



ATTACHMENTS

**Ordinary Council meeting
Separate Attachments 2**

Wednesday, 29 October 2025

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Tauranga City Council Annual Report 2024/2025 highlights



The Annual Report provides an overview of what Tauranga City Council did from **1 July 2024 to 30 June 2025** to make the city better for everyone. It includes financial information, what projects and services were delivered, and how the council is tracking towards its goals for the community.

To view the full Tauranga City Council Annual Report 2024/2025, visit
www.tauranga.govt.nz/annual-report-2024-25

Council leadership



- **1 mayor + 9 councillors**
- **8 city wards + 1 Māori ward.**

Tauranga snapshot



- **People:** 164,550 live here
- **Homes:** 64,260
- **Schools:** 43
- **Playgrounds:** 123
- **Dogs:** 15,861
- **Skateparks:** 8
- **Pools:** 5
- **Universities/Polytechnics:** 3
- **Marae:** 11
- **Iwi and hapū:** 17

Council's overarching goals

To build:

- **An inclusive city** – Tauranga Matarauui
- **A city that values, protects and enhances our environment** – Tauranga Taurikura
- **A well-planned city** – Tauranga Tātai Whenua
- **A city we can move around easily** – Tauranga Ara Rau
- **A city that supports business and education** – Tauranga a Te Kura

How we're tracking

- 82** performance measures:
- ✓ **63** achieved
 - ✗ **16** not achieved
 - ⊖ **3** not measured

Key projects completed this year



- **Haumaru Sport & Recreation Centre:** Hub for sport, recreation, and community activity.
- **Waterfront redevelopment:** Revamped Masonic Park (Sep 2024), new harbourside walkway (Oct 2024) and destination playground (Dec 2024) – a new hub of recreation and exploration.
- **Waitaha Reserve upgrade:** New basketball court, playground, shaded picnic areas and more.
- **Alice Johnson Oval Pavilion at Gordon Spratt Reserve:** New facility for Pāpāmoa sports clubs.
- **Tauriko West Plan Change:** Adopted in March 2025, paving the way for up to 4000 new homes.
- **90 Devonport Road:** New council building, with a six-star Green Star rating, enabling all city centre-based administration staff to work under one roof for the first time in 10 years.
- **Arataki bus hub upgrade:** Improved passenger experience encouraging public transport use.
- **Maunganui Road upgrades:** Cycle lanes, pedestrian crossings and roundabouts to improve safety and accessibility.

Key projects underway

- **Te Manawataki o Te Papa**
 - **Library and Community Hub** – A vibrant, sustainable space designed to inspire learning, creativity, and connection. Due for completion in 2026.
 - **Museum** – A world-class cultural destination celebrating the region's rich heritage and stories. Scheduled for completion in 2028.
- **Pāpāmoa East Interchange (TCC/NZTA)** – New interchange over the Tauranga Eastern Link enabling growth in eastern Tauranga. Full completion expected by March 2026.
- **SH29 Tauriko Enabling Works (TCC/NZTA)** – Improving safety, freight access, and public transport along a key regional corridor, unlocking an initial 2,400 homes in Tauriko West. Full completion expected early 2027.

Events

- **106 funded events delivered** – enjoyed by 220,000+ attendees
- **\$21 million+** visitor spend and **160,000+** visitor nights generated
- **Zespri AIMS Games celebrated 20 years** – 26,825 attendees, \$8.78 million spend
- **Skateboarding Nationals** hosted at Destination Skatepark.

Financial snapshot

- **\$474 million in operating revenue** (1% above budget)
- Spent **\$415 million delivering infrastructure and projects across the city** due to a shortfall in delivery and underspending
- Spent **\$584 million delivering the services the city needs day-to-day** (2% above budget)
- Council's **\$1.3 billion debt** (10% / \$138 million less than budgeted) spreads the cost of the city's **\$8.3 billion assets** (e.g. buildings, pipes, parks; 5% higher than last year) over the generations that will benefit from them.

Environment & climate

- **Kōpururerua Stream Realignment** – major ecological restoration
- **Council's operational emissions** – reduced by 43% since 2018/19
- **Free Tree Day** – 2000+ native trees distributed to residents
- **Natural hazards and climate change** – ran risk assessments on public assets and places; and supported community-led adaptation planning and resilience projects.

Water & waste

- **9.5km** of wastewater pipes rehabilitated/ watermains renewed
- **15.2 billion litres** of water supplied (average **259 litres** per resident per day)
- **Te Maunga Wastewater Treatment Plant upgrades underway** – improving long-term resilience
- **107** smart water plans approved
- **38,274** tonnes of kerbside waste collected.

Community

- **Rainbow crossing** – installed at Devonport Road
- **Hidden Disabilities Sunflower Initiative** – adopted by libraries and Baycourt
- **Merivale & Gate Pā Community Centres** – one under construction, one planned
- **Memory Meadow planted** – 5000 daffodils at Yatton Park in tribute for Daffodil Day.

Transport

- **38** safety-focused transport projects completed – includes pedestrian upgrades and intersection improvements
- **60km** of roads resealed
- **500** potholes repaired
- **15,936** children and young people engaged in road safety initiatives.



