Tauranga City

ATTACHMENTS

Ordinary Council meeting
Separate Attachments 1

Tuesday, 21 July 2026

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Tauranga City

Significant Forecasting Assumptions

Long-term Plan 2027-37

Significant Forecasting Assumptions Long Term Plan 2027 –20 37

Introduction

To prepare a work programme and budget for the next 10 years, Tauranga City Council needs to make a number of assumptions about the most likely future scenario, based on the information available when developing the Long-term Plan (LTP) 2027–2037. These assumptions inform our planning and help us identify key trends, risks, and uncertainties that may affect the council and our community.

While we base our planning on what we think is most likely, actual outcomes may differ. Changes could have a significant impact on costs, funding needs, levels of service, and the timing or scope of our work programme. Uncertainty is expected to increase over time, meaning assumptions may be less reliable in the later years of the LTP. We also include assumptions about the useful lives of significant assets and the funding required for their replacement, as required under the Local Government Act 2002. We will review and update these assumptions throughout the LTP process to reflect the most current information available.

Schedule 10, clause 17 of the Local Government Act 2002 requires a long-term plan to clearly identify the significant forecasting assumptions and risks underlying the financial estimates. It specifically requires assumptions about the life cycle of significant assets and the sources of funds for the future replacement of significant assets. Where a significant assumption has a high level of uncertainty, the plan must state that uncertainty and provide an estimate of the potential effects on the financial estimates.

This is a working document and will continue to be refined throughout the LTP development process. A number of key assumptions are currently highly dynamic, particularly in relation to resource management reform, the future structure of local government, water services transfer arrangements, and the proposed rates capping framework. In some cases, detailed policy, legislative, financial and implementation information is not yet known. These assumptions will be reviewed and updated as further information becomes available over the next six months.

How to use this document

This document sets out the significant forecasting assumptions used to support the development of Tauranga City Council's LTP 2027–2037. It is intended to provide transparency around the assumptions and to make it easier for readers to navigate the information.

The assumptions are grouped into themes to assist navigation and reflect the key drivers of uncertainty affecting the LTP. An index is provided at the front of the document to enable readers to quickly locate individual assumptions.

Each assumption is presented in a consistent format, covering:

- Detail – a description of the assumption and how it has been applied.
- Data source (and rationale) – the information used to inform the assumption and the reason it is considered appropriate.
- Risks – the main risks if the assumption proves to be incorrect.

- Level of uncertainty – an assessment of the likelihood that actual outcomes may differ over the LTP period.
- Effect – the potential impact on the Council's financial forecasts, levels of service, or work programmes.
- Mitigation – actions the Council may take to manage or respond to the risks associated with the assumption

Significant Assumptions Index

No.	Theme	Assumption title	Effect
1	Population, demographic change and land use	Population, household projections and locations	High
2	Population, demographic change and land use	Demographic changes - age	Low - Medium
3	Population, demographic change and land use	Demographic changes - ethnicity	Low - Medium
4	Population, demographic change and land use	Demographic changes - socioeconomic	Low - Medium
5	Population, demographic change and land use	Employment projections and sector projections	Medium
6	Population, demographic change and land use	Land use changes (intensification and greenfield growth)	Medium
7	Climate change and extreme events	Extreme events and current day disasters	High
8	Climate change and extreme events	Climate related physical impacts	Medium
9	Climate change and extreme events	Climate related transition impacts	Low - Medium
10	Council's mandate and direction	Local government reorganisation	High
11	Council's mandate and direction	Local government reform and sector changes	High
12	Council's mandate and direction	Resource Management Act Replacement	High
13	Costs, borrowing, and inflation	Inflation - our costs	Low -High
14	Costs, borrowing, and inflation	Inflation - your costs	Low -High

15	Costs, borrowing, and inflation	Borrowing and interest rates	High
16	Costs, borrowing, and inflation	Investment interest rates	Medium
17	Costs, borrowing, and inflation	Credit rating	Medium - High
18	Revenue	Growth charges: Development Contributions and Development Levies	High
19	Revenue	Waka Kotahi NZ Transport Agency Funding	Medium
20	Revenue	User fees received by Bay Venues Limited	Low
21	Revenue	Revenue from fees and charges	High
22	Revenue	Rates Capping Policy Assumption (2–4% Cap)	Medium
23	Assets and infrastructure	Funding availability for asset renewal, upgrades and growth	High
24	Assets and infrastructure	Asset lifecycles and depreciation methods	Medium
25	Assets and infrastructure	Revaluation of assets	Low
26	Assets and infrastructure	Project costings	Low - High
27	Assets and infrastructure	Vested Assets	Low
28	Expenditure	Resourcing (staff)	Medium
29	Expenditure	Resourcing (suppliers)	Medium
30	Expenditure	Capital expenditure forecast and delivery of capital programme	High
31	How we deliver services	Service Delivery Method	Low - High
32	How We deliver Services	Level of Service Changes	Medium
33	Economic environment	Global conflicts, pandemics, economic climate / recession	High
34	Legislative and policy environment	Transfer of Water Assets to New Entity (Local Waters Done Well)	High

35	Other specific assumptions	Environmental Standards - Resource consent requirements	High
36	Other specific assumptions	Business Continuity	High
37	Other specific assumptions	Emergency Preparedness	High
38	Other specific assumptions	Disruptive Technologies	Medium

Significant Assumptions Commentary

Population, Demographic Change and Land Use

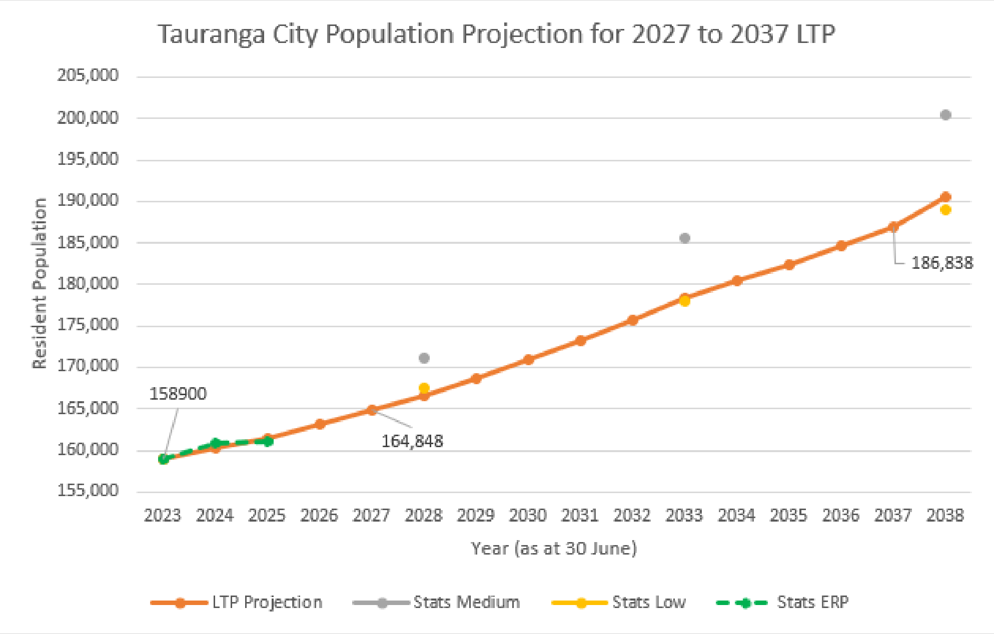
1. Population and household projections and locations					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
Population and household growth, and location of growth, align with Tauranga City population projections and allocations. **Note:** Growth assumptions remain under development and are not yet final. The underlying growth numbers are being refined by and will be updated before the assumptions are finalised.	Tauranga City Population and Dwelling Projection and Allocation Review, August 2025	Population and household growth will occur faster or slower than predicted, and/ or in different locations than assumed.	Overall level of uncertainty is medium. As with all long-term growth projections there is a relatively high risk of short-term fluctuations as periods of high and low growth is experienced through a projection period.	High - The potential financial impact of over or under investing in infrastructure based on modelling of the growth allocations, could be significant.	Continual monitoring and updating of the allocations in particular reduces risk and enables Council to respond where clear departures are evident or where assumptions change. The timing of projects will then be amended, as necessary.

