AGENDA

Ordinary Council meeting
Tuesday, 22 September 2026

I hereby give notice that an Ordinary meeting of Council will be held on:

Date:	**Tuesday, 22 September 2026**
Time:	**9:30 am**
Location:	**Tauranga City Council Chambers L1, 90 Devonport Road Tauranga**

Marty Grenfell

Chief Executive

Terms of reference – Council

Membership

Chair	Mayor Mahé Drysdale
Deputy Chair	Deputy Mayor Jen Scoular
Members	Cr Hautapu Baker Cr Glen Crowther Cr Rick Curach Cr Steve Morris Cr Marten Rozeboom Cr Kevin Schuler Cr Rod Taylor Cr Hēmi Rolleston
Quorum	Half of the members present, where the number of members (including vacancies) is even; and a majority of the members present, where the number of members (including vacancies) is odd.
Meeting frequency	Three weekly or as required

Role

- To ensure the effective and efficient governance of the City.
- To enable leadership of the City including advocacy and facilitation on behalf of the community.
- To review and monitor the performance of the Chief Executive.

Scope

- Oversee the work of all committees and subcommittees.
- Exercise all non-delegable and non-delegated functions and powers of the Council.
- The powers Council is legally prohibited from delegating include:
    - Power to make a rate.
    - Power to make a bylaw.
    - Power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan.
    - Power to adopt a long-term plan, annual plan, or annual report
    - Power to appoint a chief executive.
    - Power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement.
    - All final decisions required to be made by resolution of the territorial authority/Council pursuant to relevant legislation (for example: the approval of the City Plan or City Plan changes as per section 34A Resource Management Act 1991).
- Council has chosen not to delegate the following:
    - Power to compulsorily acquire land under the Public Works Act 1981.
- Make those decisions which are required by legislation to be made by resolution of the local authority.

- Authorise all expenditure not delegated to officers, Committees or other subordinate decision-making bodies of Council.
- Make appointments of members to the council-controlled organisation Boards of Directors/Trustees and representatives of Council to external organisations.
- Undertake statutory duties in regard to Council-controlled organisations, including reviewing statements of intent, with the exception of the Local Government Funding Agency where such roles are delegated to the City Delivery Committee. (Note that monitoring of all Council-controlled organisations' performance is undertaken by the City Delivery Committee. This also includes Priority One reporting.)
- Consider all matters related to Local Water Done Well.
- Consider any matters referred from any of the Standing or Special Committees, Joint Committees, Chief Executive or General Managers.
- Review and monitor the Chief Executive's performance.
- Develop Long Term Plans and Annual Plans including hearings, deliberations and adoption.

Procedural matters

- Delegation of Council powers to Council's committees and other subordinate decision-making bodies.
- Adoption of Standing Orders.
- Receipt of Joint Committee minutes.
- Approval of Special Orders.
- Employment of Chief Executive.
- Other Delegations of Council's powers, duties and responsibilities.

Regulatory matters

Administration, monitoring and enforcement of all regulatory matters that have not otherwise been delegated or that are referred to Council for determination (by a committee, subordinate decision-making body, Chief Executive or relevant General Manager).

Order of Business

1 OPENING KARAKIA

2 APOLOGIES

3 PUBLIC FORUM

4 ACCEPTANCE OF LATE ITEMS

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

6 CHANGE TO THE ORDER OF BUSINESS

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Council meeting held on 11 August 2026

File Number: **A21112653**

Author: **Caroline Irvin, Governance Advisor**

Authoriser: **Sarah Holmes, Team Leader: Governance & CCO Support Services**

RECOMMENDATIONS

That the Minutes of the Council meeting held on 11 August 2026 be confirmed as a true and correct record.

ATTACHMENTS

1. Minutes of the Council meeting held on 11 August 2026

DRAFT MINUTES

Ordinary Council meeting
Tuesday, 11 August 2026

Order of Business

MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE TAURANGA CITY COUNCIL CHAMBERS, L1, 90 DEVONPORT ROAD, TAURANGA
ON TUESDAY, 11 AUGUST 2026 AT 9:30 AM DOG MANAGEMENT POLICY AND BYLAW, AND KEEPING OF ANIMALS BYLAW

MEMBERS PRESENT:	Cr Kevin Schuler (Chair), Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Hēmi Rolleston
IN ATTENDANCE:	Sarah Omundsen (General Manager: Regulatory and Community Services), Vicky Grant-Ussher (Policy Analyst), Sarah Holmes (Team Leader: Governance & CCO Support Services), Caroline Irvin (Governance Advisor), Quentin Tawaka (Governance Advisor)
EXTERNAL:	Submitters as listed in the minutes

Timestamps are included at the start of each item and signal where the agenda item can be found in the recording of the Council meeting held on 11 August 2026 at Council's YouTube Channel.

1 OPENING KARAKIA

Cr Hēmi Rolleston opened the meeting with a karakia.

2 APOLOGIES

RESOLUTION CO/26/14/1

Moved: Cr Rick Curach
Seconded: Cr Glen Crowther

That apologies from Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Cr Rod Taylor be received and accepted.

CARRIED

3 PUBLIC FORUM

Nil

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO THE ORDER OF BUSINESS

Nil

7 CONFIRMATION OF MINUTES

Nil

8 DECLARATION OF CONFLICTS OF INTEREST

Nil

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

11.1 Hearings Report: Dog Management Policy and Bylaw and Keeping of Animals Bylaw

Staff Vicky Grant-Ussher, Policy Analyst

Submitters

Timestamp: 5 minutes and 50 seconds

1. Duncan Newington

- Mr Newington was a casual commuter cyclist and long-term Matua resident who regularly used shared walkways.
- There had been a significant increase in dog ownership and many dogs being uncontrolled on shared pathways had been observed. He reported experiencing numerous near misses with dogs while cycling, including on the day of the hearing.
- Greater education, awareness and signage for dog owners regarding leash requirements and shared pathway use was needed.

- He considered that both dog owners and cyclists shared responsibility for safety on walkways.
- Any bylaw changes should be supported by education, signage and an initial visible enforcement presence. Community volunteers could assist bylaws officers with educating the public in key locations. Some enforcement may be necessary to achieve compliance once changes were introduced.
- In response to a question, Mr Newington advised Council should focus on education, clear signage and a visible presence in key locations when introducing any new rules. He considered that a period of enforcement would likely be required to achieve compliance and establish expected behaviours.

Timestamp: 14 minutes and 20 seconds

2. Trevor Bloomfield

- Mr Bloomfield agreed that dogs should be on a leash in busy public areas and on boardwalks.
- He opposed restrictions on dogs accessing the Mount dunes and questioned the evidence that dogs posed a significant threat to birds in those areas. He felt responsible dog owners knew their dogs' behaviour, and would leash them if there was a risk to wildlife.
- He stated that dog owners often alerted each other to the presence of nesting birds and put dogs on leads when required and considered that dogs in the dunes helped deter pests such as rats, rabbits and cats.
- He expressed concern that opportunities for off-leash dog walking were being progressively reduced and believed the existing rules around beach access and seasonal restrictions were confusing.
- Mr Bloomfield suggested that most regular dog walkers were responsible and cared about both their dogs and the environment and felt there was sufficient beach space for both dog walkers and other users, particularly outside the busy summer season.
- In response to a question, Mr Bloomfield said that responsible dog owners generally respected the environment and other beach users. He considered there was sufficient beach space to accommodate different users and noted that many dog owners already avoided busy areas and peak summer periods.

Timestamp: 20 minutes and 50 seconds

3. Brian Dey

- Mr Dey spoke as an Omanu resident and regular beach user who was concerned about the impact of dogs on beach users. He argued that the issue was primarily with dog owners rather than the dogs themselves.
- There were a large number of dogs in Tauranga, and he considered that non-dog owners were disadvantaged in some public spaces.
- He raised concerns about off-leash dogs approaching beach users and families on Omanu Beach and considered the existing dog transit arrangement at Omanu Beach had been unsuccessful because many people did not follow the rules.
- He proposed creating a clearly defined dog-free section of beach around the Omanu Surf Club area, with dog access provided via designated accessways on either side.
- A dog-free area would provide certainty and safety for families, children and people uncomfortable around dogs.
- Emphasised that improved signage and active enforcement would be necessary for any rules to be effective.
- In response to a question, Mr Dey supported the provision of a dedicated dog park where dogs could be exercised off leash and considered it would be a beneficial facility for the city.

Timestamp: 28 minutes and 50 seconds

4. Tess Nesdale

- Ms Nesdale commended Council for the development and maintenance of cycleways and shared pathways.
- She emphasised that all users of shared pathways, including cyclists, dog owners, walkers and families, had a responsibility to use them safely and respectfully.
- Dog owner behaviour and responsibility were the key issues, rather than the dogs themselves.
- Elderly pathway users could feel vulnerable when approached by uncontrolled dogs.
- Ongoing public awareness and education about considerate use of shared spaces was very important, and the challenge of finding a solution that balanced the needs of all pathway users was acknowledged.
- In response to a question, Ms Nesdale said that responsible dog ownership was the key issue and that owners needed to ensure their dogs were under control. She supported ongoing education and awareness initiatives and acknowledged the challenge of developing a solution that balanced the needs of all pathway users.

At 10.01AM the meeting adjourned.

At 10.07AM the meeting resumed in open.

Timestamp: 39 minutes and 20 seconds

5. Ryan Athol

- Mr Athol spoke as a dog owner and expressed concern that dog owners had not been adequately informed about the consultation process.
- In his view, rules and regulations of existing bylaws were not being sufficiently enforced.
- He opposed requiring dogs to be on leads along Beach Road and Harbour Drive and raised concerns about safety on shared pathways, particularly the speed of e-bikes and scooters using narrow walkways which could posed a greater risk to pedestrians than dogs.
- Council should focus on improving infrastructure rather than creating additional rules. Narrow pathways were unsuitable for both pedestrians and fast-moving cyclists.
- The cost of dog registration was of concern. This could affect compliance levels.
- Council resources would be better directed toward improving facilities and shared pathway safety than introducing further restrictions on dog owners.
- In response to a question, Mr Athol said Council should communicate directly with dog owners by email, using existing registration databases. He considered this would be a simple and effective way to ensure affected dog owners were aware of consultations and proposed bylaw changes.

Timestamp: 46 minutes

6. Sandra Paterson

- Ms Paterson spoke as a long-term Mount Maunganui resident and dog owner who supported safe public spaces and responsible dog ownership. She considered the proposed bylaw relied too heavily on blanket restrictions rather than targeted, evidence-based controls.
- She opposed a blanket ban on dogs across all coastal dunes and argued restrictions should focus on areas where wildlife was known to nest or breed, but supported protecting wildlife and agreed dogs should be excluded from sensitive nesting and breeding areas.
- Off-leash areas could increase dog density in remaining spaces, potentially leading to more conflict, aggression and behavioural issues.
- Council was encouraged to adopt a targeted, location-specific management approach rather

than broad restrictions.

- In response to a question, Ms Patterson supported restrictions on dogs in fenced playgrounds and other sensitive areas where justified. She considered location-specific controls reasonable and reiterated her preference for targeted restrictions rather than broad, city-wide bans.

Timestamp: 52 minutes and 45 seconds

7. Linda Loughlin

- Ms Loughlin supported responsible dog ownership and argued that many dog-related issues were caused by owners rather than dogs.
- She suggested that dog owners should be licensed or assessed to ensure they were capable of caring for and controlling their dogs and that people should demonstrate they had suitable properties, attitudes and knowledge before owning a dog.
- Many responsible dog owners trained their dogs and managed them appropriately in public spaces, and it was felt the proposed restrictions would unfairly affect responsible dog owners while doing little to address irresponsible behaviour.
- She questioned how some of the proposed restrictions would be enforced in practice and supported restrictions on dogs in active recreation areas where appropriate.
- There were concerns regarding inconsistencies between dog exclusion zones and pathways located close to playgrounds.
- Financial incentives could encourage responsible dog ownership, such as reduced registration fees for owners who completed recognised training programmes.
- Tauranga lacked dedicated dog parks and Council should consider additional off-leash dog facilities were needed.
- Ms Loughlin supported compulsory microchipping and desexing of cats to help distinguish owned cats from feral cats and reduce unwanted breeding.

Sandra Paterson and Linda Loughlin – in response to questions

- A targeted, practical approach to dog management rather than broad restrictions was supported.
- Responsible dog ownership, training and owner accountability were key to improving outcomes.
- Restrictions in appropriate locations such as playgrounds and sensitive public spaces were supported.
- Recognising and encouraging responsible owners through training, education or incentives was encouraged.
- Location-specific controls were more effective than blanket bans.
- Designated areas and facilities for dogs, including appropriate access routes and additional off-leash spaces were supported.
- Restrictions should be evidence-based, reasonable and focused on achieving public safety and responsible pet ownership.

Timestamp: 1 hour and 3 minutes

8. Anita Lord

- Ms Lord spoke as a long-term Papamoa resident, cyclist and dog owner who regularly used local waterways and shared pathways.
- She opposed proposals requiring dogs to be on leads in the Papamoa shared pathway areas and supported continued off-leash access in suitable locations.
- Responsible behaviour by both dog owners and cyclists was essential on shared pathway. Cyclists should slow down and exercise caution around dogs, children and other pathway users. Their behaviour and/or lack of skills could contribute to pathway incidents,

rather than dogs alone.

- Increased education, signage and community awareness about respectful shared use of pathways, as well as leash requirements in busy locations such as boardwalks and heavily used pedestrian areas would improve behaviour.
- Less crowded areas should continue to be allowed to exercise dogs off lead where there was sufficient space for all users.
- In response to a question, Ms Lord said that most dog owners behaved responsibly and that restrictions should not be driven by the actions of a small minority. She acknowledged the challenges of enforcement and supported a balanced approach that allowed off-leash exercise in appropriate locations

At 10.41AM the meeting adjourned.

At 10.56AM the meeting resumed in open.

PROCEDURAL MATTER

The following procedural matter was omitted at the beginning of the meeting and was taken here.

RESOLUTION CO/26/14/2

Moved: Cr Rick Curach
Seconded: Cr Glen Crowther

That Cr Kevin Schuler chair the Council hearing in Mayor Mahé Drysdale's absence.

