.

Apart from disclosure of key management personnel remuneration, transactions with related parties that are within normal supplier or client/recipient relationship and on terms and conditions no more or less favourable than those adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions. No provision has been required, nor any expense recognised, for impairment of receivables, for any loans or other receivable to related parties (2024: nil).



Related party transactions required to be disclosed

Bay of Plenty Local Authority Shared Services Limited (BOPLASS Limited) is owned by nine councils and is managed from the Tauranga area. Tauranga City Council owns 11% shareholding with Chief Executive being member of the board.

Bay of Plenty Local Authority Shared Services receives reduced postage costs, digital services and premises rental through Tauranga City Council.

Tauranga City Council provided accounting services to Bay of Plenty Local Authority Shared Services during the financial year to 30 June free of charge. An estimated value of the accounting services provided for the year is \$12k (2024: \$12k).

Transactions with key management personnel

Key management remuneration comprises of the total remuneration paid to the commissioners, chief executive and senior management team, and excludes non financial remuneration that is less than \$1000, as the council considers it immaterial and not practical to include this information.

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There were close family members of Key Management Personnel employed by the council and group. The terms and conditions of those arrangements are no more favourable than the council and group would have adopted if there was no relationship to the Key Management Personnel.

No provision has been required, nor any expense recognised, for impairment of receivables, for any loans or other receivable to related parties (2024: nil).

	Council		Council	
	Actual 2025 \$'000	Actual 2024 \$'000	2025 FTE	2024 FTE
Commissioners				
Remuneration	10	1,006	-	4
Elected Members				
Remuneration	1,239	2,968	10	8
Senior Management Team, including the Chief Executive				
Remuneration	2,966	2,968	8	8
Total key management personnel compensation	4,215	3,974	18	12

Due to the difficulty in determining the full time equivalent for Commissioners and Elected Members, the FTE figure is taken as the number of Commissioners.

Local government disclosures

On 9 February 2022, a Crown Commission, appointed by the Minister of Local Government, took over all Council's governance responsibilities and were in place until July 2024, when Tauranga held elections for the new mayor and councillors. The following people held office as Commissioners of the Council governing body during that period.

Commissioners' remuneration is set by the Minister of Local Government. Commission Chair remuneration is set at \$1,800 per day and Commissioners at \$1,500 per day.



	Council	
	Actual 2025 \$	Actual 2024 \$
Commissioners Appointed		
Rolleston, Shadrach	6,900	219,750
Selwood, Stephen	-	237,389
Tolley, Anne	-	317,293
Wasley, Bill	3,574	231,776
Total remuneration	10,474	1,006,208

* \$ in whole numbers

Note 29: Financial instruments

Accounting policy



For the purpose of measurement, council and group have classified financial assets and liabilities in accordance with PBE IPSAS 41 Financial Instruments.

Council recognises a financial asset or financial liability when, and only when, they become party to the contractual provisions of the instrument.

The classification of a financial instruments depends on its cash flow characteristics and the council and group's management model for managing them.

For all financial instruments council applied the simplified expected credit loss (ECL) model that is applicable to all financial instruments subject to impairment testing.

Tauranga City Council and group does not apply hedge accounting.

Financial Assets:	Financial Instrument	
	Classification	Note
Cash and Cash Equivalents	Amortised Cost	10
Receivables	Amortised Cost	11
Derivatives	FVTSD	12
Borrower Notes in NZ LGFA, Short Term Deposits, Loans to Related Parties	Amortised Cost	13
Shares in Unrelated Companies, Concessionary Loan	FVTSD	13
Shares in Related Companies	FVTOCRE	13
Financial Liabilities excluding Derivatives	Amortised Cost	Various

FVTSD = Fair value through surplus or deficit

FVTOCRE = Fair Value through other comprehensive revenue and expenses

Derivatives are, by their nature, categorised as held for trading unless they are designated into a hedge relationship for which hedge accounting is applied.

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position when offset is legally enforceable and there is an intention to settle on a net basis. Revenue and expenses arising as a result of financial instrument earnings or fair value adjustments are recognised as a net result for like items.

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(A) Financial instrument categories

	Council		Consolidated	
	Actual 2025 \$'000	Actual 2024 \$'000	Actual 2025 \$'000	Actual 2024 \$'000
FINANCIAL ASSETS				
Fair Value through Surplus or Deficit (FVTSD)				
Derivative Financial Instruments	831	6,965	831	6,965
Shares in Unrelated Companies	326	256	326	256
Total FVTSD	1,157	7,221	1,157	7,221
Amortised Cost				
Cash and Cash Equivalents	35,574	84,662	56,335	87,322
Debtors and Other Receivables	43,412	43,207	47,346	42,069
Borrower Notes in NZ LGFA	40,696	25,258	40,696	25,258
Short Term Deposits, Greater than 90 Days	60,000	20,000	61,729	20,916
Related Party Loans	20,011	34,565	-	-
Concessionary Loan	30,100	36,539	30,100	36,539
Other Loans	850	224	850	224
Total Amortised Cost	230,643	244,456	237,056	212,328
Fair Value through Other Comprehensive Revenue and Expenses (FVTOCRE)				
Shares in LGFA and BOPLASS	9,412	9,412	9,412	9,412
Total FVTOCRE	9,412	9,412	9,412	9,412
TOTAL FINANCIAL ASSETS	241,212	261,088	247,625	228,961
FINANCIAL LIABILITIES				
Financial Liabilities at Amortised Cost				
Creditors and Other Payables	84,356	91,206	89,814	93,588
Borrowings	1,407,708	1,170,579	1,408,708	1,171,579
Deposits Held	10,103	10,255	10,130	10,279
Total Amortised cost	1,502,167	1,272,039	1,508,652	1,275,445
FVTSD				
Derivative Financial Instruments	9,186	1,721	9,186	1,721
Total FVTSD	9,186	1,721	9,186	1,721
TOTAL FINANCIAL LIABILITIES	1,511,353	1,273,760	1,517,838	1,277,166

B) Fair value hierarchy disclosure**Accounting policy**

For those financial instruments recognised at fair value in the Statement of Financial Position, fair values are determined according to the following hierarchy:



- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. The quoted market price used for financial assets held by the council and the group is the bid price at reporting date.
- Level 2 - Inputs other than quoted prices included within Level 1 using observable market inputs for the asset or liability, either directly or indirectly.
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

The following table analyses the basis for valuation of classes of financial instruments measured at fair value on the Statement of Financial Position:

Council / Consolidated	30 June 2025			30 June 2024		
	Total \$'000	Level 1 \$'000	Level 2 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000
Financial Assets						
Derivative Financial Instruments	831	-	831	6,965	-	6,965
Listed Shares	326	326		256	256	
TOTAL FINANCIAL ASSETS	1,157	326	831	7,221	256	6,965
Financial liabilities						
Derivative Financial Instruments	9,186	-	9,186	1,721	-	1,721
TOTAL FINANCIAL LIABILITIES	9,186	-	9,186	1,721	-	1,721

There were no transfers between the different levels of the fair value hierarchy.

