



AGENDA

Council Workshop meeting Thursday, 2 July 2026

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

Date: Thursday, 2 July 2026

Time: 10:30 am

**Location: Tauranga City Council Chambers
L1 90 Devonport Road
Tauranga**

**Marty Grenfell
Chief Executive**

Order of Business

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1.1	2027-2037 Long-term Plan - Workshop 3.....	4

1 BUSINESS

1.1 2027-2037 Long-term Plan - Workshop 3

File Number: A20631297

Author: Josh Logan, Team Leader: Policy & Corporate Planning

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

Presenter(s): Christine Jones, General Manager: Strategy, Partnerships & Growth; Craig Rice, Chief Financial and Operations Officer, Reneke van Soest, General Manager Operations & Infrastructure; Kathryn Sharplin, Head of Finance; Sheree Covell, Manager: Treasury and Financial Processes; Mike Seabourne, Head of Transport; Josh Logan, Team Leader: Policy and Corporate Planning

External presenter(s): NA

Workshop information

Purpose of workshop

1. The four key areas which staff wish to focus the discussion on in the workshop will be:
 - The significant forecasting assumptions for the Long-term Plan 2027-2037 (LTP) (**Attachment 1**) with a focus on the following key assumptions for the LTP:
 - Interest rates
 - Growth
 - Grants & Subsidy revenue
 - Inflation
 - The capital programme for the LTP (**Attachment 2**) with a focus on the following key questions:
 - How does a project end up in the LTP?
 - How do we determine costs and contingency?
 - How do we provide oversight of projects?
 - Confirm the proposed approach to zero based budgeting for the LTP (**Attachment 3**)
 - The non-financial performance measures for activities in the LTP (**Attachment 4**)

Executive summary

2. The LTP is the most significant planning and decision-making process for the mayor and councillors for their term of council. It sets out what Tauranga City Council will do over the

next 10 years and how we'll pay for it. This includes everything from major infrastructure projects to the services we provide every day.

3. A new LTP is developed and adopted every three years by the mayor and councillors, in the middle year of the normal local government election cycle. Each plan must include a financial strategy that shows how we'll manage our finances over the long term.
4. The next LTP is due for adoption by 30 June 2027.
5. To help steer the discussion on the day the attachments to this report provide elected members with some background information.

Background information

6. As part of the 2027-2037 Long-term plan (LTP) development there are currently eight scheduled workshops starting in May 2026 going to December 2026. This will be complimented with topic specific workshops and reports mainly focused on matters in the issues list endorsed by Council.
7. This is the third workshop in the development of the LTP.
8. The first and second workshops were held on 7 May and 4 June 2026. The workshop material can be found at:

Workshop 1 - 7 May 2026

https://infocouncil.tauranga.govt.nz/Open/2026/05/CWS_20260507_AGN_2994_AT.PDF

Workshop 2 - 4 June 2026

https://infocouncil.tauranga.govt.nz/Open/2026/06/CWS_20260604_AGN_3005_AT.PDF

9. This report continues on from the reports to Council from 18 November 2025, 21 April 2026 and 23 June 2026 which outlined the high-level process that an LTP takes over its creation. These reports can be found at:

18 November 2025

https://infocouncil.tauranga.govt.nz/Open/2025/11/CO_20251118_AGN_2765_AT.PDF

21 April 2026

https://infocouncil.tauranga.govt.nz/Open/2026/04/CO_20260421_AGN_2897_AT.PDF

23 June 2026

https://infocouncil.tauranga.govt.nz/Open/2026/06/CO_20260623_AGN_2907_AT.PDF

10. As a result of those reports, Mayor and Councillors have approved the community outcomes, underpinning principles, and priorities for the 2027-2037 LTP. At its most recent meeting on 23 June 2026 Mayor and Councillors endorsed a list of issues to be considered through the development of the LTP and gave directions on rates limits, principles, and working assumptions regarding major projects to guide the development of the capital programme for the LTP.





Next steps

11. If Mayor and Councillors confirm the approaches discussed at today's workshop then staff will bring back Council papers on significant assumptions, zero base budgeting and capital

programme planning to the 21 July Council meeting, to gain endorsement of these. The non-financial performance measures are scheduled to come to Council on 11 August 2026.

12. The next workshop is scheduled for Thursday 6 August 2026. Currently the scheduled topic is the review of the Revenue and Finance Policy Stage 1 – Funding Needs Analysis and Rating Policy.

Attachments

1. **Draft Significant Forecasting Assumptions - A20651857** [↓](#) 
2. **2027-2037 LTP Capex presentation - A20651829** [↓](#) 
3. **Zero based Budgeting - A20651828** [↓](#) 
4. **Performance Measure Review - A20651868** [↓](#) 



Memorandum

To: mayor and councillors

Cc: The Executive

From: Rachel Burt, Corporate Planner

Date: 2 July 2026

Long-term Plan 2027-37 – Draft Significant Forecasting Assumptions

Purpose

To introduce the attached draft Significant Forecasting Assumptions for the Long-term Plan (LTP) 2027-37 and seek initial feedback from the mayor and councillors to support further testing, refinement and development of the draft LTP.

Context

The attached draft Significant Forecasting Assumptions pack sets out the key assumptions, risks and uncertainties that underpin development of the LTP 2027-37. These assumptions are required under Schedule 10, clause 17 of the Local Government Act 2002 and support the financial estimates, infrastructure planning and strategic information included in the LTP. The pack is a working document and will continue to be refined as further policy, legislative, financial and technical information becomes available. Several assumptions remain highly dynamic, particularly those relating to growth, inflation, borrowing and interest rates, local government reform, resource management reform, rates capping, and the transfer of water services to the new Water Organisation. This memo provides a cover summary for the pack and is intended to support initial testing and feedback rather than approval.

What we are seeking feedback on

1. Confirmation that all key assumption areas are captured.
2. Feedback on materiality and effect ratings.
3. Identification of any gaps, risks, or interdependencies.
4. Direction on any assumptions requiring further analysis.
5. Feedback on whether the assumptions appropriately reflect key impacts on financial modelling, capital planning, service delivery and risk.

Background

1. The attached pack identifies 38 draft Significant Forecasting Assumptions grouped by theme, including population and land use, climate change and extreme events, Council's mandate and direction, costs and borrowing, revenue, assets and infrastructure, expenditure, service delivery, the economic environment, legislative and policy settings, and other specific assumptions.
2. Each assumption is presented in a consistent format covering the detail of the assumption, data source and rationale, risks, level of uncertainty, potential effect, and mitigation. This is intended to support transparent review and make it easier to identify where further evidence or testing is required.

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3. The summary below highlights the main changes and areas of uncertainty compared with the previous LTP assumptions, rather than replacing the detail contained in the attached pack.

Summary of changes and areas of uncertainty

Area	Summary of Key Changes and Areas of Uncertainty
Growth, population and demographics	Growth, population and demographic assumptions remain under development and will continue to be refined as updated information becomes available. These assumptions are high impact because they influence infrastructure investment, rating base growth, development contributions, user fees, service planning and growth allocation.
Land Use (Intensification)	Land use assumptions have been updated to reflect a balanced approach to intensification and greenfield growth, informed by SmartGrowth, the Future Development Strategy, NPS-UD, Going for Housing Growth and resource management reform.
Climate change and extreme events and resilience	Climate-related assumptions have been reframed to distinguish between physical impacts, transition impacts, extreme events, emergency preparedness and business continuity, with greater emphasis on resilience, service disruption, asset impacts and recovery costs.
Central government reform	Assumptions have been updated to reflect a wider and more dynamic central government reform programme, including local government reorganisation, local government system improvements, RMA replacement, rates capping, development levies and governance changes. The timing, cost and implementation implications remain uncertain and will require ongoing review as policy and legislative detail is confirmed.
Growth funding	Growth funding and capital subsidy assumptions have been expanded to reflect reliance on a mix of funding sources, including NZTA FAR, bespoke NZTA funding agreements, Infrastructure Funding and Financing, Infrastructure Acceleration Fund funding, and third-party contributions. Confidence varies depending on whether funding agreements are legally committed or still subject to confirmation.
Inflation	Inflation assumptions remain in draft and distinguishes between Council's cost inflation and community cost-of-living assumptions. Inflation uncertainty is expected to increase over time and may be affected by global events, supply chain disruption, fuel costs and domestic economic conditions.
Borrowing and financial pressures	Borrowing, investment interest rate and credit rating assumptions remain in draft and will continue to be updated as market forecasts change. These assumptions have a material impact on affordability, debt servicing, rates and the capital programme.
Revenue and external funding	Revenue assumptions have been updated to reflect growth charges, development contributions or levies, fees and charges, Waka Kotahi/NZTA funding, IFF, IAF, third-party contributions



	and other external funding. Confidence varies depending on whether funding agreements are confirmed, legally committed or still subject to future decisions.
Rates capping	A new rates capping assumption has been introduced to reflect the Government's proposed annual rates increase target limit. The detailed legislative design, methodology, regulator powers, exemption criteria and interaction with growth-related investment remain uncertain.
Asset assumptions, infrastructure and waters transfer	Asset assumptions have been updated to reflect lifecycle, depreciation, revaluation and funding requirements for assets remaining with Council. Water network assets, associated debt and operational responsibility are expected to transfer to the Water Organisation from 1 July 2027, with residual and transitional impacts still being worked through.
Capital Programme delivery	There is increased emphasis on risks relating to cost escalation, funding availability, supplier capacity, consenting, market conditions and deliverability of the capital programme. These risks may affect timing, scope, affordability and delivery of intended outcomes.
External shocks and emerging risks	The previous COVID-19 assumption has been broadened to cover wider external uncertainty, including economic conditions, pandemics, global conflicts, supply chain disruption, fuel costs and disruptive technologies.

Next Steps

- Feedback from the workshop will be reviewed and used to refine the attached draft Significant Forecasting Assumptions pack.
- Any assumptions requiring further testing, evidence, or technical input will be progressed with the relevant subject matter experts.
- The pack will be updated to reflect confirmed changes, key risks, interdependencies, uncertainty ratings, potential effects, and any material impacts for the LTP.
- A final draft will be provided to Council on 21 July 2026 before being incorporated into the draft LTP for consultation.
- Any further changes to the draft Significant Forecasting Assumptions, including updates to growth projections, reform settings and financial assumptions as modelling is refined, will be reported back to Council when available.

Attachments

- Attachment 1: Draft Significant Forecasting Assumptions LTP 2027-37





Significant Forecasting Assumptions

Long-term Plan 2027-37

Status: DRAFT

Draft 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

DRAFT



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
<p>Population and household growth, and location of growth, align with Tauranga City population projections and allocations.</p> <p>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.</p>	Tauranga City Population and Dwelling Projection and Allocation Review, August 2025	<p>Population and household growth will occur faster or slower than predicted, and/ or in different locations than assumed.</p>	<p>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.</p>	<p>High - The potential financial impact of over or under investing in infrastructure based on modelling of the growth allocations, could be significant.</p>	<p>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.</p>

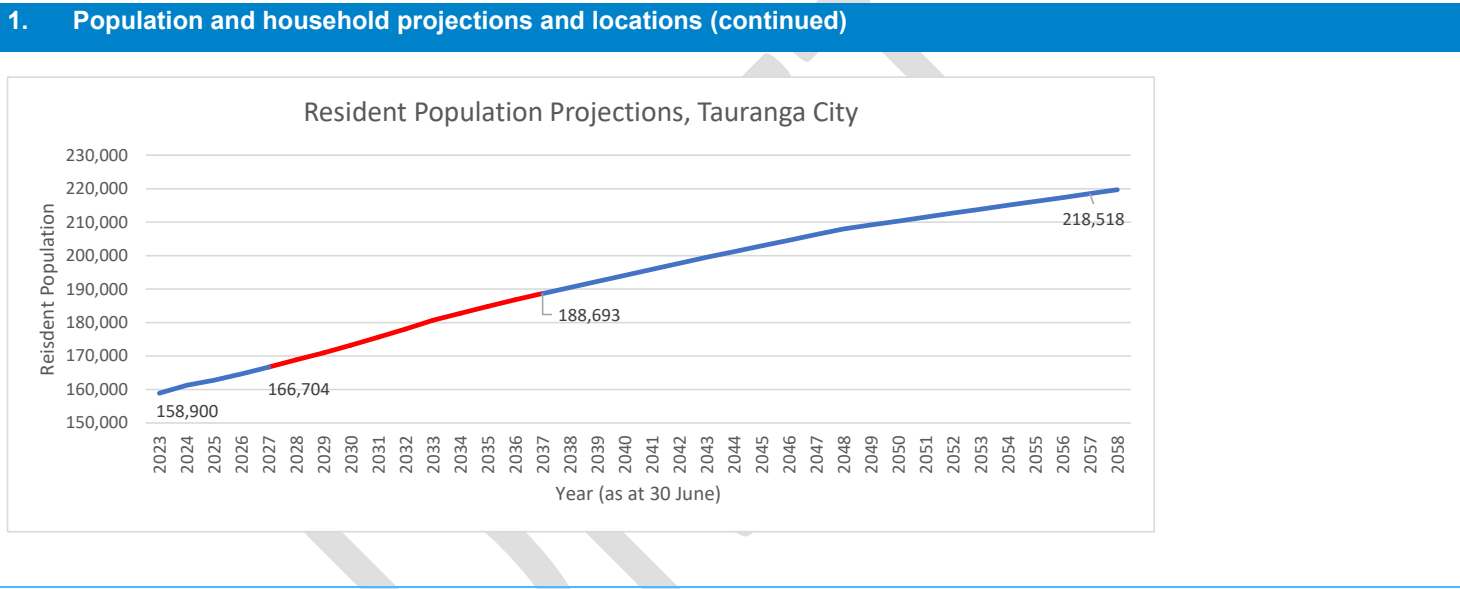


1. Population and household projections and locations (continued)

Tauranga Population increase - Tauranga City Population and Dwelling Projection Review 2025

Year	Resident Population	Occupied Dwellings	Total Dwellings
2023	158,900	55,950	61,870
2024	161,300	56,400	62,370
2025	162,811	56,793	62,807
2026	164,643	57,615	63,703
2027	166,704	58,567	64,741
2028	168,880	59,571	65,834
2029	170,951	60,584	66,939
2030	173,240	61,702	68,158
2031	175,638	62,872	69,433
2032	178,080	64,063	70,732
2033	180,696	65,297	72,076
2034	182,766	66,438	73,320
2035	184,825	67,580	74,565
2036	186,817	68,473	75,761
2037	188,693	69,740	76,919
2038	190,452	70,752	78,022





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.	<p>Stats NZ Subnational Population Projections 2018-48 (2021 release)</p> <p>NIDEA - 2014 Review of Demographic and Labour Force Projections for the Bay of Plenty Region for the Period 2013 – 2063.</p> <p>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.</p>	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

Data Source	Year	Population by age group (years) at 30 June					Total (as at 30 June)	Components of population change, five years ended 30 June		Additional People
		0-14	15-39	40-64	65+	Natural increase		Net migration		
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	
NIDEA Data (adj)	2053	33,681	59,145	65,007	56,037	213,870	153	5,727	5,880	
	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.