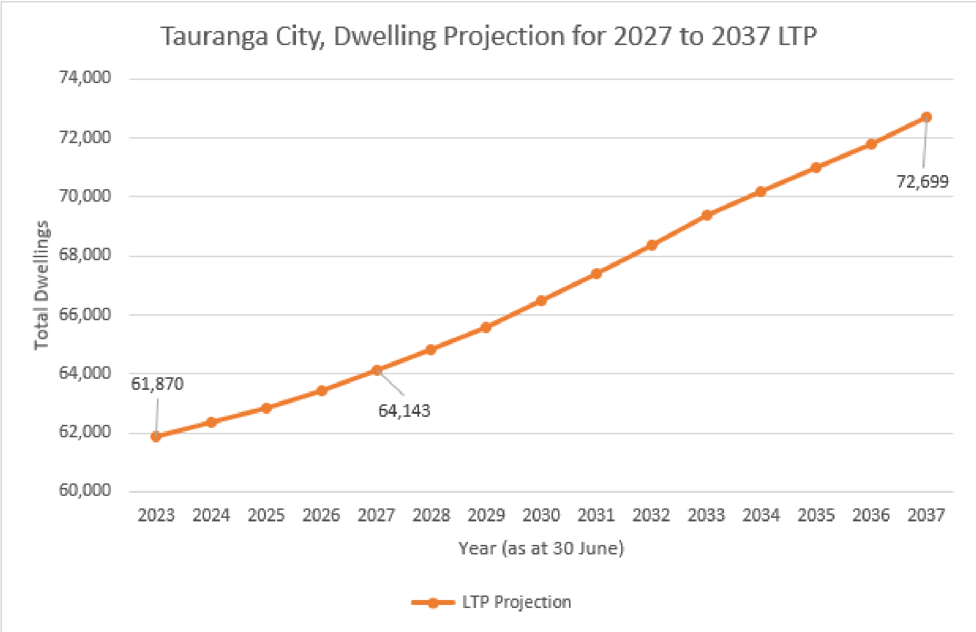
1. Population and household projections and locations (continued)

Tauranga Population increase - Tauranga City Population and Dwelling Projection Review 2026.

Year	Resident Population	Total Dwellings
2023	158,900	61,870
2024	160,291	62,370
2025	161,414	62,807
2026	163,049	63,443
2027	**164,848**	**64,143**
2028	166,646	64,843
2029	168,574	65,593
2030	170,863	66,484
2031	173,261	67,417
2032	175,703	68,367
2033	178,319	69,385
2034	180,389	70,190
2035	182,448	70,991
2036	184,584	71,822
2037	**186,838**	**72,699**
2038	190,452	74,105

1. Population and household projections and locations (continued)




Tauranga City, Dwelling Projection for 2027 to 2037 LTP
74,000
72,000
70,000
68,000
66,000
64,000
62,000
60,000
Total Dwellings
61,870
64,143
72,699
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
Year (as at 30 June)
LTP Projection

2. Demographic changes - Age					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
That the proportion of the city population over 65 will continue to rise in line with projections from Stats NZ and the National Institute of Demographic and Economic Analysis.	[Stats NZ Subnational Population Projections 2018-48 (2021 release)] NIDEA - 2014 Review of Demographic and Labour Force Projections for the Bay of Plenty Region for the Period 2013 – 2063. 2023 Census based population projections released by Stats NZ are to be reviewed by the University of Waikato commissioned by SmartGrowth due to concerns raised with significant changes to key base assumptions. This review will be completed by mid-2026.	A different population demographic profile is realised than the one that is currently projected.	At a national level the population is aging as is projected for Tauranga City. However, factors such as high house prices in Auckland, growth of the University, and change in immigration policy could potentially lead to more families and younger people moving to the area than currently assumed.	Low – Medium - A different age demographic may have a different impact on housing, recreation, health and service provision in particular. This may require alterations to our work programmes.	Continually monitor age composition of the population at each Census to see how this aligns with projections.

2. Demographic changes – Age (continued)

TCC Adjusted for Revised LTP Population

		Population by age group (years) at 30 June					Components of population change, five years ended 30 June		
Data Source	Year	0-14	15-39	40-64	65+	Total (as at 30 June	Natural increase	Net migratio n	Addition al People
Stats NZ Data (adj)	2023	30,686	51,184	46,474	30,556	**158,900**	3,050	13,350	16,400
	2028	30,937	52,542	50,074	35,327	**168,880**	2,495	7,485	9,980
	2033	31,453	53,229	55,763	40,251	**180,696**	2,528	9,288	11,816
	2038	31,534	54,971	58,739	45,209	**190,452**	1,701	8,055	9,756
	2043	31,956	57,835	60,723	48,993	**199,508**	873	8,183	9,056
	2048	33,033	58,893	63,264	52,801	**207,990**	628	7,854	8,482
	2053	33,681	59,145	65,007	56,037	**213,870**	153	5,727	5,880
NIDEA Data (adj)	2058	33,277	59,708	66,238	60,458	**219,680**	-110	5,920	5,810
	2063	32,791	60,197	67,416	65,010	**225,415**	-365	6,100	5,735

3. Demographic changes - Ethnicity

Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
That the city's ethnic profile will continue to change, following the pattern in Stats NZ projections, which will see an increase in the Māori, Pacific and Asian proportion of the city population, and a decline in European or Other. No 2023 Census based ethnicity projections have been released by Stats NZ to date.	Stats NZ Subnational Ethnic Population Projections: 2018 (base)-2043. (Note these figures will not align with those used for total population and aging)	The city's ethnic profile may deviate from the projections.	Migration policy and job opportunity may have impacts on ethnic composition.	Low – medium - Growth in different ethnic groups may bring different demands on service provision, and different opportunities.	Continually monitor ethnic composition of the population at each Census to see how this aligns with projections.

		Population at 30 June					Percentage of Tauranga population who are[1]:			
		European or Other	Māori	Asian	Pacific	**Total**	European or Other	Māori	Asian	Pacific
Tauranga City	1996	71,200	13150	1460	1280	**79,800**	89%	16%	2%	2%
	2001	81700	15550	2380	1550	**93,500**	87%	17%	3%	2%
	2006	92600	18000	3810	2020	**107,000**	87%	17%	4%	2%
	2013	101000	21300	7130	3010	**119,800**	84%	18%	6%	3%
	2018 (base)	116,500	26,300	11,400	4,310	**142,100**	82%	19%	8%	3%
	2023	129,200	29,400	13,850	5,250	**156,900**	82%	19%	9%	3%
	2028	137,700	32,400	16,150	6,130	**166,300**	83%	19%	10%	4%
	2033	145,500	35,600	18,550	7,070	**175,000**	83%	20%	11%	4%
	2038	152,800	39,000	21,000	8,120	**183,300**	83%	21%	11%	4%
	2043	160,000	42,800	23,700	9,310	**191,400**	84%	22%	12%	5%

[1] Ethnicity subtotals do not add up to total population, and percentages do not add up to 100%, as some people identify with more than one ethnicity.