CARRIED

Timestamp: 1 hour and 30 minutes

9. Rose Riley

- Ms Riley advocated for the inclusion of cat management provisions in the Keeping of Animals Bylaw. Feral and stray cats posed risks to native wildlife and clearer regulation was needed to distinguish companion cats from feral cats.
- She supported mandatory microchipping and desexing of cats to improve animal welfare, reduce unwanted litters and assist with identifying owned cats.
- Cats had a negative impact on native birds, bats, lizards and other wildlife species and Tauranga contained significant areas of ecological value and threatened native species that required protection.
- Cat management measures would support Predator Free 2050 objectives and Council's biodiversity responsibilities. A number of councils had already introduced cat management bylaws, including requirements for microchipping, desexing and limits on cat numbers. A phased implementation approach, with priority given to areas near sensitive ecological sites was recommended. Responsible cat ownership would benefit both wildlife and companion animals.
- Ms Riley supported extending dog restrictions in wildlife-sensitive coastal areas to better protect nesting and breeding birds.

Timestamp: 1 hour and 38 minutes

10. Richard James – Tauranga Branch Forest and Bird

- Mr James spoke on behalf of Forest & Bird and highlighted ongoing community efforts to restore habitats and protect native wildlife. Increasing numbers of native birds were returning to coastal and urban environments, creating a need to better manage interactions between wildlife and people.

- He supported banning dogs from coastal dunes to protect nesting and breeding bird species and supported extending the year-round dog prohibition at Shark Alley and adjacent beach areas to protect dotterel breeding habitats.
- Clear rules and signage would help educate the public about wildlife protection and responsible behaviour around nesting birds.
- Dog owners should keep dogs on leads near nesting bird areas and respect conservation signage.
- He supported the inclusion of cat management provisions in the Keeping of Animals Bylaw and advocated for compulsory microchipping, registration and desexing of cats to reduce stray and feral cat populations. Better cat management would help protect native wildlife and support biodiversity outcomes.
- Many other councils had already adopted cat management measures and considered Tauranga Council should do the same and take action on cat management rather than continuing discussions without regulatory change.
- In response to a question, Mr James considered that cat management measures could be implemented through an education-first approach, with most responsible owners likely to comply voluntarily. He suggested that enforcement costs could be minimised by focusing on awareness and gradual implementation.

The Chair advised that the Council would now hear from Dr Jessica Walker from the SPCA on both the Fireworks – Public Places and Street Use Bylaw and the Dog Management Policy Bylaw and the Keeping of Animals Bylaw

Timestamp: 1 hour and 46 minutes

11. Dr Jessica Walker – SPCA – Fireworks – Public Places and Street Use Bylaw

- Dr Walker spoke to a PowerPoint presentation (attached) on behalf of SPCA and supported restrictions on the use of fireworks in public places advising that fireworks caused distress and harm to animals, on wildlife, particularly birds during nesting and breeding seasons, created public safety risks, and placed pressure on emergency services.
- Animal owners could not always protect animals from fireworks because their use was often unpredictable. medication and other management measures were only effective when owners knew fireworks were going to occur in advance.
- Council was encouraged to take local action on fireworks given limited progress toward a national ban.
- In response to questions, Dr Walker advised local fireworks restrictions to reduce harm to animals and wildlife was supported. She advised that cat management measures such as desexing and microchipping could be implemented through education, incentives and phased programmes, and noted these measures would improve animal welfare, reduce stray cat populations and place greater responsibility on cat owners.

12. Dr Jessica Walker – SPCA – Dog Management Policy Bylaw and Keeping of Animals Bylaw

- Dr Walker advised the SPCA supported the inclusion of cat management measures in the Keeping of Animals Bylaw.
- She advocated for mandatory desexing, microchipping and registration of cats to reduce overpopulation and improve animal welfare.
- Cat management measures would help reduce stray and feral cat populations and improve the ability to reunite lost cats with their owners. Responsible cat containment would reduce risk to cats and protect wildlife.
- The SPCA supported:
    - Targeted dog restrictions in sensitive wildlife areas, coastal dunes and shared public

spaces where conflicts occurred.
- Requirements for dogs to be on leads in cemeteries, urban parks and some shared pathways, rather than complete bans in all cases.
- Licensing requirements for properties with multiple dogs and for commercial dog walking activities.

- In response to questions, Dr Walker advised local fireworks restrictions to reduce harm to animals and wildlife was supported. She advised that cat management measures such as desexing and microchipping could be implemented through education, incentives and phased programmes, and noted these measures would improve animal welfare, reduce stray cat populations and place greater responsibility on cat owners.

Timestamp: 2 hours and 4 minutes

13. Shula Newland (online)

- Ms Newland opposed the proposal requiring dogs to be on leads along shared pathways and beachside areas in Mount Maunganui, Papamoa and Ōtūmoetai, but supported dogs being under effective control and agreed dogs should be excluded from sensitive dune areas.
- Experienced and responsible dog owners could safely exercise well-trained dogs off lead, and some dogs behaved better off lead than on lead and that socialisation was important for dog behaviour.
- Requiring dogs to be on leads could create practical and safety issues for some dog owners, including those with mobility challenges. Off-lead dog walking encouraged positive social interaction between dog owners, other pathway users and visitors.
- Fears about dogs should not determine rules for all dog owners and flexibility for responsible owners to exercise well-trained dogs off lead in appropriate areas should be kept.
- Advisory signage already encouraged dog owners to use leads in some locations and said many owners already complied voluntarily.

Timestamp: 2 hours and 13 minutes

14. David Lewis – Predator Free New Zealand Trust (online)

- Mr Lewis spoke on behalf of Predator Free New Zealand Trust and supported the inclusion of cat management measures in the Keeping of Animals Bylaw.
- Excluding cats from the bylaw overlooked a significant issue and missed an opportunity to promote responsible cat ownership.
- Microchipping, registration and desexing of cats would help distinguish companion cats from feral cats and support better management.
- Cats, while valued companion animals, were effective predators that could have significant impacts on native birds, bats, lizards and insects and there were concerns about feral cat populations and their environmental impacts, including effects on wildlife and disease transmission.
- Many councils already had cat management measures in place and considered them a normal component of responsible pet ownership. Survey results showed strong public support for microchipping and desexing of cats.
- A phased implementation approach was recommended that included limits on cat numbers in some circumstances and suggested restrictions on feeding stray cats on public land. Council could learn from the experiences of other local authorities.
- Council was encouraged to advocate for national cat management legislation and to play a role in supporting a consistent nationwide approach.

At 11.47AM the meeting adjourned.

At 11.57 the meeting resumed in open.

Timestamp: 2 hours and 34 minutes

15. Anna Wentch – Western Bay Wildlife Trust

- Ms Wentch spoke on behalf of Western Bay Wildlife Trust and supported the proposed dog management changes for Shark Alley and coastal dune areas and supported a year-round dog ban in sensitive coastal and wildlife habitats to better protect native species, saying a year-round restriction would be easier for dog owners to understand and comply with than seasonal rules.
- Council was encouraged to provide clear signage explaining that restrictions were intended to protect native wildlife and biodiversity and was requested that enforcement efforts be prioritised in key biodiversity hotspots such as Moturiki, Mount Main Beach and Mauao.
- The inclusion of cat management measures in the Keeping of Animals Bylaw was supported as cats posed a significant threat to native wildlife, including birds and other taonga species, regardless of whether they were owned or feral.
- Cat management provisions would support local conservation efforts, animal welfare outcomes and Predator Free 2050 objectives and help drive wider awareness and cultural change towards responsible pet ownership.
- Wildlife monitoring had regularly detected cats in sensitive ecological areas, including locations where native species were present.
- The absence of local cat management regulations limited opportunities for agencies and conservation groups to address issues with cat owners.
- In response to a question, Ms Wentch said that cat management was not solely a rural or regional issue, as cats were regularly present in Tauranga's sensitive ecological areas and were impacting native wildlife. While she supported a broader regional approach, she considered local bylaws were also needed to address the issue

Timestamp: 2 hours and 44 minutes

16. Emma Richardson – Bay Conservation Alliance

- Ms Richardson spoke to a PowerPoint presentation (attached) on behalf of Bay Conservation Alliance and supported stronger protections for native wildlife, highlighting the importance of Tauranga's coastal habitats for threatened native species, including dotterel, kororā (little blue penguins) and grey-faced petrels.
- Dogs and cats continued to pose risks to wildlife in sensitive coastal environments, and she supported banning dogs from coastal dunes, except when using designated beach accessways on leash and extending the year-round dog restriction at Moturiki/Shark Alley and surrounding areas to protect breeding and nesting wildlife.
- Conservation groups and wildlife rehabilitation organisations regularly dealt with wildlife impacts caused by dogs and cats, noting that many volunteers dedicated significant time to predator control and wildlife protection, and stronger cat management would support those efforts.
- The inclusion of cat management provisions in the Keeping of Animals Bylaw was supported and was advocacy for compulsory microchipping and desexing of cats as part of responsible pet ownership.

Emma Richardson and **Rose Riley** in response to questions:

- Cat management was an urban as well as a regional issue, with cats regularly impacting wildlife in Tauranga's coastal and ecological areas.
- Compulsory microchipping and registration could utilise existing national systems and would not require a separate council-run register.
- Stronger cat management measures would help reduce stray and feral cat populations by promoting responsible ownership.

- Unmanaged companion cats contributed to wider wildlife impacts and feral cat populations.
- Supported a consistent approach across councils to improve awareness, education and conservation outcomes.
- Clearer cat management policies would support the work of conservation groups and volunteers working to protect native wildlife.
- The costs of cat management should primarily sit with cat owners rather than the wider community.

RESOLUTION CO/26/14/3

Moved: Cr Steve Morris
Seconded: Cr Marten Rozeboom

That the Council:

(a) Receives the report "Hearings Report: Dog Management Policy and Bylaw and Keeping of Animals Bylaw".

(b) Receives the written submissions on the draft revised Dog Management Policy and Bylaw and Keeping of Animals Bylaw (Attachment 1 and Attachment 2)

(c) Receives the verbal submissions from those submitters who wish to speak to their submission (speakers' submissions are provided in Attachment 3).

CARRIED

Attachments

1 Presentation: SPCA
2 Presentation: Bay Conservation Alliance

At 12.30pm the meeting adjourned.

At 2.20pm the meeting resumed in open.

11.2 Hearings Report: Street Use and Public Places Bylaw - Fireworks and Real Estate Sign Amendments

Staff Jane Barnett, Policy Analyst

Submitters

Timestamp: 4 hours and 53 minutes

17. Dave Lathan – Chief Financial Officer – Bower Real Estate

- Mr Lathan opposed reducing the permitted size of residential real estate signs, supporting retention of the existing 1,800 mm × 1,200 mm size, saying that larger signs remained important for clearly advertising properties and agents to passing motorists and potential buyers.
- Real estate signs were considered an important and effective marketing tool, particularly for vendors and locally operated real estate businesses.

- There were concerns that changing the permitted dimensions would require Bower Real Estate and other agencies to replace existing signs, creating unnecessary cost and waste.
- Sensible controls over sign placement and safety were supported, but the proposed size reduction was disproportionate to the problem being addressed.
- Council was asked to retain the established sign dimensions and work with the real estate industry on any future changes.

At 2.25pm, Cr Glen Crowther entered the meeting.

Timestamp: 4 hours and 59 minutes

18. Edward Peacock – Peacocks Real Estate

- Mr Peacock advised he had been in the Real Estate business in Tauranga and larger surrounding areas for 45 years.
- Peacocks Real Estate strongly opposed the sign amendments as in the 45 years of working in the Tauranga area they had never received a complaint regarding their signage, nor had they been seen as any sort of safety concern.
- The proposed dimensions were overly restrictive, economically damaging to local business and impractical for a significant number of residential and rural properties.
- Council was requested to reconsider this restricting proposal and to allow for standard industry sizes, specifically 1800 by 1200, which was vital for effective marketing, particularly for properties going to auction.
- This change would cause a disruption to established business and marketing infrastructure digital systems which would mean a complete and costly overhaul to accommodate this change. Peacock Real Estate was a two person boutique operation, and this would mean a disproportionate and unfair financial and administrative burden to this small business and other small businesses.
- A reduction in the signage did not address practicality, visibility and typography issues in and around the diverse Tauranga region. Peacock Real Estate already practiced self-regulation by using smaller signs on properties with limited frontage or inadequate display space.
- Signage was the cornerstone of directing prospective buyers to properties. The proposed bylaw felt like a solution looking for a problem. Council was urged to consider amending the maximum.
- In response to a question, Mr Peacock advised that he had never had a verbal or formal complaint about the signage. If a complaint had been received it would have been investigated immediately.

Timestamp: 5 hours and 7 minutes

19. Rebecca Donald – Fireworks

- Ms Donald was an avid animal lover who had owned pets all her life and fully supported the proposed ban on fireworks.
- She was in favour of organised fireworks events away from animals and houses but was generally opposed to fireworks because of the harm they had and could cause to animals and human beings.
- On Guy Fawkes night, pets were shut indoors and all windows closed in the hope that no harm came to pets. The local stories of horses being harmed was shocking and heartbreaking.
- There was a national petition to ban all fireworks in New Zealand, however it seemed that a lot of people were not aware of it.

- Fireworks were a very beautiful spectacle but were also very dangerous. Animals were very sensitive to sounds. The intense sounds of the explosions caused stress, panic and terror for them.

At 2.42pm the meeting adjourned.

At 2.48pm the meeting resumed in open.

Timestamp: 5 hours and 20 minutes

20. Ariel Young – Fireworks

- Ms Young supported a complete ban on the sale and use of fireworks, citing negative impacts from her childhood experience in China, including noise, fire risk, rubbish, and disturbance to people and animals.
- She said traditions could evolve and that community safety, peace, and wellbeing should come first.
- She raised concerns about animal welfare, noting that pets, wildlife, and farm animals were frightened or harmed by fireworks.
- Fireworks caused injuries, property damage, fire risks, and extra pressure on emergency services.
- It was very concerning that fireworks could be bought during the sale period and stored for later use, making enforcement difficult.
- Private fireworks affected neighbourhoods over several days and late at night, disturbing children, older residents, and shift workers.
- Ms Young felt a complete ban would be clearer and easier to enforce, while public displays would still allow safer community celebrations.