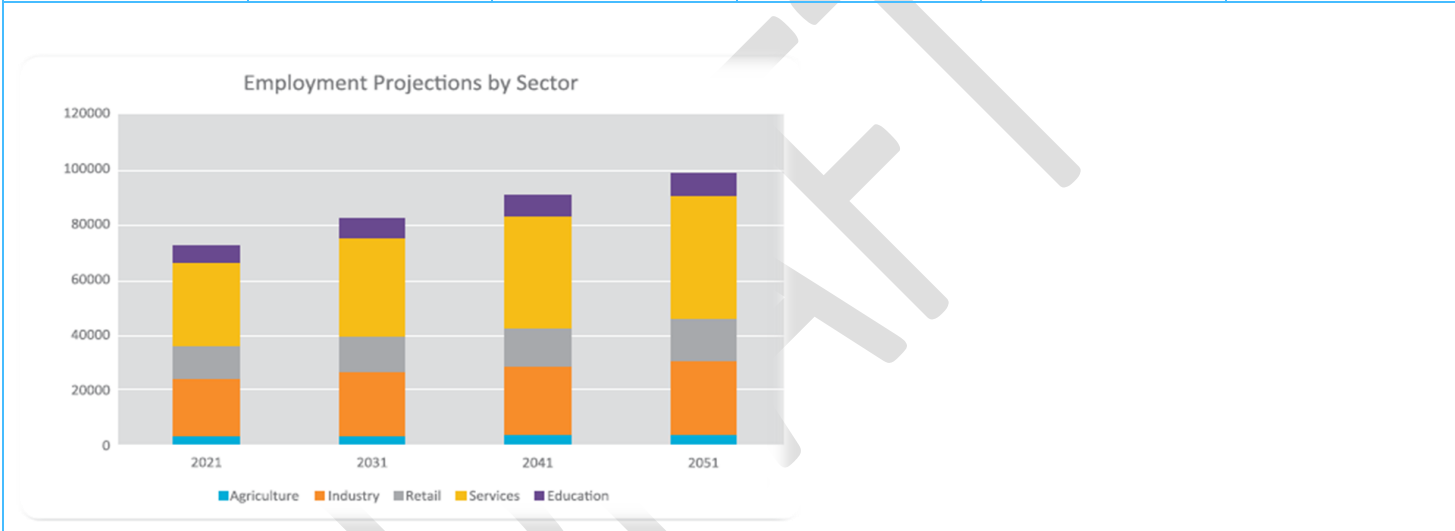


4. Demographic changes – Socioeconomic					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
The pattern of socioeconomic deprivation will continue along the same lines as the 2023 results. The Deprivation Index provides an indication of deprivation at suburb level, based 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	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	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.



sectors, whilst Tauriko (and Te Maunga after 2050) are expected to see a large growth in industry sectors.	currently expected to be finalised by mid 2026				
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6. Land use changes (intensification and greenfield growth)					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>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.</p> <p>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.</p>	<p>SmartGrowth Strategy 2024-74 including the FDS; NPS-UD; Government’s GfHG and resource management reform</p>	<p>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.</p> <p>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.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p> <p>Provision is made for growth and bulk funds established to provide for citywide infrastructure and investment for intensification and greenfield development.</p> <p>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.</p>



Climate change and extreme events

7. Extreme events and current day disasters

Assumption Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>We assume there will be no significant disaster damaging city infrastructure or services during the LTP period.</p> <p>[NOTE: A significant natural hazard event has occurred within the current period.]</p>	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.	<p>High - timing and severity is unpredictable – uncertainty is high for this.</p> <p>Extent and location of hazards are well-mapped – uncertainty is low for this.</p>	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.	<p>Low-Medium</p> <p>High confidence in direction of change, but variability in timing and severity.</p>	<p>Medium impacts in 10-30 years and major impacts towards the end of century.</p> <p>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-</p>	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.	
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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
<p>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.</p> <p>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.</p>	<p>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.</p>	<p>That central government reform may result in material changes to how local government is structured, governed, funded or required to collaborate across regions.</p> <p>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.</p>	<p>High.</p> <p>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.</p>	<p>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.</p>	<p>Council will monitor central government announcements and legislative developments closely and will update this assumption as the reform pathway becomes clearer.</p> <p>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.</p>



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

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11. Local government reform and sector changes					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>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.</p> <p>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.</p>	<p>Local Government (System Improvements) Amendment Bill https://www.legislation.govt.nz</p> <p>"Getting rates under control for ratepayers", https://www.beehive.govt.nz/release/getting-rates-under-control-ratepayers</p>	<p>That the statutory purpose of local government will be narrowed.</p> <p>That the Council will be required to give particular regard to a defined set of core services when managing finances and setting rates.</p> <p>That new performance measurement and reporting requirements will be imposed.</p> <p>That governance arrangements will be standardised from central government.</p> <p>That a legislated cap will limit annual rates increases to a target range of 2 to 4 percent per capita, per year.</p> <p>That the cap may constrain the Council's</p>	<p>High.</p> <p>The direction of reform is well-defined across both the Bill and the rate capping proposal, but important details remain unresolved:</p> <p>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).</p> <p>The rate capping legislation has not yet been introduced to Parliament. A separate bill (distinct from the</p>	<p>The combined effect is potentially high, particularly for a high-growth council such as Tauranga:</p> <p>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.</p> <p>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</p>	<p>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.</p> <p>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.</p> <p>Financial modelling: Officers will model the</p>



		<p>ability to fund planned infrastructure investment and respond to growth pressures.</p> <p>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.</p>	<p>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.</p>	<p>forecasts. The requirement to prioritise core services when managing finances and setting rates may further change how expenditure is allocated and presented.</p> <p>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.</p> <p>Reporting and compliance: New performance measures, standardised activity groupings, and rate cap reporting requirements will require changes to reporting systems and processes.</p> <p>Governance: A centrally-issued code of conduct and standing orders would replace Tauranga City</p>	<p>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.</p> <p>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.</p> <p>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.</p>
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			<p>Council's current bespoke documents.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>
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12. Resource Management Act (RMA) replacement					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>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.</p>	<p>Ministry for the Environment</p>	<p>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.</p> <p>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.</p>	<p>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.</p> <p>The Planning Bill sets out that the first suite of national direction is required 9 months after enactment and the second suite after 18months.</p>	<p>High - changes could have a significant impact on the way we operate.</p> <p>The Resource Management Act 1991 will be repealed and replaced with two new acts:</p> <ul style="list-style-type: none"> • 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. 	<p>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.</p>



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.

Composite Index

1637

1313

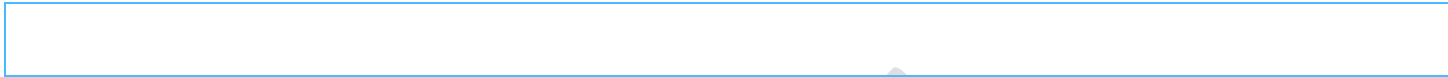
forecasts projections

— CPI
— Forecast Actuals
— Mar-26 Forecast

Dec-14 Dec-16 Dec-18 Dec-20 Dec-22 Dec-24 Dec-26 Dec-28 Dec-30 Dec-32 Dec-34 Dec-36

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.	<p>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.</p> <p>It should also be noted that Global geopolitical developments, supply chain disruptions, and domestic economic conditions may impact inflation outcomes.</p>	<p>Low – High</p> <p>Changes could have a significant financial impact on rates affordability.</p>	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 year 1 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 be based 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			
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17. Credit Rating					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>That the Council maintains its A+ credit rating.</p> <p>All interest rates used to determine projected borrowing costs have been based on this assumption.</p>	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.

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Revenue

18. Growth Charges: Development Contributions and Development Levies					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>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).</p>	TCC	<ul style="list-style-type: none"> 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 options may also fail. 	Medium	<p>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.</p>	<p>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.</p> <p>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.</p>



19. Waka Kotahi NZ Transport Agency Funding					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>Local government transport projects rely on co-funding from Waka Kotahi through the National Land Transport Programme (NLTP).</p> <p>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.</p> <p>The overall average for FAR is 51% for maintenance and renewal activities, but limited to other activities</p> <p>Waka Kotahi NZTA funds specific programmes of work and agrees 3-year</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Changes to NZTA road prioritisation may impact on future funding. Total funding levels may be less than assumed in the Long-term Plan. 	<p>Medium - Funding availability and assistance rates are dependent on national priorities, government policy settings, and overall NLTP funding capacity, which may change over time.</p> <ul style="list-style-type: none"> 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. 	<p>Medium</p> <ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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



<p>funding envelopes across such items as maintenance operations and renewals and funding for specific transport projects.</p> <p>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.</p>					<p>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.</p> <p>Assume that NO FAR exists for some transport projects within the next LTP and prioritised within funding envelope, based on current funding availability.</p>
<p>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.</p>	<p>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.</p>		<p>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</p>	<ul style="list-style-type: none"> • Increased costs across transport capital and operational programmes. • Higher tender prices and increased contract cost escalation. • Greater risk to affordability and programme delivery timing. 	<ul style="list-style-type: none"> • 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.	<ul style="list-style-type: none"> Increased variability between cost estimates and tendered prices. Potential delays if projects become unaffordable within approved budgets. 	
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20. Revenue from user fees received by Bay Venues Limited					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>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.)</p> <p>Key Ratios are: Net Debt to Operating Revenue, Net Interest to Operating Revenue and Net Interest to Rates Revenue.</p>	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
<p>Sources of funds for operating and capital expenditure are as per the Revenue and Financing Policy.</p> <p>This policy will consider:</p> <ul style="list-style-type: none"> 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	<p>That sources of funds are not achieved.</p> <p>That the cost of alternative funds is high to certain ratepayer groups leading to constraints on these options.</p> <p>The community does not support use of these options.</p>	Low	High - Council may have to utilise alternative sources of funding with potential impacts to rates and debt.	<p>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.</p> <p>Council can reduce capex levels and opex (levels of service) to meet funding constraints.</p>



24. Asset lifecycles and depreciation methods					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>Asset lifecycles will align with forecast and used as the basis of depreciation.</p> <p>It is assumed that assets will be replaced at the end of their useful life (based on condition and/or performance).</p>	<p>Depreciation method and estimated useful life of assets – see tables below</p>	<p>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.</p>	<p>Low – asset lives are based on estimates made by suppliers, manufacturers, asset managers, engineers and registered valuers.</p> <p>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..</p>	<p>Medium - depreciation and interest costs would increase if capital expenditure was required earlier than anticipated.</p> <p>Levels of service could be diminished if condition not appropriately assessed.</p> <p>Climate change impacts could result in earlier-than-anticipated renewals, higher depreciation and increased capital expenditure over time</p>	<p>Capital projects could be reprioritised in the event of early expiration of assets.</p> <p>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.</p>



24. Asset lifecycles and depreciation methods (continued)

Transport

Asset group	Useful Life (Years)	Asset Group	Useful Life (Years)
Roads		Pedestrians and Cycling Facilities	
Formation (Subbase and subgrade)	Not depreciated	Fences/Walls - Bollards	20
Pavements (Basecourse)	40-250	Fences/Walls - Gate	15 - 20
Asphaltic Concrete	9 - 20	Handrails- Metals	30
Concrete	60	Handrails- Timber	20
Interlocking Concrete Blocks	50 -60	Bridges, Culverts, Retaining Walls and Structures	
Racked in seal	9 - 18	Bridges - Pedestrian	100
Single coat Seal	5 - 14	Bridges - Pedestrian Underpass	100
Slurry Seal	18	Bridges - Vehicle Bridges	100
Stone Mastic Asphalt	10 - 20	Culverts	120
Two Cost Seal	6 - 19	Retaining Wall - Block	75
Sandwich Seal	6 - 15	Retaining Wall - Concrete	75
Void fill seal	2 - 19	Retaining Wall - Concrete & Galvanised Steel	75
Kerb, Channel, and Drainage		Retaining Wall - Earth	75
Kerb and channels	30 - 80	Retaining Wall - Stone	60
Sumps and chambers	100	Retaining Wall - Timber	50
Pedestrian and cycling facilities		Retaining Wall - Brick	75
Footpath Surface - Asphaltic Concrete	25	Retaining Wall - Steel	75



Footpath Surface - Concrete	80	Steps - Concrete	50
Footpath Surface - Interlocking Blocks	60	Steps - Timber	20
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		

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
<p>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.</p> <p>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:</p> <p>Transportation and Marine Infrastructure (30 June 202x, 202x, 202x and 203x.</p> <p>Airport & Parks infrastructure (30 June 202x, 202x, 202x and 203x.</p> <p>Land & Buildings 30 June 202x, 202x, 202x and 203x.</p> <p>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.</p>	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	<p>Depreciation rates based on incorrect valuations will impact the LTP process if valuations not conducted in their cycles</p> <p>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</p>



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.
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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	<p>The capital programme continues to increase in value from previous years</p> <p>Significant changes continue being made to our organisation and procurement and delivery processes to achieve this.</p> <p>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.</p> <p>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.</p> <p>Some government funding from Crown Infrastructure Partners and NZTA depends on delivery within prescribed timeframes.</p>	High.	<p>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.</p> <p>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.</p>	<p>Processes in place to "rationalise" programme to ensure delivery teams are realistic about what can be delivered.</p> <p>Procurement strategies in place to provide efficiencies to deliver projects or programmes of work</p> <p>Continue to ensure project delivery resourcing is fit for purpose for future capital programme.</p>



		<p>Consequently, this work is being prioritised to be delivered on time.</p> <p>If delivery of the capital programme is delayed, then proposed outcomes will not be achieved in the timeframes originally intended.</p>			
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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	<p>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.</p> <p>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.</p>	High.	<p>Low – High.</p> <p>Changes in the delivery of services may have substantial impacts on budgets and financial forecasts and may require an amendment to the LTP.</p>	<p>We will continue to seek collaboration opportunities with other councils.</p> <p>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.</p>



32. Level of Service Changes					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>Levels of service that are proposed to be significantly changed will be addressed through the LTP development and consultation process.</p> <p>All other levels of service will be same or similar to the existing levels.</p>	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.	<p>The Council has well defined service levels for its planned activities which have been reviewed as part of the LTP process.</p> <p>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.</p>



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
<p>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</p>	<p>TCC, WBOP Council and Waters Entity</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>	<p>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.</p>



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	<p>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.</p> <p>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.</p>	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.	<p>Budget revisions will take place where there are anticipated changes to consent requirements.</p> <p>Early communication with affected parties and resource consent issuing bodies may enable early identification of issues.</p>



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
<p>That the statutory framework for emergency management remains stable over the Long-term Plan period.</p> <p>That Tauranga City Council continues to meet its obligation as a member of the Bay of Plenty CDEM Group</p> <p>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.</p>	<p>CDEM Act 2002, the National CDEM Plan and the National Disaster Resilience Strategy</p> <p>Bay of Plenty CDEM Partnership Agreement</p> <p>Bay of Plenty CDEM Group Plan (2024 - 2029)</p>	<ul style="list-style-type: none"> 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 moderate-to- major emergency 	<p>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.</p>	<p>High</p> <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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



				<p>LTP, including the need for contingencies and reserves.</p> <ul style="list-style-type: none"> Equity and community vulnerability shape decisions, increasing focus on welfare and psychosocial recovery. 	<p>so Council is not carrying risk alone.</p> <ul style="list-style-type: none"> 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.
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DRAFT

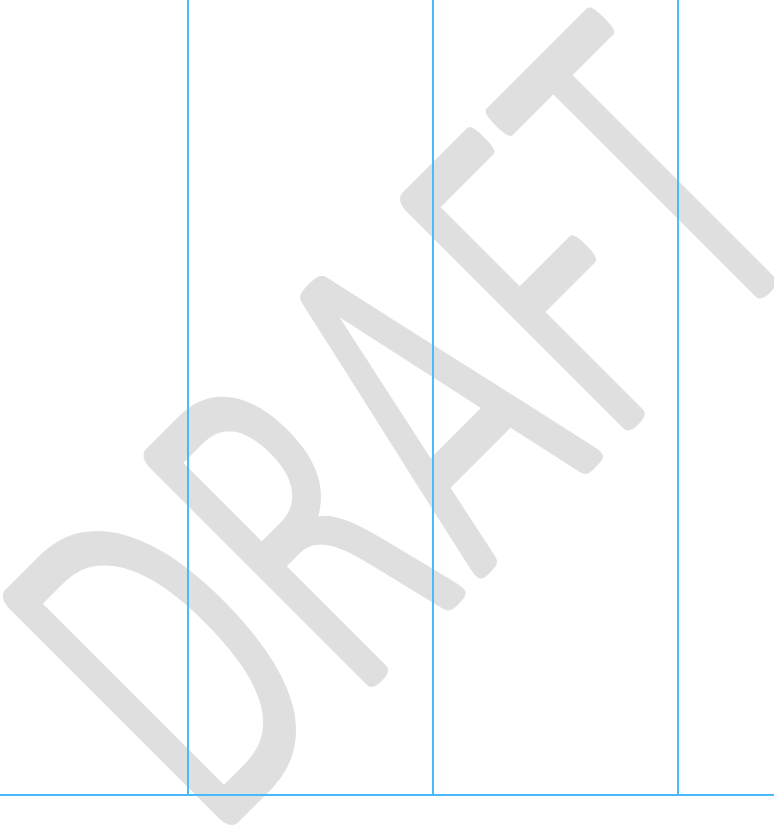


					<ul style="list-style-type: none"> Embed equity and trauma-informed
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38. Disruptive Technologies					
Detail	Data Source (and rationale)	Risks	Level of uncertainty	Effect	Mitigation
<p>That there will be no technological changes that render some projects unnecessary or that radically alter people's interactions with the city. Disruptive technologies that we are aware of are incorporated into our planning.</p> <p>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.</p> <p>AI and generative AI in particular has moved rapidly</p>	<p>LGNZ 'The 2050 Challenge - Future Proofing our Communities'</p> <p>SOLGM 'Fit for the Digital Future'</p>	<p>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.</p>	<p>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'.</p>	<p>Medium. Project scopes may be altered to reflect changes in available technology, with corresponding implications for costs.</p>	<p>Council will monitor and keep informed of developments in this area and will amend projects as suitable.</p>



<p>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.</p> <p>Beyond AI, other rapidly advancing technologies could affect how the Council plans, delivers, and funds services over the life of the LTP:</p> <ul style="list-style-type: none"> • Autonomous vehicles (AVs) • Smart city technologies • Remote working and digital service delivery 					
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2027-2037 LTP Workshop #3

Significant Assumptions

Why have assumptions?