There were no valuation techniques with significant non observable inputs (level 3).

(C) Financial instrument risks

The council's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk.

The council has a series of policies to manage these risks. The council is risk averse and seeks to minimise exposure from its treasury activities. The council has established council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Treasury Policy

Tauranga City Council's Treasury policy provides the framework for all council's treasury activities and defines the operating framework within which liability management, investment and risk management activities are to be carried out. The policy ensures compliance with the NZ LGFA foundation policy financial covenants for borrowing limits

Market Risk

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Equity securities price risk arises on listed share investments, which are classified as available for sale investments.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Council's exposure to foreign currency risk is very short in duration and therefore there is no material currency risk.

Fair Value Interest Rate Risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Investments issued at fixed rates of interest expose the council and group to fair value interest rate risk. The main objective of interest rate risk management is to reduce uncertainty around net interest expense as interest rates change. Mechanisms used include matching the interest rate profile of the council and group's financial investments and financial liabilities and, where appropriate, the use of interest rate hedging facilities.

Cash Flow Interest Rate Risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments and borrowings issued at variable interest rates expose Tauranga City Council to cash flow interest rate risk. Council raises long term borrowings at fixed and floating interest rates and use derivative financial instruments to manage the cash flow interest rate risk in the borrowings.

Sensitivity analysis

The table below illustrates the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant based on Tauranga City Council and the group's financial instrument exposures at balance date.

30 June 2025								
	Council				Consolidated			
	-100bps		+100bps		-100bps		+100bps	
	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000
Interest Rate Risk								
Financial Assets								
Cash and cash equivalents	-	-	-	-	-	-	-	-
Derivative Financial Instruments	(2,581)	-	3,729	-	(2,581)	-	3,729	-
Financial Liabilities								
Derivative Financial Instruments	(27,200)	-	7,801	-	(27,200)	-	7,801	-
Secured Loans	7,195	-	(7,195)	-	7,195	-	(7,195)	-
TOTAL SENSITIVITY	(22,587)	-	4,335	-	(22,587)	-	4,335	-

30 June 2024								
	Council				Consolidated			
	-100bps		+100bps		-100bps		+100bps	
	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000	Surplus/ (Deficit) \$'000	Equity \$'000
Interest Rate Risk								
Financial Assets								
Cash and Cash Equivalents	-	-	-	-	-	-	-	-
Derivative Financial Instruments	(9,582)	-	9,072	-	(9,582)	-	9,072	-
Financial Liabilities								
Derivative Financial Instruments	(6,133)	-	5,774	-	(6,133)	-	5,774	-
Secured Loans	5,850	-	(5,850)	-	5,850	-	(5,850)	-
TOTAL SENSITIVITY	(9,865)	-	8,996	-	(9,865)	-	8,996	-

Explanation of Interest Rate Risk Sensitivity

The interest rate risk sensitivity is based on a reasonably possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease of 100 bps is equivalent to a decrease in market interest rates of 1.0%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of 100bps/+100bps (2024: 100bps/+100bps).

CREDIT RISK

Credit risk is the risk that a third party will default on its obligations to Tauranga City Council, causing it to incur a loss. In the normal course of business, Tauranga City Council incurs credit risk principally from short term money market investments, bank balances, accounts receivable, derivative financial instruments and sports club guarantees.

Financial Instruments which potentially subject council to credit risk consist principally of bank balances and short term money market investments. Council reduces its risk by spreading these investments over registered banks, local authorities and other organisations. Treasury Policy permits a minimum credit rating of A+ for registered banks and other organisations. At 30 June all financial instruments were held with the four major New Zealand registered trading banks which are rated AA. There are no major concentrations of credit risk with respect to trade and other receivables.

Derivative financial instruments also expose council to credit risk. Council's Treasury Policy provides the framework for credit risk management and it sets out the minimum credit rating of A+ for Interest Rate Risk Management Instruments and notional transaction limits for council bank counterparties.

To safeguard against deficit through poor credit quality, limits are applied to the Entity's aggregate exposure to each counterparty (and groups of counterparties) within specified credit rating bands. The only unrated counterparties that the Entity may invest in are other New Zealand local government bodies. The Entity's Treasury Management Steering Group reviews and approves strategic credit risk limits annually. In the course of normal business the Entity has a credit exposure to unrated counterparties i.e. related party loans, loans and trade receivables.

The council is exposed to credit risk as guarantor of all New Zealand Local Government Funding Agency borrowings. Information about this exposure is explained in note 24.

Maximum Exposure to Credit Risk

Tauranga City Council's maximum credit risk exposure for each class of financial instruments is as follows:

	Council		Consolidated	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Cash at Bank and Term Deposits	35,573	84,662	56,335	87,322
Short Term Deposits Greater than 90 days	60,000	20,000	61,729	20,916
Debtors and Other Receivables	77,939	67,937	82,561	67,852
Borrowers Notes New Zealand Local Government Funding Agency	40,696	25,258	40,696	25,258
Community and Related Party Loans	20,011	34,565	-	-
Derivative Financial Instruments	(8,355)	5,244	(8,355)	5,244
TOTAL CREDIT RISK	225,865	237,666	232,966	206,592

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

	Council		Consolidated	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
COUNTERPARTIES WITH CREDIT RATINGS				
Cash at Bank and Term Bank Deposits				
AA-	35,573	84,662	56,335	87,322
Stock and government bonds				
AA-	60,000	20,000	60,000	20,916

Credit risk attaching to rates receivables is minimised as a result of the Entity's statutory collection powers under the Local Government (Rating) Act 2002.

Debtors and other receivables arise mainly from Tauranga City Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external ratings. Tauranga City Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has many credit customers, mainly ratepayers, and Tauranga City Council has powers under the Local Government Act (2002) to recover outstanding debts from ratepayers.

(C) Management of liquidity risk

Liquidity risk is the risk Tauranga City Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions. The Tauranga City Council aims to maintain flexibility in funding by keeping committed credit lines available.

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In meeting its liquidity requirements, Tauranga City Council maintains a target level of investments that must mature within the next 12 months. Tauranga City Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management policy. These policies have been adopted as part of Tauranga City Council's Long-term Plan.

The council also has a committed overdraft facility of \$100m (2024: \$100m). There are no restrictions on the use of this facility.