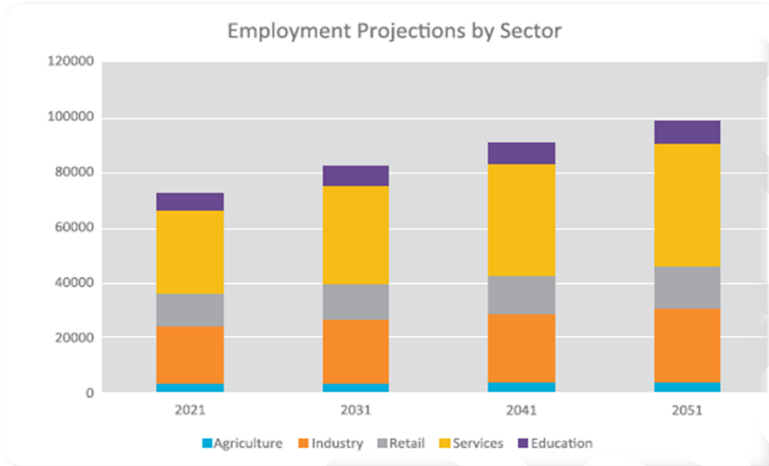
4. Demographic changes – Socioeconomic

Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
The pattern of socioeconomic deprivation will continue along the same lines as the 2023 results. The Deprivation Index provides an indication of deprivation at suburb level, based on the 2023 Census data.	TCC Socioeconomic deprivation index	The city's pattern of socioeconomic deprivation may deviate from the current pattern	Housing affordability and job opportunity may have impacts on the socioeconomic profile of some communities	Low – medium - Changes in socioeconomic deprivation in neighbourhoods may place increased or reduced demands on some services	Continually monitor research in this area to see how this aligns with projections

5. Employment projections and sector projections

Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
More than three quarters of the employment growth in the Western Bay Sub Region is expected to be located in Tauranga and this is dominated by shifts in service related employment. The Tauranga CBD is expected to experience significant growth in the services and retail sectors, whilst Tauriko (and Te Maunga after 2050) are expected to	SmartGrowth - Employment Projections, methodology and key findings [Data has not been updated since 2017] Employment projections are currently being updated by Market Economics as a key input the Tauranga Transport Model. These are currently expected to	Employment growth will occur faster or slower than predicted, and/ or in different locations than assumed.	As with all long -term growth projections there is a relatively high risk of short-term fluctuations as periods of high and low growth is experienced through a projection period.	Medium - The potential impact of over or under investing in infrastructure based on the projections.	Continual monitoring and updating of the allocations in particular reduces risk and enables Council to respond where clear departures are evident or where assumptions change.

see a large growth in industry sectors.	be finalised by mid 2026				



6. Land use changes (intensification and greenfield growth)					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
Driven by national and local policy and projected growth, land use change in Tauranga is being advanced through a balanced approach to intensification and greenfield development. Policy direction is set by the SmartGrowth Strategy 2024–2074 and Future Development Strategy (FDS), the National Policy Statement on Urban Development (NPS-UD) and the Government's Going for Housing Growth (GfHG) programme and resource management reforms. The SmartGrowth Connected Centres programme supports both intensification and new growth areas with strong access to social and economic opportunities, including Te Papa Peninsula, Mount to Arataki, and Otumoetai/Brookfield, alongside growth in the eastern and western corridors. Current projections indicate around 46% of growth will be accommodated through intensification and infill, 33% within the approved greenfield areas, and 21% in future greenfield areas.	SmartGrowth Strategy 2024-74 including the FDS; NPS-UD; Government's GfHG and resource management reform	Land use change to enable development and supporting infrastructure delivery does not keep pace with demand; development feasibility impacts negatively on delivery; demand occurs areas that have not been planned for. Climate change is expected to progressively increase the exposure of some areas to natural hazards. This will likely influence decisions on the location, form, and timing of growth, recognising uncertainty around the extent and timing of impacts.	Medium: the need for land use change to enable growth is certain; however, where, when and how delivery of growth occurs is less certain. While significant commitment is being made to enable and support greenfield and intensification, growth relies on market feasibility, infrastructure investment, and partnership across private and public sectors.	Medium: Enabling growth in Tauranga has significant costs while also providing significant benefits, including increasing housing and business land supply, increasing jobs, economic benefits and GDP, and improving community wellbeing.	Land use changes need to be advanced as a comprehensive package of greenfield and brownfield development. Significant intensification has been enabled across the city, and work continues to enable residential and business growth in greenfield areas. Partnership with government agencies will play a key role, as will staged development and investment in infrastructure to support growth. Provision is made for growth and bulk funds established to provide for citywide infrastructure and investment for intensification and greenfield development. Working closely with SmartGrowth partners will continue, including through the development of a Regional Spatial Plan and Land Use Plan under the proposed resource management reforms.

Climate change and extreme events

7. Extreme events and current day disasters					
Assumption Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
We assume there will be no significant disaster damaging city infrastructure or services during the LTP period. [NOTE: A significant natural hazard event has occurred within the current period.]	TCC has modelled and mapped hazards across the city, but the timing of extreme events is impossible to predict.	Significant damage to infrastructure and community wellbeing, service disruption, long recovery periods.	High - timing and severity is unpredictable – uncertainty is high for this. Extent and location of hazards are well-mapped – uncertainty is low for this.	High - unbudgeted costs; need to reprioritise the capital programme to fund uninsured repair costs; possible long-term infrastructure renewal burden.	Incident response, emergency management stand-by; insurance cover; strengthening and prioritising renewal of critical assets.

8. Climate related physical impacts					
Assumption Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
Increasing frequency and severity of physical climate impacts, including heavier rainfall, flooding, landslides, heat stress, drought, erosion, and sea-level rise.	Historic emissions guarantee that the physical impacts of climate change will intensify, such as outlined in the IPCC Sixth Assessment Report (AR6).	Accelerated asset deterioration; increased renewal and operating costs; more frequent service interruptions; earlier need for adaptation planning; greater impact on exposed areas and communities.	Low-Medium High confidence in direction of change, but variability in timing and severity.	Medium impacts in 10-30 years and major impacts towards the end of century. There will be higher costs for transport, coastal, parks and other exposed Council assets, alongside increased pressure on insurance availability and demand for emergency responses. Water-	Incorporating climate projections in Asset Management Plans; development of options for exposed Council assets; resilience upgrades; nature-based solutions; adaptation planning for high-risk areas. Stormwater-related responses will sit with the Water Organisation once responsibility transfers.

				related impacts will be managed through the Water Organisation once responsibility transfers.	

9. Climate related transition impacts

Assumption Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
The transition to a low-carbon, climate-resilient economy will place increasing pressure on TCC's service delivery, infrastructure, supply chains, and financial position.	LGFA Local Government Sector Climate Scenarios (2025)	Regulation may change rapidly; material/technology shortages; reduced insurance availability or affordability; increased costs for infrastructure delivery; community affordability challenges; stranded asset risk.	Medium Impacts depend on timing and coherence of national climate policy.	Low impact with current Government, medium with a change in policies after election; increased capital and operating costs; delays of capital projects; increased financial risk exposure; pressure on long-term rates affordability.	Monitor and respond to national policy proactively; scenario stress-testing in infrastructure and financial strategies; implementation of emissions reduction plan.

The council's mandate and direction

10. Local government reorganisation					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
That the business, structure and operating environment of local government in Tauranga may alter within the life of the LTP as central government progresses its wider local government reform programme. The policy environment is highly dynamic. Earlier proposals relating to Combined Territories Boards and Simplifying Local Government have been overtaken, at least in part, by more recent Government announcements, including the Head Start programme. The specific implications for Tauranga City Council, the Bay of Plenty region, governance arrangements, funding, service delivery and regional collaboration are not yet fully known.	Recent central government announcements and policy signals relating to local government reform, including the Head Start programme, resource management reform, Local Waters Done Well and rates capping.	That central government reform may result in material changes to how local government is structured, governed, funded or required to collaborate across regions. The nature, timing and scale of any changes are not yet certain. Risks include changes to regional governance arrangements, altered responsibilities between councils or other entities, new requirements for shared planning or service delivery, and transition costs that are not yet quantified.	High. The direction of central government reform is clear, but the detailed policy design, legislative pathway, regional implications and implementation timeframes remain uncertain. Further information is expected over the next six months and this assumption will need to be updated as that information becomes available.	The effect may be high, depending on the nature and extent of change ultimately enacted. Potential impacts include changes to governance arrangements, regional collaboration, service delivery responsibilities, statutory planning processes, funding and revenue settings, and transition costs. The financial effect cannot yet be quantified with confidence because key policy and legislative details remain unknown.	Council will monitor central government announcements and legislative developments closely and will update this assumption as the reform pathway becomes clearer. Council will engage through relevant sector channels, including LGNZ, Taituarā and direct engagement with central government agencies where appropriate. Where reforms are enacted, Council will assess implications for the LTP, financial strategy, activity planning, governance arrangements and service delivery, and prepare amendments or updates as required.