- Required by legislation (LGA schedule 10): they must be disclosed as part of the LTP to support financial and strategic information
- Address uncertainty: long term planning relies on forecasts (e.g. growth, inflation, interest rates), so assumptions reflect the most likely scenario at the time.
- Identify risks and impacts: they outline what could change and the potential effect on costs, services and delivery if assumptions are wrong.
- From the financial perspective, forecasting assumptions identify important trends and projections on which we base our cost and revenue estimates and capital planning for 10 – 30 years (infrastructure strategy is 30 years).
- Non-financial assumptions are largely complete and scheduled for adoption in July
- Draft financial assumptions (including growth and interest rates) are being used in the interim for base modelling.

Full list of significant assumptions

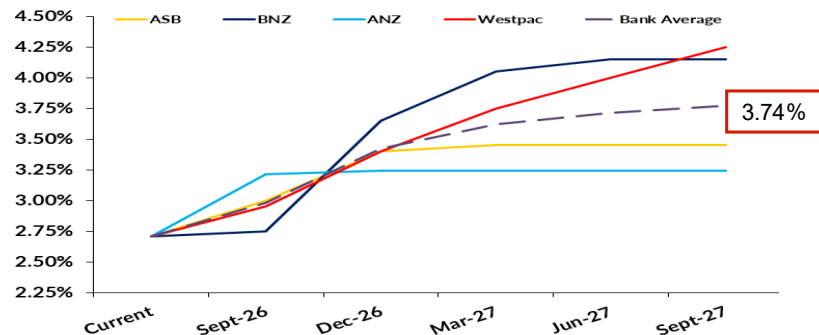
Theme	Key focus areas
Population, demographic change and land use	Population and household projections; age, ethnicity and socioeconomic changes; employment and land use growth
Costs, borrowing and inflation	Inflation pressures, borrowing and interest rates, investment returns and credit rating
Revenue	Growth charges, NZTA funding, user fees, general fees and charges, rates capping assumption
Assets and infrastructure	Asset renewal funding, asset lives, revaluations, project costings and vested assets
Climate change and extreme events	Extreme events, physical climate impacts and transition impacts
Council's mandate and direction	Local government reform, sector changes and RMA replacement
Expenditure	Staff resourcing, supplier resourcing and capital programme delivery
Other specific assumptions	Environmental standards, business continuity, emergency preparedness and disruptive technologies
How we deliver services	Service delivery method and level of service changes
Economic environment	Global conflicts, pandemics, recession and wider economic conditions
Legislative and policy environment	Transfer of water assets to a new entity

Critical financial assumptions covered today

- Interest rates
- Growth
- Grants & Subsidy revenue
- Inflation

Interest Rates

Rates at 22 June 2026



Start Date (Vertical Axis)	1Y	2Y	3Y	4Y	5Y	6Y	7y	8Y	9y	10y
Spot	3.10	3.37	3.51	3.60	3.70	3.78	3.87	3.94	4.01	4.07
3m	3.31	3.51	3.61	3.69	3.78	3.86	3.93	4.00	4.07	4.13
6m	3.45	3.61	3.69	3.76	3.84	3.92	3.99	4.06	4.12	4.18
9m	3.54	3.67	3.74	3.81	3.89	3.97	4.04	4.10	4.16	4.22
1Y	3.66	3.72	3.79	3.86	3.93	4.01	4.08	4.14	4.20	4.26
2Y	3.78	3.85	3.93	4.01	4.09	4.16	4.22	4.28	4.34	4.38
3Y	3.93	4.01	4.09	4.17	4.24	4.31	4.36	4.42	4.46	4.51
4Y	4.09	4.18	4.26	4.33	4.39	4.45	4.50	4.54	4.59	4.63
5Y	4.27	4.35	4.42	4.47	4.53	4.58	4.62	4.67	4.70	4.73
6Y	4.43	4.49	4.55	4.60	4.65	4.69	4.73	4.77	4.79	4.83
7y	4.56	4.61	4.66	4.71	4.75	4.79	4.83	4.85	4.88	4.91
8y	4.66	4.71	4.77	4.80	4.85	4.88	4.90	4.93	4.96	4.98
9y	4.76	4.83	4.85	4.90	4.93	4.95	4.98	5.01	5.03	5.04
10y	4.90	4.90	4.95	4.97	4.99	5.02	5.05	5.07	5.08	5.10

Fixed rate long term	Borrowing yield A+ and A rated councils	Borrowing margin A+ and A rated councils
15/04/2027	3.44%	42 bps
15/05/2028	3.87%	51 bps
20/04/2029	4.07%	57 bps
15/05/2030	4.27%	64 bps
15/05/2031	4.43%	71 bps
14/05/2032	4.57%	78 bps
14/04/2033	4.70%	83 bps
15/05/2034	4.82%	86 bps
15/05/2035	4.99%	97 bps
15/04/2037	5.21%	107 bps

Interest Rate Swaps	22-Jun	1-Day Change (Bp)
NZD 1 Yr	3.10	0.2
NZD 2 Yr	3.37	2.1
NZD 3 Yr	3.51	2.0
NZD 5 Yr	3.70	0.9
NZD 7 Yr	3.87	0.6
NZD 10 Yr	4.07	0.5
3 mth BKM FRA (Y-day)	2.71	3.5



Interest Rates

			2025/27 Annual Plan	2027- 2037 LTP*
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.	3.27%	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.	N/A	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	0.99%	0.93% ^c
	Year 1: Average interest on floating debt	90 day rate plus LGFA Margins	4.26%	4.67% ^(a+c)
	Year 2-10: Average interest on floating debt	10 year swap rate plus LGFA margins	N/A	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.	4.95%	4.93%



Historical swap rates – 10 years



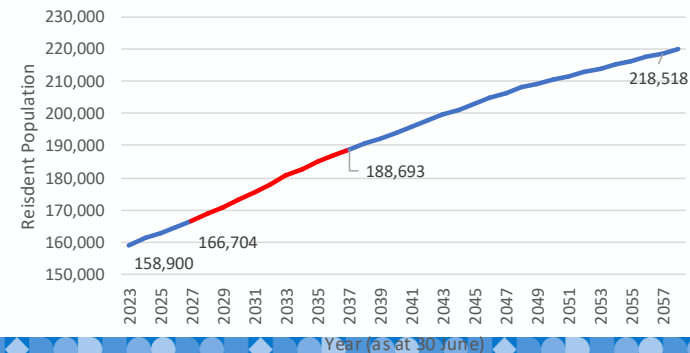
Growth

Growth assumptions drive:

- Decisions around the capital programme
- Assumed rating base growth (rates after growth %)
- Population growth (important if rates caps are applied after population growth)
- Vested assets
- DC revenue
- DC policy setting
- User fee volume assumptions

Year	Resident Population	Occupied Dwellings	Total Dwellings
2023	158,900	55,950	61,870
2024	161,300	56,400	62,370
2025	162,811	56,793	62,807
2026	164,643	57,615	63,703
2027	166,704	58,567	64,741
2028	168,880	59,571	65,834
2029	170,951	60,584	66,939
2030	173,240	61,702	68,158
2031	175,638	62,872	69,433
2032	178,080	64,063	70,732
2033	180,696	65,297	72,076
2034	182,766	66,438	73,320
2035	184,825	67,580	74,565
2036	186,817	68,473	75,761
2037	188,693	69,740	76,919
2038	190,452	70,752	78,022

Resident Population Projections, Tauranga City



Capital Subsidies

- NZTA FAR: New Zealand Transport Agency Financial Assistance Rate
- IFF: Infrastructure Funding & Financing Act
- IAF: Infrastructure Acceleration Fund
- NLTP: National Land Transport Programme
- CRS2: Cameron Road Stage 2

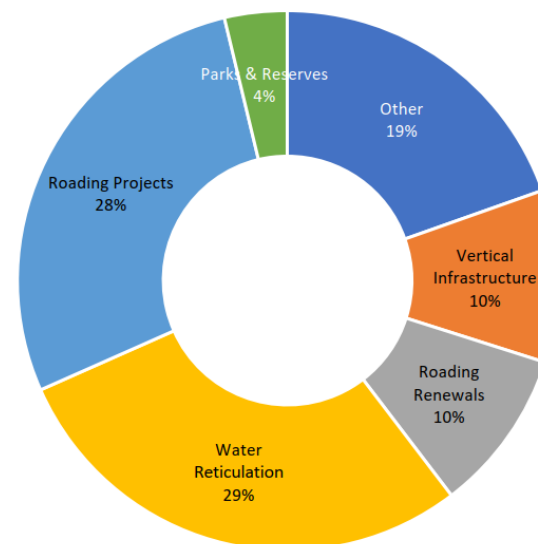
Type of subsidy	What does it fund?	Confidence
NZTA FAR	51% of Approved transport projects	Years 1-3 are approved just after LTP via NZTA's NLTP. Years 4-10 is based on TCC staff assumptions and gets reviewed in the next LTP cycle.
NZTA Agreed	Bespoke projects such as Tauriko West Enabling Works. Regional deal will likely include bespoke funding arrangements.	High – based on legal agreements across multiple parties. Amounts and timing of payments are agreed when developing a funding stack
IFF	Specific, approved roading projects	High – projects and funding and legally committed
IAF	Specific, approved growth projects. This was large portion of the TW funding stack and is expected to be apart of the CRS2 and Turret funding stacks	High for legally committed funding agreements (TW) Medium for other until signed.
3 rd party, ie TECT	For community projects such as TMOTP, stadium etc	Low until agreements are signed.



Our approach to forecasting cost inflation

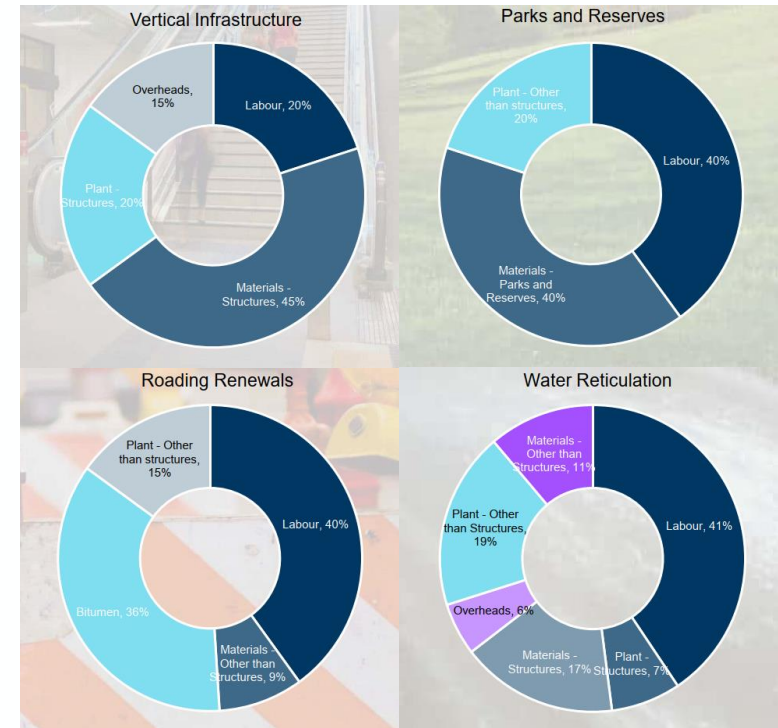
- **Modelled by asset class** — inflation is forecast for each work type, then weighted to our capital mix.
- **Built from real cost inputs** — labour, bitumen, steel, concrete, plant and overheads — not one blended assumption.
- **Refreshed every 6 months**— updated regularly capital budgets and reported assumptions.
- **Distinct from CPI** — CPI tracks household prices (insurance rates, food etc), while construction costs move differently, so our escalation reflects what we actually pay to build and renew assets.

Major capex categories, TCC



Inputs applied to Asset Classes

- **Inputs differ by asset class** — each is built from a different cost mix, so they inflate at different rates.
- **Roading** — bitumen, oil and imported steel make it most exposed to **volatility**.
- **Water & structures** — concrete and steel; steadier, but still sensitive to commodity prices.
- **Parks & local works** — mostly local labour and materials; the most stable.



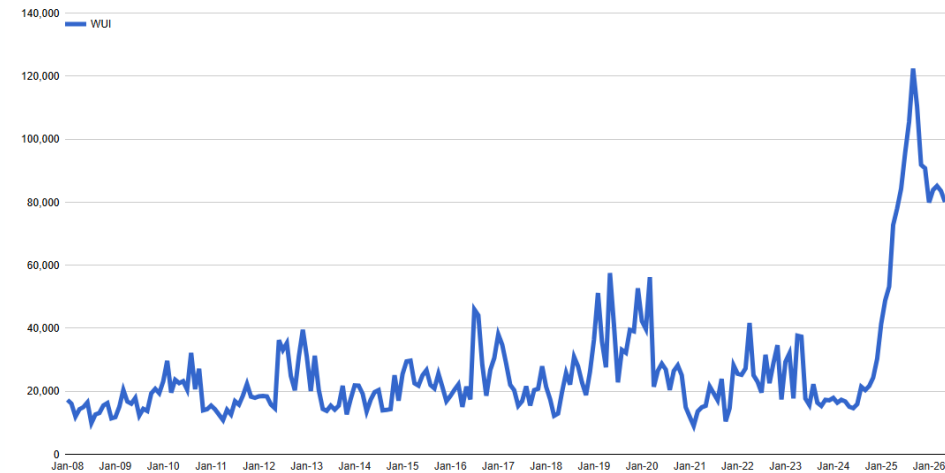
Living in an everchanging and uncertain world

- Global uncertainty can shift rapidly, making cost escalation difficult to predict with confidence.
- Forecasts can become outdated quickly, as conditions change within short timeframes
- Many cost drivers are outside Council control, influenced by wider economic and policy changes.

World Uncertainty Index (WUI): Global

Index. GDP weighted average. January 2008 to May 2026

[Print](#) [Excel](#) [Copy](#)



Note: The WUI is computed by counting the percent of word "uncertain" (or its variant) in the Economist Intelligence Unit country reports. The WUI is then rescaled by multiplying by 1,000,000. A higher number means higher uncertainty and vice versa. For example, an index of 200 corresponds to the word uncertainty accounting for 0.02 percent of all words, which—given the EIU reports are on average about 10,000 words long—means about 2 words per report.

2027 – 2037 LTP Capital Programme

Summary

Te Tai Whanake
We're here to make Tauranga better
Together, we can



Contents

Questions we aim to answer today:

- How does a project end up in the LTP?
- How do we determine costs and contingency?
- If we have time: How do we provide oversight of projects?

- Committed
- Renewals
- Improvements
- Scope
- Cost estimation
- Contingency
- Procurement
- Business case
- Projects sizing
- Governance
- Project lifecycle
- Stage gate



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How do CAPEX items end up in the LTP

3

Tauranga City Council

Long Term Plan entry point for projects

- These processes provide assurance that the LTP capital programme is prioritised, affordable, and deliverable, with clear oversight from approval through to completion.
- TCC projects are first identified in the Pre-Initiate stage from several sources:
 - Growth / strategy needs (e.g. city growth, statutory requirements)
 - Asset management planning (renewals, LOS improvements)
 - Programme and infrastructure planning (transport, urban development etc.)
 - TCC Strategies plus Action & Investment Plans
- **The output is Initial Business case & every new project must produce a business case**



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Identifying Committed Projects for the LTP

Identify Committed Projects

Projects under construction/
contract

Legislatively
required

Critical Risk
Projects

Yes or No

Automatic inclusion
if Yes

- **Committed Projects**
Projects are considered committed where a contract has been signed for a project phase and/or physical works.
- **Legislatively Required Projects**
These projects are required to meet resource consent conditions or binding contractual obligations.
- **Critical Risk Projects**
Includes essential infrastructure with significant level-of-service or community-risk impacts.
- **Excluded Programmes**
- Waters capital programme - these capex projects are in Water Organisation Water Services Strategy

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Replacement/ renewal of existing assets

Identify Renewal
Projects

Prepare asset
management plans

Prioritise in order of
asset need

Determine
affordable level of
investment

inclusion Yes / No

- **Capital projects** are grouped by their drivers– growth and increased demand, increased levels of service and replacement/renewal of existing assets.
- **Renewals** whilst not committed are often considered as a high priority in many capital programmes and are the next highest priority in this LTP
- **Prioritise** - Renewal projects are selected by asset condition, criticality, lifecycle modelling, level-of-service requirements and risk.
- **Asset Management Plan** - They are subject to a business case process via the Asset management plan and scenarios developed for levels of investment
- This applies across transport, community facilities, spaces and places, digital assets, and other asset-owning activities.