Contractual Maturity Analysis of Financial Liabilities Excluding Derivatives

The table below analyses Tauranga City Council and group's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

Council	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial Liabilities	30 June 2025					
Secured Loans	280,025	271,914	681,178	266,127	1,499,244	1,407,708
Creditors and Other Payables	84,356	-	-	-	84,356	84,356
TOTAL FINANCIAL LIABILITIES	364,381	271,914	681,178	266,127	1,583,600	1,492,064
Financial Liabilities	30 June 2024					
Secured Loans	184,899	206,050	614,945	415,888	1,421,782	1,170,579
Creditors and Other Payables	91,206	-	-	-	91,206	91,206
TOTAL FINANCIAL LIABILITIES	276,105	206,050	614,945	415,888	1,512,988	1,261,785

Consolidated	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial Liabilities	30 June 2025					
Secured Loans	281,025	271,914	681,178	266,127	1,500,244	1,408,708
Creditors and Other Payables	89,814	-	-	-	89,814	89,814
TOTAL FINANCIAL LIABILITIES	370,839	271,914	681,178	266,127	1,590,058	1,498,522
Financial Liabilities	30 June 2024					
Secured Loans	185,899	206,050	614,945	415,888	1,422,782	1,171,579
Creditors and Other Payables	93,588	-	-	-	93,588	93,588
TOTAL FINANCIAL LIABILITIES	279,487	206,050	614,945	415,888	1,516,370	1,265,167

Contractual maturity analysis of derivative financial liabilities

The table below analyses derivative financial instrument liabilities that are settled net and all gross settled derivatives into their relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the undiscounted contractual cash flows.

Council / Consolidated	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial Liabilities	30 June 2025					
Net Settled Derivative Assets	-	398	205	61	664	831
Net Settled Derivative Liabilities	(111)	(791)	(5,830)	(2,454)	(9,186)	(9,186)
NET MOVEMENT	(111)	(393)	(5,625)	(2,393)	(8,522)	(8,355)
Financial Liabilities	30 June 2024					
Net Settled Derivative Assets	341	167	3,961	2,521	6,990	6,965
Net Settled Derivative Liabilities	(28)	-	(679)	(1,039)	(1,746)	(1,721)
NET MOVEMENT	313	167	3,282	1,482	5,244	5,244

Contractual Maturity Analysis of Financial Assets

The table below analyses Tauranga City Council and group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

Council	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 Years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial Assets	2025					
Cash and Cash Equivalents	35,573	-	-	-	35,573	35,573
Debtors and Other Receivables	40,412	-	-	-	40,412	40,412
Short Term Deposits Greater Than 90 Days	60,000	-	-	-	60,000	60,000
Other Financial Assets	-	-	-	30,100	30,100	30,100
Community and Related Party Loans	-	-	-	20,011	20,011	20,011
TOTAL FINANCIAL ASSETS	135,985	-	-	50,111	186,096	186,096
Financial Assets	2024					
Cash and Cash Equivalents	84,662	-	-	-	84,662	84,662
Debtors and Other Receivables	43,207	-	-	-	43,207	43,207
Short Term Deposits Greater Than 90 Days	20,000	-	-	-	20,000	20,000
Other Financial Assets	8,500	-	-	28,039	36,539	36,539
Community and Related Party Loans	-	-	-	34,565	34,565	34,565
TOTAL FINANCIAL ASSETS	156,369	-	-	62,604	218,973	218,973

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Consolidated	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Financial Assets	2025					
Cash and Cash Equivalents	56,335	-	-	-	56,335	56,335
Debtors and Other Receivables	47,346	-	-	-	47,346	47,346
Short Term Deposits Greater Than 90 Days	61,729	-	-	-	61,729	61,729
Other Financial Assets	-	-	-	30,100	30,100	30,100
Community and Related Party Loans	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS	165,410	-	-	30,100	195,510	195,510
Financial Assets	2024					
Cash and Cash Equivalents	87,322	-	-	-	87,322	87,322
Debtors and Other Receivables	42,069	-	-	-	42,069	42,069
Short Term Deposits Greater Than 90 Days	20,916	-	-	-	20,916	20,916
Other Financial Assets	8,500	-	-	28,039	36,539	36,539
Community and Related Party Loans	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS	158,807	-	-	28,039	186,846	186,846

The council is also exposed to liquidity risk as a guarantor of all of the LGFA's borrowings. The guarantee becomes callable if the event of the LGFA failing to pay is borrowings when they fall due. However, this is not considered a significant risk and it is not anticipated that the guarantee will become payable. Refer to note 27.

Note 30: Equity**CAPITAL MANAGEMENT****Local government disclosures**

The Entity's capital is its equity (or customers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The Local Government Act 2002 requires the council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. customers' funds are largely managed as a by product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by the Entity. Intergenerational equity requires today's customers to meet the costs of utilising the Entity's assets and not expecting them to meet the full cost of long term assets that will benefit customers in future generations. Additionally, the Entity has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that customers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires council to make adequate and effective provision in its Long-term Plan (LTP) and in its annual plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in council's LTP.

Accounting policy

Equity is the community's interest in Tauranga City Council measure as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- **Retained Earnings**
Retained earnings are the cumulative surplus of revenue over expenditure that has been retained in the entity which have not been allocated to another reserve.
- **Reserves**
Reserves are a component of equity generally representing a particular use of which various parts of equity have been assigned. Reserves may be legally restricted or created by Tauranga City Council.
 - Restricted Reserves are those reserves subject to specific conditions accepted as binding council and which may not be revised by council without reference to the Courts or a third party. Restricted reserves may be legally restricted. Transfers from these reserves may be made only for certain specified purposes or if certain specified conditions are met.
Development Contributions; Bequests and Trust Funds
 - Council Created Reserves are part of the accumulated balance and are established at the will of council. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of council.
Other Reserve; Depreciation Reserve
 - Asset revaluation Reserve - this reserve relates to the revaluation of property, plant and equipment to fair value through other comprehensive revenue and expense (FVTOCRE). This comprises the cumulative net change in fair value of assets classified as FVTOCE.
Refer to Property, Plant and Equipment note at 19.

Statements of Reserves

1. Restricted Reserves

1.1 Development Contributions

Reserves relating to the collection of revenue from development contributions for the purpose of funding growth related expenditure. Each reserve is shown by area. A debit in a reserve balance indicates a negative reserve due to funding of growth related capital expenditure prior to revenue being collected.