Note: this assumption will be updated as further policy decisions, legislative proposals and implementation timeframes are confirmed.						

11. Local government reform and sector changes

Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
That the statutory purpose, decision-making framework, and reporting requirements for local government will change as a result of the Local Government (System Improvements) Amendment Bill. That central government will legislate a cap on annual rates increases, constraining the Council's ability to set rates at levels it determines are necessary to meet community needs and fund infrastructure investment.	Local Government (System Improvements) Amendment Bill https://www.legislation.govt.nz "Getting rates under control for ratepayers", https://www.beehive.govt.nz/release/getting-rates-under-control-ratepayers	That the statutory purpose of local government will be narrowed. That the Council will be required to give particular regard to a defined set of core services when managing finances and setting rates. That new performance measurement and reporting requirements will be imposed. That governance arrangements will be standardised from central government. That a legislated cap will limit annual rates increases to a target range of 2 to 4 percent per capita, per year. That the cap may constrain the Council's	High. The direction of reform is well-defined across both the Bill and the rate capping proposal, but important details remain unresolved: The System Improvements Amendment Bill was reported from select committee on 24 November 2025 and recommended for passage by majority, but as at April 2026 it has not completed its remaining parliamentary stages (second reading, committee of the whole House, third reading, Royal Assent). The rate capping legislation has not yet been introduced to Parliament. A separate bill (distinct from the	The combined effect is potentially high, particularly for a high-growth council such as Tauranga: Strategic planning and LTP: Removal of the four well-beings and the introduction of a core services framework may require the Council to review how it frames outcomes in the LTP, the range of activities it undertakes, and how it justifies expenditure on non-core activities. Revenue and budgeting: A cap of 2–4% per capita per year would represent a significant constraint compared to recent national average rates increases (9.6% in 2025) and may require material revisions to long-term financial	Transition time is available: The System Improvements Bill governance provisions (code of conduct, standing orders) would apply from 1 January 2027. The rate cap transition period begins 1 January 2027, with the full regulatory model not in place until 1 July 2029. This provides lead time for the Council to adjust financial plans and systems. Monitoring and engagement: The Council will proactively monitor the progress of both pieces of legislation and engage through LGNZ, Taituarā, and directly with the Department of Internal Affairs. Financial modelling: Officers will model the

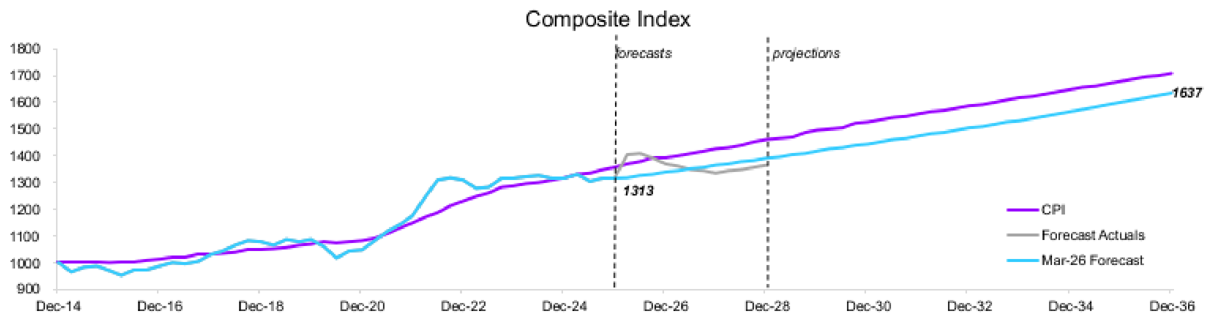
		ability to fund planned infrastructure investment and respond to growth pressures. That the cap may drive a shift toward alternative funding mechanisms, with councils increasingly relying on user-pays charges, fees, and other non-rates revenue, potentially affecting equity and accessibility.	System Improvements Amendment Bill) is expected. Targeted consultation with stakeholders ran to February 2026, and key design details including the precise methodology for calculating the cap, the design and powers of the regulator, criteria for exemptions, and how the cap will interact with growth-related investment remain to be confirmed.	forecasts. The requirement to prioritise core services when managing finances and setting rates may further change how expenditure is allocated and presented. Infrastructure investment: If rates revenue is capped, the Council may need to defer, re-phase, or reduce planned capital expenditure, seek alternative funding sources, or apply to the regulator for exemptions — with no guarantee of approval. Reporting and compliance: New performance measures, standardised activity groupings, and rate cap reporting requirements will require changes to reporting systems and processes. Governance: A centrally-issued code of conduct and standing orders would replace Tauranga City	impact of the proposed cap parameters (2–4% per capita) on the Council's long-term financial strategy and revenue and financing policy, and report to elected members on implications for the LTP. Revenue diversification: The Council will explore options to diversify revenue sources and maximise the use of non-rates funding mechanisms (e.g. development contributions, financial contributions, development levies (from 28/29), fees and charges, grants, and external funding) where appropriate and within statutory limits. Operational readiness: Officers will assess the implications of the refocused purpose, core services framework, and new reporting requirements for the LTP, activity management plans, and reporting systems.

				Council's current bespoke documents. Service levels: The Council may need to review the range and level of services it provides to remain within the cap, potentially affecting community outcomes. Credit ratings and borrowing costs: S&P has already downgraded 18 councils and cited central government policy changes as contributing to a more volatile policy environment. A rates cap may affect the Council's credit profile and borrowing costs if it constrains revenue growth relative to debt servicing needs.	Where legislation is enacted, the Council will review its strategic framework, governance documents, and reporting systems and make changes as required — including any necessary amendments to the LTP. Regulator exemptions: Where the cap is enacted, the Council will assess whether an exemption application to the regulator is warranted, particularly in relation to growth-related infrastructure investment.

12. Resource Management Act (RMA) replacement					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
We assume that central government legislative and regulatory reforms (including RMA replacement, development levy changes, regional governance reform and building liability reform) will be implemented broadly in line with current proposals and timeframes. There will be a cost to council to implement the new system over and above our current budgets. We are not clear on what the costs are yet as there remains significant direction required from central government with liabilities or delivery constraints beyond those provided for in the LTP.	Ministry for the Environment	The current transition timeframes set out in the Planning Bill are extremely tight and will require a significant amount of work in a short time period. There is also heavy reliance on secondary legislation which will provide policy direction. This is yet to be released and will be provided in two tranches over the next two years.	Medium - The Planning Bill sets out that the transition period will be short with the regional spatial plan process completed by 2028 and the land use plan process completed by 2031. We will not know the timeframes until enactment, which is expected in mid-2026. The Planning Bill sets out that the first suite of national direction is required 9 months after enactment and the second suite after 18months.	High - changes could have a significant impact on the way we operate. The Resource Management Act 1991 will be repealed and replaced with two new acts: • Planning Bill - the purpose of the Bill is to enable development and regulate how land is used. • Natural Environment Bill - the purpose of the Bill is to manage impacts from the use of natural resources and protect the environment from harm.	We will continue to keep a watching brief on the review and any resulting legislative changes. The Planning Bill and Natural Environment Bill are expected to be enacted by mid-2026. Council will have certainty on transition timeframes following enactment.

Costs, borrowing and inflation

13. Inflation - Our costs					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
That our costs will rise in line with the Local Government Cost Index (LGCI) for operational and capital expenditure, as forecast by our economic advisor, GHD.	GHD – Cost escalation of major capex categories – Composite Index *	The actual price of inputs and outputs will not increase at the rate assumed.	High.	Low to high - depending on the level of variation. Changes could have a significant financial impact on our costs.	An alternative inflation assumption has been sourced for the development of the LTP for capital and operating expenditure.



This index captures a weighted average of the mix of capital projects, on the assumption that the 80% or more of capital projects covered by the Output Indices provide a fair representation of the likely overall cost escalation.