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LTP - Capital projects

Identify Projects

Complete Initial Business Case

Prioritise for LTP Capital Programme

Determine affordable level of investment

inclusion Yes / No

- The remaining projects need to have an initial business case to enter the LTP process
- Projects are prioritised against LTP outcomes, key priority areas identified in LTP and Action and Investment Plans and based on Councils key principles.
- Projects will have a:
 - stronger prioritisation of what we do (and don't do)
 - a clear focus on outcomes and value for money
 - ensuring overall programme is affordable & deliverable





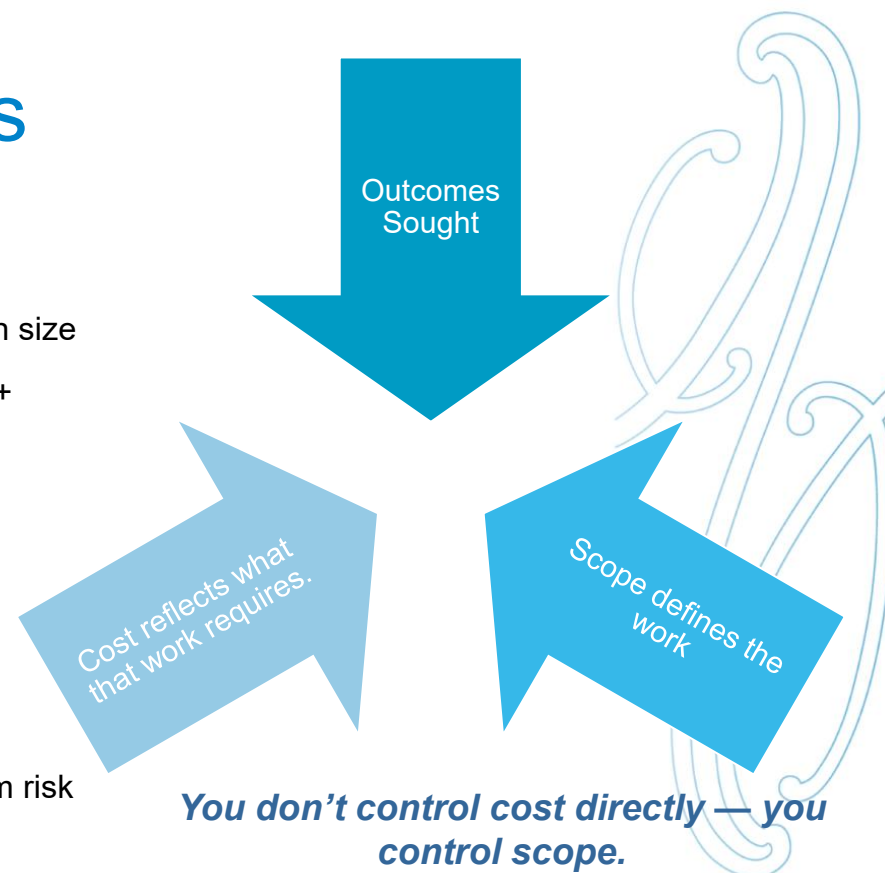
Scope, Cost estimating and contingency management

8

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Scoping & Cost/ Estimates

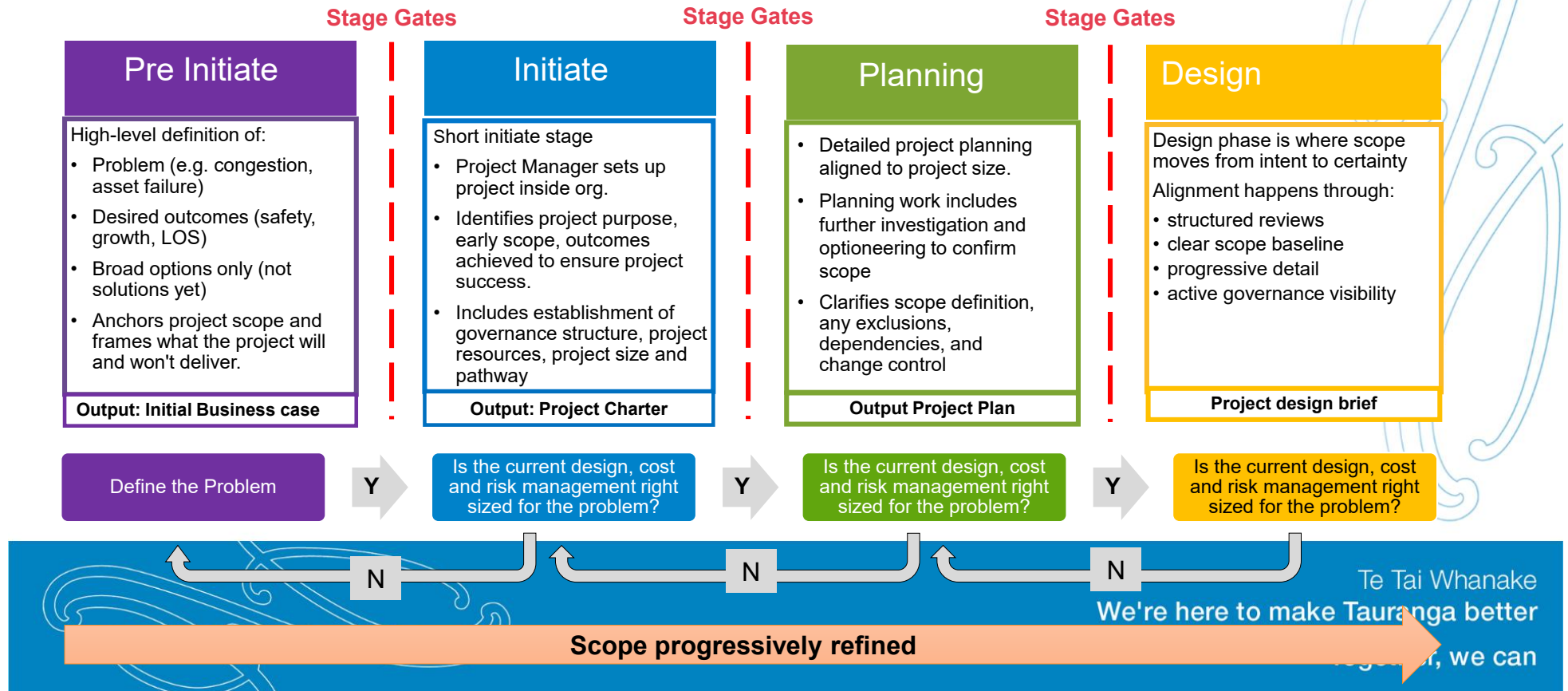
- The outcome sought drives scope, scope drives cost
 - **Amenity** drives price – TMotP vs standard library
 - **Complexity** (urban, utilities, staging) drives cost faster than size
 - Higher **standards** = higher costs. Council standard is IDC + regulation
 - Projects benefits are linked to LTP Outcomes through the business case
- **Scope changes are controlled by**
 - Indicative Business Case sets scope
 - Project governance when small/ low risk
 - Stage gate committee when medium to large / medium risk
 - Council when significant and or high risk



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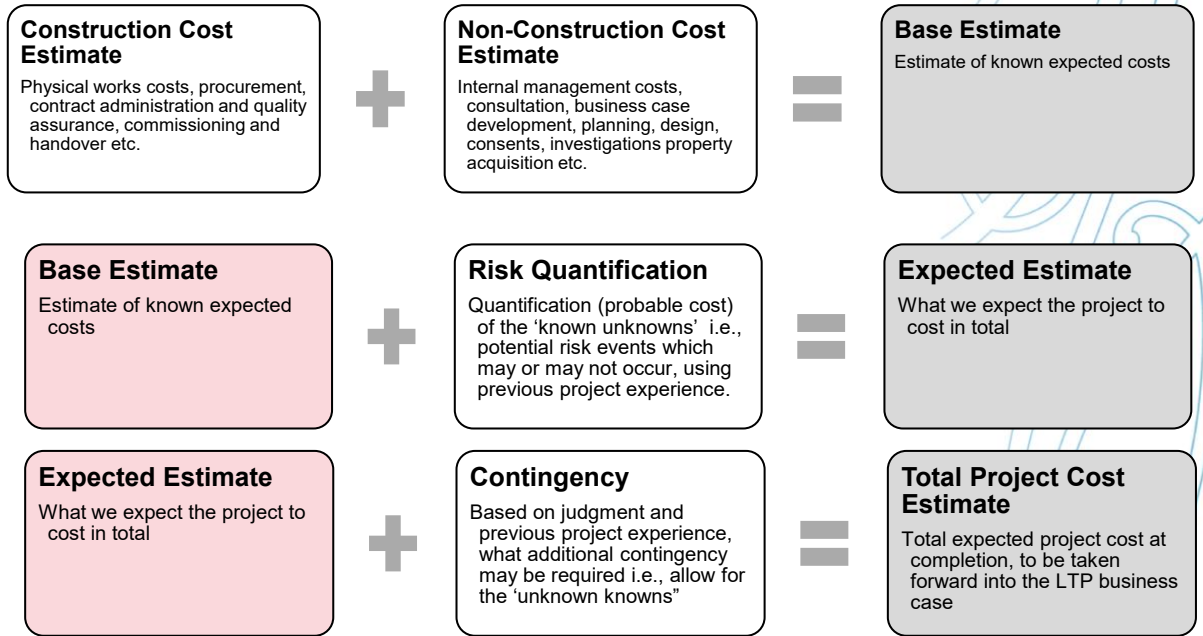
LTP Project Scoping

Scope is not defined once — it is progressively developed and refined through each decision gate.



LTP Cost estimation process

- Cost estimates required for all projects \$500K +
- Exceptions are Digital projects and projects in implementation phase
- Focusing on projects starting construction in first 3 years, & projects \$20m+
- Guidance to PM's to move from TPC to EE so universal contingency can be applied



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Risk vs Contingency Estimating

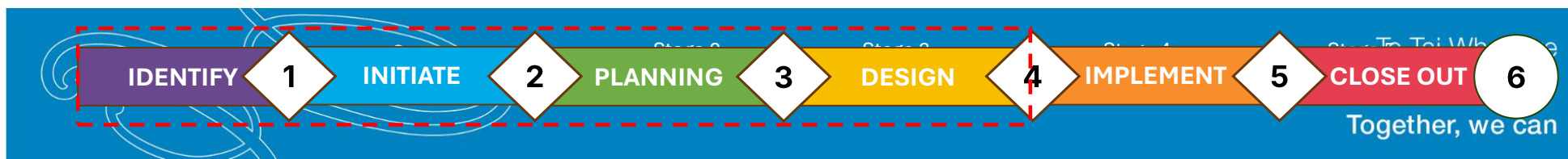


- At early project stages (e.g. feasibility), relatively few risks are usually identified and quantified because the project scope, investigations, methodology, and constraints are still largely uncertain.
- At this stage, the uncertainty is typically captured through a higher Contingency allowance rather than through quantified risk
- Contingency transitions from broad uncertainty allowances toward explicit and quantified project risk as the project matures.

Table 2. Contingency calculation method

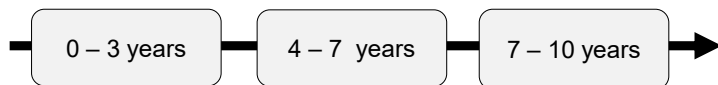
PDLC Stage	<\$5M	>\$5M - \$20M	>\$20M - <\$100M	>\$100M
Pre-initiate & Initiate				
Planning	PRESCRIBED (See table 3.)		WORKSHOP	
Design				
Implementation	Contingency continually calculated throughout the phase			

Stage	Risks Identified	Contingency
Initiate - Concept	None – very low	High
Planning - Feasibility	Low to Medium	High to Medium
Preliminary Design	Improving	Medium
Developed Design	Well-defined	Low







Base Cost Estimating

- Cost estimates should be most detailed and accurate for high-value projects and those in the early years of the 10-year LTP.
- Lower accuracy is acceptable for later-year projects, as they are less certain.
- This is because detailed investigations and option development may not yet be completed for projects scheduled further in the future.
- All costs are today's costs and inflation applied at the portfolio level by Finance*

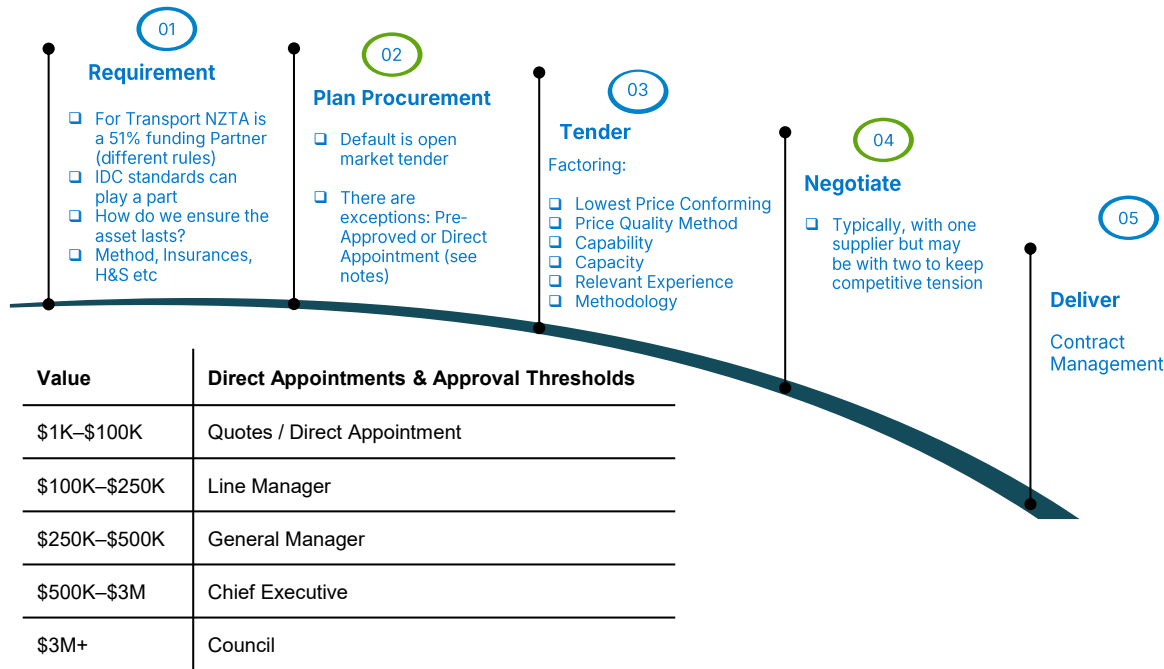


Accuracy of forecast reduces further out

Description	Project Delivery Lifecycle Stage	Expected Level of Design - General	Method & Expected Accuracy	Expected Level of Design – Transport*
Early in the project lifecycle, a High Level Estimate prepared based on limited information and pro-rata similar projects	Pre-Initiate Stage 	Feasibility	High Level Estimate Low +/- 50%	Programme Business Case
Estimate produced by a suitably experienced practitioner, based on unit rates from previous contracts off a high level design	Stage 1: Initiate Stage 	Concept	Initial Estimate Low - Moderate +/- 40%	Indicative Business case, Detailed Business Case & Single Stage Business Case
Estimate produced by a suitably experienced practitioner, based on unit rates from previous contracts based on a design	Stage 2: Project Planning 	Preliminary	Engineers Estimate Moderate +/- 30%	Pre-Implementation 1
QS reviewed engineers estimate prepared by a qualified and experienced (in the specific area) Quantity Surveyor based on a detailed design, schedule and design drawings	Stage 3: Design 	Detailed	Quantity Surveyor Moderate - High +/- 15%	Pre-Implementation 2

TCC: Procurement Processes Explained

Government Procurement 'Rules' are guidelines - TCC policy aligns with this, but it can change its approach when it is beneficial to Council (excl NZTA)

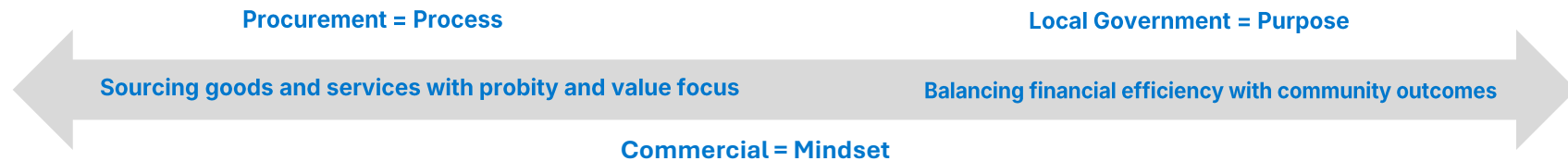


- ❑ Direct Appointments occur where only one supplier can do the work – e.g. for skillset or knowledge purposes
- ❑ Pre-approved panels are not exempt from tenders – it's just that the company, their rates and terms are already vetted. The work may be tendered among those on the panel.
- ❑ Panels are established through open competition.
 - ❑ No need for repeated full procurement processes
 - ❑ Faster engagement of suppliers
 - ❑ Examples: Waters Panels, Professional Services and Physical Works, NZTA low cost, low risk
- ❑ Direct Appointments, Closed Contests, and Panel Engagements follow specific approval pathways.
 - ❑ Lower tiers do not require exemptions but may require email approval
 - ❑ Higher tiers require formal exemptions or Council approval
- ❑ There are no standardised weightings /percentages for tenders with the exception of economic benefit.