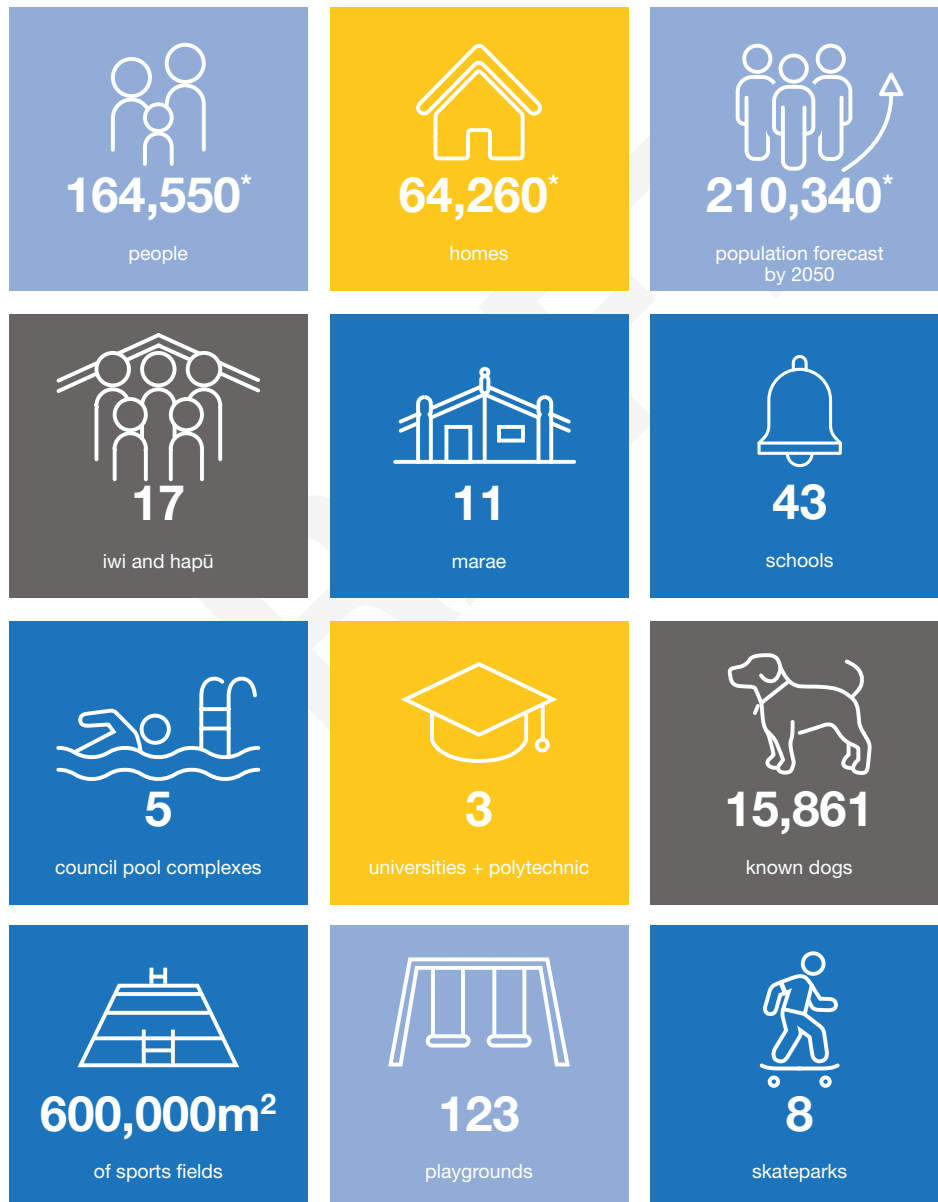
ANNUAL REPORT SUMMARY/ PŪRONGO O TE TAU

2024/25



ANNUAL REPORT SUMMARY 2024/25

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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This summary is an abridged version of the full Tauranga City Council Annual Report 2024/25, which was prepared in accordance with accounting standards applicable to Public Benefit Entities for Tier 1 entities. It does not include all the disclosures provided in the full annual report. The specific disclosures have been extracted from the full annual report adopted by Tauranga City Council on 29th October 2024. The summary statements comply with PBE FRS-43: Summary Financial Statements. All amounts are in NZD. The full audited Annual Report is available at www.tauranga.govt.nz/council/council-documents/annual-reports



01

Introduction/Kupu arataki

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

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.



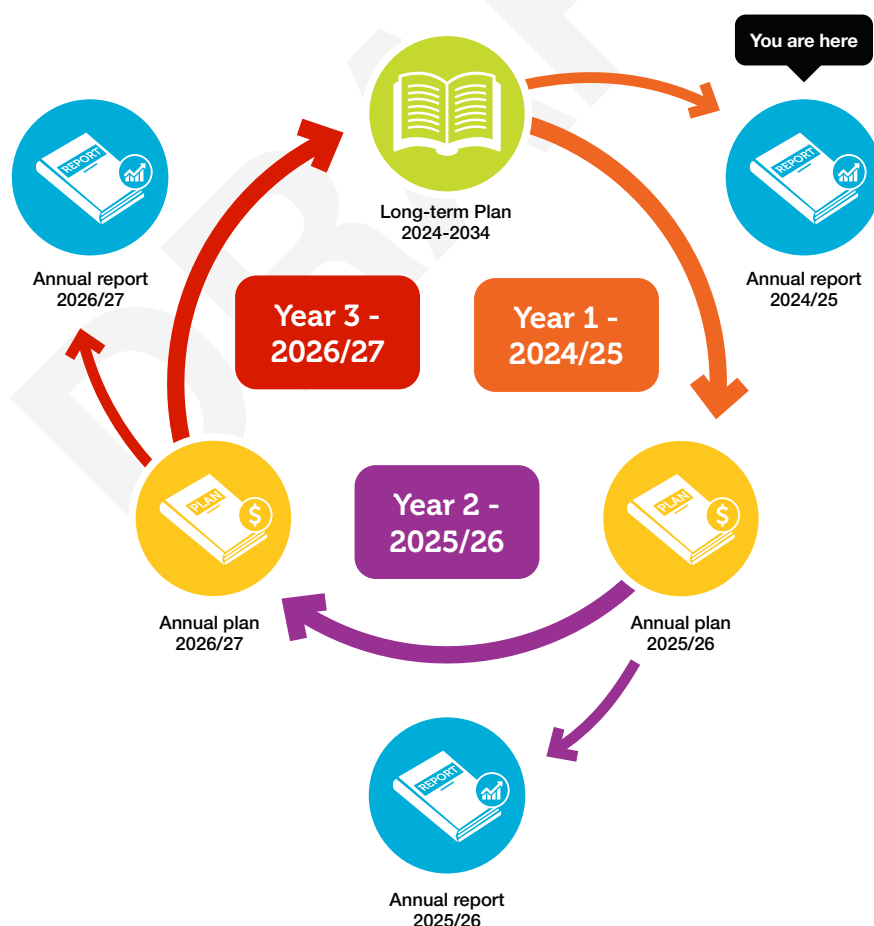
Planning cycle Te huringa whakamahere

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 Matarauui

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.



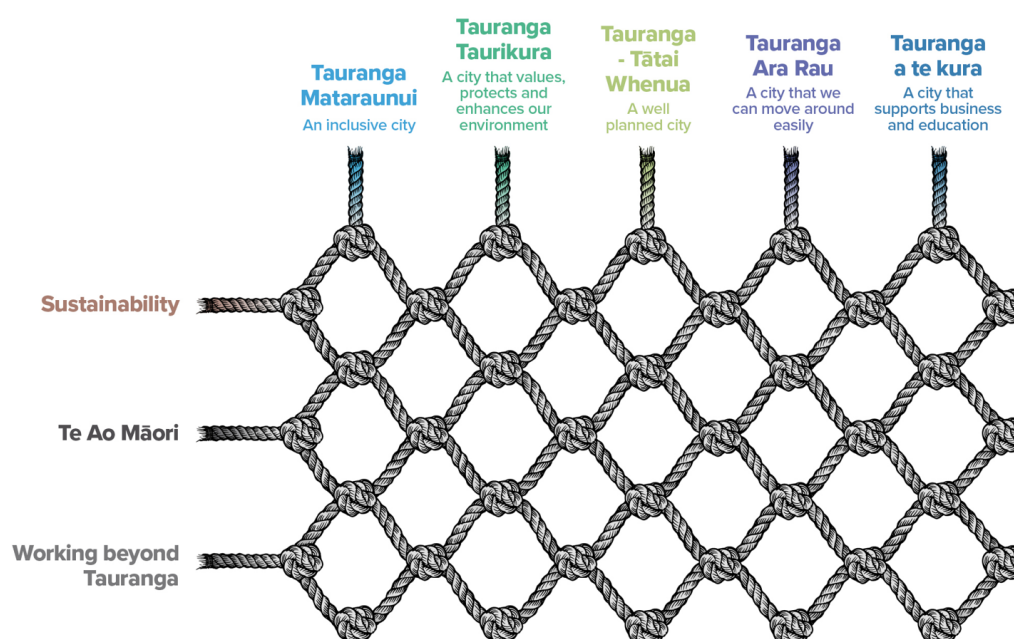
A well-planned city – Tauranga Tātai Whenua

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
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



02

Year in Review/Te tau kua hipa

Highlights, opportunities and challenges

During 2024/25, Tauranga has experienced many highlights, opportunities and a range of challenges. These are summarised in the full 24/25 Annual Report.

Our city is one of the most attractive in New Zealand with abundant potential to be the best city in New Zealand.

In 2024/25 we delivered our work programme in key areas to meet our community outcomes and move towards becoming New Zealand's best 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.

Council's work is guided by five community outcomes and three organisational approaches, which together form Our Direction. The full 2024/25 Annual Report provides a comprehensive review of our year, detailing our progress through a mix of project updates, key achievements, and organisational initiatives. It highlights how we're delivering on outcomes across the city.