At 2.56pm the meeting adjourned.

At 3.01pm the meeting resumed in open.

Timestamp: 5 hours and 33 minutes

21. Kim Raubenheimer – Bay of Plenty Real Estate Media Specialists - Real Estate Signs

- Ms Raubenheimer advised she thought that some real estate agents were still confused about what Council was trying to achieve.
- She felt that one signage, put as close to a fence as possible would be best, although that was not always possible.
- If the rules were known they could be policed to the best of the media specialist's ability.
- It would be helpful to have a Council contact person to ring if needed when special circumstances arose and advice or permission was needed.
- In response to a question, Ms Raubenheimer advised that sold signage was monitored and picked up to be used again. Election signage could be monitored as well. She also advised that the placing of signage was strictly monitored. Some V-shaped signage was allowed depending on the size of the berm. This was classed as two signs.

RESOLUTION CO/26/14/4

Moved: Cr Marten Rozeboom
Seconded: Cr Hēmi Rolleston

That the Council:

(a) Receives the report "Hearings Report: Street Use and Public Places Bylaw - Fireworks and Real Estate Sign Amendments".

(b) Receives the written submissions on the proposed fireworks and real estate signage amendments to the Street Use and Public Places Bylaw (**Attachments One and Two**).

(c) Receives the verbal submissions from submitters who wish to be heard.

CARRIED

12 DISCUSSION OF LATE ITEMS

Nil

13 PUBLIC EXCLUDED SESSION

Nil

14 CLOSING KARAKIA

Cr Steve Morris closed the meeting with a karakia.

The meeting closed at 3.12pm.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 22 September 2026.

8 DECLARATION OF CONFLICTS OF INTEREST

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

9.1 Frazer Smith - 30 Year Anniversary at Tauranga City Council

ATTACHMENTS

Nil

9.2 Petition: Jan Iles - Request to Council to establish a Residents Committee to facilitate community particiption in the Memorial Pool decision making process

ATTACHMENTS

1. **Jan Iles - Petition re Memorial Pool - A21091451** ⇩

Hand delivered received by H King 27/8/2026

Dear Mayor and Councillors, 27th August, 2026

Later today I will be lodging a petition that asks the Council to establish a residents' committee to facilitate community participation in the Memorial Pools decision-making process.

I have requested a speaking place to present the petition at the next Council meeting, which I believe is on Tuesday 11 September.

This request is based on the legal and constitutional premise that a Council must not only do the right thing, but must also act openly in doing it, and take the community along with it on the decision-making journey.

The Davison report, which revealed deep-seated failures in the Council's governance system, has seriously undermined community trust and confidence in the Council. Why does this matter? It matters because if a community does not have strong trust and confidence in the Council that is supposed to represent it, strong differences will quickly develop There will be conflict between Council and community instead of co-operation and collaboration.

The Council's Memorial pools aquatic centre project is controversial. Not least of all because of its huge cost, which could be up to as much as $100 million, the inevitability of eye-watering cost overruns, the presumptuous writing-off of the existing pools, which are a living war memorial and a social heritage asset, the failure to consult proportionately with the magnitude of the intended project, the admitted failure to comply with the law regarding the consideration of options (Section 77 of the LGA), the refusal of the Mayor to agree to meet on-site with community representatives and a pool specialist to discuss the project, the failure of the Council to make information about the project readily available to residents, what looks like a predetermined position on the part of the Council so far as the project is concerned, in particular the Council has as good as said that the existing pools will be demolished before the end of this year to make way for the new aquatic centre in a year or two's time, and the failure to consider risks likely to be brought about by climate change. I could list a few more failures and omissions but these will do for now.

All this has the look of a Council moving towards making unilateral decisions with irreversible very long term effects, without taking into account community views and preferences.

The failure to comply with Section 77 is especially concerning insofar as it could make the Council liable to legal action and hefty financial losses in one way or another. For example, if it were found after the existing facility had been demolished that its refurbishment or retaining the existing structure and adding new facilities was an option that should have been considered by the Council, decisions relating to the new aquatic centre could be held to be invalid, with all the upheaval and lost money and opportunity that would follow. It would be a shambles. If you think that couldn't happen you should read the recent (13 August) High Court decision in the case of ***Rotokakahi Board of Control v Rotorua District Council***. It is a judicial condemnation of defective Council decision-making. As a great deal of work has already been carried out on the project that is the subject of the decision, and cannot be undone, an almighty muddle has been created, one that will cost the Council a lot of money to put right - as far as that can be done. We don't want the same sort of thing to happen in Tauranga. One of the lessons to be learned from the Rotokakahi decision is that Councils cannot treat legal mandates and community views as inconveniences simply because they believe that their idea is a good one and the only one worth carrying out. If they do, and it turns out that their idea isn't so good, they and the community will pay heavily for their mistake.

Establishing a residents' committee would go some way towards remedying the potentially harmful effects of these failures and refusals, and restoring trust and confidence in the Council so far as planning for the future of a Memorial Park pools facility is concerned. But, more importantly, it will greatly lessen the risk of the Council making blunders that could result in very serious financial and social damage.

With the Steering Group having virtually completed its work - according to an email I recently received from the Mayor - now is the right time to include the community in the decision-making process. Now is the time to establish a residents' committee to act as part of the decision-making process.

This is the action I want you to take:
I want you to accept the petition, agree with the request and hold a workshop at the earliest possible moment – a workshop which will include community representatives – to decide upon the shape of the residents' committee, and then take the necessary steps to get it up and running.

If you decide to reject this request you have a duty to justify to the community, in plain, honest words - not in a couple of lines of bureaucrat-speak -, your reasons for doing so. The community deserves nothing less than this from you.

Jan Iles.

PETITION TO TAURANGA CITY COUNCIL

We, the undersigned Tauranga residents, petition the Council to establish without delay a residents' committee, or like mechanism, to facilitate meaningful ongoing community participation in the Memorial Pools decision-making process.

Lead Petitioner

Name	Janette Iles
Address	[redacted]
Email	[redacted]
Phone	[redacted]

Petition Signatures

Please sign below to support this petition.

Name (First and Surname)	Address	Signature	Date
Judi Stevens	[redacted]	[redacted]	24.08.2026.
Colin Adams.	[redacted]	[redacted]	24/8/26
Maree Adams	[redacted]	[redacted]	24/8/26
Wendy Ruane	[redacted]	[redacted]	24/8/26.
Mark Batchelor	[redacted]	[redacted]	25-8.26
Suzanne Edmonds	[redacted]	[redacted]	25.3.26.
BARRY SCOTT	[redacted]	[redacted]	25.3.26
Jan Iles	[redacted]	[redacted]	25 8 2026
Grant Iles	[redacted]	[redacted]	25.8.26.
[illegible]	[redacted]	[redacted]	25.8.26

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Address	[redacted]
Email	[redacted]
Phone	[redacted]

Petition Signatures

Please sign below to support this petition.

Name (First and Surname)	Address	Signature	Date
Margaret Kedian	[redacted]	[redacted]	25 Aug.
Andrea Lehmann	[redacted]	[redacted]	25. Aug.
Margaret McGregor	[redacted]	[redacted]	26 Aug
Jessica MacMillan	[redacted]	[redacted]	26 Aug.
Rosie Paul	[redacted]	[redacted]	26 Aug
David Iles	[redacted]	[redacted]	26/8

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Address	[redacted]
Email	[redacted]
Phone	[redacted]

Petition Signatures

Please sign below to support this petition.

Name (First and Surname)	Address	Signature	Date
Louise Peters	[redacted]	[redacted]	25.8.26
Carmen Flaveday	[redacted]	[redacted]	26/8/26
JAYNE DEVINE	[redacted]	[redacted]	26/8/26
Gaye Kinnaird	[redacted]	[redacted]	26.08.26
Ashley Hillis	[redacted]	[redacted]	27.08.26
NEVILLE HARRIS	[redacted]	[redacted]	27.08.26
Rosemary Harris	[redacted]	[redacted]	27/8/26

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

11 BUSINESS

11.1 Organisational Response Programme to Mauao External Review Report

File Number: A21124680

Author: Sarah Holmes, Team Leader: Governance & CCO Support Services

Authoriser: Sarah Holmes, Team Leader: Governance & CCO Support Services

BACKGROUND

1. The report accompanying this agenda item, ‘Organisational Response Programme to Mauao External Review Report’, will be circulated separately prior to the meeting.

11.2 2027-2037 Long-term Plan - Outcome and Service Performance Measures.

File Number: **A20631569**

Author: **Rachel Burt, Corporate Planner**
Josh Logan, Team Leader: Policy & Corporate Planning

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

PURPOSE OF THE REPORT

1. The purpose of this report is to provide an overview of the outcome and service performance measures proposed for inclusion in the Long-term Plan 2027-2037.

RECOMMENDATIONS

That the Council:

(a) Receives the report "2027-2037 Long-term Plan - Outcome and Service Performance Measures."

(b) Approves the draft Outcome and Service Performance Measures for inclusion in the Groups of Activities section and supporting documentation of the 2027-2037 Draft Long-term Plan, as proposed in **Attachments 1 and 2.**

EXECUTIVE SUMMARY

2. The performance framework introduced through the 2024-2034 LTP has now been in operation for two years. Staff have reviewed the measures to ensure they remain relevant, meaningful, auditable, aligned with Council's strategic direction, and suitable for public accountability purposes.

3. The review reflects changes to Council's community outcomes, legislative requirements, performance reporting experience, data quality considerations, and the transfer of City Waters activities to the new water services entity.

4. Staff recommend retaining the outcomes-based structure adopted for the current LTP. The proposed framework maintains 56 Outcome Measures and reduces Service Measures from 82 to 57. The reduction largely reflects the transfer of water services measures and the removal or consolidation of measures that duplicate reporting, provide limited public value, or are more appropriately monitored operationally.

5. The proposed framework provides a more focused and practical approach to performance reporting while maintaining legislative compliance and a clear line of sight between Council services, strategic priorities, and community outcomes. Approval is now required to confirm the performance framework for inclusion in the draft 2027-2037 Long-term Plan.

6. There are no direct financial implications or risks arising from this decision. Any future financial implications associated with service levels or investment decisions will be considered separately through the LTP process. Risks associated with the measures are dealt with in the respective business area and the accountability reporting that occurs.

BACKGROUND

7. The draft outcome and service performance measures were provided to elected members at an LTP workshop on 2 July 2026. This forms part of the ongoing series of LTP workshops and Council reports.

Council's performance and outcomes framework

8. Council's performance and outcomes framework has now been in place since July 2024. The framework was introduced through the 2024-2034 Long-term Plan to provide a clearer and more integrated view of Council's performance, from the delivery of individual services through to progress towards Tauranga's longer-term community outcomes.

9. The framework distinguishes between two complementary components of external performance reporting:

   (a) **Outcome Measures**, which monitor progress towards Council's community outcomes and strategic direction; and

   (b) **Service Measures**, which enable the public to assess Council's performance in delivering agreed levels of service and meet the planning and reporting requirements of the Local Government Act 2002 (LGA).

10. Outcome Measures provide a broader view of whether Tauranga is progressing towards the outcomes sought by the community. These outcomes are generally influenced by Council's activities alongside the actions of central government, mana whenua, partner organisations, businesses, communities, and wider social, economic, and environmental factors.

11. Service Measures focus more directly on the services delivered by Council and the aspects of performance that Council can control or strongly influence. They assess matters such as service quality, reliability, timeliness, responsiveness, customer experience, and compliance with relevant standards.

12. There is some overlap between the two components. Some Service Measures also provide useful information about progress towards community outcomes. However, the distinction remains important because the measures serve different purposes and reflect different levels of Council influence and accountability.

13. The framework also recognises that not all information needed to manage Council's performance should be included in the LTP. More detailed operational and organisational measures continue to be monitored through internal management and other reporting processes. This allows the LTP to focus on the measures most relevant to public accountability while ensuring that managers and the mayor and councillors have access to the more detailed performance information needed to support effective decision-making.

14. Two years of implementation have provided a basis for assessing how well the framework is working. Six monthly and annual reporting, governance oversight, management use, audit processes, and feedback from users of the information have highlighted the measures that provide meaningful insight, as well as areas where measures, targets, data sources, or reporting arrangements could be improved.

15. This report focuses on the review of the Outcome Measures and Service Measures proposed for inclusion in the 2027-2037 draft LTP. It does not address all operational and organisational performance information monitored by Council.

Presentation of performance information in the LTP

16. The 2024-2034 LTP introduced a separate performance measures section that sat alongside the groups of activities, rather than incorporating all performance measures within each group of activities.

17. The performance measures were organised according to Council's community outcomes. Under each outcome, the measures were separated into two categories:

   (a) Our Direction Measures (ODM), subsequently referred to as outcome measures, which monitored progress towards Council's community outcomes and strategic direction; and

(b) Service Measures (SSP[1]), which demonstrated Council's performance in delivering agreed levels of service and were subject to audit through the LTP and Annual Report processes.

18. Audit New Zealand confirmed during the development of the 2024-2034 LTP that this structure met the relevant requirements of the Local Government Act 2002 (LGA). The proposed structure and content for the 2027-2037 LTP will again be considered through the LTP audit process.

19. The separate performance measures section was intended to provide readers with a clearer line of sight between Council's services, strategic direction, and community outcomes. It also reduced the risk that the broader performance story would be fragmented across individual groups of activities.

20. Two years of implementation have shown that presenting the measures through an outcomes-based structure has benefits. It allows elected members, the community, and other readers to consider both:

    (a) whether Tauranga is making progress towards its longer-term community outcomes; and

    (b) how well Council is delivering its services.

21. The review for the 2027-2037 LTP has retained this general structure while seeking to improve the clarity of the relationship between Outcome Measures, Service Measures, levels of service, groups of activities, and Council's strategic direction.

Statutory basis for Service Measures

22. The LGA requires the LTP to include performance measures and targets that Council considers will enable the public to assess the level of service provided for major aspects of its groups of activities. This does not require a performance measure for every Council activity or operational function. The focus should be on the major aspects of service delivery that are most important to the community and provide a meaningful account of Council's performance.