Embedding a Value for Money Culture in Council

Local government culture is typically community-oriented and risk-aware, focused on delivering equitable community outcomes within regulatory, political, and budget constraints.



Commercial thinking should compliment apply across all activities – to enable better decision-making and resource allocation - applying market-based, outcome and value-driven thinking. What makes sense here?



LTP costing improvements

Review

- We identified some inconsistency in project estimates and contingencies are used.
- This leads to variability in budget accuracy and reduces confidence.

Key improvements for the 2027-2037 LTP development

- Move from one-off early estimates to continuous stage-gated estimation and approval
- Introduce contingency as either standard (small-large), or workshopped risk-based (large and extra large)
- Shift to ~ P70 budgeting for balance of risk vs affordability
- Apply consistent contingency methods across all projects and programmes
- Aligns with NZTA and AT best practice



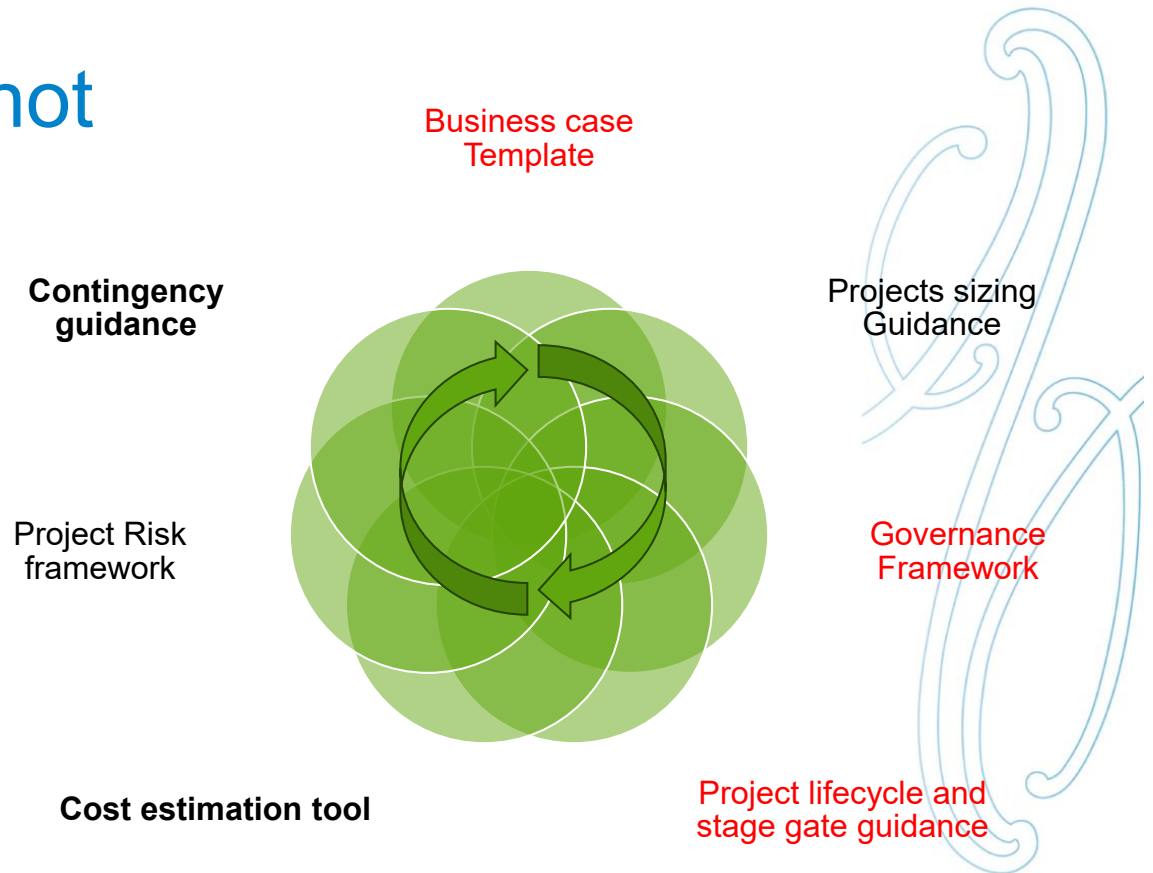
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Once in the LTP, how do we manage projects

Project tools - snapshot

- Staff utilise tools that have been developed to manage project through to completion
- These tools have been recently reviewed or are under review
- **Recently Completed / Under Review**




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Initial Business Case

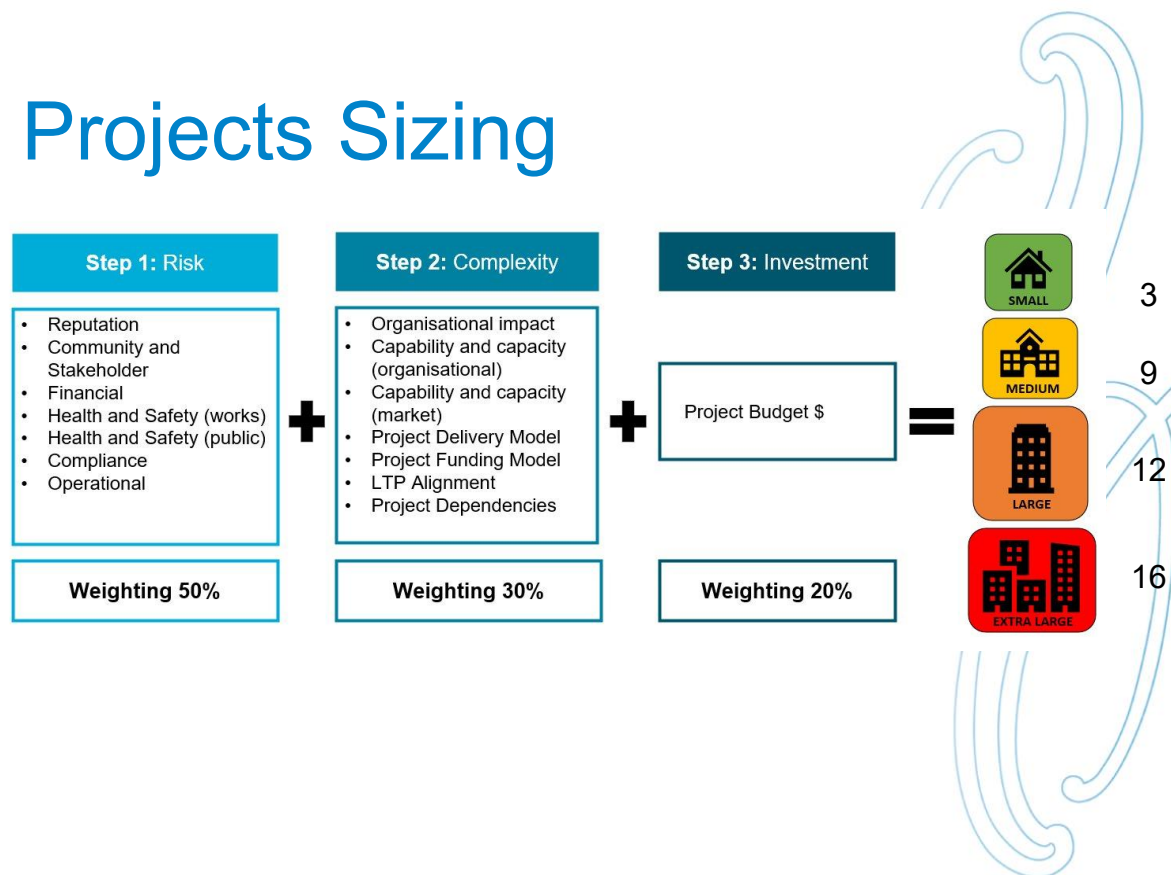
- The IBC is the first formal investment decision point.
 - It answers: “Do we have a valid problem to solve, and is it worth investing further to develop a solution?”
- It provides assurance that:
 - The problem/opportunity is real and evidenced
 - The project aligns with LTP priorities
 - There is strategic merit to proceed
 - It is worth committing time and money to a detailed business case

The 5 Questions – Initial Business Case

1. Is the problem real and evidenced?
 - Clear, specific, data-backed problem
 - “Do nothing” consequences understood
2. Is it aligned to the LTP and council priorities?
 - Linked to LTP, strategies, LOS/compliance
3. Have credible options been considered?
 - Range from do-minimum → capital
 - No early solution bias
4. Is there sufficient confidence in costs, risks, and deliverability?
 - Order-of-magnitude cost + funding view
 - Key risks, dependencies, timing understood
5. Is there a clear case to proceed?
 - Objectives defined
 - Preferred direction identified
 - Clear recommendation & next steps

LTP Project QA – Projects Sizing

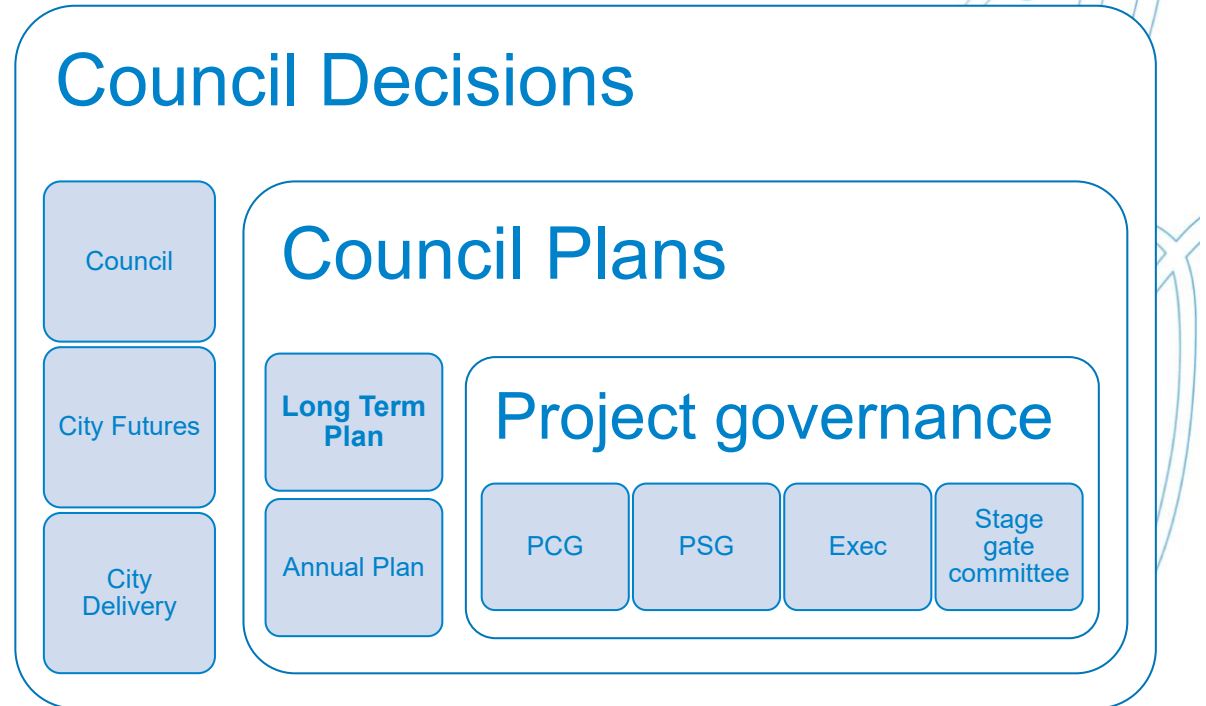
- Project are sized to evaluates projects based on three key **Risk + Complexity + Investment**
- The size determines the project pathway each project takes and the steps required.
- The smaller the project the less steps there are.



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LTP Project QA - Governance

- LTP (10-year) sets strategic direction + funding envelope
- Annual Plan (1-year) translates LTP into committed, deliverable programme
- Council & Committees provide formal decision rights and oversight
- Project Governance ensures projects are delivered within approved scope, cost, and risk
- Reporting loops provide assurance back to elected members to adjust course



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LTP Project QA - Stage Gates

The Stage Gate Review streamlines and unifies how capital projects are managed, bringing the organisation together to deliver stronger community outcomes.

How it works

- Reviews and governs project activities without disrupting existing governance, documentation, or management practices.
- Gives Finance the assurance needed to release funds for each stage.
- Stays collaborative, values-aligned, and centred on community benefit.

What you get

A dedicated team offers independent advice, guidance, and storytelling support, helping prepare for council scrutiny on complex or high-profile projects.

The Stage Gate Review

The Project Manager and Sponsor talk through:

The Story? Business case and benchmark reviewed before starting and/or entry into LTP

What options have been considered?
Optioneering value reviewed through Planning

What's the Key Changes? Assess updates to cost estimates, scope, risks, timeline, and procurement approach- Is the project still delivering to original outcome?

What's Your Plan? Project Management Plan outlining how the project be delivered / resourced

What Are You Building? Scope, design and market engagement are reviewed

Value for Money Check: Market vs budget check in; cost estimate updated including reviewed risks and contingency





Questions and feedback

Zero-Based Budgeting for this LTP

Zero-based budgeting is being used for this LTP to ensure that operating expenditure is, justified and aligned to priorities.

- The approach is to consider “why an initiative should be funded?” rather than what increase is required to deliver what we have delivered in the past?

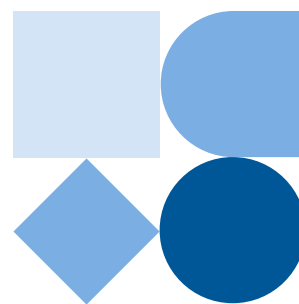
Step 1 - to describe the services offered at sufficient granularity to meaningfully review costs and delivery options and consider who benefits and the impacts of reducing or not doing things.

Step 1 review by GMs or where significant change/ impact review by the Executive.

Step 2 - Build the costs justifying from a zero starting point.

Step 3 - Consider how the expenditure should be paid for.

Step 4 - Prepare budgets for working draft inclusion in IBIS corporate planning system for presentation/ consideration through Council workshops – October/November



Activity name

Zero Base Budgeting Template

Document management

Prepared by:	<i>[Title – Name]</i>
Reviewed by:	<i>[Title – Name]</i>
Approved by:	<i>[Title – Name]</i>
Document number:	A14175333
Version number:	

1 Zero Based Budgeting

Why we are doing this differently?

Local government is under increasing pressure to deliver essential services while limiting rates increases and responding to rising costs.

In this environment, incremental budgeting (adjusting last year's budget) is no longer sufficient. Zero-based budgeting is being used to ensure that operating expenditure is justified and aligned to priorities. The approach is to consider "why an initiative should be funded" rather than what increase is required to deliver what we have delivered in the past.

Senior leaders (SLG) have done most of the work in **Step 1** below in December 2025 as part of achieving budget reductions for the Annual Plan.

A template for SLG to load the zero-based budget commentary along with working draft LTP budgets will be provided by Finance next week. The recommended starting point is the existing cost centres although you may choose to provide greater granularity within these cost centres.

Step 1 – Describe the services offered by your activity and their purpose - Have sufficient granularity i.e., identify all activities required to deliver the service that should meaningfully be reviewed as part of a zero-based budget approach.

Describe:

- What outcomes it delivers (include drivers/relevant metrics e.g. number of consents or call volume?)
- How essential are aspects of the services you provide?
 - Essential services required under legislation or regulation – **definitely**
 - Services that are sensible to provide or are part of delivering essential services **probably**
 - Discretionary or enhanced services - **maybe**
- Who benefits?
- What happens if we reduce, change, defer or stop this work?

Consider whether there are alternative ways of delivering the service?

- Changing service levels or how it is delivered.
- Process improvements or simplification.
- Shared or centralised services.