NOTE 30: STATEMENT OF RESTRICTED RESERVES - DEVELOPMENT CONTRIBUTIONS for the year ended June 2025

Restricted Reserves (Development Contribution)	Activities to which the reserve relates	Opening Balance 2024/2025	Transfers In 2024/2025	Transfers Out 2024/2025	Closing Balance 2024/2025
CITY WIDE DEVELOPMENT CONTRIBUTION					
Building Impact Fees	COMMUNITY SERVICES	1,749	-	6,182	7,931
	SPACES AND PLACES	(10,677)	(1,132)	617	(11,192)
	STORMWATER	(59)	-	(3)	(62)
	TRANSPORTATION	1,561	(175)	26	1,412
	WASTEWATER	25,912	(4,190)	20,415	42,137
	WATER SUPPLY	193,077	(7,080)	13,657	199,654
LOCAL DEVELOPMENT CONTRIBUTIONS					
Bethlehem	STORMWATER	1,027	(23)	63	1,067
	TRANSPORTATION	974	(29)	370	1,315
	WASTEWATER	1,774	(36)	108	1,847
	WATER SUPPLY	793	(5)	49	836
Bethlehem West	SPACES AND PLACES	3,202	-	197	3,399
	STORMWATER	1,830	-	218	2,048
	TRANSPORTATION	282	-	329	611
	WASTEWATER	692	-	100	791
	WATER SUPPLY	(447)	-	(5)	(452)
Kaitemako South	WASTEWATER	1	-	-	1
Mount Maunganui Infill	SPACES AND PLACES	(1)	-	3	2
	WASTEWATER	2,450	-	151	2,601
	WATER SUPPLY	(190)	-	(10)	(199)
Neewood	WASTEWATER	2	-	-	2
Ohauti/Hollister Lane	SPACES AND PLACES	832	-	51	883
	STORMWATER	307	(24)	18	301
	TRANSPORTATION	(239)	(39)	(14)	(293)
	WASTEWATER	226	(48)	76	254
	WATER SUPPLY	2,099	(163)	121	2,056
Pāpāmoa	STORMWATER	(3,259)	(136)	(93)	(3,487)
	TRANSPORTATION	571	(111)	103	563
	WASTEWATER	(192)	(20)	(10)	(222)
	WATER SUPPLY	(281)	(5)	(14)	(300)
Pāpāmoa East I (Wairakei)	SPACES AND PLACES	-	(1)	-	(1)
	STORMWATER	(3,025)	(588)	415	(3,198)
	TRANSPORTATION	(6,925)	(648)	6,547	(1,025)
	WASTEWATER	(6,502)	(423)	2,546	(4,380)
	WATER SUPPLY	(5,580)	(224)	261	(5,543)
Pāpāmoa East II (Wairakei)	STORMWATER	1,575	-	174	1,749
	TRANSPORTATION	15,471	(2,382)	10,503	23,592
	WASTEWATER	5,037	-	8,454	13,490
Pukemapu	WASTEWATER	3	-	-	3

NOTE 30: STATEMENT OF RESTRICTED RESERVES - DEVELOPMENT CONTRIBUTIONS
 for the year ended June 2025

Restricted Reserves (Development Contribution)	Activities to which the reserve relates	Opening Balance 2024/2025	Transfers In 2024/2025	Transfers Out 2024/2025	Closing Balance 2024/2025
Pyes Pā	STORMWATER	37	(2)	2	37
	TRANSPORTATION	738	(4)	45	779
	WASTEWATER	(338)	-	(17)	(356)
	WATER SUPPLY	(80)	(9)	(4)	(94)
Pyes Pā West	SPACES AND PLACES	1,034	(96)	61	999
	STORMWATER	17,496	(264)	5,632	22,864
	TRANSPORTATION	15,004	(242)	(3,468)	11,295
	WASTEWATER	(2,854)	(131)	(150)	(3,135)
	WATER SUPPLY	1,929	(23)	118	2,023
South Pyes Pā	TRANSPORTATION	4,858	-	300	5,158
	WASTEWATER	392	-	24	416
	WATER SUPPLY	130	-	8	138
Southern Pipeline Reserve	WASTEWATER	67,546	(990)	4,123	70,679
Tauranga Infill	SPACES AND PLACES	-	-	1	1
	STORMWATER	26	-	2	28
	TRANSPORTATION	1,858	-	115	1,973
	WASTEWATER	(509)	-	(26)	(535)
	WATER SUPPLY	(722)	-	68	(654)
Tauriko Business Estate	STORMWATER	(1,600)	(206)	(199)	(2,004)
	TRANSPORTATION	(17,286)	(1,071)	(927)	(19,283)
	WASTEWATER	(861)	(199)	229	(831)
	WATER SUPPLY	1,205	(118)	70	1,157
Tauriko West	SPACES AND PLACES	1,152	-	71	1,223
	TRANSPORTATION	270	-	17	287
	WASTEWATER	5,407	-	333	5,740
	WATER SUPPLY	3,704	-	651	4,355
Te Papa	SPACES AND PLACES	-	(84)	(1)	(85)
	TRANSPORTATION	-	(211)	(12)	(223)
Upper Ohauti	WASTEWATER	3	-	-	3
Waitaha/Waikite	STORMWATER	(142)	(3)	(7)	(152)
	TRANSPORTATION	(773)	(5)	(40)	(818)
	WASTEWATER	1,160	(2)	71	1,229
	WATER SUPPLY	1,544	(5)	95	1,634
TOTAL DEVELOPMENT CONTRIBUTIONS		324,398	(21,147)	78,787	382,038

1.2 Restricted Reserves and Trust Funds

Reserves and funds for which expenditure is restricted to the purpose of the reserve under Trust Deed.

NOTE 30: STATEMENT OF RESTRICTED RESERVES AND TRUST FUNDS - for the year ended June 2025						
Restricted Reserves	Description of Reserve	Activities to which the reserve relates	Opening Balance 2024/2025	Transfers In 2024/2025	Transfers Out 2024/2025	Closing Balance 2024/2025
E.V Flower Family Trust	For city museum maintenance of aviary.	SUPPORT SERVICES	(24)	-	(1)	(25)
Endowment Land Fund	Proceeds received from the sale of endowment land in Devonport Road.	SUPPORT SERVICES	(71)	-	(4)	(75)
Landscape Impact Fee	To develop street planting - funds from impact fee in industrial areas.	SUPPORT SERVICES	(134)	-	(7)	(141)
Museum Collection Fund	For the provision & development of the museum collection.	SUPPORT SERVICES	(57)	-	(3)	(60)
Parking Fees Reserve (JOG)	Funds for parking management and Joint Officials Group (JOG).	SUPPORT SERVICES	(3)	-	-	(3)
Parking Impact Fee	The City Plan imposes an impact fee on development related to Parking.	SUPPORT SERVICES	(806)	-	(41)	(847)
Roading Land Purchase Fund	For roading land purchases (funded by roading land sales).	SUPPORT SERVICES	(1,771)	-	(91)	(1,862)
Strategic Roading Network	Roading fund for strategic roading network and sub-regional transportation.	SUPPORT SERVICES	(8)	-	-	(8)
TDC Eden Family Trust	For city museum maintenance of the steam engine.	SUPPORT SERVICES	(19)	-	(1)	(20)
Water Future Land Purchase	To purchase additional land in water catchment areas when it becomes available.	SUPPORT SERVICES	(178)	-	(9)	(188)
TOTAL RESTRICTED RESERVES AND TRUST FUNDS			(3,071)	-	(157)	(3,228)

2. Council Created Reserves

2.1 Other Council Created Reserves

These reserves are established by resolution of council for a particular purpose. This purpose can be amended by resolution of council.