23. The LGA also requires councils to include the performance measures prescribed by the Secretary for Local Government. These mandatory measures currently cover:

    - Flood protection and control works (for Regional or Unitary Authorities).
    - the provision of roads and footpaths (the only one for a Territorial Authority).

24. Note that the Act has changed since the last LTP, with the previous version including all the three waters mandatory measures which will now transfer to the water organisation in the Water Service Strategy.

25. The service measures have been reviewed as part of developing the 2027-2037 LTP. Proposed targets have been informed by past performance, the reliability of available data, expected demand, agreed or proposed levels of service, planned investment, and the professional judgement of the relevant activity managers.

26. The LGA also requires Council's Annual Report to compare actual activities and performance with the intended activities and levels of performance set out in the LTP. Although the LGA does not require six monthly public reporting against LTP measures, Council has used six monthly reporting to provide elected members and the community with more regular information about service performance.

27. The service measures included in the LTP therefore have an important statutory purpose. However, they are only one part of Council's wider arrangements for monitoring and managing performance.

[1] Or 'statements of service performance'

Experience with the 2024-2034 LTP measures

28. Before the introduction of the wider performance and outcomes framework, LTP measures had become Council's default performance management framework. Measures were developed through the LTP process and then used for quarterly executive and governance reporting, public reporting, and the Annual Report.

29. This resulted in LTP measures being used for several different purposes, including statutory accountability, strategic oversight, organisational performance management, and operational monitoring. It also contributed to a relatively large and, at times, unwieldy set of measures.

30. The framework introduced through the 2024-2034 LTP created a clearer distinction between:

    (a) Outcome Measures used to monitor progress towards the community outcomes;

    (b) Service Measures used to demonstrate the delivery of agreed levels of service; and

    (c) Operational and organisational measures used to manage services and support internal and governance decision-making.

31. This distinction has allowed performance information to be better matched to its intended purpose. It has also enabled detailed operational measures to be retained and monitored without requiring every measure to be included in the LTP.

32. The 2024-2034 LTP included **56 Outcome Measures** and **82 Service Measures**, including the mandatory measures prescribed under the LGA. Two years of reporting against these measures have provided evidence about:

    - whether each measure produces useful and understandable information;
    - whether the underlying data is reliable and available at the required frequency;
    - whether the measure reflects an aspect of performance that Council can control or meaningfully influence;
    - whether the measure remains aligned with its relevant level of service or community outcome;
    - whether targets are appropriately challenging and realistic;
    - whether there are gaps or unnecessary duplication across the framework; and
    - whether the results support effective public, governance, and management decision-making.

Review of Outcome Measures

33. Outcome Measures are intended to provide a high-level view of progress towards Council's community outcomes and strategic direction. They focus on the longer-term changes Council seeks to contribute to rather than only the immediate services or outputs delivered by Council.

34. Outcome Measures differ from Service Measures because progress is not generally attributable to Council alone. Results may be affected by population growth, economic conditions, central government decisions, private investment, community behaviour, environmental conditions, and the activities of other organisations.

35. This does not reduce the value of monitoring outcomes. Outcome Measures provide important context for strategic decision-making and help Council assess whether its investment, partnerships, policies, and service delivery are collectively contributing to the desired direction for Tauranga.

36. The review of Outcome Measures for the 2027-2037 LTP has considered:

(a) whether the measures remain aligned with Council’s adopted community outcomes and strategic direction;

(b) changes to the outcomes adopted by Council in November 2025;

(c) whether the measures provide a meaningful indication of progress towards each outcome;

(d) whether the data is reliable, repeatable, and available frequently enough to support meaningful reporting;

(e) whether the measure can be readily understood by the audience;

(f) whether the framework provides an appropriate balance across social, economic, environmental, cultural, and organisational considerations; and

(g) whether measures overlap with, or duplicate, Service Measures or other reporting.

37. The review has found that the overall outcomes-based approach remains appropriate. However, two years of reporting have identified opportunities to refine the suite of measures, improve definitions and data sources, remove some duplication, and strengthen the connection between the measures and Council’s strategic decision-making.

38. Where an existing Outcome Measure is proposed for amendment or replacement, the review has considered whether the revised measure will provide a clearer or more reliable indication of progress. Where there is no suitable quantitative measure, qualitative information or supporting indicators may be used to provide context and explain the direction of travel.

39. The review has also considered how the results are interpreted. A change in an Outcome Measure does not necessarily demonstrate that Council’s performance has improved or declined. Reporting should identify the factors influencing the result, Council’s contribution, and any implications for future strategy, investment, partnerships, or service delivery.

What makes a good Service Measure?

40. Service Measures and their targets should be specific, measurable, relevant, achievable, and time bound. They should also:

- align with the relevant level of service;
- relate to a major aspect of the group of activities;
- focus on matters that are meaningful to the community;
- use reliable and repeatable data;
- be within Council’s control or strong influence;
- support meaningful comparisons over time; and
- enable the public to assess Council’s service performance.

41. A focused set of relevant measures is generally more useful than a large number of measures covering every aspect of an activity. Too many measures can obscure the overall performance story, create unnecessary reporting effort, and make it harder to identify the matters that are most important. However, too few measures can result in an incomplete or unbalanced view of performance.

42. The Service Measure framework should include an appropriate mix of measures relating to service quantity, quality, timeliness, reliability, responsiveness, customer experience, and effectiveness.

43. Output measures focus on the services or products Council delivers. These measures are generally more directly attributable to Council and can include matters such as processing timeframes, response times, asset condition, compliance with standards, or the volume of services delivered.

44. Measures of service effectiveness or customer experience consider whether services are meeting community needs and delivering their intended benefits. These measures can provide valuable information but may also be influenced by expectations, wider public sentiment, or external events that are not directly related to the performance of the individual service.

45. Where customer satisfaction measures are used, reporting should therefore provide appropriate context and, where possible, be supported by other information about the quality, reliability, or effectiveness of the service.

Approach to the 2027-2037 LTP review

46. The review of performance measures for the 2027-2037 LTP has drawn on:

    (a) two years of six monthly and annual performance results;

    (b) discussions with activity managers and relevant subject-matter experts;

    (c) executive feedback;

    (d) feedback arising through audit processes;

    (e) the experience of preparing Council's Annual Reports;

    (f) changes to services, strategies, legislation, and data sources;

    (g) the review of Council's community outcomes and strategic direction; and

    (h) comparison with relevant measures used elsewhere in the local government sector, where appropriate.

47. As part of this review, consideration has been given to changes to Council's operating context for the 2027-2037 period, including the transfer of City Waters activities to the new water services entity. This has reduced the number of measures required to be included in Council's LTP performance framework.

48. Existing Outcome Measures and Service Measures have been assessed and proposed to be retained, amended, replaced, or removed. New measures have been proposed where a significant gap has been identified or where a better source of performance information is now available.

49. The review has sought to:

    (a) retain a focused suite of measures that provides a clear and balanced account of Council's performance;

    (b) strengthen the line of sight between community outcomes, strategic priorities, levels of service, groups of activities, and performance measures;

    (c) distinguish clearly between outcomes Council contributes to and service performance for which Council is more directly accountable;

    (d) improve the clarity and accessibility of measure descriptions;

    (e) improve the quality, availability, and consistency of supporting data;

    (f) remove measures that provide limited public value, duplicate other reporting, or are more appropriately managed as operational measures;

    (g) address gaps identified through two years of reporting;

    (h) review targets using past performance, future investment, expected service demand, planned improvements, and relevant risks or constraints; and

    (i) ensure that the overall framework remains proportionate and practical to monitor, audit, report, and maintain.

    (j) compare performance frameworks used by other metropolitan councils in New Zealand.

50. This comparison indicates that, despite the proposed reduction, Tauranga City's framework remains broadly consistent with the scale of performance frameworks used by comparable metropolitan councils.

51. See Table 1 for a comparison of service performance measures across a selection of councils:

Table 1: LTP service performance measures across councils

Council	Number of Measures	Measures Achieved in 2024/25
Tauranga City	82	63 (77%)
Auckland City	117	81 (69%)
Hamilton City	77	64 (83%)
Wellington City	118	82 (69%)
Christchurch City	193	170 (88%)

Proposed changes to the TCC framework

52. The proposed changes resulting from the review are summarised in Table 2.

Table 2: Summary of proposed changes

Type	LTP 2024-2034	LTP 2027-2037	Change
Total Outcome measures	**56**	**56**	**-**
DIA service measures	23	5	-18
Other service measures	59	52	-7
Total Service measures	**82**	**57**	**-25**

53. The full proposed suite of Outcome Measures and Service Measures is provided in **Attachments 1 and 2.**

Measures proposed for removal

54. An existing Outcome Measure or Service Measure may be proposed for removal where it:

(a) no longer aligns with Council’s community outcomes, strategic direction, or levels of service;

(b) does not provide meaningful information for the public, mayor and councillors, or decision-makers;

(c) duplicates another measure or reporting process;

(d) relies on data that is unavailable, unreliable, or not sufficiently frequent;

(e) is significantly affected by factors unrelated to the outcome or service being assessed;

(f) relates to a matter over which Council has limited control, influence, or contribution;

(g) is more appropriately treated as an operational or organisational measure; or

(h) has been replaced by a clearer, more reliable, or more representative measure.

55. The removal of a measure from the LTP does not necessarily mean that Council will stop monitoring the underlying information. Measures that support operational management, statutory compliance, risk management, service improvement, or governance oversight may continue to be monitored through activity-level, management, or other corporate reporting.

56. Where a measure is proposed for removal, staff have considered whether this would create a material gap in the public performance story. Where necessary, an alternative measure or supporting indicator has been proposed to maintain an appropriate and balanced view of performance.

57. The proposed framework builds on the approach established through the 2024-2034 LTP while incorporating the lessons from two years of implementation. It is intended to provide a clearer, more mature, and more useful account of Council's service performance and its contribution towards Tauranga's community outcomes.

STATUTORY CONTEXT

58. The statutory context of the non-financial performance measures for the LTP has been covered above in paragraphs 22 to 27.

59. In terms of reporting, Subpart 2 of Part 6 of the Act requires that Annual Reports compare the actual activities and the actual performance of the local authority in the year with the intended activities and the intended level of performance as set out in the LTP. The Act does not require six monthly reporting against LTP measures, as is the practice at Council. However, note that Council Control Organisations (CCOs) are required to report twice yearly.

STRATEGIC ALIGNMENT

60. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city that is easy to move around	✓
We are a city that supports business and education	✓
We are a vibrant city that embraces events	✓

61. The proposed outcome and service measures support these community outcomes by providing a transparent framework for monitoring and reporting on Council's delivery of its intended outcome and levels of service. The measures will help demonstrate how Council services contribute to community wellbeing, environmental outcomes, movement around the city, economic activity, and vibrancy over the 2027-2037 period.

OPTIONS ANALYSIS

62. **Option 1 – Adopt draft outcome and service performance measures with or without amendment.**

Council adopts the draft outcome and service performance measures in **Attachments 1 and 2** for inclusion in the Long-term Plan 2027-2037. This would confirm the performance framework Council will use to assess and report on delivery of intended levels of service across its groups of activities **(recommended)**.

Advantages	Disadvantages
• Provides a clear framework for assessing and reporting Council's delivery of intended outcomes and levels of service through the LTP 2027–2037. • Supports transparent public reporting by setting measures and targets that can be reported against in future six monthly and Annual	• Some new or amended measures may require further work to confirm data sources, baseline performance, and appropriate targets.

Advantages	Disadvantages
Reports. • Ensures the LTP includes the required mandatory DIA measures for transport, alongside discretionary measures that reflect Council's broader service delivery priorities. • Provides a more streamlined and focused set of service measures, reducing the framework from 82 to 57 measures. • Outcome measure remains the same at 56 in total with some minor changes to the measures.	

63. **Option 2 – Do not adopt draft outcome and service performance measures.**

Council does not adopt the draft outcome and service performance measures in **Attachments 1 and 2** for inclusion in the Long-term Plan 2027-2037. This would delay confirmation of the performance framework Council will use to assess and report on delivery of intended levels of service across its groups of activities.

Advantages	Disadvantages
• Provides further time for review and refinement before measures are confirmed for consultation.	• Deferring adoption is unlikely to have a significant immediate impact but would reduce the time available to finalise the LTP performance framework and supporting documentation. • Continued delays could create increasing uncertainty for activity managers preparing LTP content, targets, and related performance information. • Continued delays may affect the timely confirmation of measures and targets used to assess and report on levels of service and intended outcomes. • If adoption is significantly delayed, it may become more difficult to demonstrate a clear and robust performance framework for the LTP 2027-2037.

FINANCIAL CONSIDERATIONS

64. There are no direct financial costs associated with adopting the draft outcome and service performance measures. The proposed framework relates to how Council measures and reports performance and does not change approved levels of service, projects, programmes, staffing, or budgets.

65. Existing resources will be used to implement and report against the proposed measures. Any minor costs associated with refining data sources, reporting processes, or audit review can be accommodated within existing operational budgets. No additional operating or capital funding is required as a result of this decision.

66. Any future financial implications arising from changes to levels of service, investment priorities, projects, or programmes will be considered separately through the Long-term Plan budget and decision-making processes.

RISKS AND LEGAL IMPLICATIONS

67. There is low legal risk associated with adopting the draft non-financial performance measures. The Local Government Act 2002 requires the LTP to include performance

measures and targets that enable the public to assess intended levels of service. Any continuing delays to confirming the measures may delay preparation of the LTP and create a risk that the performance framework is incomplete for consultation.

TE AO MĀORI APPROACH

68. The proposed outcome and service performance measures include measures that contribute to outcomes of relevance to tangata whenua, including environmental stewardship, community wellbeing, cultural identity, and partnership outcomes.

69. While this report does not propose new projects, investments, or service changes, the performance framework will continue to support transparent reporting on areas of importance to Māori and the wider community. Any future activity-specific measures, investments, or initiatives requiring engagement with tangata whenua will be considered through the relevant planning and decision-making processes.

CLIMATE IMPACT

70. The recommendations in this report have no direct climate impact, as they relate to approving outcome and service performance measures for the Long-term Plan 2027-2037 rather than specific projects, investment, or operational changes. Climate-related impacts will be considered through the relevant activity planning and decision-making processes where future proposals are developed.