Note the LTP is based on TCC continuing as a Council after the separation of three waters into a water organisation. You may note what areas may be affected by further reform but do not need to budget for this.

Step 2 – Build the cost from zero

Identify for each activity

- At the level of granularity of **at least** each cost centre expenditure is required to deliver each service (FTE and other costs).
- Include Operating expenditure by major cost categories that appear in your budgets:
 - Employee costs (roles, numbers, capability required)
 - Consultants
 - Repairs & maintenance of assets
 - Other Operating costs
 - Grants
 - Opex flowing through from capital projects (will need to be in commentary on projects driving increased opex)
 - Depreciation
 - Interest

- Other operating costs

Step 3 – How should this expenditure be paid for (funding)

Based on the consideration of who benefits or who causes the costs of a service

Consider how each activity/service or initiative could be funded (rates, user fees, subsidies, allocation of overheads etc.).

Check:

- Alignment with the Revenue and Financing Policy
 - *The Revenue and Financing Policy is being reviewed by Holly Riddell (Corporate Planner and Sumit Oza. Holly and your financial business advisor will be in touch with you to discuss this section.*
- Whether costs are being recovered appropriately
- Whether there is scope to shift funding sources away from rates
- Where services are currently allocated be more granular about the nature of these costs and whether some other form of internal charging or recovery to specific activities may be more appropriate than a general allocation.

Step 4 – Present your recommended budget in the template attached



Memorandum

To: mayor and councillors
Cc: The Executive
From: Rachel Burt, Corporate Planner
Date: 2 July 2026

Subject: Long-term Plan 2027–2037 Performance Measure Review

Purpose

This memo supports the Mayor and Councillors’ workshop discussion on the proposed non-financial performance measure approach for the Long-term Plan (LTP) 2027–2037. The workshop is intended to test whether the proposed measure set provides the right balance between streamlined reporting and sufficient public accountability.

The draft KPI framework proposes reducing activity-level measures from 82 in the LTP 2024–2034 to 54 for the LTP 2027–2037, a net reduction of 28 measures. Targets, baselines and methodologies are not being confirmed at this stage and will be reviewed once the proposed measure set has been tested.

Context and statutory basis

The review responds to direction to reduce and refine the number of LTP KPIs while retaining measures that demonstrate Council’s performance against core levels of service. The minimum baseline for the LTP performance framework is set by the Local Government Act 2002 and associated planning and reporting requirements.

The framework needs to show a clear and auditable line of sight between levels of service, performance measures, targets and reported results. Measures should be relevant, clearly defined, measurable, supported by reasonable and verifiable information, and able to demonstrate whether Council is delivering its intended levels of service.

Measures have been assessed for relevance to levels of service, public usefulness, data availability, Council control or influence, clarity and auditability. Measures are generally proposed for removal where they are operational, have limited public value, duplicate other reporting, rely on weak or unavailable data, or sit outside Council’s direct control.

Activity Managers or their delegates were interviewed on each proposed measure, including its relevance, target appropriateness and whether the measure set could be reduced while maintaining clear public-facing performance information. Interview notes were circulated for review.

Relevant activity owners or their delegates confirmed by email that their draft KPIs had been reviewed. General Managers were then advised of the timeline and asked to consider the proposed changes, with endorsement sought and follow-up undertaken where required.

Targets, baselines and methodologies will be reviewed later, once the proposed measure set has been tested.

Summary	LTP 2024–2034	LTP 2027–2037 draft	Net change
Total activity-level measures	82	54	-28



Key topics for discussion

Topic	Changes
Overall measure set	Reduce activity-level measures from 82 to 54, a net reduction of 28 measures.
City Waters	Remove 21 KPIs from the LTP activity-level set, with these managed through the water services transition workstream.
Mandatory measures	Retain five Department of Internal Affairs mandatory measures, all within Transport.
Resident survey measures	Include 14 proposed measures sourced from the Annual Residents Survey, which is reported in waves throughout the year.
Economic Development	Remove all four current KPIs, with related performance information expected to be reported through Council Controlled Organisation reporting.
Community Development and Partnerships	Reduce from five measures to one measure focused on grant funding awarded to community organisations.
New measures	Add measures for transport hubs, the Historic Village, Tauranga Museum, sports fields and cemeteries.
Targets, baselines and methodologies	Review at a later stage once the proposed measure set has been tested.

Overall, feedback is sought on whether the proposed framework is sufficiently streamlined while still retaining the measures needed to support public accountability, statutory reporting and audit requirements.

Direction sought

- Provide feedback on whether the proposed KPI set provides the right balance between reduced reporting volume and sufficient public accountability.
- Identify any activity areas where measures should be added, retained, removed, or further refined.
- Note that targets, baselines and methodologies will be reviewed at a later stage once the proposed measure set has been tested.

Our direction (outcome) measures

- The current set of outcome measures from the 2024-34 Long-term plan have been included in this pack for completeness.
- As the current strategy stocktake is still being reported back to City Futures Committee a review of these measures has not yet taken place.
- If there is initial feedback at the workshop on these measures, we would welcome this information.
- We would bring back any changes to these in a report to Council on 11 August when the non-financial performance would come for endorsement.

Next steps

- Consider feedback from the workshop and make any required changes to the proposed measure set.
- Refine measure wording and confirm data sources, baselines, targets and methodologies with activity owners.
- Confirm how measures proposed for removal will be treated, including whether any should continue through operational KPIs, CCO reporting, dashboards or other reporting channels.
- Prepare the final proposed KPI set for Council consideration on 11 August.

Attachments:

1. Attachment 1: Draft Activity Group LTP KPI Review.

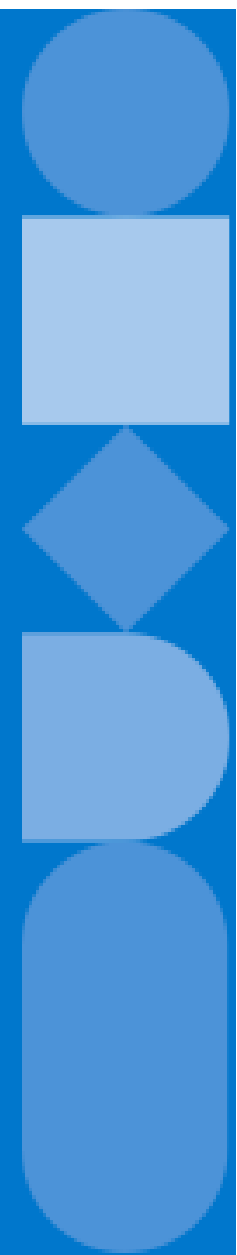




Activity-level performance measure review

LTP 2027 – 2037

Status: DRAFT



Introduction

This document provides a working summary of the proposed performance measures (KPIs) for the Long-term Plan (LTP) 2027–2037.

The minimum baseline for the KPI framework is set by the Local Government Act 2002 and associated planning and reporting requirements. KPIs need to support accountability by showing a clear, auditable line of sight between levels of service, measures, targets and reported results. Audit NZ will look for measures that are relevant, clearly defined, measurable, supported by reasonable and verifiable information, and able to demonstrate whether Council is delivering its intended levels of service. The framework can be streamlined, but must remain robust enough to support delivery, performance reporting and accountability.

This document outlines the proposed measures for each activity, including:

- the level of service they support
- whether the measure is required by the Department of Internal Affairs
- whether the measure is new for the LTP 2027 – 2037.
- proposed targets for years 1–3 and years 4–10. Some targets are still being confirmed and are shown as blank in this pack.
- This summary has been prepared to support your review and help refine the performance framework before we finalise all measures and targets. This is a working draft. Please read it alongside supporting data, and any outstanding decisions on measures or targets.

The summary of proposed KPIs section in this document are organised into the proposed standardised Groups of Activities indicated by Central Government in their proactive cabinet release paper: [Cabinet-material-and-minute-relating-to-Regulations-for-groups-of-activities-for-councils'-planning-and-reporting.pdf](#)

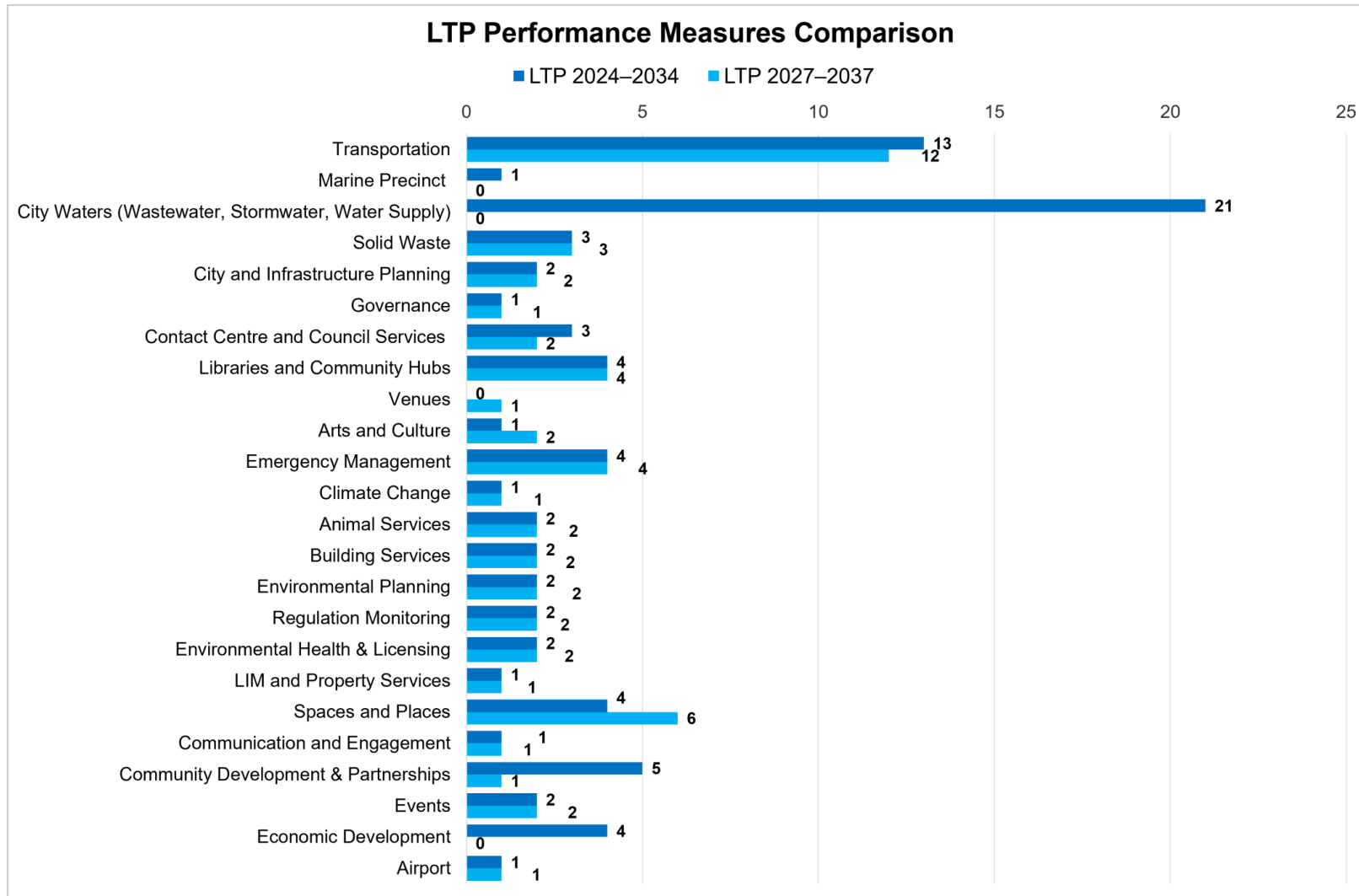
There are a total of 5 Department of Internal Affairs measures included in this pack. These sit within the Transport activity and are identified as [DIA mandatory measure](#) within the Transport activity measures.

There are a total of 14 measures sourced from the Annual Residents Survey, which is reported in waves throughout the year. These measures are identified as [Source: Annual Residents Survey](#) within the relevant activity measures.

The total number of measures has reduced from 82 in the LTP 2024–2034 to 54 proposed measures for the LTP 2027–2037. This reduction excludes City Waters KPIs. The chart on the next page shows how the number of measures has changed across activity groups between LTPs.

High-level summary of changes:

Summary of changes	LTP 2024–2034	LTP 2027–2037	Net Change
Total Measures	82	54	-28



Summary of proposed KPIs

Roading and Transportation

Activity	Level of Service	Performance Measures	DIA mandatory measure	New measure	Targets			
					27/28	28/29	29/30	31–37
Transportation	We will provide a well-maintained and fit-for-purpose road and footpath network, and well-utilised and available city centre parking	Average weekday off-street parking occupancy rate						
Transportation	We will provide a well-maintained and fit-for-purpose road and footpath network, and well-utilised and available city centre parking	Average weekday city centre on-street parking occupancy rate						
Transportation	We will provide an efficient transport network, minimising all-day congestion	Travel time reliability of motor vehicles across key parts of the local transport network						
Transportation	We will provide an efficient transport network, minimising all-day congestion	Travel time delay of motor vehicles across key parts of the local transport network						
Transportation	We will promote safe and sustainable transport options and support walking/cycling programmes	The proportion of people who journey to work by active modes (walking/jogging/cycling) Source: Annual Residents Survey						
Transportation	We will promote safe and sustainable transport options and support walking/cycling programmes	Percentage of public transport users satisfied with their overall pre and post-journey experience (footpaths, shelters, lighting, clear information)		Yes				

3

Activity	Level of Service	Performance Measures	DIA mandatory measure	New measure	Targets			
					27/28	28/29	29/30	31-37
		Source Annual Residents Survey, new question						
Transportation	We will promote safe and sustainable transport options and support walking/cycling programmes.	Number of people participating in walking, cycling and road safety programmes and initiatives						
Transportation	We will provide a transport network that is safe to use	The change from the previous year in the number of deaths and serious injury crashes on the local road network expressed as a number DIA Mandatory Measure	Yes					
Transportation	We will provide a well-maintained and fit-for-purpose road and footpath network, and well-utilised and available city centre parking	Average quality of ride of the sealed road network as measured by Smooth Travel Exposure e.g. percentage of smooth travel exposure DIA mandatory measure	Yes					
Transportation	We will provide a well-maintained and fit-for-purpose road and footpath network, and well-utilised and available city centre parking	Percentage of footpaths that fall within the level of service standard for the condition of footpaths set out in the asset management plan (less than or equal to 1.5m of grade 4 or 5 faults per km of footpath) DIA mandatory measure	Yes					

4

Activity	Level of Service	Performance Measures	DIA mandatory measure	New measure	Targets			
					27/28	28/29	29/30	31-37
Transportation	We will provide a well-maintained and fit-for-purpose road and footpath network, and well-utilised and available city centre parking	The percentage of customer service requests relating to roads and footpaths responded to within 7 calendar days DIA mandatory measure	Yes					
Transportation	We will provide a well-maintained and fit-for-purpose road and footpath network, and well-utilised and available city centre parking	The percentage of the sealed local road network that is resurfaced DIA mandatory measure	Yes					
Airport	We will provide airport customers with fit-for-purpose airport	Percentage of the time airport operational infrastructure is available (safe and fully compliant with CAA regulations)	No	No	99%	99%	99%	99%

Waste management and minimisation

Activity	Level of Service	Performance Measures	DIA mandatory measure	New Measure	Targets			
					27/28	28/29	29/30	31-37
Solid Waste	We will provide collection services supported by change that lead to a reduction in waste sent to landfill	Percentage of residents that are neutral or satisfied with Council’s waste collection services <i>Source: Annual Residents Survey</i>	No	No				
Solid Waste	We will provide a waste transfer station that provides opportunities to reduce waste sent to landfill.	Tonnes of waste processed at Te Transfer Station and disposed to landfill	No	No				
Solid Waste	We will provide collection services supported by behavior change programmes that lead to a reduction in waste sent to landfill	Annual per capita household kerbside waste volumes disposed to landfill	No	No				

Governance, planning and reporting

Activity	Level of Service	Performance Measures	DIA mandat ory measur e	New meas ure	Targets			
					27/28	28/29	29/30	31-37
City and Infrastructure Planning	We will deliver and monitor a planning framework for the city that provides sufficient development capacity to accommodate ongoing growth.	There will be sufficient (as defined in the National Policy Statement on Urban Development) residential zoned land provided with development capacity for at least: 1) 3 years 2) 10 years 3) 30 years	No	No	Not achieved	Not achieved	Not achieved	Achieved
City and Infrastructure Planning	We will deliver and monitor a planning framework for the city that provides sufficient development capacity to accommodate ongoing growth.	There will be sufficient (as defined in the National Policy Statement on Urban Development) business zoned land provided with development capacity for at least: 1) 3 years 2) 10 years 3) 30 years	No	No	Progressing	Progressing	Achieved	Achieved
Governance	We will make decisions in the best interests of the city	Percentage of residents who are satisfied or neutral that the Council makes decisions in the best interests of the city <i>Source: Annual Residents Survey</i>	No	No	≥50%	Increasing	Increasing	Increasing