14. Inflation – your costs					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
The general cost of living across all types of expenditure for people living in Tauranga will rise in line with the national Consumer Price Index forecast prepared by our economic advisor, BERL.	BERL (October 2025) Local Government Index Report.	The actual rate of CPI inflation will not increase at the rate assumed.	Medium to high. The BERL report indicates that uncertainty increases over time and future cost and inflation outcomes are less predictable, particularly beyond the short term. It should also be noted that Global geopolitical developments, supply chain disruptions, and domestic economic conditions may impact inflation outcomes.	Low – High Changes could have a significant financial impact on rates affordability.	BERL CPI projections have been used. These are an industry recognised measure and are chosen to align with our LGCI projections.

Table 18 BERL macroeconomic forecasts

Year to June	Real expenditure GDP (% pa change)	Unemployment rate	CPI	CPI (% pa change)
2023 (actual)	4.5	3.7	1231	6.0
2024 (actual)	0.5	4.7	1272	3.3
2025 (actual)	-0.6	5.2	1306	2.7
2026	2.0	5.1	1338	2.5
2027	1.8	4.8	1367	2.1
2028	1.9	4.5	1394	2.0
2029	1.8	4.5	1420	1.9
2030	1.8	4.5	1446	1.8
2031	1.7	4.5	1471	1.8
2032	1.7	4.5	1496	1.7
2033	1.7	4.5	1522	1.7
2034	1.7	4.5	1547	1.6
2035	1.6	4.5	1572	1.6
2036	1.6	4.5	1597	1.6

15. Borrowing and interest rates

Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
The majority of borrowing is via the Local Government Funding Agency (LGFA). LGFA borrowing margins are generally lower than borrowing from a bank and provide simple and fast access to debt.	The below table details the sources and rationale for year1 and years 2-10 of the LTP.	Significant market interest rate fluctuations due to geopolitical and local economic variables.	High.	High – following a period of OCR easing it is likely the reserve bank will start a hiking cycling. However the timing and size of the hikes to return to a neutral OCR is dependant on other economic factors.	Maintaining around 70% of fixed interest rates in the short term via fixed debt and hedging.

Floating Debt Base Rate	Year 1: Based on average of four major banks most recent 90 day rate forecasts.	This is updated regularly during the LTP process, most likely following a Reserve Bank Monetary Statement or major market disruption.	3.74%	a
	Year 2: 10 year swap rate	This is updated and provided by banks on a daily basis. The assumption will be updated at the same time as the Year 1 floating rate assumption.	4.07%	b
	All years: Average LGFA margin for A+ borrower	Average of 2033-2037 LGFA margins. These are the maturity profiles that we are currently targeting. The LGFA will offer a 2038 maturity at some point during the LTP and this margin will be included in the assumptions	0.93%	c
	Year 1: Average interest on floating debt	90 day rate plus LGFA Margins	**4.67%**	(a+c)
	Year 2-10: Average interest on floating debt	10 year swap rate plus LGFA margins	**5.00%**	(b+c)
Fixed Debt	All years: Average LGFA fixed rates for A+ borrower	Average LGFA fixed rate term based on 2033-2037 maturities. This is updated and provided by LGFA on a weekly basis and generally follows the same trend as the market.	4.93%	

Examples are based on rates on 22 June 2026 and will be revised during the LTP process following major market disruption such as geopolitical events or Reserve Bank Monetary Policy Statements.

16. Investment interest rates

Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
Investments and cash reserves generate interest revenue. At times, cash investments can be significant as prefunding of debt maturities accumulates.	Year 1 investment rates will dased on average of four major banks most recent 90 day rate forecasts.	Significant market interest rate fluctuations due to geopolitical and	High.	Medium – depending on deposit levels.	Maintain detailed cashflows to manage the prefunding strategy.

		local economic variables			

17. Credit Rating					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
That the Council maintains its A+ credit rating. All interest rates used to determine projected borrowing costs have been based on this assumption.	Actual credit rating	That the council's credit rating differs from forecasted in this plan.	Medium	Medium - High - credit rating downgrade will increase long term cost of funds.	Manage debt levels to maintain credit rating.

Revenue

18. Growth Charges: Development Contributions and Development Levies					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
The growth-related component of infrastructure required for new developments for activities remaining with Council — including roading, community facilities and reserves — will be met from multiple funding sources including development contributions or development levies (if adopted), central government funding through the Infrastructure Accelerator Fund and Waka Kotahi NZTA's Funding Assistance Rate subsidy, Infrastructure Funding and Financing levies and direct funding from developers. Water supply, wastewater and stormwater infrastructure will sit with the Water Organisation once responsibility transfers and should not be treated as TCC growth infrastructure beyond the transition arrangements. Significant assumptions in relation to development contributions are included within the Development Contributions Policy (or its successor).	TCC	• That the collection of funding raised does not cover the growth component of capital works planned. • That the funding sources are inter-related and contingent, if one component is not successful, other potions may also fail.	Medium	High - delays in receiving growth funding will lead to increased interest costs. Under collection of development contributions or levies and/or other funding sources not being made available may require general or targeted rates funding however this will be brought to Council for a decision should this occur.	The growth assumptions within the Development Contributions Policy are considered robust as they are based on SmartGrowth modelling used across the LTP. The policy is adopted by Council after a robust process including the Special Consultative Procedure and external audit. The Policy is generally updated annually to address any potential issues. It is expected this would also be true of Development Levies Policies in due course. Water-related growth funding arrangements will be confirmed through the Water Organisation establishment process. Council is working to ensure multiple funding streams to fund growth. This is to minimise reliance on any one source to limit Council's exposure should one or more sources under collect or not materialise.

19. Waka Kotahi NZ Transport Agency Funding					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
Local government transport projects rely on co-funding from Waka Kotahi through the National Land Transport Programme (NLTP). Under current funding constraints, assistance rates are generally available for renewals and maintenance, while funding for new or improvement projects is more limited and highly competitive. The overall average for FAR is 51% for maintenance and renewal activities, but limited to other activities Waka Kotahi NZTA funds specific programmes of work and agrees 3-year	• NZTA investment guidance and NLTP signals • Government Policy Statement on Land Transport (GPS) • Recent funding allocation outcomes and advice to approved organisations • These sources indicate constrained national funding, a stronger focus on renewals and maintenance, and increased prioritisation of nationally significant outcomes.	• Changes to NZTA road prioritisation may impact on future funding. • Total funding levels may be less than assumed in the Long-term Plan.	Medium - Funding availability and assistance rates are dependent on national priorities, government policy settings, and overall NLTP funding capacity, which may change over time. • Funding decisions for large projects are dependent on business cases and will not be confirmed for some time • Funding decisions for regular programmes of work have not all been finalised and may affect programmes in the first three years.	Medium • Some transport improvement projects may not proceed as planned or may be deferred. • Greater reliance on Council funding for non-subsidised activities. • Increased pressure on prioritisation within the transport programme. • Level of service of lower risk roads.	• Maintenance of a positive relationship with NZTA allows frequent communication and the awareness of issues in advance. • Working Partnerships with Western Bay of Plenty District Council and Bay of Plenty Regional Council, through SmartGrowth, provides the basis of long-term investment decisions. Our planning has been done in partnership with NZTA (including Transport System Plan) and is well aligned with the Government Policy Statement. • Manage uncertainty relating to NZTA funding in the first

funding envelopes across such items as maintenance operations and renewals and funding for specific transport projects. Most of Transport projects have not been eligible for FAR, except for renewals and maintenance related activities and some of the major projects, such as 15th Ave.					three years of the LTP by making a capital delivery adjustment, reducing the level of expenditure in those years and redistributing it over later years of the LTP. Assume that NO FAR exists for some transport projects within the next LTP and prioritised within funding envelope, based on current funding availability.
Fuel prices are influenced by global supply and demand, geopolitical events, exchange rates, and international shipping costs. These factors directly affect construction, maintenance, and transport-related contract costs.	Recent global events demonstrate that price shocks can occur with little warning and may persist over extended periods. Given transport's reliance on fuel-intensive inputs, a conservative assumption is required to manage financial risk.		High - Fuel prices are largely influenced by international factors outside Council's control. While trends can be monitored, fuel prices are difficult to forecast accurately over the medium to long term. Recent events have shown that prices can change sharply and remain elevated, creating uncertainty around both the scale of cost	• Increased costs across transport capital and operational programmes. • Higher tender prices and increased contract cost escalation. • Greater risk to affordability and programme delivery timing.	• Build flexibility into programme planning and budgets. • Regularly review delivery assumptions and market trends • Align delivery with funding availability.

			increases and their timing and duration.	• Increased variability between cost estimates and tendered prices. • Potential delays if projects become unaffordable within approved budgets.	