NOTE 30: STATEMENT OF OTHER COUNCIL CREATED RESERVES - for the year ended June 2025						
Other Council Created Reserve	Description of Reserve	Activities to which the reserve relates	Opening Balance 2024/2025	Transfers In 2024/2025	Transfers Out 2024/2025	Closing Balance 2024/2025
Airport Tourism Contestable Reserve	Funding for tourism linked projects.	COMMUNITY SERVICES	-	-	13,752	13,752
		ECONOMIC DEVELOPMENT	(954)	(2,000)	113	(2,841)
Asset Realisation Reserve Gross Proceeds	Funds received from the divestment of assets.	COMMUNITY SERVICES	-	-	837	837
		ECONOMIC DEVELOPMENT	-	-	(3,398)	(3,398)
		SUPPORT SERVICES	5,456	-	614	6,069
Better Off Funding Reserve	Funding received from central government to part fund future council projects that demonstrate a benefit to the community.	COMMUNITY SERVICES	-	-	2,826	2,826
		SUPPORT SERVICES	499	(2,819)	497	(1,823)
Biosolids Reserve	Reserve to provide for biosolids maintenance.	WASTEWATER	(4,960)	(1,700)	811	(5,849)
Community Facilities Targeted Rate Reserve	Targeted rates collected to fund the operating costs generated from capital investment in community amenities.	COMMUNITY SERVICES	-	-	1,205	1,205
		SPACES AND PLACES	-	-	2,682	2,682
		SUPPORT SERVICES	(7,302)	-	(281)	(7,583)
Elder Housing Sale Reserve	Sale of Elder Housing Assets.	COMMUNITY SERVICES	(27,934)	2,173	(6,911)	(32,672)
Event Investment Fund	Funding of major events.	COMMUNITY SERVICES	(751)	(325)	(39)	(1,114)
General Contingency	Miscellaneous expenditure for operational items not foreseen in annual plan.	SUPPORT SERVICES	(84)	-	(4)	(87)
Kerbside Targeted Rate Reserve	Targeted rates collected for kerbside collection.	SUSTAINABILITY AND WASTE	(3,431)	(14,696)	13,660	(4,467)
Resilience Targeted Rate Reserve	Targeted rates collected to fund the operating costs generated from capital investment in infrastructure resilience.	EMERGENCY MANAGEMENT & CIVIL DEFENCE	-	-	77	77
		STORMWATER	-	-	60	60
		SUPPORT SERVICES	(1,295)	(1,145)	(62)	(2,502)
		TRANSPORTATION	-	-	60	60
		WASTEWATER	-	-	90	90
		WATER SUPPLY	-	-	83	83
Risk Management Reserve	For the purpose of managing Council's financial risk and to fund unforeseen events.	SUPPORT SERVICES	(3,687)	(1,000)	(214)	(4,901)
Stormwater Reactive Reserve	Levy collected for stormwater remedial works.	STORMWATER	(14,410)	(517)	383	(14,543)
Tauranga Hockey Turf 1	For the purpose of replacing turf.	SPACES AND PLACES	(500)	-	466	(35)
Tauranga Hockey Turf 2	For the purpose of replacing turf.	SPACES AND PLACES	(500)	(40)	(27)	(566)
Tauranga Hockey Turf 3	For the purpose of replacing turf.	SPACES AND PLACES	(206)	(60)	(12)	(278)
Transportation Targeted Rate Reserve	Targeted rates collected to fund the operating costs generated by capital investment in transportation assets.	TRANSPORTATION	(5,343)	1	4,545	(797)

NOTE 30: STATEMENT OF OTHER COUNCIL CREATED RESERVES - for the year ended June 2025

Other Council Created Reserve	Description of Reserve	Activities to which the reserve relates	Opening Balance 2024/2025	Transfers In 2024/2025	Transfers Out 2024/2025	Closing Balance 2024/2025
Unfunded Liabilities Reserve	To retire debt incurred through unfunded expenditure.	SUPPORT SERVICES	21,492	-	894	22,385
Waste Levy Reserve	To receive funds from waste management levy for approved activity.	SUSTAINABILITY AND WASTE	(4,559)	(2,949)	1,346	(6,161)
Wastewater Enhancement Reserve	For the purpose of mitigating the cultural and environmental affects of the wastewater scheme.	WASTEWATER	(740)	-	(38)	(778)
Weathertight Reserve	For the purpose of managing council's future exposure to leaky home payments.	SUPPORT SERVICES	52,167	(2,000)	2,617	52,784
TOTAL OTHER COUNCIL CREATED RESERVES			2,960	(27,076)	36,633	12,517

2.2 Depreciation Reserve

Depreciation Reserve sets aside funds for future expenditure to replace depreciating assets over time.

NOTE 30: STATEMENT OF DEPRECIATION RESERVES - for the year ended June 2025

Depreciation Reserves	Activities to which the reserve relates	Opening Balance 2024/2025	Transfers In 2024/2025	Transfers Out 2024/2025	Closing Balance 2024/2025
	CITY & INFRASTRUCTURE PLANNING	(197)	-	(10)	(207)
	COMMUNITY SERVICES	(18,516)	(3,373)	9,244	(12,645)
	COMMUNITY, PEOPLE & RELATIONSHIPS	(53)	(7)	1	(58)
	ECONOMIC DEVELOPMENT	(10,672)	(3,436)	1,734	(12,374)
	EMERGENCY MANAGEMENT & CIVIL DEFENCE	1,421	(5)	137	1,553
	REGULATORY & COMPLIANCE	(1,423)	(67)	23	(1,467)
	SPACES AND PLACES	(17,208)	(18,855)	28,081	(7,982)
	STORMWATER	(36,831)	(8,805)	2,818	(42,818)
	SUPPORT SERVICES	990	(8,218)	8,991	1,764
	SUSTAINABILITY AND WASTE	(2,988)	(1,446)	296	(4,138)
	TRANSPORTATION	8,212	(17,788)	18,910	9,334
	WASTEWATER	(40,096)	(18,995)	23,033	(36,058)
	WATER SUPPLY	(33,178)	(14,686)	9,340	(38,524)
TOTAL DEPRECIATION RESERVES		(150,538)	(95,681)	102,599	(143,620)

Note 31: Variances Explanation

Explanation of major variances compared against: budget, and prior year results.