Community and recreational facilities

Activity	Level of Service	Performance Measures	DIA mandatory measure	New measure	Targets			
					27/28	28/29	29/30	31–37
Libraries & Community Hubs	Library spaces are community hubs for place making in the city centre and neighborhood centres	Percentage of residents satisfied with library services <i>Source: Annual Residents Survey</i>	No	No	85%	85%	85%	85%
Libraries & Community Hubs	Library spaces are community hubs for place making in the city centre and neighborhood centres	Visits to all council libraries	No	No	800,000	Increasing	Increasing	Increasing
Libraries & Community Hubs	We will provide programmes, events and learning opportunities that build skills and connect our community	Number of participants in all programmes	No	No	25,000	Increasing	Increasing	Increasing
Libraries & Community Hubs	We will provide digital resources for information, reading, and recreation	Total number of virtual visits	No	No	1,100,000	Increasing	Increasing	Increasing
Contact Centre and Council Services	We will provide a service centre and a 24/7 contact centre to respond to enquiries by multiple access channels where customers can make enquiries and request information	Percentage of phone enquiries that are resolved at the first point of contact	No	No	85%	85%	85%	85%
Contact Centre and Council Services	We will provide a service centre and a 24/7 contact centre to respond to enquiries by multiple access channels where customers can make enquiries and request information	Contact Centre Customer Satisfaction/ Quality measure	No	No				

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Activity	Level of Service	Performance Measures	DIA mandatory measure	New measure	Targets			
					27/28	28/29	29/30	31–37
Venues	The Historic Village provides a vibrant, accessible destination that attracts residents and visitors and supports community connection, events, culture, and local business activity	Annual number of visitors entering the Historic Village through monitored entry points (foot count)	No	Yes	260,000	275,000	290,000	Increasing
Arts and Culture	We will facilitate, support, and advocate for the arts, culture and heritage in Tauranga	Patronage at the Tauranga Museum	No	Yes	0	125,000	302,472	Increasing
Arts and Culture	We will facilitate, support, and advocate for the arts, culture and heritage in Tauranga	Percentage of residents satisfied or neutral that Tauranga has a rich and diverse arts scene, culture, and heritage <i>Source: Annual Residents Survey</i>	No	No	60%	60%	65%	75%

Adaptation and emergency management

Activity	Level of Service	Performance Measures	DIA mandatory measure	New measure	Targets			
					27/28	28/29	29/30	31–37
Emergency Management	We will provide an Emergency Operations Centre (EOC) to ensure an effective emergency response	Number of training activities, exercises conducted and activations	No	No	9	9	9	9
Emergency Management	We will provide an Emergency Operations Centre (EOC) to ensure an effective emergency response	Percentage of EOC positions filled	No	No	100%	100%	100%	100%
Emergency Management	We will provide an Emergency Operations Centre (EOC) to ensure an effective emergency response	Percentage of EOC staff adequately trained	No	No	≥80%	≥80%	≥80%	≥80%
Emergency Management	We will provide community education initiatives to increase public awareness and preparedness	Percentage of residents that know they need to be self-reliant in the event of a major civil defence emergency <i>Source: Annual Residents Survey</i>	No	No	82%	82%	82%	82%
Climate Change	We will do our part in limiting global warming and reach net zero greenhouse gas emissions by 2050.	Percentage of Tauranga City Council's scopes 1 & 2 emissions reduced (compared to 2019 base year levels)	No	No	37.8%	42.0%	46.2%	75.6%

Public regulatory services

Activity	Level of Service	Performance Measures	DIA mandatory measure	New measure	Targets			
					27/28	28/29	29/30	31–37
Animal Services	We will provide a prompt response to animal behavioral issues	Percentage of animal complaints involving a rush or attack on a person contacted within 60 minutes where there is an ongoing risk to safety	No	No	95%	95%	95%	95%
Animal Services	We will provide an effective dog registration process that supports a safe community	Percentage of known dogs that are registered	No	No	95%	95%	95%	95%
Building Services	We will provide technical advice and consent decisions within statutory timeframes	Percentage of building consent applications approved within statutory timeframes	No	No	95%	95%	95%	95%
Building Services	We will provide timely building inspections.	Average minimum wait time for a standard building inspection	No	No	≤4 days	≤4 days	≤4 days	≤4 days
Environmental Planning	We will provide a noise control service to ensure community wellbeing is protected from excessive and unreasonable noise	Percentage of noise complaints that are attended to within 1 hour of the second call to the Customer Service Centre	No	No	95%	95%	95%	95%
Environmental Planning	We will meet the community's expectations through making professional regulatory decisions.	Percentage of new resource consent applications processed within statutory timeframes	No	No	95%	95%	95%	95%
Regulation Monitoring	We will monitor the Freedom Camping Bylaw	Freedom camping bylaw patrol completion rate	No	No	95%	95%	95%	95%

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Activity	Level of Service	Performance Measures	DIA mandatory measure	New measure	Targets			
					27/28	28/29	29/30	31-37
	and provide education and enforcement where appropriate	a) Daily patrols of key designated and prohibited freedom camping sites from Nov- April b) Patrol same sites 4 nights a week from May – Oct						
Regulation Monitoring	We will monitor traffic and parking bylaw and related legislation, taking an education approach to raise awareness in the community, or enforcement where appropriate	Percentage of parking complaints responded to within 24 hours	No	No	95%	95%	95%	95%
Environmental Health & Licensing	We will inspect alcohol-licenced premises and conduct enforcement as appropriate	Percentage of venues with alcohol licenses that have been inspected	No	No	95%	95%	95%	95%
Environmental Health & Licensing	We will verify registered food premises and conduct enforcement as appropriate	Percentage of food premises that have been verified as required by the Food Act 2014	No	No	95%	95%	95%	95%
LIM & Property Services	We will provide quality and timely information relating to land and property information held by council	Percentage of Land Information Memoranda provided within the 10-day statutory timeframe	No	No	90%	90%	90%	90%

Parks and reserves

Activity	Level of Service	Performance Measures	DIA mandatory measure	New measure	Targets			
					27/28	28/29	29/30	31-37
Spaces and Places	We will value, protect, and enhance our environment	Percentage of vegetation canopy cover in Tauranga	No	No	≥18-19%	≥18-19%	≥18-19%	≥21-25%
Spaces and Places	We will value, protect, and enhance our environment	Percentage of residents satisfied or neutral with the opportunities to access and experience nature in Tauranga <i>Source: Annual Residents Survey</i>	No	No	75%	75%	75%	75%
Spaces and Places	We will provide a network of open spaces, parks, and play spaces	Percentage of residential households that are within 500m of a neighborhood area open space	No	No	95%	95%	95%	95%
Spaces and Places	We will provide a network of open spaces, parks, and play spaces	Percentage of residents satisfied or neutral with the quality and experiences offered by Tauranga's open spaces, parks, and play spaces <i>Source: Annual Residents Survey</i>	No	No	85%	85%	85%	85%
Spaces and Places	We will provide a network of open spaces, parks, and play spaces	Percentage of residents satisfied or neutral with the quality of Tauranga's sports fields	No	Yes				

Activity	Level of Service	Performance Measures	DIA mandatory measure	New measure	Targets			
					27/28	28/29	29/30	31-37
		Source: Annual Residents Survey						
Spaces and Places	We will provide a network of open spaces, parks, and play spaces	Percentage of residents satisfied with the look and feel of cemeteries in Tauranga Source: Annual Residents Survey	No	Yes	76%	77%	77%	76-78%

Other

Activity	Level of Service	Performance Measures	DIA mandatory measure	New measure	Targets			
					27/28	28/29	29/30	31-37
Communications and Engagement	We will consult and engage with the community	Percentage of residents who are satisfied or neutral with the efforts of the Council in consulting and engaging directly with the community <i>Source: Annual Residents Survey</i>	No	No	Increasing	Increasing	Increasing	Increasing
Community Development & Partnerships	We will facilitate social outcomes by working with other organisations, and coordinate approaches to enable community-led initiatives and community capacity building	Percentage of available grant funding awarded to community organisations	No	No	>97%	>97%	>97%	>97%
Events	We will deliver, support, and advocate for events in Tauranga	Percentage of residents satisfied with the range and frequency of event experiences in Tauranga <i>Source: Annual Residents Survey</i>	No	No	75%	75%	75%	75%
Events	We will provide a network of arts, cultural, and events spaces in Tauranga	Percentage of residents satisfied with the accessibility and quality of Tauranga's arts, cultural, and events spaces. <i>Source: Annual Residents Survey</i>	No	No	75%	75%	75%	75%

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Activity	Level of Service	Performance Measures	DIA mandatory measure	New measure	Targets			
					27/28	28/29	29/30	31-37

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Outcome Measures Review

The strategic measures give an indication of how we are contributing to the vision for Tauranga, by delivering on Our Direction (our community outcomes and approaches).

The following table provides a list of outcome measures from the LTP 2024–2034. As these come from the strategies which have recently been reviewed in the strategy stocktake no review has been carried out on these until the stocktake is complete.

#	Outcome LTP24-34	Success looks like	Outcome Measure	Trend	Data source
ODM01	Tauranga Matarauui - Inclusive City	Wellbeing: thriving people, thriving whanau, thriving communities.	Whānau wellbeing, residents who rate their family as doing well (satisfaction levels through Vital Update – broken down by demographics).	Increasing	Vital Update
ODM02	Tauranga Matarauui - Inclusive City	Wellbeing: thriving people, thriving whanau, thriving communities.	Housing metrics (dwellings consented, code of compliance issued).	Increasing	SmartGrowth Development Trends Report, TCC Building Services Statistics (A6715839)
ODM03	Tauranga Matarauui - Inclusive City	Access.	All Tauranga City Council new builds and refurbishments of places and spaces embedded with universal design at the start of the planning process and implemented throughout to the completed project.	Increasing	Physical audit of spaces and places

#	Outcome LTP24-34	Success looks like	Outcome Measure	Trend	Data source
ODM04	Tauranga Matarauui - Inclusive City	Access.	Residents feel they can access all the information they need so they can fully participate in society, in the way that best suits their needs.	Increasing	Annual Residents Survey
ODM05	Tauranga Matarauui - Inclusive City	Inclusion and Diversity	Mana whenua are meaningfully engaged with from the outset of planning and design of key places and spaces, with Tauranga Moana Design Principles embedded throughout.	Increasing	Tauranga City Council, CARTA
ODM06	Tauranga Matarauui - Inclusive City	Inclusion and Diversity	Delivery on our commitment as an accredited Welcoming Community will ensure that residents and newcomers alike feel that they are welcomed, included, and celebrated in Tauranga	Increasing	Vital Update
ODM07	Tauranga Matarauui - Inclusive City	Inclusion and Diversity	Cultural Connections Programme metrics (increased contact with organisations, partners and the wider community)	Increasing	Te Pou Takawaenga
ODM08	Tauranga Matarauui - Inclusive City	Safe Communities	Residents rate their feelings of personal safety as safe or very safe.	Increasing	Annual Residents Survey
ODM09	Tauranga Matarauui - Inclusive City	Safe Communities	Drowning education metrics (Measure of people engaged in water safety and 'learn to swim' programmes)	Increasing	Bay Swim, Aquatic Survival Skills Trust
ODM10	Tauranga Matarauui - Inclusive City	Strong Neighbourhoods and Liveable Communities	Strongly agree or agree feeling a sense of community in their local neighbourhood.	Increasing	Quality of Life

#	Outcome LTP24-34	Success looks like	Outcome Measure	Trend	Data source
ODM11	Tauranga Matarauuni - Inclusive City	Strong Neighbourhoods and Liveable Communities	Residents feel they can access the services they need within their local community.	Increasing	Vital Update
ODM12	Tauranga Taurikura - Environment	Thriving nature and biodiversity at the heart of our communities.	An increase the proportion of native vegetation cover in urban areas and across the city, increasing from the current 3% to 10% over time.	Increasing	Nature and Biodiversity Action & Investment Plan
ODM13	Tauranga Taurikura - Environment	Thriving nature and biodiversity at the heart of our communities.	An increase in overall (indigenous and exotic) tree or urban forest canopy cover over time, targeting an overall 30% canopy cover for the city.	Increasing	Tauranga City Council - Community Services - Spaces and Places - Environment
ODM14	Tauranga Taurikura - Environment	Thriving nature and biodiversity at the heart of our communities.	Residents rate their satisfaction with opportunities to access and experience nature in Tauranga as high or improving.	Increasing	Annual Residents Survey
ODM15	Tauranga Taurikura - Environment	Tauranga is a low emissions and climate resilient city	Tauranga's greenhouse gas (GHG) emissions per capita are reducing, working towards reductions in line with New Zealand's GHG emissions targets	Decreasing	Tauranga Community Carbon Footprint (AECOM), Local Emissions Data Platform
ODM16	Tauranga Taurikura - Environment	Tauranga is a low emissions and climate resilient city	Value of TCC assets assessed as having climate or natural hazards risk during the past five years that have adaptation measures in place where required	Decreasing	Infrastructure Resilience Spreadsheet (A12673295)

#	Outcome LTP24-34	Success looks like	Outcome Measure	Trend	Data source
ODM17	Tauranga Taurikura - Environment	Tauranga is a low emissions and climate resilient city	An increasing percentage of Tauranga's communities (people or groups) are engaged with climate change actions	Increasing	Quality of Life
ODM18	Tauranga Taurikura - Environment	Tauranga is a water sensitive city	Decrease in numbers of dwellings in floodplains and overland flow paths over time (creating more greenspace for water and for nature).	Decreasing	TCC GIS Mapping
ODM19	Tauranga Taurikura - Environment	Tauranga is a water sensitive city	The percentage of residents who are aware of ways they can conserve water, and have taken steps to do so, increases over time	Increasing	Annual Residents Survey
ODM20	Tauranga Taurikura - Environment	Tauranga is a water sensitive city	Average daily consumption per capita of drinking water across all uses (residential, commercial industrial) reduces over time.	Decreasing	Tauranga Water Conservation Project
ODM21	Tauranga Taurikura - Environment	Tauranga values resources in a circular economy	Waste to landfill from our kerbside collection service, and from Te Maunga Resource Recovery Park, reduces over time.	Decreasing	WMMP Actions
ODM22	Tauranga Taurikura - Environment	Tauranga values resources in a circular economy	Organic waste to landfill reduces over time.	Decreasing	WMMP Actions, SWAP
ODM23	Tauranga Taurikura - Environment	Tauranga values resources in a circular economy	Recycling rates of construction and demolition waste improves over time.	Increasing	WMMP Actions

#	Outcome LTP24-34	Success looks like	Outcome Measure	Trend	Data source
ODM24	Tauranga Taurikura - Environment	Our built environment supports the wellbeing of our natural environment	Council processes and plans formally consider the wellbeing of the natural environment as part of built environment decision-making processes.	Increasing	TCC processes
ODM25	Tauranga Taurikura - Environment	Our built environment supports the wellbeing of our natural environment	The Urban Design Panel includes sustainability skills and considerations, including biophilic principles.	Achieved	Urban Design Panel
ODM26	Tauranga Taitai Whenua - Well Planned	Housing - we have enough housing with a variety of types, tenures, and price points, together with development ready land, to meet the needs of our communities now and in the future.	Housing affordability index	Improving	Infometrics
ODM27	Tauranga Taitai Whenua - Well Planned	Housing - we have enough housing with a variety of types, tenures, and price points, together with development ready land, to meet the needs of our communities now and in the future.	Improving perceptions of affordable housing.	Increasing	Quality of Life
ODM28	Tauranga Taitai Whenua - Well Planned	Housing - we have enough housing with a variety of types, tenures, and price points, together with development ready land, to meet the needs of our communities now and in the future.	Increase in intensification and urban densities, including an additional 2,000 homes in Te Papa and surrounding urban areas by 2031.	Increasing	SmartGrowth: Development Trends Technical Report