20. Revenue from user fees received by Bay Venues Limited					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
Bay Venues Limited (BVL) is a wholly owned Council-Controlled Organisation. Tauranga City Council (TCC) borrows externally on behalf of BVL to fund its capital investments, so in recognition that a portion of debt in TCC is on behalf of BVL, its external operating revenue from user fees is included in the financial ratios relating to debt (debt to revenue and interest ratio.) Key Ratios are: Net Debt to Operating Revenue, Net Interest to Operating Revenue and Net Interest to Rates Revenue.	TCC	This approach is considered low risk as the amount of BVL borrowing is approved by Council based on business cases for the investments proposed.	Low.	Low. Our lender, the Local Government Funding Agency, and Standard and Poor's have endorsed this change.	Total borrowing limits are maintained at financially prudent levels.

21. Revenue from fees and charges

Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
We assume that revenue from fees and charges will increase broadly in line with forecast demand and approved pricing adjustments over the LTP 2027–37 period, and that this revenue can be achieved without materially reducing service accessibility or demand beyond what is provided for in the Long-Term Plan.	TCC	Unexpected events such as Iran conflict extending and affecting availability of fuel and costs of materials and services and interest rates	High	High	Understand where these global and economic effects cause most significant impacts and consider appropriate service response

22. Rates Capping Policy Assumption (2–4% Cap)

Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
Government's proposed rates cap, setting an annual rates increase target limit around 4% may be enacted and applicable to the Long-Term Plan period	Announcements of intention to introduce a rate cap for councils	That rates cap limits will affect delivery of core services and investments required by the community	Medium	Medium - May not be able to deliver all new infrastructure and services currently planned	Review costs of service delivery and options for other revenue or other ways of achieving outcomes.

Assets and infrastructure

23. Funding availability for asset renewal, upgrades and growth					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
Sources of funds for operating and capital expenditure are as per the Revenue and Financing Policy. This policy will consider: • increasing debt retirement through rates and user fees to improve TCC's borrowing capacity. • off balance sheet options where borrowing capacity is not available through TCC. • the role of regional partners in contributing to infrastructure capital costs and operations of services used by people outside TCC boundaries.	TCC	That sources of funds are not achieved. That the cost of alternative funds is high to certain ratepayer groups leading to constraints on these options. The community does not support use of these options.	Low	High - Council may have to utilise alternative sources of funding with potential impacts to rates and debt.	User charges have been set at previously achieved levels. Depreciation is funded through either rates or user fees depending on the funding of the activity where the assets are utilised. The Council can access borrowings at levels forecast within the LTP. Council can reduce capex levels and opex (levels of service) to meet funding constraints.

24. Asset lifecycles and depreciation methods					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
Asset lifecycles will align with forecast and used as the basis of depreciation. It is assumed that assets will be replaced at the end of their useful life (based on condition and/or performance).	Depreciation method and estimated useful life of assets – see tables below	That assets wear out earlier or later than estimated or are replaced prior to reaching the end of their useful lives. That asset condition is not correctly assessed. Climate change may accelerate asset deterioration or reduce effective asset lifecycles due to increased exposure to extreme weather, flooding, erosion, etc.	Low – asset lives are based on estimates made by suppliers, manufacturers, asset managers, engineers and registered valuers. While asset lives are based on current best estimates, there is increasing uncertainty over the longer term as climate-related impacts may affect asset condition, performance, and replacement timing..	Medium - depreciation and interest costs would increase if capital expenditure was required earlier than anticipated. Levels of service could be diminished if condition not appropriately assessed. Climate change impacts could result in earlier-than-anticipated renewals, higher depreciation and increased capital expenditure over time	Capital projects could be reprioritised in the event of early expiration of assets. Council has an extensive asset management planning process which includes regular condition monitoring and assessment. Where a decision is made not to replace an asset, this will be factored into capital projections.

24. Asset lifecycles and depreciation methods (continued)

Transport

Asset group	Useful Life (Years)
Roads	
Formation (Subbase and subgrade)	Not depreciated
Pavements (Basecourse)	40-250
Asphaltic Concrete	9 - 20
Concrete	60
Interlocking Concrete Blocks	50 -60
Racked in seal	9 - 18
Single coat Seal	5 - 14
Slurry Seal	18
Stone Mastic Asphalt	10 - 20
Two Cost Seal	6 - 19
Sandwich Seal	6 - 15
Void fill seal	2 - 19
Kerb, Channel, and Drainage	
Kerb and channels	30 - 80
Sumps and chambers	100
Pedestrian and cycling facilities	
Footpath Surface - Asphaltic Concrete	25

Asset Group	Useful Life (Years)
Pedestrians and Cycling Facilities	
Fences/Walls - Bollards	20
Fences/Walls - Gate	15 - 20
Handrails- Metals	30
Handrails- Timber	20
Bridges, Culverts, Retaining Walls and Structures	
Bridges - Pedestrian	100
Bridges - Pedestrian Underpass	100
Bridges - Vehicle Bridges	100
Culverts	120
Retaining Wall - Block	75
Retaining Wall - Concrete	75
Retaining Wall - Concrete & Galvanised Steel	75
Retaining Wall - Earth	75
Retaining Wall - Stone	60
Retaining Wall - Timber	50
Retaining Wall - Brick	75
Retaining Wall - Steel	75

Footpath Surface - Concrete	80
Footpath Surface - Interlocking Blocks	60
Footpath Surface -Exposed aggregate	10
Footpath Surface -Metal	10
Footpath Surface -Timber	20
Accessways - Asphaltic Concrete	25
Accessways - Concrete	80
Accessways - Interlocking blocks	60
Accessways - Metal	10
Accessways - Seal	20

Steps - Concrete	50
Steps - Timber	20

Waste Assets

Asset Type	Useful Life Range (Yrs)
Bin Street	10-12
Bin Scud	20
Bin Wheelie	15
Bin Recycling	10 - 20
Leachate Line	100
Leachate Point	50

24. Asset lifecycles and depreciation methods (continued)

Parks & Reserves Assets

Asset Group	Asset Type	Useful Life Range (Yrs)
Structures	Barbecue Housing	30
	Barbecue Unit	10
	Boardwalk	20
	Bore	5 - 80
	Bridge	30 - 80
	Fence / Wall / Bollard	10 - 50
	Fitness Structure	15
	Gate Access Point	20 - 50
	Handrail	20 - 30
	Parks Furniture	10 - 50
	Parks Retaining Wall	30 - 50

Asset Group	Asset Type	Useful Life Range (Yrs)
Surfaces	Surfaces	10 - 50
Utilities	CCTV Equipment	5 - 6
	Electrical Point / Cabinet	10 - 30
	Irrigation – Line	24
	Irrigation – Point	12
	Miscellaneous Point	10 - 40
	Miscellaneous Line	20 - 80
	Tools & Equipment	3 -10
	Parks Pump	15
	Utilities – Lines	20 - 50
	Utilities – Points	10 - 30