CONSULTATION / ENGAGEMENT

71. The community will be able to provide feedback on the outcome and service performance measures as part of formal consultation on the LTP in late March to late April 2027.

SIGNIFICANCE

72. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.

73. In making this assessment, consideration has been given to the likely impact, and likely consequences for:

    (a) the current and future social, economic, environmental, or cultural well-being of the district or region

    (b) any persons who are likely to be particularly affected by, or interested in, the matter.

    (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

74. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance.

ENGAGEMENT

75. Taking into consideration the above assessment, that the matter is of low significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

76. Feedback on the proposed LTP performance measures is sought from the Council during or immediately after the meeting on 22 September 2026.

77. Once the preferred measures are confirmed, staff will confirm data sources and assess baseline performance for new measures to refine or confirm targets.

78. The confirmed measures and targets will be incorporated into the draft LTP performance framework and supporting material for public consultation.

79. The confirmed performance measures will inform the Activity Management Plan process and development of the LTP Groups of Activities section.

ATTACHMENTS

1. **DRAFT OUR DIRECTION MEASURES LTP 2027 - A21091396** ⇩
2. **DRAFT ACTIVITY GROUP LTP PROPOSED KPIS - A20616592** ⇩

Tauranga City

Our Direction Measures review

LTP 2027 – 2037

Introduction

This report sets out the results of the review of Tauranga City Council's outcome measures for the 2027–2037 Long-term Plan. It covers all six areas of the framework, from an inclusive city through to organisational capability, and records a recommended decision for every measure. The detailed measure tables on pages 5 to 20 are the authoritative record, and the sections that follow summarise what those tables show.

The framework contains 61 measures, ODM01 to ODM61. Of these, 46 are retained, five are amended, five are deleted and five are new. Removing the measures recorded for deletion leaves a working set of 56 measures for the 2027–2037 LTP.

The changes are targeted rather than wholesale. The amendments to ODM01, ODM04, ODM06 and ODM11 respond to Vital Update not proceeding, with the Quality-of-Life survey and Census picked up as replacement sources, while ODM18 is reworded to focus on dwellings in floodplains. The deletions remove measures that are already covered by service performance reporting or that cannot be reliably measured. The five new measures, ODM57 to ODM61, fill the gap under Tauranga a te ihi, a vibrant city that embraces events, which previously had no measures.

Key Findings

- **Overall position:** 46 measures are retained, five are amended, five are deleted and five are new.
- **Changed data sources:** ODM01, ODM04, ODM06 and ODM11 are recommending that the data source be amended because Vital Update will not proceed or the existing source is no longer suitable.
- **Duplication:** ODM02 is recommended to be deleted because the tables identify coverage elsewhere, including housing affordability or service-performance measures. ODM16 is also covered by ODM33 and so ODM16 is recommended to be removed.
- **Unable to be measured:** ODM24, ODM34 and ODM39 are recommended to be deleted for this reason.
- **Method change:** ODM18 is amended to focus on dwellings in floodplains over time.
- **Framework coverage:** five new measures, ODM57 to ODM61, are recorded for Tauranga a te ihi, a vibrant city that embraces events.
- **Data source to confirm:** ODM61 record the data source as to be confirmed, with baselines still to be established.

High-level summary of changes:

Summary of changes	LTP 2024–2034	LTP 2027–2037	Net Change
Total Measures	56	56	-

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Suggested outcome measures for the 2027 LTP

Tauranga Mataraunui – An inclusive city

Measure ID	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Replace / Delete
ODM01	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).	~~Vital Update~~	**Amend** – change how its measured as Vital update will no proceed anymore – change to QoL survey – Measure: Relationship health and wellbeing (taha whānau)
ODM02	Wellbeing: thriving people, thriving whanau, thriving communities.	Housing metrics (dwellings consented, code of compliance issued).	SmartGrowth Development Trends Report, TCC Building Services Statistics (A6715839)	**Delete** – Covered in well planned city metric on housing affordability
ODM03	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	Physical audit of spaces and places	**Retain**
ODM04	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.	~~Annual Residents Survey~~	**Amend** – change how its measured – change to Census – Measure: Households with internet access (92% 2023)

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Measure ID	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Replace / Delete
ODM05	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.	Tauranga City Council, CARTA	**Retain**
ODM06	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	Vital Update	**Amend** – change how its measured as Vital update will not proceed anymore – change to QoL survey – Measure: Perceived acceptance of identity in city / local area
ODM07	Inclusion and Diversity	Cultural Connections Programme metrics (increased contact with organisations, partners and the wider community)	Te Pou Takawaenga	**Retain**
ODM08	Safe Communities	Residents rate their feelings of personal safety as safe or very safe.	Annual Residents Survey	**Retain**
ODM09	Safe Communities	Drowning education metrics (Measure of people engaged in water safety and 'learn to swim' programmes)	Bay Swim, Aquatic Survival Skills Trust	**Retain**

Measure ID	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Replace / Delete
ODM10	Strong Neighbourhoods and Liveable Communities	Strongly agree or agree feeling a sense of community in their local neighbourhood.	Quality of Life	**Retain**
ODM11	Strong Neighbourhoods and Liveable Communities	Residents feel they can access the services they need within their local community.	Vital Update	**Amend** – change how its measured as Vital update will not proceed anymore – change to QoL survey – Measures: 1) Ease of reaching needed places without a private vehicle 2) neighbourhood suitability 3) public-transport accessibility

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

Measure ID	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Delete
ODM12	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.	Spaces and Places	**Retain**
ODM13	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	Spaces and Places	**Retain**
ODM14	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	Annual Residents Survey	**Retain**
ODM15	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	Tauranga Community Carbon Footprint	**Retain**
ODM16	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~~	Climate and Resilience Team	**Delete – Covered by ODM33**
ODM17	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	Quality of Life	**Retain**

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Measure ID	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Delete
ODM18	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).~~	TCC GIS Mapping	**Amend** - Decrease in numbers of dwellings in floodplains over time (creating more greenspace for water and for nature)
ODM19	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	Annual Residents Survey	**Retain**
ODM20	Tauranga is a water sensitive city	Average daily consumption per capita of drinking water across all uses (residential, commercial industrial) reduces over time	Tauranga Water Conservation Project	**Retain**
ODM21	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	WMMP Actions	**Retain**
ODM22	Tauranga values resources in a circular economy	Organic waste to landfill reduces over time	WMMP Actions, SWAP	**Retain**
ODM23	Tauranga values resources in a circular economy	Recycling rates of construction and demolition waste improves over time	WMMP Actions	**Retain**
ODM24	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	TCC processes	**Delete – unable to be measured**

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Measure ID	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Delete
ODM25	Our built environment supports the wellbeing of our natural environment	The Urban Design Panel includes sustainability skills and considerations, including biophilic principles	Urban Design Panel	**Retain**

Tauranga Tātai Whenua – A well planned city that is easy to move around

Measure ID	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Delete
ODM26	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	Infometrics	**Retain**
ODM27	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	Quality of Life	**Retain**
ODM28	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	SmartGrowth: Development Trends Technical Report	**Retain**
ODM29	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	Resident satisfaction with the city centre as the commercial and cultural heart of Tauranga	Annual Residents Survey	**Retain**

Measure ID	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Delete
	facilitates safe, healthy, and active lifestyles			
ODM30	Places for community and play - we have quality public spaces that provide opportiunties for us to relax and connect	Residents sense of community in their neighbourhood	Quality of Life	**Retain**
ODM31	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	Annual Residents Survey	**Retain**
ODM32	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.	Development Engineering Team	**Retain**

Measure ID	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Delete
ODM33	Resilient urban design and infrastructure - our neighbourhoods and infrastructure are well design and built to last, protecting people from the impacts of climate change and natural hazards.	~~Value of TCC assets assessed as having climate or natural hazard risk during the past five years~~	Climate and Resilience Team	**Amend – measure to be – Value of TCC assets assessed as being exposed to climate or natural hazard impacts**
ODM34	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	WBOP TSP	**Delete – unable to be measured**
ODM35	All of our communities have reliable, safe and efficient access to services, jobs, education and recreation.	Decreasing rates of death and injury: from vehicle collisions; and to people using active transport modes (such as cyclists and pedestrians).	NZTA CAS data	**Retain**
ODM36	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.	Annual Residents Survey	**Retain**

Measure ID	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Delete
ODM37	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	Quality of Life	**Retain**
ODM38	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.	Tauranga Community Carbon Footprint (AECOM)	**Retain**
ODM39	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 Rangiuru business estate and the Port).	TCC Transport Team	**Delete – unable to be reliably measured**

Tauranga a te ihi – A vibrant city that embraces events

Measure ID	Success statement / strategic intent	Proposed outcome measure	Data source	Retain/ Amend/ Delete
ODM57	A vibrant and diverse year-round programme of events that our community love and keeps people coming back for more.	Percentage of residents who agree events enhance community spirit, pride and enjoyment.	Annual Residents Survey Existing baseline: 62% satisfied	**New**
ODM58	A vibrant and diverse year-round programme of events that our community love and keeps people coming back for more.	Percentage of residents satisfied with the range and frequency of event experiences in Tauranga.	Annual Residents Survey Existing baseline: 51% satisfied	**New**
ODM59	Improving the promotion and marketing of events to both local and national audiences.	Percentage of residents who know where to find information about events taking place in Tauranga.	Annual Residents Survey New question required	**New**
ODM60	Fit for purpose event venues, supported by sustainable transport initiatives and a range of accommodation options.	Percentage of residents satisfied with the accessibility and quality of Tauranga's arts, cultural and event spaces.	Annual Residents Survey Existing baseline: 56% satisfied	**New**
ODM61	A proactive and collaborative approach to major events and business events that significantly contribute to social and economic outcomes and focus resources and investment	Annual net economic and social benefit generated for Tauranga by the Council-supported event portfolio.	Potential Source TBC Event Economics	**New**

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

Measure ID	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Delete
ODM40	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.	Annual Residents Survey	**Retain**
ODM41	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.	Unversity of Waikato, Toi Ohomai	**Retain**
ODM42	We have a high wage economy with quality locally based jobs and easily accessible employment centres.	Unemployment rate.	Infometrics	**Retain**
ODM43	We have a high wage economy with quality locally based jobs and easily accessible employment centres.	Job creation.	Infometrics	**Retain**
ODM44	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.	Infometrics	**Retain**

Measure ID	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Delete
ODM45	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.	Infometrics	**Retain**
ODM46	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.)	Marketview Data	**Retain**
ODM47	Business, employment and educational opportunities are accessible for everyone, with Māori education and employment outcomes equal to that of non-Māori	Unemployment is at, or below, the New Zealand average	Infometrics	**Retain**
ODM48	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.	Census	**Retain**

Organisational Capability

Measure ID	Current community outcome	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Delete
ODM49	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.	Te Pou Takawaenga	**Retain**
ODM50	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.	Te Pou Takawaenga	**Retain**
ODM51	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. (Total value of contracts using Broader Outcomes targets in procurement)	Procurement Team	**Retain**
ODM52	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	Climate & Sustainability Team	**Retain**

Measure ID	Current community outcome	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Delete
ODM53	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).	TCC Executive	**Retain**
ODM54	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: - Footfall - Residential offering - Commercial activity - Recognition as a 'centre for the Bay of Plenty region' - Scale of 'regional offering'	TTOC Multi-Modal Camera Data, TCC Rating Database, Infometrics Regional Profile, Annual Residents Survey.	**Retain**
ODM55	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.	Infometrics	**Retain**
ODM56	Working Beyond Tauranga Approach	Tauranga's communities are well informed about and supported through any changes resulting from the	Our communities feel well informed about and supported through any changes resulting from reform processes that impact local government.	Community Relations	**Retain**

Measure ID	Current community outcome	Success statement / strategic intent	Current outcome measure	Data source	Retain/ Amend/ Delete
		current ‘future of local government’ review process.			

Tauranga City

Activity-level performance measure review

LTP 2027 – 2037

Introduction

This document provides a summary of the proposed performance measures (KPIs) for the Long-term Plan (LTP) 2027–2037, to support Council's consideration of the proposed performance framework.

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.
- This summary should be read alongside the accompanying cover report, which sets out the decision-making context and recommendations for Council.