#	Outcome LTP24-34	Success looks like	Outcome Measure	Trend	Data source
ODM29	Tauranga Taitai Whenua - Well Planned	City centre – our city centre is vibrant and welcoming, and we have neighbourhoods that are liveable, unique, and connected, with urban form and design that facilitates safe, healthy, and active lifestyles.	Resident satisfaction with the city centre as the commercial and cultural heart of Tauranga.	Increasing	Annual Residents Survey
ODM30	Tauranga Taitai Whenua - Well Planned	Places for culture and storytelling - our unique Māori and Pakeha history is embodied in the design of our city, with Tangata Whenua partnerships an integral part of this process.	Residents who say they have some or lots of knowledge of Tauranga's history.	Increasing	Annual Residents Survey
ODM31	Tauranga Taitai Whenua - Well Planned	Resilient urban design and infrastructure – our neighbourhoods and infrastructure are well designed and built to last, protecting people from the impacts of climate change and natural hazards.	Developments that have incorporated Tauranga Urban Design Panel recommendations as part of their planning and consent processes.	Increasing	Development Engineering Team
ODM32	Tauranga Ara Rau - Move Around Easily	All of our communities have reliable, safe and efficient access to services, jobs, education and recreation.	Jobs accessible within a 15–30-minute morning commute by public transport	Increasing	WBOP TSP
ODM33	Tauranga Ara Rau - Move Around Easily	All of our communities have reliable, safe and efficient	Decreasing rates of death and injury: from vehicle collisions; and to people	Decreasing	NZTA CAS data

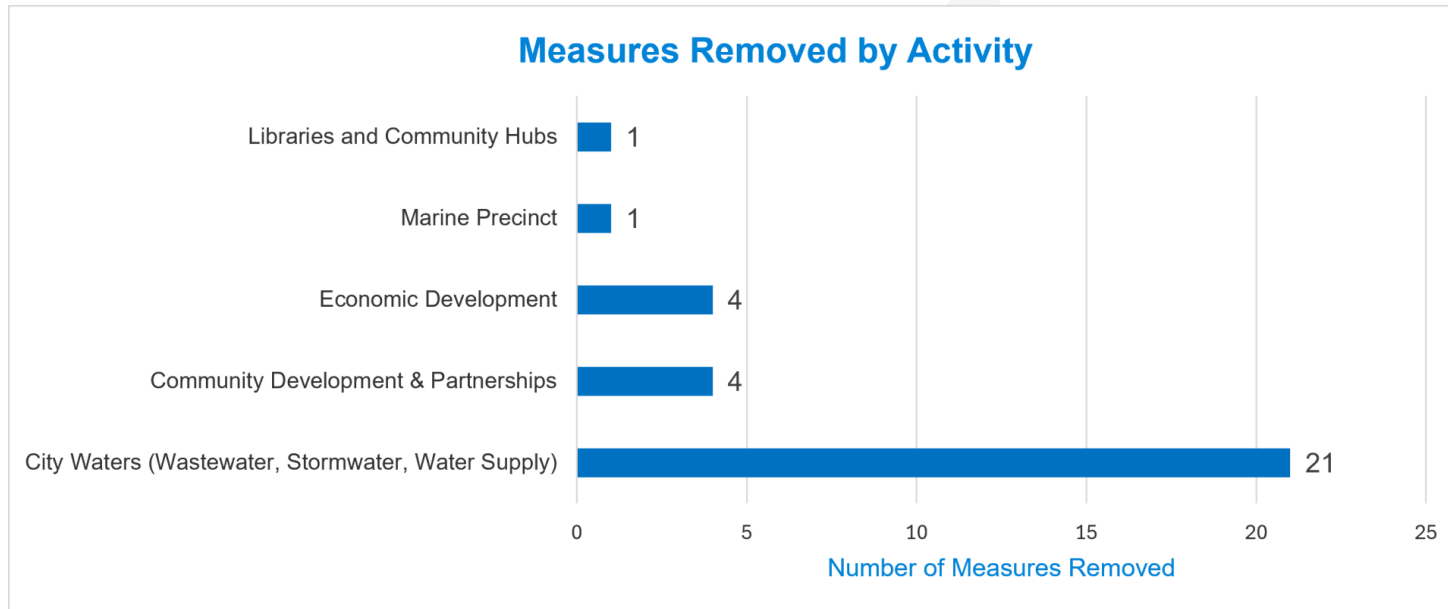
#	Outcome LTP24-34	Success looks like	Outcome Measure	Trend	Data source
		access to services, jobs, education and recreation.	using active transport modes (such as cyclists and pedestrians).		
ODM34	Tauranga Ara Rau - Move Around Easily	All of our communities are well served by a range of transport options, with sustainable options such as public transport, walkways, cycleways and low- emission vehicle use being prioritised.	Active transport uptake = Increasing use of active travel modes (such as walking and cycling) and decreasing use of private vehicles.	Increasing	Annual Residents Survey
ODM35	Tauranga Ara Rau - Move Around Easily	All of our communities are well served by a range of transport options, with sustainable options such as public transport, walkways, cycleways and low- emission vehicle use being prioritised.	Public transport uptake = Increasing number of trips on and access to public transport	Increasing	Quality of Life
ODM36	Tauranga Ara Rau - Move Around Easily	Low carbon transport modes and alternative energy sources have dramatically reduced transport emissions and the use of fossil fuels.	Decreasing per capita transport-related carbon emissions.	Decreasing	Tauranga Community Carbon Footprint (AECOM), Local Emissions Data Platform
ODM37	Tauranga Ara Rau - Move Around Easily	Commercial sectors (including the Port of Tauranga) are supported by a transport system that allows for easy movement of people and freight.	Travel time variability for freight movements on key commercial routes (between Tauriko business estate and the Port, and between Rangiuuru business estate and the Port).	Decreasing	TCC Transport Team

#	Outcome LTP24-34	Success looks like	Outcome Measure	Trend	Data source
ODM38	Tauranga a te kura - Business & Education	Our city centre is strong and vibrant, acting as commercial, educational and activities hub for the region.	Residents' perceptions of Tauranga as a business and visitor destination.	Increasing	Annual Residents Survey
ODM39	Tauranga a te kura - Business & Education	We are known as a university city, with strong links between tertiary education, research and development, new business, and employment opportunities.	Number of tertiary students.	Increasing	University of Waikato, Toi Ohomai
ODM40	Tauranga a te kura - Business & Education	We have a high wage economy with quality locally based jobs and easily accessible employment centres.	Unemployment rate.	Below national rate	Infometrics
ODM41	Tauranga a te kura - Business & Education	We have a high wage economy with quality locally based jobs and easily accessible employment centres.	Job creation.	Increasing	Infometrics
ODM42	Tauranga a te kura - Business & Education	We have a high wage economy with quality locally based jobs and easily accessible employment centres.	Mean annual earnings rises to the New Zealand average by 2035.	Increasing	Infometrics
ODM43	Tauranga a te kura - Business & Education	We have a high wage economy with quality locally based jobs and easily accessible employment centres.	Knowledge-intensive employment levels rise to levels equivalent to other major New Zealand cities.	Increasing	Infometrics

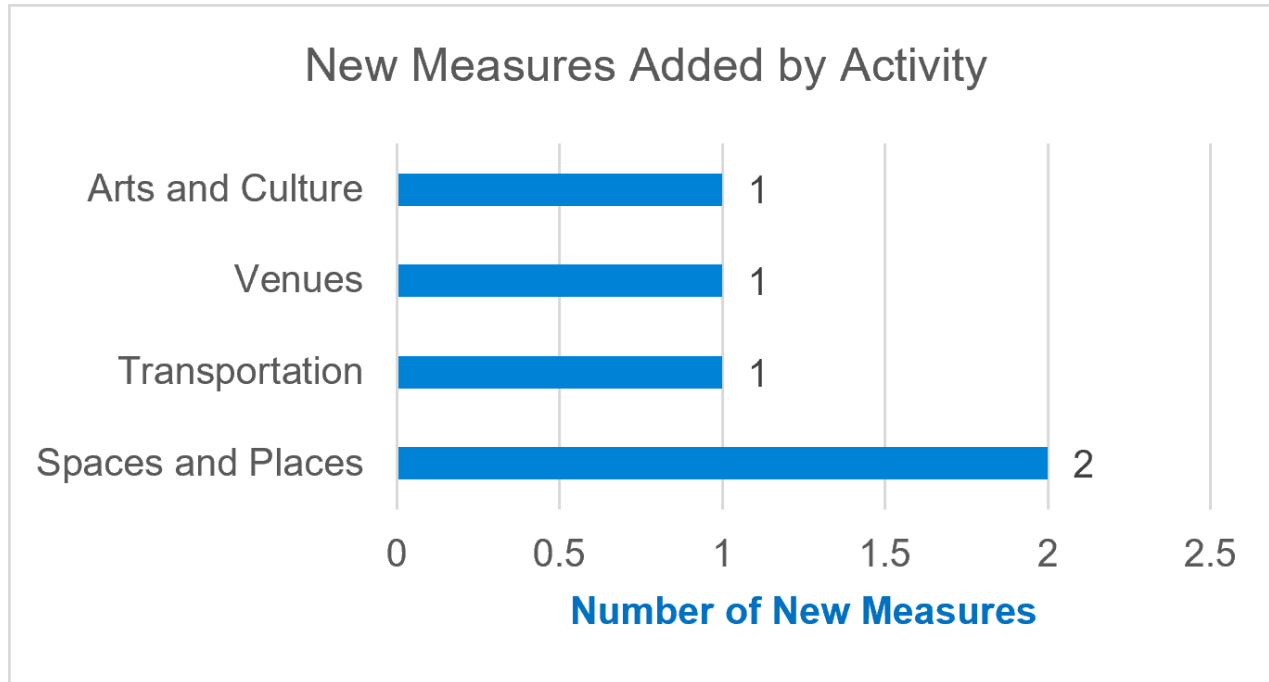
#	Outcome LTP24-34	Success looks like	Outcome Measure	Trend	Data source
ODM44	Tauranga a te kura - Business & Education	We have a sustainable visitor economy, which celebrates our history and culture and attracts visitors year-round.	Visitor spend (Visitor-spend is distributed more evenly across the year.)	Increasing	Marketview Data
ODM45	Tauranga a te kura - Business & Education	Business, employment and educational opportunities are accessible for everyone, with Māori education and employment outcomes equal to that of non-Māori	Educational attainment levels of our people, including rangatahi Māori, rise to levels equivalent to other major New Zealand cities.	Increasing	Census
ODM46	Te Ao Māori Approach	We better reflect the communities we serve and we are better skilled to work in partnership with iwi and hapū across the organisation.	Increased cultural capability to partner with iwi and hapū.	Increasing	Te Pou Takawaenga
ODM47	Te Ao Māori Approach	We develop a culture that brings our Commitment to Te Ao Māori alive in the organisation.	Staff apply a Te Ao Māori lens across their work and decision making.	Increasing	Te Pou Takawaenga
ODM48	Sustainability Approach	TCC is an inclusive and equitable organisation with a value chain reflecting the diverse mix and needs of Tauranga's communities.	At least 5% of the value of all influenceable spend awarded to Māori and Pasifika businesses.	Increasing	Procurement Team
ODM49	Sustainability Approach	Employees have the right skills, knowledge, and capabilities to enable TCC to navigate our transition to a sustainable future.	% of staff that have completed sustainability training	Increasing	Climate & Sustainability Team

#	Outcome LTP24-34	Success looks like	Outcome Measure	Trend	Data source
ODM50	Working Beyond Tauranga Approach	Growth councils work together to ensure that Central Government understands the particular challenges faced by growth councils, and the role Central Government can play towards solutions.	Increased Central Government recognition of issues faced by growth councils (including recognition of and response to investment / funding challenges).	Increasing	TCC Executive
ODM51	Working Beyond Tauranga Approach	To support Tauranga's city centre to act as a focal point for the region, through encouragement, support, creating linkages and investment where needed and appropriate.	In the city centre, increases in: <ul style="list-style-type: none"> - Footfall - Residential offering - Commercial activity - Recognition as a 'centre for the Bay of Plenty region' - Scale of 'regional offering' 	Increasing	TTOC Multi-Modal Camera Data, TCC Rating Database, Infometrics Regional Profile, Annual Residents Survey.
ODM52	Working Beyond Tauranga Approach	Tauranga's city centre is a focal point for the region, through encouragement, support, creating linkages and investment where needed and appropriate.	Increase in economic impact for the city and sub-region.	Increasing	Infometrics
ODM53	Working Beyond Tauranga Approach	Tauranga's communities are well informed about and supported through any changes resulting from the current 'future of local government' review process.	Our communities feel well informed about and supported through any changes resulting from reform processes that impact local government.	Increasing	Community Relations

Appendix 1 - measures removed



Appendix 2 - new measures added



Transportation decreases from 13 KPIs in the LTP 2024–2034 to 12 proposed KPIs in the LTP 2027–2037. This reflects two KPIs being removed and one new KPI being added, resulting in a net decrease of one KPI.

Appendix 3 – text summary of measures by all

Activity	LTP 2024–2034	LTP 2027–2037	Change	Notes
Transportation	13	12	-1	New measure for Transport Hubs.
Marine Precinct	1	0	-1	No longer controlled by council
City Waters (Wastewater, Stormwater, Water Supply)	21	0	-21	Moved to waters entity.
Community Development & Partnerships	5	1	-4	Four measures proposed for removal, leaving the grant funding measure for 2027–2037.
Economic Development	4	0	-4	All four measures proposed for removal; this would leave Economic Development with no KPIs for 2027–2037.
Libraries and Community Hubs	4	4	0	
Contact Centre and Council Services	3	2	-1	One moved to Regulatory and Compliance
Spaces and Places	4	6	+2	Two new resident satisfaction measures added for sports fields and cemeteries; canopy cover reporting clarified.
Arts and Culture	1	2	+1	New Tauranga Museum patronage measure added.
Venues	0	1	+1	Historic Village visitor patronage measure added.
Solid Waste	3	3	0	
City and Infrastructure Planning	2	2	0	
Governance	1	1	0	
Emergency Management	4	4	0	
Climate Change	1	1	0	

Animal Services	2	2	0
Building Services	2	2	0
Environmental Planning	2	2	0
Regulation Monitoring	2	2	0
Environmental Health & Licensing	2	2	0
LIM and Property Services	1	1	0
Communication and Engagement	1	1	0
Events	2	2	0
Airport	1	1	0

Summary changes	LTP 2024–2034	LTP 2027–2037	Net Change
Total Measures	82	54	-28
Activities with Increases			3
Activities with Decreases			6
Activities with No Change			15

Transportation decreases from 13 KPIs in the LTP 2024–2034 to 12 proposed KPIs in the LTP 2027–2037. This reflects two KPIs being removed and one new KPI being added, resulting in a net decrease of one KPI.



Activity-level Performance Measure Review

Workshop 3 – LTP 2027-2037

Tauranga City Council | 2 July 2026

Purpose & Scope

Why we are here today

- Review the proposed performance measures (KPIs) for the LTP 2027–2037
- Confirm the measures and targets are right — do we have this right?
- Test which measures to keep, change, add or remove
- Help refine the performance framework before measures and targets are finalised.

What we are **NOT** covering today

- City Waters KPIs (wastewater, stormwater, water supply)
- Final targets still being confirmed — shown blank in this pack

Direction

We received informal direction to reduce the number of KPIs we have in the LTP. The next few slides talk through this.

Why we have KPIs — the legislation

- ✓ **Local Government Act 2002** — requires performance measures and reporting in the Long-term Plan
- ✓ **Non-Financial Performance Measures Rules 2024** — mandatory DIA measures for core services
- ✓ **PBE FRS 48 Service Performance Reporting** — audited service performance reported each year

What's in the pack — how to read each measure

- ✓ Activity and the level of service each measure supports
- ✓ The performance measure (KPI) being proposed
- ✓ Whether it is a Department of Internal Affairs (DIA) required measure
- ✓ Whether the measure is new for the LTP 2027–2037
- ✓ Proposed targets for years 1–3 (27/28, 28/29, 29/30)
- ✓ Proposed targets for years 4–10 (31–37)
- ✓ Some targets are still being confirmed and show as blank in this pack
- ✓ DIA and Annual Residents Survey sources are flagged in the tables

Key changes at a glance

- Total measures reduced from 82 (LTP 2024–2034) to 54 proposed (LTP 2027–2037) — a net reduction of 28
- This reduction excludes City Waters KPIs, which move to the Waters Organisation.
- 5 Department of Internal Affairs (DIA) measures, all within Transport
- 14 measures sourced from the Annual Residents Survey, reported in waves through the year

How do we compare to other Councils?

Council (LTP)	Number of measures	Number Achieved in 2024/25
Tauranga City Council (2024-2034)	82	63 (77%)
Auckland City Council (2024-2034)	117	81 (69%)
Hamilton City Council (2024-2034)	77	64 (83%)
Wellington City Council (2024-2034)	118	82 (69%)
Christchurch City Council (2024-2034)	193	170 (88%)
Proposed: Tauranga City Council (2027-2037)	55	-