To view the full Tauranga City Council Annual Report 2024/2025, visit: www.tauranga.govt.nz/annual-report-2024-25



02 | YEAR IN REVIEW



An inclusive city –
Tauranga Matarauui



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



A well-planned city –
Tauranga Tātai Whenua



A city we can move
around easily – Tauranga
Ara Rau



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



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



65,016

patrons attended Baycourt
Community & Arts Centre



2,000+

plants distributed on
our free tree day



60 km

roads resealed



549

bookings on public open
space (events only)



79%

average weekday
city centre parking
occupancy rate



108,761

calls handled by our
customer service centre



263

new carparks added to
the city centre
(2,485 total city centre
carparks)



500

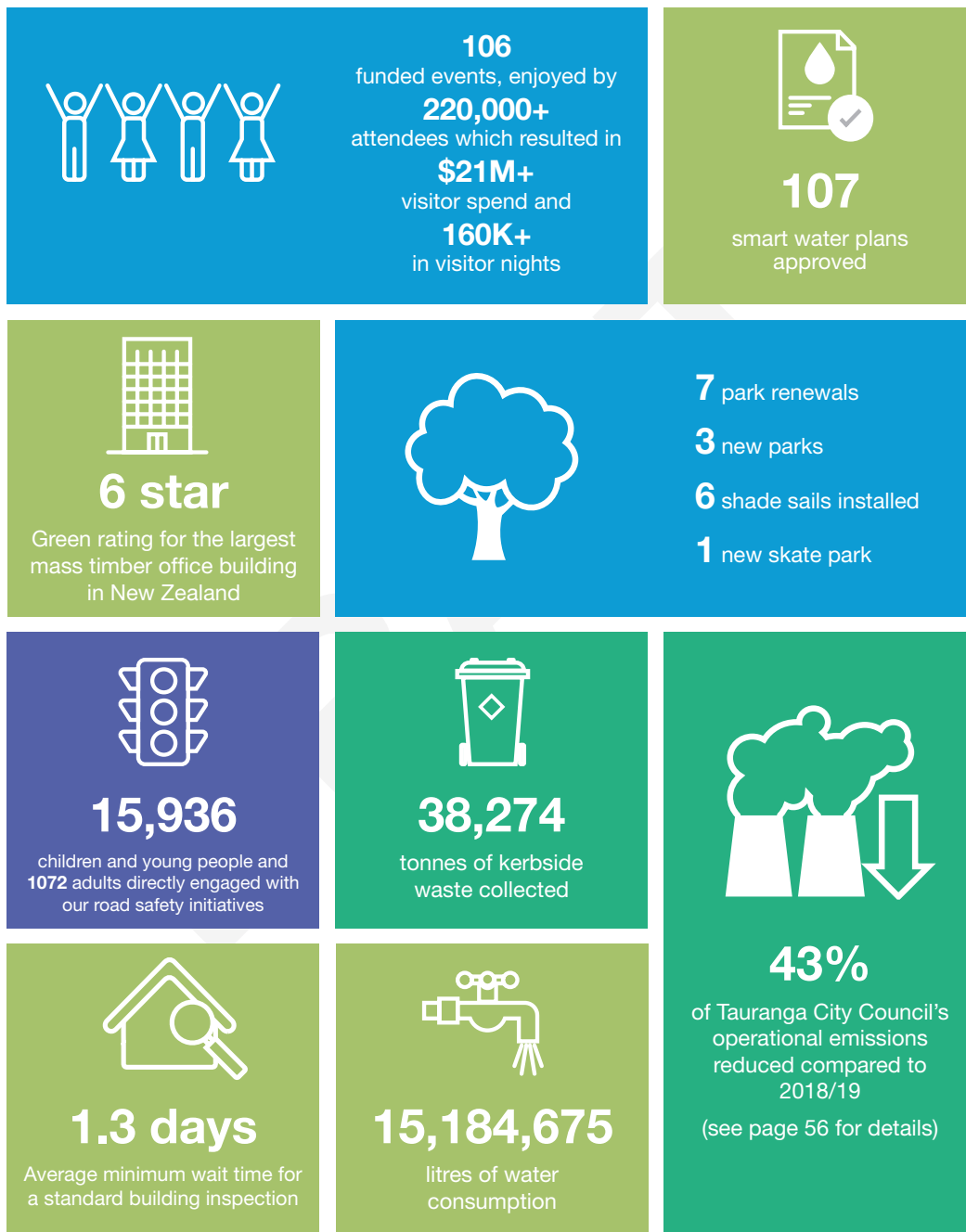
potholes repaired

90%

resolved at first point of
contact

02 | YEAR IN REVIEW





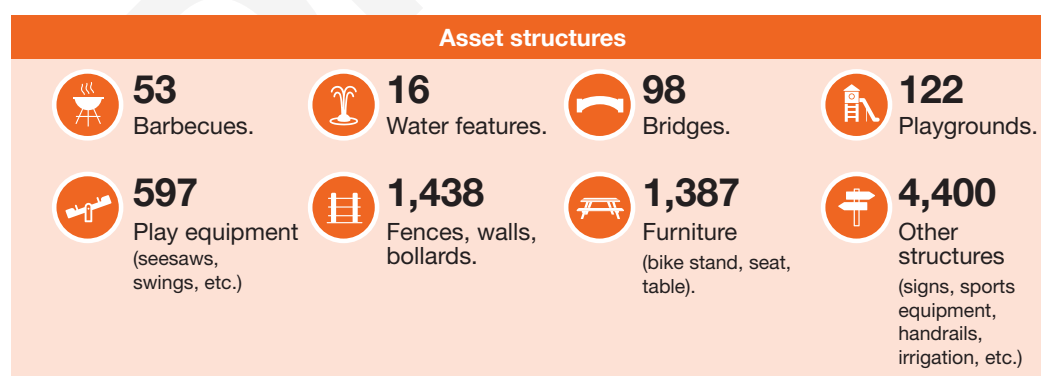
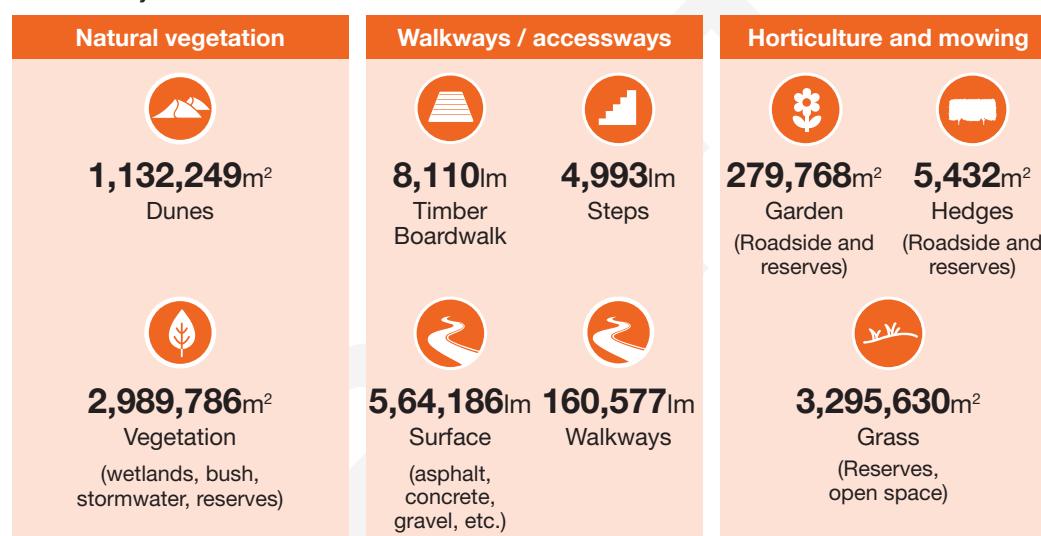
02 | YEAR IN REVIEW