The summary of proposed KPIs section in this document is organised using the proposed standardised Groups of Activities indicated by Central Government in its proactive Cabinet release paper: Cabinet-material-and-minute-relating-to-Regulations-for-groups-of-activities-for-councils'-planning-and-reporting.pdf

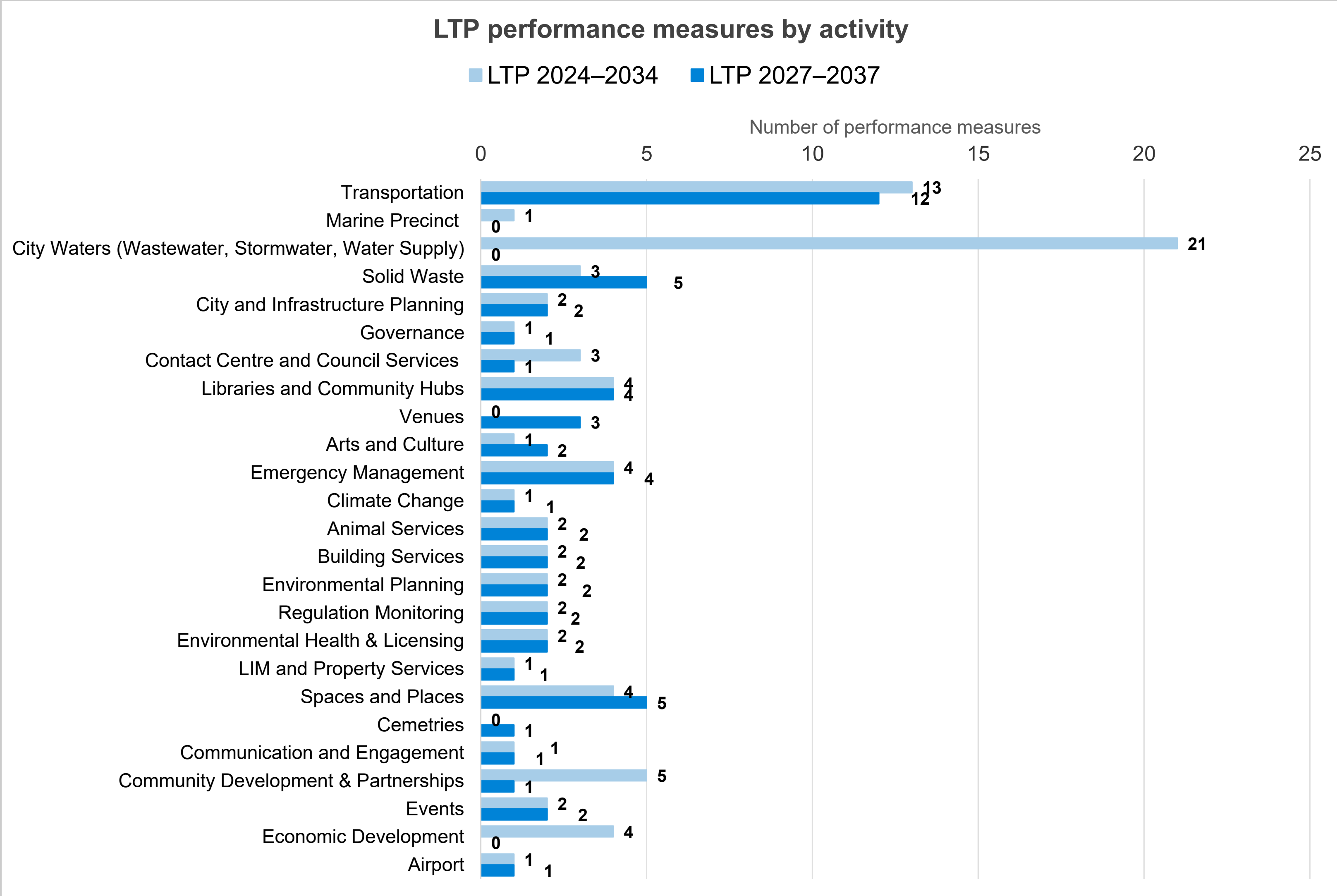
There are a total of 5 Department of Internal Affairs measures included in this pack. These sit within the Transportation activity and are identified as DIA mandatory measure within the Transport activity measures.

There are a total of 14 measures sourced from the Annual Residents Survey, which is reported in four 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 57 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	57	**-25**


LTP performance measures by activity
LTP 2024–2034
LTP 2027–2037
Number of performance measures
0
5
10
15
20
25
Transportation
Marine Precinct
City Waters (Wastewater, Stormwater, Water Supply)
Solid Waste
City and Infrastructure Planning
Governance
Contact Centre and Council Services
Libraries and Community Hubs
Venues
Arts and Culture
Emergency Management
Climate Change
Animal Services
Building Services
Environmental Planning
Regulation Monitoring
Environmental Health & Licensing
LIM and Property Services
Spaces and Places
Cemeteries
Communication and Engagement
Community Development & Partnerships
Events
Economic Development
Airport
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Summary of proposed KPIs

Roading and Transportation

Activity	Level of Service	Performance Measures	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	No	75%	75%	80%	85%
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	No	45%	55%	65%	85%
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	Yes	Baseline established	Increasing	Increasing	Increasing
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	Yes	Baseline established	Maintain	Maintain	Decreasing
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	No	7%	7%	7%	7%

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Activity	Level of Service	Performance Measures	New measure	Targets			
				27/28	28/29	29/30	31–37
Transportation	We will promote safe and sustainable transport options and support walking/cycling programmes	Percentage of public transport users satisfied with footpaths, shelters, lighting and information before and after their journey Source Annual Residents Survey, new question	Yes	Baseline established	Increasing	Maintaining	Maintaining
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	No	15,000	15,000	15,000	15,000
Transportation	We will provide a transport network that is safe to use	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number DIA Mandatory Measure	No	Reducing -1	Reducing -1	Reducing -1	Reducing -3
Transportation	We will provide a well-maintained and fit-for-purpose road and footpath network, and well-utilised and available city centre parking	The average quality of ride on a sealed local road network, measured by smooth travel exposure DIA Mandatory Measure	No	92%	92%	92%	92%

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Activity	Level of Service	Performance Measures	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 footpaths within Tauranga City that fall within the level of service or service standard for the condition of footpaths that is set out in the Transportation Asset Management Plan (less than or equal to 1.5m of grade 4 or 5 faults per km of footpath) DIA mandatory measure	No	98%	98%	98%	98%
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 to which Council responds within 7 calendar days DIA mandatory measure	No	90%	90%	90%	90%
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	No	4%	4%	4%	4%
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	99%	99%	99%	99%

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Waste management and minimisation

Activity	Level of Service	Performance Measures	New Measure	Targets			
				27/28	**28/29**	**29/30**	**31–37**
Solid Waste	We will provide reliable and convenient, well-utilised residential kerbside services that reduce waste to landfill	Percentage of residents that are neutral or satisfied with Council's kerbside waste collection services Source: Annual Residents Survey	No	95%	95%	95%	95%
Solid Waste	We will provide reliable and convenient, well-utilised residential kerbside services that reduce waste to landfill	Percentage of kerbside waste diverted away from landfill.	No	52%	54%	56%	58%
Solid Waste	We will provide reliable and safe waste transfer stations that enable management and minimisation of waste	Percentage of waste diverted from transfer stations (not including kerbside consolidation)	No	14%	15%	16%	18%
Solid Waste	We will provide reliable and safe waste transfer stations that enable management and minimisation of waste.	Percentage of residents that are neutral or satisfied with Council's transfer stations services Source: Annual Residents Survey	No	90%	90%	90%	90%
Solid Waste	We will provide public place waste services that protect public and environmental health	Average compliance score from litter services contract audits (overflowing bins, litter, CCMs etc)	Yes	90%	90%	90%	90%

Governance, planning and reporting

Activity	Level of Service	Performance Measures	New measure	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	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	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 Source: Annual Residents Survey	No	≥30%	Increasing	Increasing	Increasing

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Community and recreational facilities

Activity	Level of Service	Performance Measures	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 Source: Annual Residents Survey	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	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	25,000	Increasing	Increasing	Increasing
Libraries & Community Hubs	We will provide digital resources for information, reading, and recreation	Total number of virtual visits	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	85%	85%	85%	85%
Venues	We provide a vibrant destination that attracts residents and visitors	Annual number of visitors entering the Historic Village through monitored entry points (foot count)	Yes	260,000	270,000	280,000	≥300,000
Venues	We maintain high occupancy of leasable Village spaces	Occupancy rate of Village leasable spaces (%)	Yes	95%	95%	95%	95%

Activity	Level of Service	Performance Measures	New measure	Targets			
				27/28	28/29	29/30	31–37
Venues	We provide a diverse programme of events and activities	Number of events held annually	Yes	145	155	165	175
Arts and Culture	We will facilitate, support, and advocate for the arts, culture and heritage in Tauranga	Patronage at the Tauranga Museum	Yes	0	110,000	115,000	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 Source: Annual Residents Survey	No	70%	70%	72%	75%

Adaptation and emergency management

Activity	Level of Service	Performance Measures	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	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	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	≥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 Source: Annual Residents Survey	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 scope 1 & 2 emissions reduced (compared to 2019 base year levels)	No	37.8%	42%	46.2%	75.6%

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Public regulatory services

Activity	Level of Service	Performance Measures	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	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	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	95%	95%	95%	95%
Building Services	We will provide timely building inspections.	Average minimum wait time for a standard building inspection	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	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	95%	95%	95%	95%
Regulation Monitoring	We will monitor the Freedom Camping Bylaw and provide education and enforcement where appropriate	Freedom camping bylaw patrol completion rate a) Daily patrols of key designated and prohibited freedom camping sites from Nov- April b) Patrol same sites 4 nights a week from May – Oct	No	95%	95%	95%	95%

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Activity	Level of Service	Performance Measures	New measure	Targets 27/28	28/29	29/30	31–37
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	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	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	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	90%	90%	90%	90%

Parks and reserves

Activity	Level of Service	Performance Measures	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	≥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	No	75%	75%	75%	75%

Activity	Level of Service	Performance Measures	New measure	Targets			
				27/28	28/29	29/30	31–37
		access and experience nature in Tauranga Source: Annual Residents Survey					
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	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 Source: Annual Residents Survey	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 Source: Annual Residents Survey, new question	Yes	Baseline established	Maintain baseline	Maintain baseline	Maintain baseline
Cemeteries	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	Yes	76%	77%	77%	≥78%

Other

Activity	Level of Service	Performance Measures	New measure	Targets			
				27/28	28/29	29/30	31–37
Communications and Engagement	We will communicate clearly and transparently so our communities understand Council decisions, priorities and investment	Percentage of residents who are satisfied or neutral with the efforts of the Council in consulting and engaging directly with the community Source: Annual Residents Survey	No	56%	58%	60%	≥60%
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	>95%	>95%	>95%	>95%
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 Source: Annual Residents Survey	No	60%	65%	70%	75%
Events	We will provide a network of arts, cultural, and events spces in Tauranga	Percentage of residents satisfied with the accessibility and quality of Tauranga's arts, cultural, and events spaces.	No	60%	65%	70%	75%

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Activity	Level of Service	Performance Measures	New measure	Targets			
				27/28	28/29	29/30	31–37
		Source: Annual Residents Survey					

11.3 Annual Report 2025-26 - Rates Surplus and Options

File Number: **A21089055**

Author: **Kathryn Sharplin, Acting GM: Chief Operating & Financial Office**
Tracey Hughes, Manager: Organisational Financial Performance and Corporate Planning

Authoriser: **Craig Rice, Chief Operating and Financial Officer**

PURPOSE OF THE REPORT

1. The purpose of this report is to provide information on the rates surplus for the 2025-26 financial year. Council decision is sought on the treatment of this surplus.

RECOMMENDATIONS

That Council:

(a) Receives the report "Annual Report 2025-26 - Rates Surplus and Options".

(b) Notes the rates surplus based on the draft financial results for 2025-26 is $10.33m

(c) Notes $4.75m of expected 2025-26 surplus was allocated to offset rates requirement in the 2026-27 Annual Plan.

(d) Agree to treat the remaining surplus of $5.58m in the following way:

either

(i) Allocate $[ ]m of the rates surplus to retire debt, through the "unfunded liabilities" reserve for transparency,

and/or

(ii) Allocate $[ ]m of the rates surplus to fund an increase in the risk reserve balance which could then be used to cover expenditure on Mauao recovery costs with any balance available to fund future event response as and when approved by Council,

and/or

(iii) Allocate $[ ]m to the General Contingency reserve.

EXECUTIVE SUMMARY

2. As a result of lower than budgeted expenditure across various activities, not all the rates collected have been used giving rise to a rates surplus of $10.3m (based on draft financials). This surplus is much higher than surpluses recorded in recent years.

3. Council anticipated a significant rate surplus when it was preparing the 2026-27 Annual Plan and allocated $4.75m of the anticipated surplus to fund 2026-27 expenditure. This allocation reduced the rates set by Council to fund operations in 2026-27.

4. The remaining $5.58m of rates surplus is currently recognised in the net debt balance of Council at year end. Council decision is sought in this paper on how to treat the remaining surplus with most of the proposed options recording this surplus in reserve balances at year end. This decision is consistent with the revenue and financing policy.

5. At the end of the year, unspent rates resulted in lower external net debt – there is no separate "cash account" available with this surplus. The surplus is currently recorded in an equity reserve called General Contingency. The decision to fund 2026-27 expenditure from the 2025-26 surplus will increase external debt in 2026-27 to provide the cash to pay for this expenditure. Using surplus rates to fund a subsequent year's operating expenditure contributes to an imbalanced budget.

6. The treatment of the rates surplus will not affect the net external debt recorded in the year end accounts. However, Council's decision on its treatment will affect the balance of the equity reserve it chooses to record the surplus against. If the surplus is used to pay down debt, the Unfunded Liability Reserve could be used to reduce the balance of otherwise unfunded debt. If Council chooses to fund the risk reserve this would increase the balance of funding in the reserve to meet future unexpected events including any additional expenditure for the Mauao recovery.

BACKGROUND

7. In reaching an agreed Annual Plan for 2026-27 Council agreed at its 21 April meeting to carry forward $3.2m of rates surplus from 2025-26. Subsequent further underspends in the year from insurance and other overheads increased the amount carried forward to $4.75m.

8. The Fourth Quarter Financial report 9.2 to City Delivery Committee on 5 August 2026 gave an early indication of full year results and the rates surplus for 2025-26. That report provided a full analysis of capital expenditure to budget for the year and of Treasury results to budget. It was noted in that report that further information would be presented in this September report on revenue and expenditure variances.

9. Report 9.6 - Draft unaudited Annual Report 2025-26 and Carry Forward of Capital Budgets to City Delivery Committee on 15 August 2026 provided a detailed analysis of variance for the financial year. That report noted that the rates surplus would be presented to Council on 22 September.

Policy Guiding the Treatment of Rates Surpluses

10. The existing Revenue and Financing Policy consulted on through the 2024-34 Long-term Plan states:

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

Council Created Reserves

11. Council has created equity reserves which include two reserves containing deficit balances which record debt arising from past decisions and settlements. These include the **Weathertight Reserve** recording the balance of debt arising from payment of weathertight claims (balance of $52.8m on 30 June 2025). Currently this reserve is paid back through a $2m annual contribution to cover debt retirement. Interest of $2.5m has been covered in 2025-26 by the surplus in Corporate Treasury prior to identifying the rates surplus for the year. Rates funding of interest has not been included in the 2026-27 Annual Plan.

12. The second debt reserve is the **Unfunded Liability Reserve**. The purpose of this reserve is to retire debt incurred through unfunded expenditure. At present this reserve primarily includes the costs associated with the Harrington Street Carpark capital expenditure which did not result in creation of a Council asset (balance of $22.4m on 30 June 2025). Interest of $1.0m has been covered in 2025-26 by the surplus in Corporate Treasury prior to identifying

the rates surplus. No debt retirement was in place for 2025-26, but has been included for 2026-27 at $1m. Rate funding of interest has not been included in the 2026-27 Annual Plan

13. Council has two other reserves which have been used in the past for rates surpluses. The first is the **Risk Management reserve** the purpose of which is to manage Council's financial risk and to fund unforeseen events. Previous budgets have included rates funded contribution to this reserve of $1m per year, which is continuing through the 2026-27 Annual Plan. The balance of this reserve on 30 June 2025 was $4.9m. However budgeted costs of the 22 January 2026 weather event and subsequent expenditure on the reviews and recovery is forecast to fully extinguish this reserve during 2025-26.