Property Assets

Asset Type	Useful Life Range (Yrs)	Asset Type	Useful Life Range (Yrs)	Asset Type	Useful Life Range (Yrs)	Asset Type	Useful Life Range (Yrs)
Appliance	5 - 15	Hot Water System	25	Foundation Structure	100	Shade screen	10
AV System	5 - 15	HVAC	10 - 40	Hot Water System	25	Soffit	50
Cage	25	Insulation	50	HVAC	10 - 40	Soffit Finish	10
Catering Supplies	5	Kerb and Channelling	50	Insulation	50	Spouting	25 - 30
Ceiling	35 - 60	Miscellaneous	25	Kerb and Channelling	50	Stairwell	40 - 75
Chiller	18	Passenger Lift	40	Miscellaneous	25	Stairwell Component	15 - 40
Cremator Equipment	1 - 35	Photovoltaic Panel System	25	Passenger Lift	40	Stairwell Finish	10
Deck	40 -50	Pontoon	30 - 50	Photovoltaic Panel System	25	Shade screen	10
Deck Finish	10	Property Furniture	5 - 20	Pontoon	30 - 50	Wall	25 - 100
Door	25 - 40	Property Light	15 - 20	Property Furniture	5 - 20	Wall Finish	10 - 50
Door System	20	Property Pump	10	Property Light	15 - 20	Wall Structure	60
Downpipe	35	Property Sign	10 - 40	Property Pump	10	Window	35 - 40
Drainage System	10 - 35	Property Structure	10 - 75	Property Sign	10 - 40		
Electrical Services	10 - 40	Ramp	25 - 30	Property Structure	10 - 75		
Fascia	50	Roof	25 - 80	Ramp	25 - 30		
Fascia Finish	10	Roof Component	10 - 50	Roof	25 - 80		
Fireplace	20 - 100	Roof Component Finish	10	Roof Component	10 - 50		
Fire System	10 - 25	Roof Finish	10	Roof Component Finish	10		
First Aid Equipment	8	Roof Gutter	25 - 30	Roof Finish	10		
Fixtures and Fittings	5 - 50	Room Finish	10	Roof Gutter	25 - 30		

25. Revaluation of assets

Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
For the purpose of the financial model, all assets are revalued annually in order to reduce the distraction of year-on-year peaks and troughs in revenues and expenditure that are generated by these revaluations. Council's policy is to value assets triennially, and each year a different category is valued by an independent valuer. The valuation timetable is as follows: Transportation and Marine Infrastructure (30 June 202x, 202x, 202x and 203x. Airport & Parks infrastructure (30 June 202x, 202x, 202x and 203x. Land & Buildings 30 June 202x, 202x, 202x and 203x. For the purpose of the Long-term plan financial model only, revaluation is calculated and applied annually to smooth the uneven impact on revenues (including rates) and expenditure that would otherwise be generated by triennial revaluation.	TCC	Assets are under/overstated and therefore the balance sheet does not reflect accurately the value of TCC owned assets	Low. Our regular valuation cycle ensures valuations are regularly brought up to date	Low	Depreciation rates based on incorrect valuations will impact the LTP process if valuations not conducted in their cycles Assessment of risk of higher cost of waters assets replacement has meant we are revaluing that asset class in 202x out of cycle to ensure asset values are relevant for the LTP

26. Project costings					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
That project costs will not exceed those set out in the LTP	TCC	Costs for some projects listed in the LTP are estimates only. Project costs may exceed those planned for through the LTP	Medium.	Low – High - depending on the level of variation. Significant changes to the cost of the project may make it unviable or lead to increased costs to Council	Process and guidance in place for the development of project budgets, which also includes guidance on setting risk/contingency amounts

27. Vested Assets					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
That vested assets will be received by Council in accordance with the assumed growth of the city based on overall growth expectations and the average value of vested assets per lot. There is also an estimation made for large infrastructure projects that have, in the past, been constructed by Council where these are now to be provided for by the developer	TCC	That council will have significantly more assets vested thereby increasing the depreciation expense in subsequent years	Moderate	Low	Growth forecasts are updated regularly in order to ensure vesting predictions are kept up to date

Expenditure

28. Resourcing (staff)					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
That we can employ and retain staff that are suitably qualified and able.	TCC	The availability of staff limits the ability of Council to deliver its agreed work programme.	Medium.	Medium - costs may be negatively affected by the availability of resources. Projects may not be fully resourced leading to delays.	Council attracts and retains people through offering employment arrangements that are valued by employees and ensure productivity and engagement. These include flexible work options that address changing demographics/ needs of employees, utilising relevant technologies as well as other drivers of employee engagement i.e., development opportunities/career options, competitive remuneration/benefits etc. In the event of unavailability of employees, contractors and consultants may be used.

29. Resourcing (suppliers)					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
To deliver on the Long-term Plan, suppliers are required to deliver a significant portion of works. It is assumed that suppliers are available, suitably qualified and will be able to deliver projects on time, to cost and specified quality	TCC	The availability of suppliers limits the ability of Council to deliver its agreed work programme, particularly if there are wider national demands	Medium	Medium - costs may be negatively affected by the availability of suppliers Projects may not be able to be resourced	Council has comprehensive procurement procedures in place to guide the procurement process. Council works to develop a healthy marketplace based on our procurement policy and procedures. It is intended that we will develop better partnerships with key suppliers to drive better outcomes. Annual supplier information briefing sessions are held to provide our key infrastructure providers (consultants and

		on a specific sector.		leading to delays.	contractors) with an indication of Council's forward works programme.

30. Capital expenditure forecast and delivery of capital programme

Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
Capital programme is likely to remain similar if not slightly larger than previous LTP.	TCC	The capital programme continues to increase in value from previous years Significant changes continue being made to our organisation and procurement and delivery processes to achieve this. There are risks of delays in the early stages of consent and design, and in procuring delivery from contractors. If this happens work will be deferred to later years of the Long-term Plan and affected programmes of work will be rephased accordingly. The financial implication of such delays include lower borrowings and a reduction in the need for rates-funded debt retirement in early years, although it is expected that most of this would be undertaken in later years of the Long-term Plan. Some government funding form Crown Infrastructure Partners and NZTA depends on delivery within prescribed timeframes.	High.	High - While there is a high chance that the full programme will not be delivered in the timeframes budgeted, it is likely that the delays for individual projects will not be significant. Costs of the total project and a delay in achievement of desired community outcomes may occur. Delays to projects where suppliers cannot be sourced, or prices are too high requiring longer negotiations or change in scope of projects. Leading to suboptimal community outcomes, higher costs to deliver the desired outcome.	Processes in place to "rationalise" programme to ensure delivery teams are realistic about what can be delivered. Procurement strategies in place to provide efficiencies to deliver projects or programmes of work Continue to ensure project delivery resourcing is fit for purpose for future capital programme.

		Consequently, this work is being prioritised to be delivered on time. If delivery of the capital programme is delayed, then proposed outcomes will not be achieved in the timeframes originally intended.			

How we deliver services

31. Service Delivery Method					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
That the existing services and methods of delivery will continue, except where this has been clearly stated in the LTP.	TCC	That future investigations under section 17 of the Local Government Act 2002 reveal more cost-efficient methods of delivering services and desired outcomes which may be preferred. Noting that if the Local Government (System Improvements) Amendment Bill is enacted as is it will remove section 17A and the requirement for periodic service reviews.	High.	Low – High. Changes in the delivery of services may have substantial impacts on budgets and financial forecasts and may require an amendment to the LTP.	We will continue to seek collaboration opportunities with other councils. Council will pursue shared service options through BOPLASS Ltd (a company owned by us and other local councils to assist in the acquisition of services) and other methods, such as public/private partnerships. The Council will carry out periodic service delivery reviews to assess options.

32. Level of Service Changes					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
Levels of service that are proposed to be significantly changed will be addressed through the LTP development and consultation process. All other levels of service will be same or similar to the existing levels.	TCC	There may be significant changes in customer expectations regarding demand for services or levels of service from those planned in the LTP.	Low	Medium. There may be a need to review and possibly reduce a level of service to reflect available fiscal capacity. Or there could be the case where a change in circumstances could lead to a need for a higher or new level of service.	The Council has well defined service levels for its planned activities which have been reviewed as part of the LTP process. Customer satisfaction surveys and other engagement strategies generally support the key assumptions made within the LTP and therefore there are currently no known additional areas of the Council's service that require significant modification.