City Operations - Snapshot and Scope of work

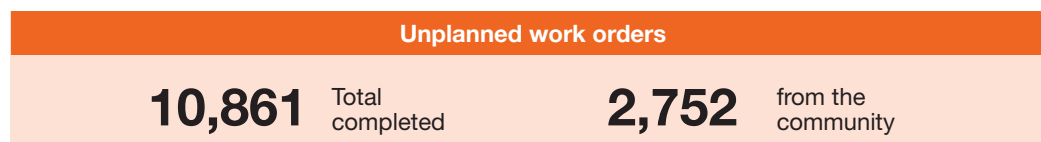
We use



To continuously care for



And fix issues as they come up





An inclusive city – Tauranga Matarauui

For more information on the following activities, see pages 22-27 of the full 2024-25 Annual Report. For an inclusive city we:

Facilities and Recreation

Opened the Haumaru Sport and Recreation Centre



Project completed

Reopened the upgraded Waitaha Reserve



Project completed

Completed the new Waterfront Playground



Project completed

Opened the new pavilion at Gordon Spratt Reserve opens for Pāpāmoa sports clubs



Project completed

Community infrastructure

Started work on the new Merivale Community Centre



Project underway

Started planning for the Gate Pā Community Centre



Project planned



Waterfront playground



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

For more information on the following activities, see pages 28-34 of the full 2024-25 Annual Report. For a city that values, protects, and enhances our environment we:

Improving nature and biodiversity

Provided a Free Tree Day for residents

✓ Project completed

Completed the Kōpururerua Valley Stream realignment

✓ Project completed

Sustainability and waste

Kerbside Services

🔄 Project ongoing

Resource Wise

🔄 Project ongoing

Circular economy

🔄 Project ongoing



Free tree day



A well-planned city – Tauranga - Tātai Whenua

For more information on the following activities, see pages 35-43 of the full 2024-25 Annual Report. For a well-planned city we:

Te Manawataki o Te Papa (Civic Precinct)

Started construction on the Library and Community Hub



Project underway

Started the refurbishment of Tauranga Art Gallery



Project underway

Started construction of the Tauranga Museum, Exhibition and Civic Whare



Project underway

90 Devonport Road

Completed the new council building, enabling all city centre-based administration staff to work under one roof for the first time in 10 years



Project completed

City Centre Waterfront Redevelopment

Delivered the new upgraded Masonic Park



Project completed

Provided the new Northern Waterfront reserve greenspace



Project completed

Delivered the Harbourside Walkway



Project completed

Urban Growth Planning

Made operative the Tauriko West Plan change to enable development of housing



Project completed

Waters

Provided an update on Local Waters Done Well Implementation and regional collaboration



Project underway

Started the upgrades to the Te Maunga Wastewater Treatment Plant



Project underway



A city we can move around easily – Tauranga Ara Rau

For more information on the following activities, see pages 44-47 of the full 2024-25 Annual Report. For a city we can move around easily we:

Transport & Connectivity Improvements

Started works on the Tauriko West access upgrades



Project underway

Road safety and infrastructure upgrades

Completed the Maunganui Road upgrades improve safety and accessibility



Project completed

Continued works on the Pāpāmoa East Interchange



Project underway



Pāpāmoa East Interchange under construction



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

For more information on the following activities, see pages 48-52 of the full 2024-25 Annual Report. For a city that supports business and education we:

Business

Started works on the Tauriko Business Estate extension



Project underway

Completed the Marine Precinct sale



Project completed

Tourism

Supported the Flavours of Plenty Festival



Information

Education

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

Provided more Travel Safe in Schools programmes



Project ongoing

Provided zero waste and schools initiatives



Project underway



Approaches



Te Ao Māori approach - Te Ahunga Ao Māori

Partnership with tangata whenua

In 2024/25, we strengthened our partnership with tangata whenua through inclusive governance, culturally embedded urban design, and community-led engagement. Te Ao Māori values guided decision-making, with tangata whenua representatives appointed to Council committees and the historic election of a Māori Ward councillor. Cultural integration was delivered through civic projects, wayfinding signage, and the opening of Te Rere o Ōmanawa Whakaruruhau. Strategic collaboration with Te Rangapū Mana Whenua shaped kaupapa Māori policy, while kapa haka and rangatahi played central roles in welcoming manuhiri at major events. Council also supported youth development and honoured long-serving Māori leaders, reinforcing a shared commitment to kotahitanga, manaakitanga, and enduring relationships.



Sustainability approach - Te Ahunga Toitū

Sustainability considerations in projects and decisions

We improved how we plan and deliver projects to support our climate goals. Operational emissions dropped 43% since 2018/19, and solar panels were installed at Greerton and Pāpāmoa libraries. A science-based emissions reduction plan is in place, and we've started tracking Scope 3 emissions. Climate criteria are now part of capital projects, and we've embedded sustainability into procurement. LGFA Climate Action Loans will support further savings.



Working beyond Tauranga approach – Ahunga mahi ki tua o Tauranga

SmartGrowth Strategy update

We kept our leadership role in SmartGrowth, working alongside regional partners, tangata whenua, central government, and Priority One. In 2024/25, the Future Development Strategy and Implementation and Funding Plan were updated and adopted, setting clear growth priorities for the next 30 years and actionable steps for the next three. A new 'Leading for Delivery' sub-committee was established to accelerate priority projects. These updates reinforce Council's commitment to balanced growth, infrastructure resilience, and environmental sustainability across the sub-region.



02 | YEAR IN REVIEW

Our performance

As our city continues to grow, the role of Tauranga City Council and the scope of investment in the city are evolving in response to economic indicators and the rapid rate of growth.

People
continue to
come and live
in Tauranga



2020
152,200



2025
164,550



2030
174,978



2034
184,504

0.92%



Estimated population is 1,512 more people than 2024

We continue to see commercial investment,
despite a slower market

commercial building consents

281

value of commercial consents

\$370,754,135 ↓

(2023/24 \$493,468,090)

But the rate of growth is putting pressure on our city



additional
residential
allotments created

Down from 2023/24: 511



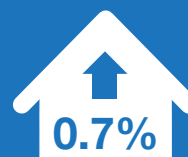
average monthly median sale price

\$882k*

0.79% decrease

(July 2023 - June 2024 \$889K)

* REINZ July 2024 - June 2025 data



Residential
rateable units
grew by
379 units

02 | YEAR IN REVIEW

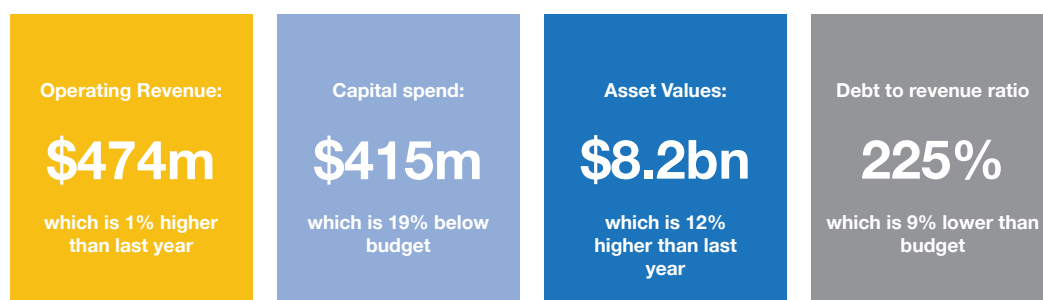


We continue to focus on building infrastructure to support growth and resolve historic under-investment.