14. A second relevant Council reserve is the **General Contingency reserve**. The purpose of this reserve is to fund miscellaneous expenditure for operational items not foreseen in the annual plan. This reserve had a small balance on 30 June 2025 of $87,000. The initial transfer of surplus of $4.75m to fund the 2026-27 Annual Plan will be recorded in this reserve. The General Contingency reserve can be used to manage Price Volatility in fuel-related and interest costs because of current geo-political unrest or Council could choose to establish a separate Price Volatility reserve as was discussed in earlier Council reports during the preparation of the 2026-27 Annual Plan.

Causes of the Rates Surplus

15. The rates surplus has arisen from a combination of:
    (a) lower overhead costs allocated to rate funded activities,
    (b) service delivery expenditure variances in rates funded activities,
    (c) user fee revenue variances.
    (d) Lower borrowing by rates funded activities because of lower capital delivery.

Table 1 Explanation of Rates Surplus of $10.33m

Source of rates surplus 2025/26	
	$000
Rates surplus carried forward to Annual Plan 2026/27	**4,753**
Based on anticipated surplus across Digital, City Planning, Sustainability, Insurance and other activities allocated to 2026/27 Annual Plan	4,753
Further surplus to be allocated	**5,581**
Lower overheads (particularly Digital, Insurance, Finance and Civic Complex) allocated to rates funded activities	2,144
Service delivery driven activity variances:	
* Expenditure under budget particularly in Stormwater, Community Grants, City Events and City Infrastructure Planning and lower depreciation in Transport	5,362
* Expenditure over budget particularly in Emergency Management, Libraries, Arts & Culture and Spaces & Places, and including depreciation and internal interest costs	(5,982)
User fee revenue driven activity variances:	
* Revenue over budget in Baycourt, Regulation Monitoring, Environmental Health and Historic Village	640
* Revenue under budget in Environmental Planning	(1,594)
Interest variance after funding reserves and provision for doubtful debts	5,010
	10,334

STATUTORY CONTEXT

16. The Audited Annual Report is a public document that reports to the community on the Council's performance and achievements against what was planned, for both financial and non-financial performance. The annual report must be prepared each year in accordance with generally accepted accounting practice in New Zealand and be compliant with the requirements of the Local Government Act 2002.

STRATEGIC ALIGNMENT

17. Council's Annual Plan and Long-term Plan contribute to the promotion or achievement of the following strategic community outcome(s) with rates a significant funding source:

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city that is easy to move around	✓
We are a city that supports business and education	✓
We are a vibrant city that embraces events	✓

OPTIONS ANALYSIS

18. In the draft financial accounts, the surplus agreed to be used to fund operations ($4.75m) is ring-fenced in the General Contingency Reserve for this funding purpose. The $4.75m will be drawn down from this reserve through the year to fund the agreed activities.

19. The remaining rates surplus of $5.58m is currently also recorded in the General Contingency Reserve. Council decision is sought on whether to pay down debt, fund the risk reserve or other purpose as decided by Council, or a combination of options:

    (i) Reduce debt (e.g, through the Unfunded Liabilities reserve or the Weathertight reserve)

    (ii) Provide funding for future unforeseen events or further expenditure on Mauao recovery

    (iii) Provide funding to cover operational expenditure not budgeted in the Annual Plan (included higher than budgeted interest costs or higher costs of fuel or associated expenditure).

    (iv) A combination of the above purposes.

Table 2- Options for Treatment of Rates Surplus

Purpose	Reserve Name	Advantages	Disadvantages
i. To reduce debt	Unfunded Liability reserve or the Weathertight reserve	Reduces debt that is not automatically retired through depreciation reserves. Reduces the amount of interest that would be required to be collected through rates in future.	The funds are not used to support further expenditure. The surplus is not used to support expenditure in specific activities.

		Does not contribute to an imbalanced budget.	
ii. To provide funds for future unforeseen events or additional Mauao recovery costs	Risk reserve expected	Provides additional funds for this purpose while maintaining a positive balance in the risk reserve. Offsets what ratepayers may otherwise pay for future Mauao recovery costs or the costs of a future unexpected event. Reinstates a balance in the reserve that will be extinguished in 2026-27 based on currently proposed recovery expenditure.	Does not reduce unfunded debt and future rate funded interest on that debt. Contributes to an imbalanced budget.
iii. To cover unexpected additional costs from ongoing fuel-related and interest cost volatility	Use General Contingency reserve or create a new Price Volatility reserve	Provides a buffer for the year if costs exceed current budgets due to unexpected and significant price increases. Balance in reserve could be used to offset what ratepayers may otherwise be rated for in future years to cover volatile and increasing prices.	Contributes to an imbalanced budget when future expenditure occurs funded from the reserve. May lead to a problem remaining within future rates caps if the reserve temporarily offsets the need to raise rates.
iv. Combination of the above purposes	Allocating a portion of the surplus to several of the identified reserves	Pays down debt and thereby reduces ongoing ratepayer funded interest costs. Balance in the reserve could be used to offset what ratepayers may otherwise be rated for in future. Could be used in future to manage peak costs while needing to remain within an overall rates cap.	Contributes to an imbalanced budget when future expenditure occurs funded from the reserve. May lead to a problem remaining within future rates caps if the reserve temporarily offsets the need to raise rates when costs have increased permanently.

FINANCIAL CONSIDERATIONS

20. The rates surplus is continuing to be worked on through the review of individual activity funding. The initial rates surplus from management accounts was verbally noted to be $15m prior to various amendments for doubtful debts, write backs, and funding of interest on debt recorded in reserves. Based on the latest draft accounts after these adjustments the rates surplus is $10.33m. Of this amount $4.75m has already been allocated to fund expenditure in 2026-27. At the end of the year, unspent rates result in lower external net debt – there is no separate “cash account” available with this surplus. The surplus is currently recorded at present in the general contingency equity reserve. The decision to fund 2026-27 expenditure from the 2025-26 surplus will increase external debt in 2026-27 to provide the cash to pay for this expenditure. Using surplus rates to fund a subsequent year’s operating expenditure contributes to an imbalanced budget.

21. The treatment of the rates surplus will not affect the net external debt recorded in the year end accounts. However, Council’s decision on its treatment will affect the balance of the equity reserve it chooses to record the surplus against.

RISKS AND LEGAL IMPLICATIONS

22. The risk of holding the surplus in a reserve to offset future operating expenditure is that when it is used it will contribute to an imbalanced budget and if it offsets ongoing expenditure, it will reduce the base rates on which a future rates cap would be calculated.

23. The final rates surplus will be determined once the financial accounts are finalised after audit recommendations and the mount of surplus may vary because of amendments made through that process. Council’s decision on treatment of the surplus is not affected by any changes to the amount of rates surplus that may occur through the audit and review process.

TE AO MĀORI APPROACH

24. The decision on treatment of the surplus is effectively a decision on whether to retire debt with the rates surplus or put the funding aside for a specific expenditure purpose in the future. Both options provide for Council to make expenditure and funding decisions in future consistent with Te Ao Maori approach.

CONSULTATION / ENGAGEMENT

25. No consultation is required in making the decision on how to treat the rates surplus.

SIGNIFICANCE

26. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council’s Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.

27. In making this assessment, consideration has been given to the likely impact, and likely consequences for:

    (a) the current and future social, economic, environmental, or cultural well-being of the district or region

    (b) any persons who are likely to be particularly affected by, or interested in, the decision

    (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

28. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance.

ENGAGEMENT

29. Taking into consideration the above assessment, that the decision is of medium significance, officers are of the opinion that no further engagement is required prior to Council making a decision.

NEXT STEPS

30. Adjustments will be made to the reserves in the 2025-26 Annual Report to reflect Council decisions on treatment of the surplus.

ATTACHMENTS

Nil

11.4 Council-controlled organisations - Review of Director Fees July-August 2026

File Number: A20242007

Author: Caroline Lim, CCO Specialist
Jeremy Boase, Head of Strategy, Governance & Climate Resilience

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

PURPOSE OF THE REPORT

1. To seek decisions on the level and funding of director[2] fee increases for Tauranga City Council's council-controlled organisations, Bay Venues Limited, Tauranga Art Gallery Trust, Tourism Bay of Plenty and Te Manawataki o Te Papa Limited.
2. There are no legal implications associated with the review or this report. There may be reputational risks associated with the Council's decision on any director fee increase. Reviews are generally undertaken every three years as per the requirements of the Council's Appointment of Directors to Council Organisations Policy. Prior to the July-August 2026 review, the previous reviews took place in June 2023 and May 2024.

RECOMMENDATIONS

That the Council:

(a) Receives the report "Council-controlled organisations - Review of Director Fees July-August 2026".

<u>Issue One: What fee increase, if any, should be applied?</u>

(b) Approves the following regarding the fee increase:

(i) **Option 1A – Consumer Price Index increase**.

Apply a fee increase reflecting <u>cumulative</u> inflation:

- 10.4% for Bay Venues Limited, Tauranga Art Gallery Trust, and Tourism Bay of Plenty (since the last review in June 2023), and
- 6.9% for Te Manawataki o Te Papa Limited (since the last review in May 2024).

This option maintains the real value of fees and supports the attraction and retention of skilled directors.

or

(ii) **Option 1B – Midpoint increase**.

Apply a fee increase:

- 5.2% for Bay Venues Limited, Tauranga Art Gallery Trust, and Tourism Bay of Plenty, and
- 3.45% for Te Manawataki o Te Papa Limited.

This option provides for some increase while recognising current financial pressures on the Council and its council-controlled organisations.

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[2] For the purposes of this report, 'director' should be read to include trustee, chair, and deputy chair, unless otherwise stated.

or

(iii) **Option 1C – No increase.**

Maintain current director fees.

This option avoids additional costs but does not address inflation.

or

(iv) **Option 1D – Maximum payment framework**.

Apply maximum fee levels equivalent to Option 1A, while allowing boards discretion over whether and when to implement increases.

This option provides flexibility for boards while setting a clear upper limit on remuneration.

Issue Two: Who should fund any approved increase? *(applicable if Option 1A, Option 1B, or Option 1D is approved)*

(c) Approves the following regarding who is funding the fee increase:

(i) **Option 2A – Council funds FY27 increase.**

The Council funds the increase in FY27 (as unbudgeted expenditure), backdated to 1 July 2026, and the CCO funds the increase from 1 July 2027.

or

(ii) **Option 2B – Council-controlled organisations fund increase.**

The CCO funds increase from within the CCO operational budget.

EXECUTIVE SUMMARY

3. Tauranga City Council (TCC) staff completed a review of director fees for the Boards of Bay Venues Limited (Bay Venues), Tauranga Art Gallery Trust (TAGT), Tourism Bay of Plenty (TBoP), and Te Manawataki o Te Papa Limited (TMoTPL) during July-August 2026.

4. The July-August 2026 review was undertaken in accordance with the Council's Appointment of Directors to Council Organisations Policy (Appointment Policy), which requires director fees to be reviewed at least once every three years. For the 2026 review, this included:

   - Bay Venues – review covers a three year period (since last fee review in 2023)
   - TAGT – review covers a three year period (since last fee review in 2023)
   - TBoP – review covers a three year period (since last fee review in 2023), and
   - TMoTPL – review covers a two year period (since last fee review in 2024).

5. This report asks the Council to make decisions on two issues:

   - Issue One: What fee increase, if any, should be applied? Options 1A, 1B, 1C and 1D.
   - Issue Two: Who should fund any approved increase? Options 2A and 2B.

6. The "Options Analysis" section sets out the four options for Issue One and the two options for Issue Two, together with the associated advantages and disadvantages of each option.

7. Four options are presented for fee levels:

   - Option 1A: Apply cumulative Consumer Price Index (CPI) increase (10.4% for Bay Venues, TAGT, and TBoP, and 6.9% for TMoTPL).
   - Option 1B: Apply a midpoint increase (5.2% for Bay Venues, TAGT, and TBoP, and 3.45% for TMoTPL).

- Option 1C: No increase.
- Option 1D: Apply a maximum payment framework equivalent to Option 1A, with implementation at each board's discretion.

Summary	Current fee	Fee increase – Cumulative CPI Option 1A	Fee increase – Mid-point increse Option 1B
BVL	253,750	280,140	266,945
TAGT	61,875	68,310	65,092
TBoP	84,375	93,150	88,762
TMoTPL	180,000	192,420	186,210
Total remuneration	**$580,000**	**$634,020**	**607,009**

8. Two funding options are presented:
   - Option 2A: The Council funds any approved fee increase in FY27 (backdated to 1 July 2026).
   - Option 2B: CCOs fund any approved fee increase.
9. The review considered inflation, governance complexity, market remuneration data, benchmarking against comparable entities, annual reports and board performance reviews.
10. While there are no legal implications arising from the review or this report, Council decisions may have reputational implications. Maintaining appropriate director fees supports the ability to attract and retain suitably qualified directors and sustain effective governance of the Council's CCOs.
11. Following the Council's decision, staff will implement the outcome and communicate it to the CCOs. The next review is scheduled for 2029.

BACKGROUND

12. Bay Venues, TAGT, TBoP and TMoTPL are the Council's CCOs. The Council appoints their board members (in the case of TBoP, jointly with Western Bay of Plenty District Council (WBoPDC)) and sets the level of director fees.
13. Regular reviews of CCO director fees are required by the Local Government Act (LGA) 2002 and the Appointment Policy.
14. By doing regular reviews, this ensures that CCO director fees are appropriate and enables the Council to attract and retain suitably qualified board members for its CCOs.
15. Section 57 of the LGA 2002 mandates that local authorities adopt a clear policy addressing the objective and transparent remuneration of directors. Councils must formally set and maintain a documented policy covering director remuneration, appointments and required skills sets.
16. Section 4.10 of the Appointment Policy states that CCO director remuneration *will be reviewed at least once per triennium, or wherever the performance of the CCO or the role of the CCO and its board changes significantly.*
17. Further, Section 4.10.2 states that where CCO directors are remunerated, the level of remuneration will be set taking into account the following factors:
    - The need to attract and retain appropriately qualified directors
    - The levels of remuneration paid by comparable organisations in New Zealand
    - Any changes in the nature of the CCO's business, and

- Any other relevant factors.