33. Global conflicts, pandemics, economic climate / recession					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
We assume that global conflicts, pandemics and broader economic conditions (including inflation, interest rates and recessionary pressures) are likely to be affected by ongoing geopolitical tensions with the Iran conflict and its expected medium term economic impacts an immediate concern will not materially worsen beyond current forecasts over the LTP 2027–37 period, and that any impacts can be managed within the funding, risk and contingency provisions included in the Long-Term Plan.	Various RBNZ Westpac and infrastructure NZ commentary	High	High	High - could significantly impact cost and deliverability of services and future infrastructure investment. A long-term economic downturn will significantly affect ability to pay of our ratepayers and wider community	Initial Executive review of Iran conflict – ongoing review of situations and impacts on costs, supply and economy/community

Legislative and policy environment

34. Transfer of Water Assets to New Entity (Local Waters Done Well)					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
From 1 July 2027, Tauranga City Council is no longer the statutory provider of water services. All water network assets, associated water-related debt, and operational responsibility transfer to the Water Organisation (WO) at establishment. Council's role transitions to ownership, funding, and oversight only, however Council may continue to collect revenue for the Water activities and pass this through to the WO. This process will be confirmed during the establishment phase. Council continues to invest in water assets up to transfer to meet regulatory, public health, environmental, and growth requirements, with minimal deferral of necessary investment assumed. Transitional complexity through revenue collection, shared services, workforce transition, overheads, and establishment support costs may continue for a limited period after establishment	TCC, WBOP Council and Waters Entity	The LTP reflects a post-transfer operating model from the start of the plan, excluding water-related operating expenditure, capital expenditure, and debt beyond transition-year and residual impacts. However, there remains uncertainty and complexity around revenue collection arrangements, which are yet to be finalised. Water-related debt novation at establishment reduces Council debt and total interest costs from day one of the LTP. Short-term operating cost pressures may arise from residual overheads, chargeable shared services, and transitional support arrangements to ensure success.	Moderate The establishment date and direction of travel are confirmed. However, uncertainty remains regarding the scale and duration of transitional and residual costs, workforce movements, shared-service separation, final asset valuation, revenue collection processes, and debt and hedging novation mechanics.	Low to Moderate No material impact on long-term service delivery or capital programmes due to transfer occurring at the start of the LTP. Short-term operating impacts may place pressure on budgets in the early years of the plan, while reduced debt levels improve borrowing capacity for activities remaining with Council.	Conservative provision has been made for transitional costs, with water revenue potentially excluded under a collection-only arrangement, (subject to confirmation during WO establishment), debt, and operating costs from the start of the LTP; active treasury management for debt novation and hedging; staged separation of corporate systems and processes using time-limited service level agreements; workforce transition managed through the Local Waters Done Well programme; ongoing refinement through Annual Plan processes as arrangements are finalised.

Other specific assumptions

35. Environmental Standards - Resource Consent Requirements					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
That resource consents required for capital works are granted and that this process does not significantly impact timing of projects. That all existing resource consents will be renewed where appropriate. It is expected that the environmental standards requirements will increase, with corresponding requirements imposed through resource consents.	TCC	That significant delays to capital works projects are experienced due to the resource consent process. That existing consents are not renewed or require us to meet significantly changed conditions. Being unaware of technological advances may result in substantial inefficiency if (i) new infrastructure investment is not suitable for emerging technology; and (ii) communities may not benefit from the most beneficial or appropriate resources to overcome social and/or environmental challenges.	Medium.	High. Delays to capital works projects may have material cost implications. Failure to renew existing consents, or the requirement to meet significantly higher consent conditions may require significant expenditure.	Budget revisions will take place where there are anticipated changes to consent requirements. Early communication with affected parties and resource consent issuing bodies may enable early identification of issues.

36. Business Continuity					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
That we can continue operating to deliver essential services to the community, or recover services within tolerable timescales, in the event of disruption	TCC	That council's ability to function is severely interrupted in the event of a disruption, we will be unable to: a. protect the community, from hazards or events which compromise their physical and emotional wellbeing b. provide essential services to the fullest extent possible within appropriate timeframes.	Medium.	High - Tauranga could incur moderate to severe levels of community illness, loss of life, assets and infrastructure, financial impact on the community and reduction in local/ sub-regional economy requiring significant investment in recovery. Council may be required to make considerable resourcing and financial investment to return essential services to pre-impact capacity.	The council has: a. business continuity plans for priority activities b. a business continuity enhancement program c. Emergency Management response plans and enhancement programme

37. Emergency Preparedness					
Detail	**Data Source (and rationale)**	**Risks**	**Level of uncertainty**	**Effect**	**Mitigation**
That the statutory framework for emergency management remains stable over the Long-term Plan period. That Tauranga City Council continues to meet its obligation as a member of the Bay of Plenty CDEM Group That the Bay of Plenty CDEM Group Plan (2024 – 2029) remains the primary strategic driver for local emergency management priorities with only incremental changes during the LTP period.	CDEM Act 2002, the National CDEM Plan and the National Disaster Resilience Strategy Bay of Plenty CDEM Partnership Agreement Bay of Plenty CDEM Group Plan (2024 - 2029)	• The region will continue to face a multi-hazard risk environment, including flooding, severe weather, tsunami, volcanic ashfall, landslides, earthquakes and lifeline failure. • Climate-driven weather events are expected to increase in frequency and severity, particularly intense rainfall, surface flooding, coastal inundation, and storm surge. • At least one modertate-to- major emergency	Emergency management risks are high impact with medium to high uncertainty due to increasing climate-related hazards, variable event severity, and reliance on external funding and partners event is likely during the 10-year LTP period.	High • Emergency events are treated as likely, not exceptional, so funding and planning must assume disruption will occur. • Council must budget for readiness, response, and recovery, not just "business as usual." • Service levels acknowledge limits (e.g. outages, access issues, delayed recovery). • Greater reliance on partnerships (CDEM Group, iwi, NGOs, central government) is built in. • Financial risk and uncertainty are made explicit in the	• Plan and provide some fund for disruption Build emergency response, recovery, through the funding and draw down of the risk reserve. • Strengthen prevention and resilience Invest in flood protection, resilient infrastructure, land-use controls, and climate adaptation to reduce future impacts. • Share risk and capability Rely on regional CDEM arrangements, iwi, NGOs, lifelines, and central government

				LTP, including the need for contingencies and reserves. • Equity and community vulnerability shape decisions, increasing focus on welfare and psychosocial recovery.	so Council is not carrying risk alone. • Improve preparedness and self-reliance Increase community readiness programmes so fewer people need immediate welfare support during events. • Build surge and recovery capacity Cross-train staff, maintain volunteer pipelines, and pre-plan recovery governance and funding pathways. • Be explicit about service limits Clearly communicate what Council can and cannot provide during emergencies to manage expectations.

					• Embed equity and trauma-informed

38. Disruptive Technologies

Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
That there will be no technological changes that render some projects unnecessary or that radically alter people's interactions with the city. Disruptive technologies that we are aware of are incorporated into our planning. Technology is advancing at an unprecedented pace, and several areas of rapid development have the potential to fundamentally change how councils operate, how communities interact with local government, and how infrastructure and services are planned and delivered. The most significant of these is artificial intelligence. AI and generative AI in particular has moved rapidly	LGNZ 'The 2050 Challenge - Future Proofing our Communities' SOLGM 'Fit for the Digital Future'	Technological changes are rapid and unpredictable, and can have significant impacts on our lives, the way we work and the way we use our city. Being unaware of technological advances may result in substantial inefficiency if (i) new infrastructure investment is not suitable for emerging technology; and (ii) communities may not benefit from the most beneficial or appropriate resources to overcome social and/or environmental challenges.	High. The rate and impact of technological developments is uncertain. The exact timing of developments cannot be assumed. Of note are the potential impacts of transportation changes and driverless cars, increasing automation affecting business and employment and opportunities of increased data analytics through 'big data'.	Medium. Project scopes may be altered to reflect changes in available technology, with corresponding implications for costs.	Council will monitor and keep informed of developments in this area and will amend projects as suitable.

from an emerging technology to an operational tool being actively deployed across New Zealand's public and private sectors. In July 2025, the Government released New Zealand's first national AI strategy, Investing with Confidence, which adopts a light-touch, principles-based approach focused on accelerating adoption rather than prescriptive regulation. The Government Chief Digital Officer has also published a Public Service AI Framework and responsible AI guidance to support safe and transparent use of AI across the public service. Beyond AI, other rapidly advancing technologies could affect how the Council plans, delivers, and funds services over the life of the LTP: • Autonomous vehicles (AVs) • Smart city technologies • Remote working and digital service delivery					