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

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





02 | YEAR IN REVIEW

Non-financial performance snapshot

77%

of measures achieved
63 measures

20%

of measures not
achieved
16 measures

4%

of measures unable
to be assessed
3 measures

We exceeded a number of our targets

90%

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

Target was 85%

313 litres

Annual peak demand in litres per
capita per day

Target was <400

1.3 days

Was the minimum wait time for a
standard building inspection

Target was < 4 days

82%

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

Target was 80%

73%

Residents satisfied (by survey) that
Tauranga has a rich and diverse arts
scene, culture, and heritage

Target was 6,000

85%

Residents (by survey) who believe
the tourism sector makes a positive
impact to the community

Target was 60%

20 min

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

Target was <90

29 min

Where Council attends to sewerage
overflows resulting from a blockage
or other fault in the sewerage
system, the following median
response times are measured:

Target was <90 min

1,072

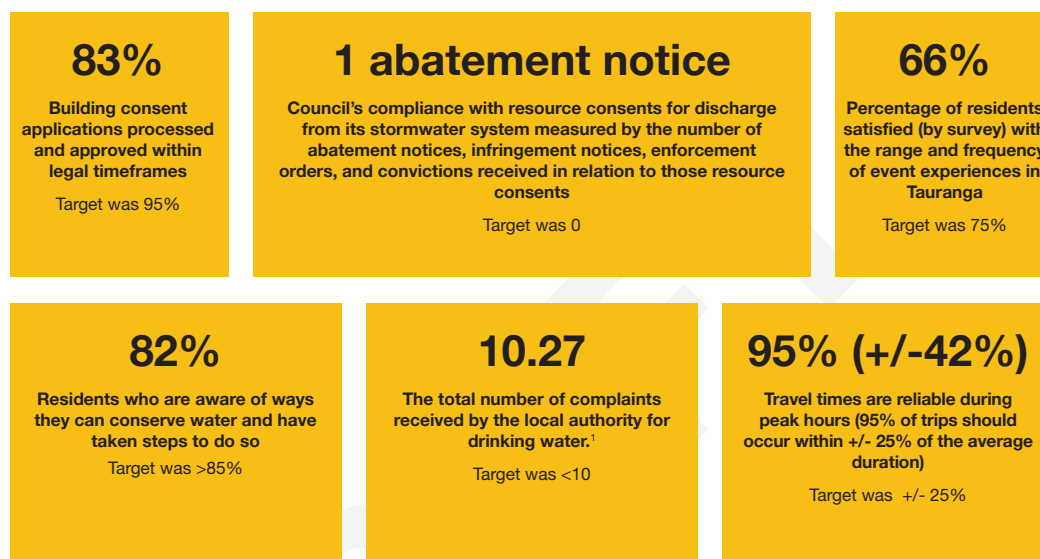
People aged 16 and over
participating in walking, cycling, and
road safety education programmes
and initiatives

Target was 200

02 | YEAR IN REVIEW

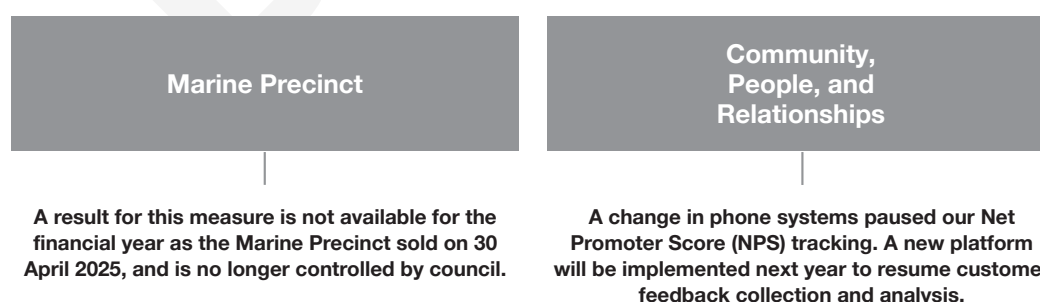


We didn't meet 20% (16 measures) of our targets

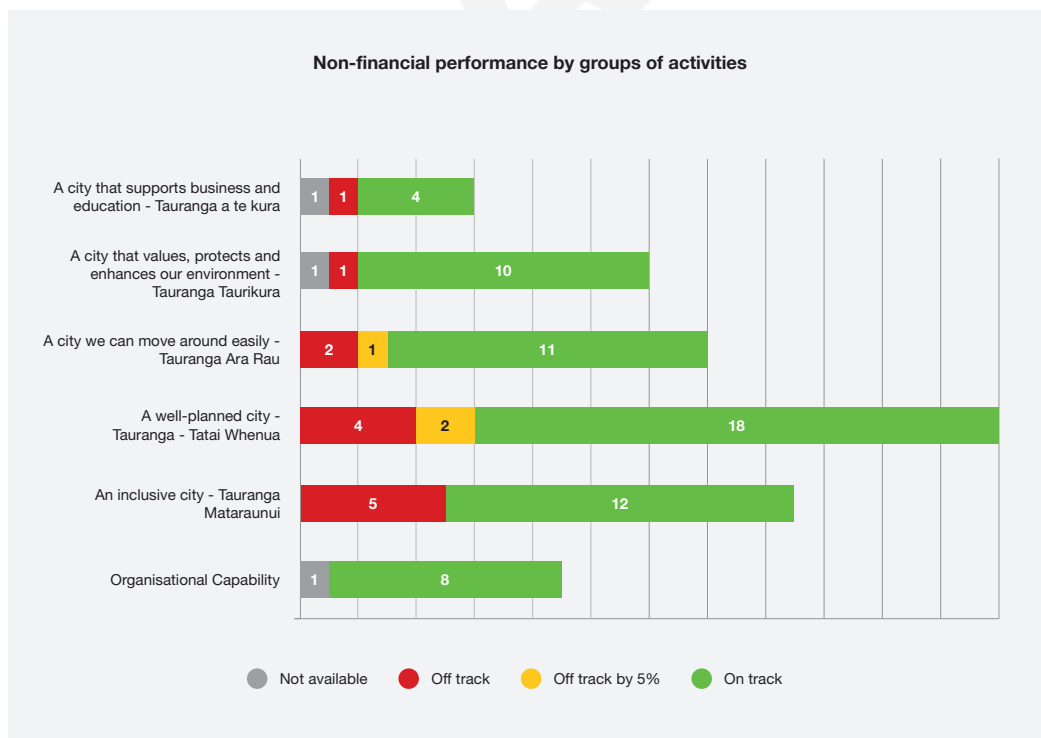
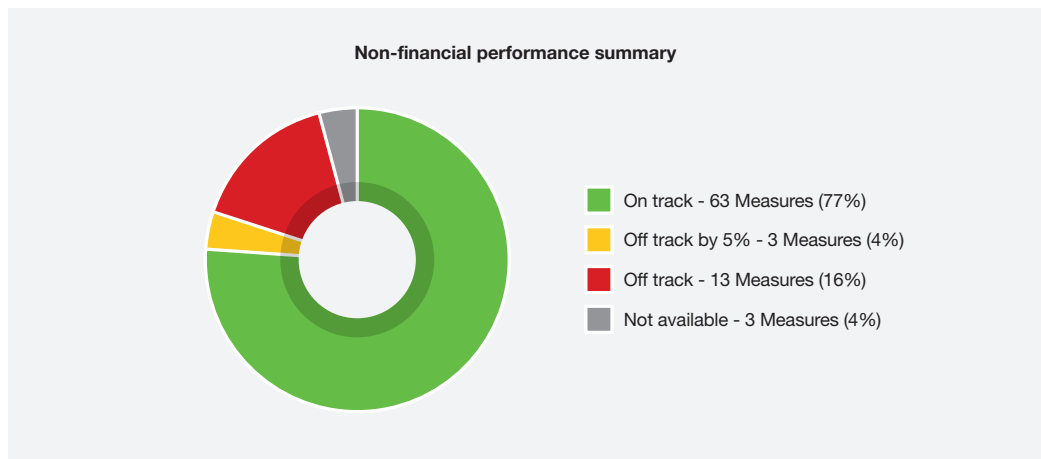


1. Includes clarity taste, odour, pressure or flow, supply of water

We couldn't assess 4% (3 measures) of our targets



Non-financial performance summary



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.