	Variance Against Budget	Variance Against Prior Year Results
Statement of Comprehensive Revenue and Expense		
Rates	Immaterial variance.	Increase is due to higher number of rateable properties, new industrial category, and active identification of additional rating units after adoption of rates resolution for 2024/25.
Fees and Charges	Lower than budget due to lower volumes and charges in Building Services, Wastewater and Airport, which are influenced by changes in the economy and available cash for discretionary spend. Partially offset by continued revenues from Marine Precinct due to delay in settlement.	Refer to Variance Against Budget Comments.
Grants and Subsidies	Immaterial variance.	Additional grants received particularly for waste education, NZTA compensation, reimbursement from Central Government for emergency works at Egret Ave, and partially offset by timing of Tauriko West revenues.
Finance Revenue	Interest revenue higher than budget due Council holding higher deposit balances throughout year. Deposits vary with cash needs of Council, collection of revenues, and available returns from investment.	Refer to Variance Against Budget Comments.
Vested Assets	Revenue recognition of Vested Assets is dependent upon timing of project completion.	Refer to Variance Against Budget Comments.
Development Contributions	Revenue is dependent upon applications where timing and volumes vary. Development Contributions down due to reduced volumes in 2024/25 compared to both budget and 2023/24 results. Revenue primarily derived from Papamoa East, Pyes Pā West and Tauriko Business Estate.	Refer to Variance Against Budget Comments.
Grants and Subsidies, & Other Capital Contributions	Budget included grants from NZTA, for projects which were not included in the 2024-27 National Land Transport Plan; Water Reforms; grants for indoor recreation facilities Te Manawataki o Te Papa IFF monies, which is now being funded by debt.	Refer to Variance Against Budget Comments.
Depreciation and Amortisation expense	Depreciation up on budget due to increase in value of assets revalued each year, along with capitalisation of projects.	Refer to Variance Against Budget Comments.
Personnel Expenses	Personnel expenses higher than budget due to reduced capitalisations of salaries within capital projects, costs in 2024/25 also include costs due to the organisational reset and redundancy payouts, these were not budgeted for.	Refer to Variance Against Budget Comments.
Finance Expenses	Finance costs are lower than budget due to OCR being cut earlier and faster than expected in LTP.	Higher finance costs than 2023/24 due to higher levels of debt in 2024/25.
Other Operating Expenses	A directive to lower operational spend from Elected Members has seen a better result than budgeted.	Costs higher than prior year due to continued inflationary pressures, timing of Tauriko West works, and higher Community Grants awarded. Higher costs partially offset by savings, Refer to Variance Against Budget Comments.
Provision Expense	Immaterial variance.	Immaterial variance.
Net other gains/(losses)	Losses are generally not budgeted for, however budget included debt forgiveness of the loan to BVL.	Asset losses are lower than in 2023/24 while a gain on Housing Infrastructure Loan has been recognised compared to a reversal in 2023/24.
Financial assets at fair value through other comprehensive income	Movement is dependent upon the year end results for the Local Government Funding Agency.	Refer to Variance Against Budget Comments.
Asset revaluation reserve (Losses)/ Gains	Revaluation gains are dependent upon the class of asset being revalued each year and the movement in those assets. In 2024/25 Three Waters assets were revalued.	Revaluation gains are dependent upon the class of asset being revalued each year and the movement in those assets. In 2023/24 land & buildings, and Roadway assets were revalued.

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	Variance Against Budget	Variance Against Prior Year Results
Statement of Financial Position		
CURRENT ASSETS		
Cash and Cash Equivalents	The difference in cash is due to timing of expenditure and borrowing programme throughout the year. Council is holding amounts on longer term deposits in anticipation for future debt repayment.	Cash fluctuates throughout the year due to timing and quantum of cashflows and prefunding strategies.
Debtors and Other Receivables	Refer to Variance Against Prior Year Results Comments.	Rates (general and water) receivable up on prior year balance for June. GST receivable increased due to refunds falling outside of the financial year, and holding more rates in advance than in 2023/24.
Derivative Financial Instruments	Immaterial variance.	Immaterial variance.
Inventories	Immaterial variance.	Immaterial variance.
Other Current Assets	Greater amount held as short term deposits rather than in cash at year end. Amount varies due to timing and requirements within Council.	Refer to Variance Against Budget Comments.
Non-Current Assets Held For Sale	Settlement of Assets in the 2024/25 year has reduced the balance with fewer assets currently being held for sale in the next 12 months.	Refer to Variance Against Budget Comments.
NON CURRENT ASSETS		
Derivative Financial Instruments	Value of underlying instrument is based on interest rate. Interest rate fluctuation and level of borrowing underpin variance.	Refer to Variance Against Budget Comments
Investments - Other Entities	Budget includes amounts for reinvestment from Elder Housing sale proceeds. Investment is accounted for as Investment in Associate.	Immaterial variance.
Investments - Council Controlled Organisations	Increase due to additional borrowings by BVL, further increases in LGFA borrowers notes as a result of higher borrowings. Budget Figure incorporated \$15m debt forgiveness which was transacted as a debt-to-equity conversion and had nil impact on balances.	Refer to Variance Against Budget Comments.
Investments - Other Non Current Financial Assets	Exact timing of settlement of Devonport Concessionary Loan was not known at budgeting.	Immaterial variance.
Investments in Associates	Increase in investment in Bay of Plenty Housing Equity Fund Ltd (Elder Housing reinvestment of sale proceeds), investment aligns to projects the entity undertakes that align to Council's objectives.	Refer to Variance Against Budget Comments.
Investment Property	Investment property is determined as part of Council's divestment strategy for the next 5 years.	Refer to Variance Against Budget Comments.
Intangible Assets	SaaS costs are budgeted as a capital cost, but compliance with recognition under accounting standards means greater operating costs for SaaS projects.	Refer to Variance Against Budget Comments.
Forestry Assets	Water Catchment forests were harvested in 2024/25.	Immaterial variance.
Property, Plant and Equipment	PP&E higher than budget due to revaluations in ThreeWaters Assets (1 year ahead of 3-year schedule) and spend on significant projects (Tauriko West, City Centre Redevelopment).	Refer to Variance Against Budget Comments.
Te Manawataki o Te Papa Charitable Trust Land	Trust land is not budgeted for as Council is not the legal owner, and only reported on for compliance with Accounting Standards.	Immaterial variance.
CURRENT LIABILITIES		
Payables and Accruals	Payables higher due to costs and services increases arising from inflation.	Refer to Variance Against Budget Comments
Deposits Held	Immaterial variance.	Immaterial variance.
Revenue in Advance	Immaterial variance.	Immaterial variance.