The detailed analysis of the financial performance of council is found on pages 54 - 77 of the 2024/25 Annual Report.

Key financial trends

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

Key Financials	2020/21	2021/22	2022/23	2023/24	2024/25 Budget	2024/25 Actual	2024/25 Variance to Budget
Debt Summary							
Capital programme (\$m) ¹	179	210	299	367	431	329	(102)
Operational expenditure of a capital nature (\$m) ²	-	-	13	51	78	86	8
Net debt (\$m)	586	701	833	1,067	1,450	1,312	(138)
Debt to revenue ratio (Financial Strategy)	209%	204%	180%	218%	277%	247%	(31%)
Debt to revenue ratio (LGFA compliance)	209%	204%	167%	203%	234%	225%	(9%)
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	578	(74)
Capital subsidies	22	40	93	86	120	70	(50)
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	(40)	(57)
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.

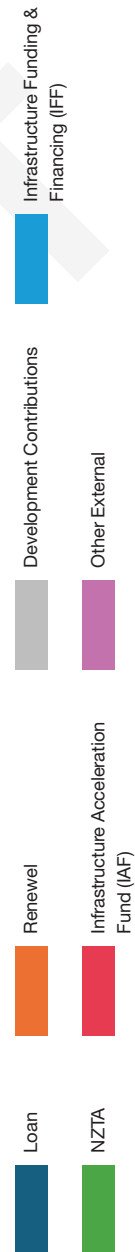
Capital Projects Completed in FY24 (\$'000s)	Total Capital Project Cost	Expected Final Cost in Future Years incl Close Out Budget	Actual/Expected Funding Stack	Approved Budget per adopted 2024-2034 LTP	Approved Budget per Latest Adopted Plan	Budgeted Funding Stack per Latest Adopted Plan	Overspend/ (Underspend) 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		(20,736)	

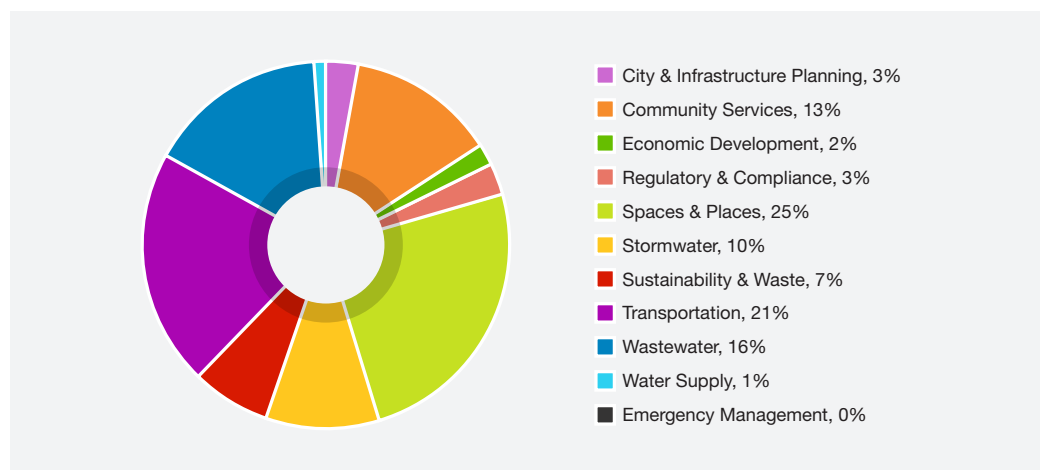
Funding Key:



What did our rates pay for over the last year?

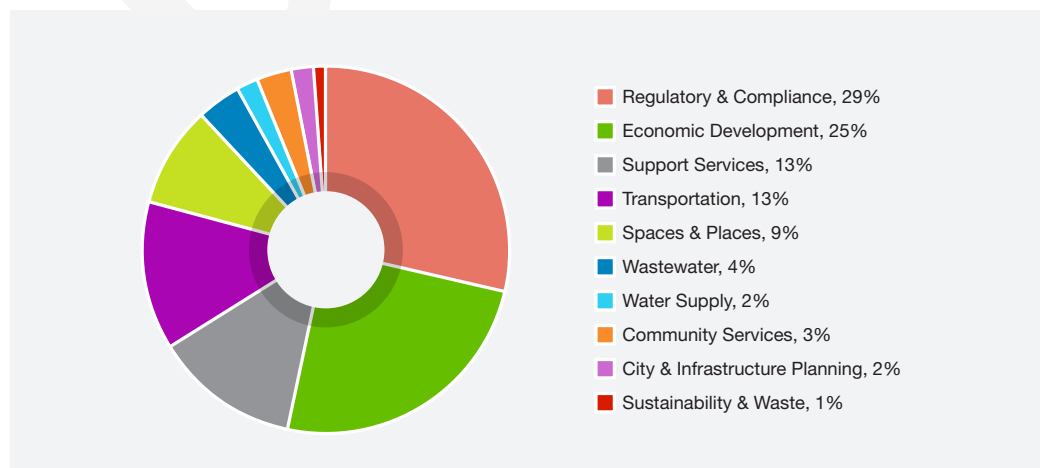
Rates are used to cover the day-to-day operational costs of managing our city, including vital services and infrastructure maintenance. This year, around 70% of our operational spending was covered by rates, with the remainder coming from user fees, charges, and grants from organisations like NZTA.

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.



Financial performance

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	334,008	294,871
Fees & Charges		66,462	71,008	64,024	89,206	84,371
Grants & Subsidies		60,942	60,726	36,856	61,286	36,948
Finance Revenue		12,344	4,930	10,686	11,462	9,453
Revenue from Operations		473,903	469,894	406,582	495,962	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		69,959	119,364	85,557	69,959	85,557
Total Asset Development Revenue		104,340	182,860	128,109	104,340	128,109
Total Revenue	2	578,243	652,754	534,691	600,302	553,752
Expenditure						
Depreciation and Amortisation expense	3	(113,594)	(104,656)	(96,257)	(122,992)	(103,319)
Personnel Expenses	4	(126,064)	(118,153)	(106,883)	(144,900)	(125,238)
Finance Expenses	5	(62,215)	(63,819)	(50,159)	(62,215)	(50,165)
Other Operating Expenses	6	(282,625)	(286,565)	(238,401)	(264,195)	(236,630)
Total Operating Expenditure		(584,498)	(573,192)	(491,700)	(594,302)	(515,352)
Other Expenditure						
Provisions Expense	24	(1,718)	(500)	(1,380)	(1,819)	(1,380)
Total Expenditure		(586,216)	(573,692)	(493,080)	(596,121)	(516,732)
Operating surplus/(deficit) before gains and losses		(7,576)	79,062	41,611	4181	37,020
Net other gains/(losses)	7	(13,208)	(15,875)	(7,281)	(19,206)	(7,281)
Share of associate's surplus/(deficit)	15	(147)	-	(160)	(288)	(247)
Surplus/(deficit) before tax		(21,328)	63,186	34,170	(15,313)	29,492
Income tax expense	8	(9)	-	(1,242)	(1,052)	(7,972)
Surplus/(deficit) after tax		(21,337)	63,186	32,928	(16,365)	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	131,278	299,438
Tax on Other Comprehensive Revenue		319	-	447	319	(5,688)
Total other comprehensive income		131,625	229,277	285,605	131,597	301,279
TOTAL COMPREHENSIVE INCOME		110,288	292,462	318,533	115,232	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.

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Tauranga City Council: Summary Statement of Financial Position as at 30 June 2025

	Council			Consolidated	
	Actual 2025 \$000s	Budget 2025 \$000s	Actual 2024 \$000s	Actual 2025 \$000s	Actual 2024 \$000s
What the Council and Group Owned:					
Current Assets	181,797	104,055	189,721	190,812	193,694
Non Current Assets	8,092,206	8,250,876	7,630,493	8,146,765	7,679,771
Total Assets	8,274,003	8,354,931	7,820,214	8,337,577	7,873,465
What the Council and Group Owed:					
Current Liabilities	367,394	277,346	257,174	377,560	263,500
Non Current Liabilities	1,302,889	1,317,464	1,069,325	1,325,270	1,090,664
Total Liabilities	1,670,283	1,594,810	1,326,499	1,702,830	1,354,164
Net Assets/Equity	6,603,719	6,760,121	6,493,715	6,634,747	6,519,301

Tauranga City Council: Summary Statement of Movement in Equity for the year ended 30 June 2025

	Council				Total Equity \$000s
	Retained Earnings \$000s	Asset Revaluation Reserve \$000s	Restricted Reserve \$000s	Council Created Reserve \$000s	
Equity at 1 July 2024	1,693,315	4,974,142	(321,326)	147,584	6,493,715
Surplus/(Deficit) After Taxation for the Year	(21,337)	-	-	-	(21,337)
Reserves (Losses)/Gains	73,965	131,306	-	-	205,271
Deferred Tax on Asset revaluations	-	(3)	-	-	(3)
Net Transfers from/to Other	-	319	(57,484)	(16,481)	(73,646)
Other Adjustments	(491)	210	-	-	(281)
Balance as at 30 June 2025	1,745,452	5,105,974	(378,810)	131,103	6,603,719

	Consolidated				Total Equity \$000s
	Retained Earnings \$000s	Asset Revaluation Reserve \$000s	Restricted Reserve \$000s	Council Created Reserve \$000s	
Equity at 1 July 2024	1,667,900	5,030,568	(326,882)	147,715	6,519,301
Surplus/(Deficit) After Taxation for the Year	(16,365)	-	-	-	(16,365)
Reserves (Losses)/Gains	68,210	131,278	-	-	199,488
Deferred Tax on Asset revaluations	-	5,958	-	-	5,958
Net Transfers from/to Other	-	319	(51,928)	(16,282)	(68,101)
Other Adjustments	(5,744)	210	-	-	(5,534)
Balance as at 30 June 2025	1,714,001	5,168,205	(378,810)	131,433	6,634,747

Tauranga City Council: Summary Statement of Cashflows for the year ended 30 June 2025

The summary cashflow table below shows how the Council and the Consolidated Group generated and used cash during the respective financial years. In both financial years cash surpluses from operating activities were invested in the City's assets.

	Council			Consolidated	
	Actual 2025 \$000s	Budget 2025 \$000s	Actual 2024 \$000s	Actual 2025 \$000s	Actual 2024 \$000s
Net Cash Flow from Operating Activities	94,400	155,427	131,743	112,314	136,408
Net Cash Flow from Investing Activities	(382,180)	(424,393)	(347,325)	(400,842)	(357,816)
Net Cash Flow from Financing Activities	238,693	268,967	219,703	235,565	227,034
Increase/(Decrease) in Cash for the Year	(49,087)	-	4,121	(52,963)	5,626
Add: Opening Cash Balance	84,662	5,702	80,541	87,322	81,696
Cash Balance at end of Year	35,575	5,702	84,662	34,359	87,322

Events After Balance Date

Local Waters Done Well

The Government enacted a water reform programme in February 2024 by repealing previous legislation and passing the Local Government Water Services Preliminary Arrangements Act 2024. This new legislation required Council to deliver a Water Services Delivery Plan (WSDP) to the Secretary for Local Government.

On 15 August, Council resolved to establish a multi-council Water Organisation (multi-council WO) with Western Bay of Plenty District Council (subject to due diligence) to deliver water services, from 1 July 2027.

To support the next step in this process, the mayor and councillors adopted the Local Water Done Well, Water Services Delivery Plan (WSDP) on 26 August, which was submitted to the Department of Internal Affairs (DIA) on 3 September 2025.

Over the next couple of months, the DIA will assess the proposal to ensure there is sufficient investment and revenue to support the delivery of water services to our fast-growing city.

Council also endorsed the Commitment Agreement with Western Bay of Plenty District Council, to enable due diligence to begin.

The extent of operations affected can be identified in the Funding Impact Statements for each of the Water's activities. Property, Plant & Equipment asset categories which will be most significantly impacted are:

- Wastewater – Treatment plants & facilities
- Other wastewater systems
- Water Supply- Treatment plants & facilities
- Other water supply systems
- Stormwater system

The quantification, timing and make up of debt transfers is yet to be finalised, it was approximated in the WDSP at \$600m to - \$700m at 1 July 2027 which assumed all three waters activities would be divested to the CCO.

Although the service potential of the assets will not be realised by the Council through use of the assets, it will be realised by the CCO to provide the same services to the same ratepayers before and after the transfer. Although legal ownership of the assets changes, the beneficiaries of the assets remain the same. Therefore assets and liabilities related to the transfer of the waters operations have not been reclassified as Held for Sale as at 30 June 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. Long term the intention is to achieve lower operating costs through reduced employee numbers.

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.

Capital Commitments and Operating Leases

	Council		Consolidated	
	Actual 2025 \$000s	Actual 2024 \$000s	Actual 2025 \$000s	Actual 2024 \$000s
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	11,931	59,946
Bay Venues Limited	-	-	240	-
TOTAL CAPITAL COMMITMENTS	267,043	299,102	267,523	299,102

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 \$000s	Actual 2024 \$000s	Actual 2025 \$000s	Actual 2024 \$000s
Not later than one year	8,154	3,362	8,191	3,406
Later than one year and not later than five years	29,247	1,876	29,247	1,906
Later than five years	62,408	355	62,408	355
TOTAL NON CANCELLABLE OPERATING LEASES	99,809	5,593	99,846	5,667

Operating Leases as Lessor

Tauranga City Council leases commercial property under operating leases. The majority of these leases have a minimum 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:

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	Council		Consolidated	
	Actual 2025 \$000s	Actual 2024 \$000s	Actual 2025 \$000s	Actual 2024 \$000s
Not later than one year	9,721	7,711	10,001	8,033
Later than one year and not later than five years	29,033	21,812	29,776	22,444
Later than five years	31,543	21,666	33,177	36,403
TOTAL NON CANCELLABLE OPERATING LEASES	70,297	51,189	72,954	53,880

No contingent rents have been recognised during the year (2023: nil).

Contingencies

	Council		Consolidated	
	Actual 2025 \$000s	Actual 2024 \$000s	Actual 2025 \$000s	Actual 2024 \$000s
Contingent Liabilities				
Guarantee from Tauranga City Council for loan 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

Explanations of major variances against budget and current year actuals compared to prior years

Major Variance Statement of Comprehensive Revenue and Expenses

	Variance 2025 Actual to Budget	2025 Actual \$m	2025 Budget \$m	2024 Actual \$m	Variance 2024 and 2025
Rates	Immaterial variance.	334	333	268	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.	66	71	59	Refer to Variance Against Budget Comments.
Grants & Subsidies	Immaterial variance.	61	61	37	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.	12	5	11	Refer to Variance Against Budget Comments.
Vested Assets	Revenue recognition of Vested Assets is dependent upon timing of project completion.	16	30	24	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.	19	34	23	Refer to Variance Against Budget Comments.