	Variance Against Budget	Variance Against Prior Year Results
Employee Entitlements	Refer to Variance Against Prior Year Results Comments.	No accrual in prior year due to timing, compared to a near full pay cycle being accrued as at 30 June.
Borrowings	Higher than budget due to timing of debt maturity.	Refer to Variance Against Budget Comments.
Provisions	Immaterial variance.	Immaterial variance.
NON CURRENT LIABILITIES		
Deferred Tax Liability	Deferred tax is not budgeted for as yearly results determine movement and balance.	Refer to Variance Against Budget Comments.
Derivative Financial Instruments	Cuts to the Official Cash rate (OCR) have impacted the valuation of interest rate swaps. There has also been new swaps executed and maturing throughout the year.	Refer to Variance Against Budget Comments
Other Non-Current Liabilities	Budgeted liability largely transacted through borrowings.	Immaterial variance.
Borrowings	Borrowings lower than budget due to changes in spend in capital projects from changes in Central Government policies. Reduction in borrowings from Council's decision to have balanced operational budget and operational projects not being loan funded.	Higher than prior year in order to meet the significant capital projects being built and delivered by Council.
Provisions	Immaterial variance.	Non current provision recognition of future expenses.
Statement of Movements in Equity		
Retained Earnings	Variance due to lower than budgeted surplus and adjustments.	Retained Earnings movement aligns to current year operating surplus and adjustments.
Restricted Reserves	Delayed investment in growth related capital spend due to resourcing constraints meant not as much was funded out of the reserves as budgeted.	Growth related spend has increased projects proceeds.
Council Created Reserves	Actual revenue in reserves was higher due to increase in depreciation expense due to prior year valuations impact and more capitalisations.	Higher number of assets capitalised in 2024/25 year meant reserve balance increases accordingly.
Asset Revaluation Reserves	Asset revaluation balance moves in line with revaluation cycle and with assets sold or written off.	Movement depends on which asset class is revalued each year, in addition to asset write down or sales.
TCC (Group) Statement of Cash Flows		
Receipts from Rates Revenue	Increase is due to active identification of additional rating units after adoption of rates resolution for 2024/25, and high collections of Rates.	Increase is due to higher number of rateable properties, and active identification of additional rating units after adoption of rates resolution within the financial year.
Grants and Subsidies Received	Budget included grants from NZTA, for projects which were not included in the 2024-27 National Land Transport Plan; Water Reforms; grants for indoor recreation facilities Te Manawataki o Te Papa IFF monies, which is now being funded by debt.	Grants received are lower than 2023/24 due to the timing of receipts and reduction in funding, which is partly offset by the additional grants received particularly for waste education, and partially offset by Tauriko West revenues.
Development and Financial Contributions Received	Revenue is dependent upon applications where timing and volumes vary. Development Contributions down due to reduced volumes in 2024/25 compared to both budget and 2023/24 results. Revenue primarily derived from Pāpāmoa East, Pyes Pā West and Tauriko Business Estate.	Refer to Variance Against Budget Comments.
Fees and Charges Received	Immaterial variance.	Higher than 2024 due to higher volumes and charges in activities, which are influenced by changes in the economy and available cash for discretionary spend.
Interest Received	Interest rates higher than budgeted. Budget interest rates for revenue recognition are conservative due to the nature of the underlying market.	Immaterial variance.
Dividends Received	Immaterial variance.	Immaterial variance.
Payments to Suppliers	Reduction in capital spend from budget.	Higher than 2023/24 due to continued increases in market pricing. Software expenses being budgeted under capital spend, but treated as operational when 'As a Service' products are purchases.
Payments to Employees	Immaterial variance.	Increase in salaries/wages to align with market increases, and redundancy payouts.
Interest Paid	Immaterial variance.	Increase on 2023/24 due to higher level of debt being held.

07 | FINANCIALS

	Variance Against Budget	Variance Against Prior Year Results
GST (net)	GST is assumed to be zero for budgeting purposes.	GST will align to overall net cashflow movements.
Receipts from Sale of Investment Property		
Receipts from Sale of Intangible Assets		
Receipts from Sale of Property, Plant and Equipment		
Receipts from Sale of Non Current Assets Held for sale	Lower than budget due to timing of sales being dependent upon market expectations (compared to Council needs) and purchasers expectations.	2023/24 include the sale of Pitau Housing Estate. No similar significant sales in 2024/25.
Receipts from Sale of Investments and Council Controlled Organisations		
Repayment of Borrowings		
Purchase of Property, Plant and Equipment	Reflects the actual capital programme spend for the year, lower than budget due to changes in funding from central government and within Council delivery.	Significantly up on 2023/24 due to greater capitalisation on significant projects (Tauriko West, City Centre Redevelopment, Fitout of 90 Devonport Road).
Purchase of Intangible Assets	Intangible purchases lower than budget due to change in SaaS policy. SaaS acquisitions are budgeted in capital expenditure but are operational spend.	Immaterial variance.
Purchase of Other Investments	Higher value of term deposits being held at year end and through the year. Term Deposit investment depends upon cash balance, business needs and available return.	Refer to Variance Against Budget Comments.
Investments in Council Controlled Organisations	Investment in CCOs is dependent on the needs of the entity and agreements between the organisations and Council.	Changes in the investment of BVL and it's loan. High value of LGA borrowers notes due to increased level of borrowing.
Purchase of Investment Property	Immaterial variance.	Minor variance due to annual revaluation of assets required under Reporting Standards.
Proceeds from Borrowings	Lower level of borrowings due to changes in capital expenditure arising from changes within Council and Central Government funding.	Increase borrowings from 2023/24 to meet Council's funding needs which align to significant capital programme delivery.
Repayment of Borrowings	Immaterial variance.	Higher than prior year due to timing of debt maturity.



Auditor's Report/Purongo a Te Kaiarotake



Independent Auditor's Report

To the readers of Tauranga City Council's annual report for the year ended 30 June 2024

The Auditor-General is the auditor of Tauranga City Council (the City Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to report on the information in the City Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the City Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the City Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 29 October 2024. This is the date on which we give our report.

Opinion on the audited information

In our opinion:

- the financial statements on pages 256 and 259 to 339:
 - present fairly, in all material respects:
 - the City Council and Group's financial position as at 30 June 2024;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;

- the funding impact statement on page 257 to 258, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan;
- the statement of service performance on pages 99 to 208:
 - presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2024, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 101 to 208, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's annual plan; and
- the funding impact statement for each group of activities on pages 101 to 208, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan.

Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 250 to 253, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council and Group's audited information and, where applicable, the City Council's long-term plan and annual plans.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing

07 | AUDITOR'S REPORT

(New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the City Council and the Group or there is no realistic alternative but to do so.

Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the City Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure, and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 98, 209 to 249, 254 to 255, 340 to 341 and 347 to 350, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the City Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the City Council's debenture trust deed and audit engagements of the 2024-34 Long-term plan Consultation Document and the 2024-34 Long-term plan, which are compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the City Council or its subsidiaries and controlled entities.



Leon Pieterse
Audit New Zealand
On behalf of the Auditor-General | Tauranga, New Zealand



08

Glossary/Kuputaka

Glossary

Activity

Related or similar services that are grouped together for management and budgeting purposes.

Allocated costs

A form of spending where one council department pays for services provided by another department.

Amortisation

The systematic allocation of the value of an intangible asset over its useful life.

Annual budget

This budget sets out what the council will work to achieve in a financial year, how it will spend its money, the level of service it will provide, and the level of rates and other revenue required to fund spending.

Annual plan (AP)

A one year plan that focuses on the work to be carried out in a specific year of the council's long-term plan (LTP) and also highlights any variations and amendments to the LTP.

Annual report

A document that tracks the council's annual performance and reports against the relevant annual budget.

Assets

Assets are things that the council owns such as roads, parks, footpaths and buildings.

Asset management plans

These plans consider the level of service required for infrastructure activities and services, and the assets required to support them. The plans ensure that maintenance and asset replacement is sufficient for the services to continue, that depreciation on assets is funded, and that the future growth of the city is catered for.

Budget

The itemised formally adopted estimate of expected revenue and expenditure through a 10-year budget or annual budget.

Borrowings

Money obtained by raising a loan.

Carry forwards

When budgets are not spent in their financial year, the budget and funding may be 'carried forward' into the next financial year.

Capital expenditure

Spending on buying or building new assets and renewing existing assets. Often shortened to 'capex'.

Capital value

The sum that an owners' estate or interest in land might sell for at the time of valuation. It is deemed to include GST for residential properties and exclude GST for other property types.

Community outcomes

How the community wants the city to be, to make it a better place to live, work and play as described in the long-term plan.

Council Controlled Organisation

An organisation or company in which one or more local authorities have at least 50% of the shareholder voting rights or similar. For a more detailed meaning see Section 6 of the Local Government Act 2002.

Depreciation

The charge representing consumption or use of an asset, assessed by spreading the asset's value over its estimated economic life. Depreciation includes amortisation of intangible assets unless otherwise stated.

Development contributions

Contributions from developers collected by council to help fund new infrastructure as set out in the Development Contributions Policy.

Fair value

A measure of an asset's market value if a seller and buyer are able to freely agree on a price.

Funding impact statement (FIS)

This is a statement outlining activities, funding sources and how the funds are used.

General rate

A rate based on the capital value of every property in the city.

Grants and subsidies

Revenue received from an external agency to help fund an activity or service.

Group of activities

One or more related activities that are grouped together.

Infrastructural assets

Fixed utilities that provide a service to the community and are not generally regarded as tradable. These assets include roads, waste, sewerage and stormwater systems.

Internal recoveries

Recovery of costs by council departments from other council departments.

Land value

The price that would probably be paid for bare land at the date of valuation. The value includes development work such as drainage, excavation, filling, leveling, retaining walls, clearing, fertility build-up and flood protection.

Levels of service

A measure of a service that the council delivers such as the number of sports fields available for use, library opening hours, water quality, etc.

Liabilities

Amounts that the council owes. Non current liabilities are amounts that are not due to be repaid within the next financial year.

Local Government Act 2002 (LGA 2002)

The act that defines the powers and responsibilities of territorial local authorities, such as ours.

Local Government (Financial Reporting and Prudence) Regulations 2014

Regulations promoting prudent financial management by local authorities requiring disclosure of performance in relation to benchmarks as a single entity and not including subsidiaries. We must disclose, in our disclosure statements, our performance and that of our subsidiaries as a single entity.

Local Government (Rating) Act 2002 (LGRA)

Defines how territorial local authorities such as ours can set, assess and collect rates.

Local Government Funding Agency (LGFA)

An organisation jointly owned by most local authorities and the Crown that borrows on behalf of the local authorities.

Long-term plan (LTP)

Also the 10-year budget. This sets out our vision, activities, projects, policies, and budgets for the next 10 years. It is reviewed every three years.

Operating expenses

Expenditure resulting from normal business operations. Often shortened to 'opex'.

Optimised replacement cost

A valuation method used to estimate the price of constructing or buying the modern equivalent of an asset.

Policy

Guidelines to support effective decision making.

Private benefit

This relates to people who benefit from a service and who can be clearly identified and charged for that service. It applies to user charges, application fees, purchase price and water by meter, with some exceptions.

Public benefit

This relates to spending which benefits the community in general and for which individual beneficiaries cannot be clearly identified.

Public benefit entity

An entity whose primary objective is to provide goods or services for a community for a social benefit rather than for financial return.

Rates

A charge against a property to fund our provision of services and assets.

Renewal expenditure

This is spending that replaces deteriorating assets with new assets that have the same service potential as the originals.

Resource consent

This is permission to use resources such as land, water and air, granted under the Resource Management Act 1991.

Restricted assets

Assets that cannot be disposed of because of legal or other restrictions. They include reserves vested under the Reserves Act 1977, endowments and property held in trust for specific purposes.

Revenue and Financing Policy

A statement about who should pay for the services provided by council. The policy outlines who will benefit from each activity and who should pay for it, taking into account fairness and what is practical.

Significance

This is the degree of importance of an issue, proposal, decision, or matter, in terms of its likely impacts or consequences.

Special funds / reserve funds

Money set aside for a specific purpose. Some uses are legally restricted and others are created by the council.

Strategies

These outline how to undertake particular actions to deliver community outcomes.

Sub-region

This is the geographical area that includes the Tauranga City Council and Western Bay of Plenty District Council areas.

Subsidiaries

Entities over which we have the power to govern the financial and operating policies generally because we hold more than half of the voting rights.

Uniform annual charge (UAC)

A charge applied to rateable properties to help pay for a specific service or benefit. The amount is the same for each property.

Uniform annual general charge (UAGC)

A charge applied to every rateable property to help pay for a range of services. The amount is the same for each property.

User fees and charges

Fees charged to users of specific services and facilities provided by the council.

Vested assets

Infrastructure assets and land provided by the developer of a subdivision – for example, roads, streetlights, water and wastewater reticulation, stormwater disposal systems and reserve land. When the subdivision is completed, the ownership and future maintenance of these assets passes to council.



Tauranga City

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