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	Variance 2025 Actual to Budget	2025 Actual \$m	2025 Budget \$m	2024 Actual \$m	Variance 2024 and 2025
Grants, Subsidies and 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.	71	119	86	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.	(113)	(105)	(96)	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.	(126)	(118)	(109)	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.	(61)	(64)	(50)	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.	(284)	(287)	(238)	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.
Provisions Expense	Immaterial variance	(2)	(1)	(1)	Immaterial variance.
Net other gains/(losses)	Losses are generally not budgeted for, however budget included debt forgiveness of the loan to BVL.	(13)	(15)	(7)	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.
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.	131	229	278	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 Rooding assets were revalued.
Surplus/(Deficit) Before Tax		(20)	63	33	

Major Variances Statement of Financial Position

	Variance 2025 Actual to Budget	2025 Actual \$m	2025 Budget \$m	2024 Actual \$m	Variance 2024 and 2025
Current Assets		179	104	190	
Cash	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 cash-flows and prefunding strategies.
Debtors and 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.
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.				Amount varies due to timing and requirements within council.
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.				Refer to comments on variation from budget.
Non Current Assets		8,004	8,251	7,630	

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	Variance 2025 Actual to Budget	2025 Actual \$m	2025 Budget \$m	2024 Actual \$m	Variance 2024 and 2025
Derivative Financial Assets	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	Increase due to additional borrowings by BVL, increase in LGFA borrowers notes with increased borrowings. Increase in investment in BOPHEF Ltd.				Refer to Variance Against Budget Comments.
Investment Property	Investment property is determined in 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 change in recognition under accounting standards means greater operating costs for SaaS projects.				Decrease in intangibles assets aligns with reduced capitalisations from SaaS policy implementation continued amortisation of existing assets.
Forestry	Water Catchment forests were harvested in 2024/25.				Immaterial variance.
PP&E	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.
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		(366)	(377)	(257)	
Payables and Deferred Revenue	Payables higher due to costs and services increases arising from inflation.				Refer to Variance Against Budget Comments
Deposits Held	Immaterial variance.				Immaterial variance.
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.
Revenue in Advance	Immaterial variance.				Immaterial variance.
Borrowings	Higher than budget due to timing of debt maturity.				Refer to Variance Against Budget Comments.
Provisions	Immaterial variance.				Immaterial variance.
Derivative Financial Instruments	Value of underlying instrument is based on interest rate. Interest rate fluctuation and level of borrowing underpin variance.				No material variance.
Non Current Liabilities		(1,211)	(1,317)	(1,069)	
Deferred Tax Liability	Deferred tax is not budgeted for as yearly results determine movement and balance.				Refer to Variance Against Budget Comments
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
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 transacted through borrowings				Immaterial variance.
Net Assets / Equity		6,605	6,760	6,494	

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Statement of Movements in Equity

	Variance 2025 Actual to Budget	2025 Actual \$m	2025 Budget \$m	2024 Actual \$m	Variance 2024 and 2025
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.
Equity at end of year		6,605	6,760	6,493	

Major Variances Statement of Cash Flows

	Variance 2025 Actual to Budget	2025 Actual \$m	2025 Budget \$m	2024 Actual \$m	Variance 2024 and 2025
Net Cashflows from Operating Activity		97	155	131	
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.
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	No material variance.				Immaterial variance.
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.
GST (net)	GST is assumed to be zero for budgeting purpose.				GST will align to overall net cashflow movements
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.

02 | YEAR IN REVIEW

YEAR IN REVIEW

	Variance 2025 Actual to Budget	2025 Actual \$m	2025 Budget \$m	2024 Actual \$m	Variance 2024 and 2025
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.
Net Cashflows from Investing Activity		(392)	(424)	(347)	
Receipts from Sale of Investment Property	No material variance.				No material variance.
Receipts from Sale of Intangible Assets	No material variance.				No material variance.
Receipts from Sale of Property, Plant and Equipment	No material variance.				No material variance.
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	No material variance.				No material variance.
Purchase of Property, Plant and Equipment	Reflects the actual capital programmespend 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.				Refer to Variance Against Budget Comments.
Purchase of Other Investments	Higher Term deposits at year end than budgeted. Term Deposit investment is dependent upon cash balance, cash 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.
Net Cashflows from Financing Activity		239	269	220	
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	No material 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 and group's summary of the annual report for the year ended 30 June 2024**

The summary of the annual report was derived from the annual report of the Tauranga City Council and group (the City Council) for the year ended 30 June 2024.

The summary of the annual report comprises the following information on pages 41 to 44 and 55 to 63:

- the summary statement of financial position as at 30 June 2024;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2024;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary non-financial performance.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2024 in our auditor's report dated 29 October 2024.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, 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
5 December 2024



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Independent Auditor's Report

To the readers of Tauranga City Council's annual report for the year ended 30 June 2025

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 carry out the audit on his behalf.

We have audited the information in the annual report of the Group that we are required to audit in accordance with 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 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

Opinion on the audited information

In our opinion:

- the financial statements of the Group on pages xx and 263 to xx:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2025;
 - the results of its 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 statement of service performance for the year ended 30 June 2025 on pages xx to xx:
 - provides an appropriate and meaningful basis to enable readers to assess the actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;

- fairly presents, in all material respects, the actual levels of service for each group of activities, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - 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 in accordance with Public Benefit Entity Reporting Standards;
- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2025 on pages xx to xx, has been prepared, in all material respects, in accordance with clause 24 of Schedule 10 to the Act;
- the funding impact statement for each group of activities for the year ended 30 June 2025 on pages xx to xx has been prepared, in all material respects, in accordance with clause 26 of Schedule 10 to the Act;
- the funding impact statement for the year ended 30 June 2025 on pages xx to xx, has been prepared, in all material respects, in accordance with clause 30 of Schedule 10 to the Act.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 to the Act for the year ended 30 June 2025; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2025 are complete and accurate.

Date

We completed our work on 29 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

Emphasis of matters

Without modifying our opinion, we draw attention to the following disclosures.

Future of water delivery

Without modifying our opinion, we draw attention to page xx and pages xx to xx, which outlines that in response to the Government's Local Water Done Well reforms, the Council has decided to establish a multi-owned water organisation with Western Bay of Plenty District Council to deliver the water and wastewater assets and be responsible for delivering those services from 1 July 2027.

The financial impact of this decision is unknown because details of the exact arrangements are still being considered.

Inherent uncertainties in the measurement of Greenhouse gas emissions

The City Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. In considering the public interest in climate change related information, we draw attention to page xx of the annual report, which outlines the uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Basis for our opinion on the audited information and the disclosure requirements

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audited information and the disclosure requirements section of our 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 and our report on the disclosure requirements.

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing its ability to continue as a going concern.

Responsibilities of the auditor for the audited information and the disclosure requirements

Responsibilities 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 a 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 Council's long-term 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 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 evaluate whether the statement of service performance includes all groups of activities that we consider are likely to be material to the readers of the annual report.
- We evaluate whether the measures selected and included in the statement of service performance for groups of activities present an appropriate and meaningful basis that will enable readers to assess the Council's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Group.
- 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 plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the Group's audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements 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 all the information included in the annual report other than 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.

In connection with our audit of the audited information and our report on the disclosure requirements, 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 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) 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 which is 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 | Hamilton, New Zealand