18. According to the Institute of Directors, setting director fees should be transparent, fair and reasonable.

19. The last review took place in June 2023 and May 2024, when the Council under the Crown-appointed Commissioners approved fee increases for the Boards of Bay Venues, TAGT and TBoP (2023), and for TMoTPL (2024) respectively.

20. The table below outlines the current director fees across the four CCOs:

CCO	Band	Base fee	Deputy Chair fee	Chair fee	Current number of board members	Last reviewed	Last changed
Bay Venues	3 Commercial	$35,000	$43,750	$70,000	7	June 2023	June 2023
TAGT	4 Non-commercial	$7,500	$9,375	$15,000	7	June 2023	June 2023
TBoP	4 Non-commercial	$13,500	$16,875	$27,000	5	June 2023	June 2023
TMoTPL	3 Commercial	$45,000	N/A	$90,000	3	May 2024	May 2024

21. The July-August 2026 review was undertaken by TCC staff, and used the same methodology created by Martin Jenkins & Associates (MJA), as that used for previous reviews. It considered:
    - Organisation size, scale and complexity
    - Governance workload and risk
    - Operating environment
    - Annual reports FY23-FY26
    - Board performance review results 2023-2026 (Council-led and CCO-led reviews as per the requirements of the Enduring Statements of Expectations)
    - Benchmarking against 17 comparable entities
    - Findings from the Institute of Directors/Ernst & Young Limited (IoD/EY) Director Fees Review Report 2025-2026 and Strategic Pay (SP) Director Fees Review Report 2026, and
    - The legislative, policy and best practice requirements outlined above.

22. Information about the 2026 review is outlined in the “Key highlights” and “Wrap up” sections below. Note **Attachment One**: *Director Fees Review Council-Controlled Organisations July-August 2026* provides information about the MJA Metholodgy and the benchmarking against comparable entities.

Tauranga City Council staff review of director fees July-August 2026 – Key highlights

23. Since the last director fee review of 2023-2024, Tauranga's CCOs have operated in a more challenging environment marked by cost-of-living pressures, financial constraints, government reform, and increasing public scrutiny. Directors are expected to balance affordability concerns with long-term strategic outcomes while overseeing growing costs, major infrastructure investments, and organisational performance.

The following table summarises the recent events, local government environment and operating environment:

Economic and cost of living environment	• Since the 2023-2024 director fee review, organisations have continued to operate amid cost-of-living pressures, inflation, elevated interest rates and affordability concerns. Communities remain highly sensitive to rates increases and public spending, increasing expectations for CCOs to demonstrate financial discipline, prioritise core outcomes and deliver services efficiently. • At the same time, rising costs associated with infrastructure, compliance, technology, cybersecurity and workforce capability have increased governance complexity, requiring directors to balance community and shareholder expectations, financial constraints and long-term outcomes.
Political and Local Government environment	• The local government sector is experiencing significant change, driven by the Coalition Government's focus on fiscal restraint, accountability, infrastructure delivery and public sector efficiency. Ongoing reforms affecting local government, water services, infrastructure funding and planning frameworks continue to create both uncertainty and opportunity. • In Tauranga, these changes coincide with the return to elected governance in July 2024 following three years under Crown-appointed Commissioners, bringing increased public scrutiny and a renewed mandate to deliver on Council priorities.
Financial constraints and prioritisation	• Councils across New Zealand continue to face significant financial pressures from infrastructure investment, ageing assets, regulatory requirements and affordability concerns. As a result, prioritisation has become a defining feature of the operating environment. • TCC and its CCOs have a responsibility to focus limited resources toward activities that deliver the greatest strategic and community benefit, requiring directors to make trade-offs, manage risk and balance long-term objectives with short-term affordability pressures.
Major capital investment, city transformation and regional partnership	• Tauranga continues to deliver significant city-shaping infrastructure projects, increasing governance responsibilities and strategic oversight requirements. • Te Manawataki o Te Papa remains a major civic development, supported by substantial investment in cultural, community and civic infrastructure. TMoTPL's governance oversight will also extend to associated transport and enabling infrastructure projects valued at approximately $838 million. • Other significant milestones include: o Opening of the Haumaru Sport and Recreation building in May 2025. o Reopening of Toi Tauranga Art Gallery in November 2025. o Practical completion of He Puna Manawa in July 2026, with opening planned for October 2026. o Signing of the Regional Deal in May 2026, establishing long-term priorities for transport, housing, social infrastructure and economic growth across the Western Bay of Plenty.
Technology and emerging governance challenges	• The rapid emergence of AI presents both opportunities and risks for local government organisations. While AI can improve service delivery and productivity, it also raises governance considerations relating to ethics, cybersecurity, privacy, workforce impacts and

	compliance. • Directors are increasingly expected to understand emerging technologies, oversee risk management and ensure organisations are positioned to adapt to technological change.

24. The implications of the above factors for governance, is an environment characterised by:
    - Increased shareholder, stakeholder and community scrutiny
    - Greater expectations for financial discipline and accountability
    - Significant strategic, regulatory and local government reform
    - Large-scale infrastructure and city transformation programmes
    - Accelerating technological change, and
    - Difficult prioritisation decisions in a resource-constrained environment.
25. While affordability remains an important consideration, governance demands on Council CCO directors have continued to increase in complexity, accountability and strategic significance. This provides important context when considering director fee levels and the ability to attract and retain high-calibre governance expertise.
26. The IoD/EY report found that there was a strong recovery in 2025, with median non-executive director fees increasing 7.4% to $53,700 after a decline in 2024 ($50,000), resulting in fees being 3.3% higher than 2023 ($52,000) levels. This growth reflected inflationary pressures, increasing governance complexity, heightened regulatory obligations, and expanding board responsibilities.
27. The SP report found that fee growth moderated in 2026, with median non-executive director fees declining 2.5% to $52,523 (from $53,844 in 2025), driven mainly by private sector organisations limiting fee increases amid challenging economic conditions. Despite this, fees remained 31.3% higher than in 2021, while public sector fees continued to rise to address historically low remuneration levels.
28. While the rapid fee increases seen in 2024 and 2025 have eased (these increases did not affect the 2023 review of Bay Venues, TAGT and TBoP), director remuneration remains historically high. Current fee levels continue to reflect the growing complexity, accountability and professional demands of board roles, despite economic uncertainty.
29. The key things to be aware of with the above reports and the 2026 review are:
    - Market median fees remain around the $52k-$54k range for non-executive directors
    - Fee growth has slowed, but there is no evidence of a broad market correction
    - Governance complexity continues to increase, supporting a case for maintaining competitive board remuneration
    - Board workload, risk exposure and accountability remain key drivers of remuneration discussions, and
    - Shareholder scrutiny of director fees is increasing, requiring a robust and evidence-based approach to fee setting.
30. Using the MJA Methodology, the size and scale evaluation was based on the following information. The financial aspects were obtained from the CCOs' Annual Report audited accounts as at 30 June 2025:

Size and scale data	Bay Venues	TAGT	TBoP	TMoTPL
Total revenue	$31.28 million	$8.76 million[3]	$3.73 million	$651,199
Total assets	$168.25 million	$17.79 million	$1.26 million	$54,465
Full-time employee equivalents (FTEs)	100-299	0-50	0-50	0-50

31. The size and scale areas were evaluated using the above data. The remaining areas were determined by staff review. Results from the previous review were used as a starting point (where the review differs from the previous review, that previous number is shown in brackets). The scores in the table below mean that all CCOs remain in their current bands:

Evaluation areas	Bay Venues	TAGT	TBoP	TMoTPL
Budget	2	1	1	1 (0)
Assets owned	2 (3)[4]	1	1	1 (0)
FTEs	3	1	1	1
Complexity of issues	3	2	2	4
Function, level and scope of authority	3	2	2	4
Impact of decisions	3	2	3 (2)	3
Public profile	4 (3)	3	3	4
Reputational risk	4 (3)	2	3 (2)	4
Skills / Expertise	10 (8)	6 (4)	8 (6)	12 (10)
Total	**34 (31)**	**20 (18)**	**24 (20)**	**34 (30)**
Band	**3** Commercial	**4** Non-commercial	**4** Non-commercial	**3** Commercial

32. The table below summarises the CCOs' achievements across FY23-FY26, based on their annual reports:

CCO	Achievements FY23-FY26
Bay Venues	• Across FY23-FY26[5], Bay Venues delivered strong community, operational and financial results under the Board's governance, maintained more than 2 million annual customer visits, hosted numerous major events and programmes, advanced key facility upgrades and developments, expanded inclusion and high-performance sport initiatives, and improved sustainability outcomes. • In FY25, these achievements included an unfunded operating surplus of $260,772, the opening of Tauranga's new indoor sports facility, and the successful delivery of a $17 million capital programme, highlighting the Board's effective strategic oversight and governance. • In FY26, these achievements included an unfunded operating surplus of $51,363 (22% ahead of budget), a customer satisfaction score of slightly above 85%, the successful delivery of 95 significant events, and more than 10,000 annual enrolments across five venues in both Tauranga and Western Bay.

[3]TAGT Annual Report FY25 – of the $8.76m amount, $6.76m of that amount relates to a non-cash vested redevelopment asset.
[4] When the last review was undertaken, a score of 3 was provided based on the CCO's FY22 Annual Report and the MJA Methodology. A subsequent review of the data indicates that the correct score should have been 2.
[5] The auditing of Bay Venues' Annual Report FY26 will be completed by 30 September.

TAGT	• Across FY23-FY26[6], TAGT provided strong governance and strategic leadership through the oversight of a $9.657 million gallery redevelopment, delivery of high-quality exhibitions, education programmes and community initiatives, despite the challenges of COVID recovery and gallery closure (due to the redevelopment). • During FY23-25, the Gallery engaged more than 116,000 people through onsite, touring and digital experiences, reached over 10,000 students through education programmes, maintained visitor satisfaction above 90%, strengthened partnerships with mana whenua and the arts sector, and expanded national and online audiences, demonstrating the Board's significant governance contribution and commitment to community outcomes. • During FY26, the reopening of the Gallery, after a two-year closure, welcomed 98,126 visitors, 43,000 new website visits, 1.81 million social media views, 45 artists and 20 exhibitions, and inspired nearly 2,000 school students.
TBoP	• Across FY23-FY26[7], TBoP delivered strong regional economic, tourism and sustainability outcomes under the Board's governance, expanding business events, cruise tourism and destination marketing initiatives, and strengthening Māori cultural tourism development. • Key achievements included national tourism award recognition, successful facilitation of the cruise sector where 631,000 passengers were welcomed, significant growth of the Flavours of Plenty Festival year-on-year which in FY26, welcomed 3,800 attendees across 50+ events and fuelled by a record 150+ regional contributors, and The Green Room Te Rūma Kākāriki sustainability programme which has assisted 135 coastal Bay of Plenty organisations to take significant steps to improve sustainability. • There was also increased conference bidding success, and continued support for operators and community outcomes, demonstrating the organisation's growing strategic importance and governance complexity.
TMoTPL (FY24-FY26)	• Across FY24-FY26[8], TMoTPL provided strong governance and strategic oversight of Tauranga's city centre transformation with the delivery of major civic and waterfront projects, including 90 Devonport Road, Toi Tauranga Art Gallery, Haumaru Sport and Recreation Centre, Waterfront Playground, and the new Library and Community Hub. • The Board also expanded its portfolio with the Memorial Park Aquatic Centre and Indoor Courts projects, while successfully keeping the overall Te Manawataki o Te Papa civic precinct programme outcomes on track and largely within the approved funding envelope despite industry-wide challenges such as consenting complexities, • The Board proactively managed strong health and safety outcomes, project delivery outcomes, and sector-wide construction challenges, and received industry recognition for sustainability and placemaking.

33. The table below summarises the CCO Boards' performance review results between 2023 to 2026:

CCO	Board performance review results 2023-2026
Bay Venues[9]	• Has strong strategic leadership, financial stewardship, legal and compliance oversight, enterprise risk management, and health, safety and wellbeing governance, underpinned by high engagement, equal contribution from board members, and a culture of psychological safety that enables constructive challenge and robust discussion, and

[6] The auditing of TAGT's Annual Report FY26 will be completed by 30 September.
[7] The auditing of TBoP's Annual Report FY26 will be completed by 30 September.
[8] The auditing of TMoTPL's Annual Report FY26 will be completed by 30 September.
[9] This Council-led review was completed in December 2023, independently facilitated by Govn365.

	• Appears self-aware and committed to continuous improvement, seeking deeper organisational insights and broader stakeholder feedback.
TAGT[10]	• Has evolved from a board managing financial uncertainty and redevelopment pressures into a more mature, disciplined, and strategically focused governance body • Has retained and strengthened the strong foundations identified in 2023, including a high-trust culture, constructive challenge, and effective leadership, while financial oversight, enterprise risk management, governance systems, succession planning, and stakeholder relationships have all matured • Is now operating with greater confidence in its stewardship role and is increasingly focused on long-term strategy and sustainability rather than delivery oversight, and • Overall, across the two performance reviews, the Board demonstrates a positive governance trajectory and is transitioning from capability-building to exercising stronger strategic judgement and long-term stewardship.
TBoP[11]	• Is particularly strong in strategic leadership and purpose, financial stewardship, legal and compliance oversight, and commercial governance, while also fostering a high-performing board culture characterised by psychological safety, constructive contribution from all members, and an effective mix of experienced and newer trustees, and • Has strengthened stakeholder engagement significantly, with notable progress in external relationships and iwi engagement.
TMoTPL (2024-2026)[12]	• Has maintained a high level of governance maturity, progressing from an independently assessed governance score of 85% in 2024 to a 2026 self-assessment that confirmed continued strong performance • Demonstrates mature strategic leadership, robust financial stewardship, effective risk and assurance oversight, and a culture of trust, psychological safety and constructive challenge, and • Has sustained its strengths in governance of major infrastructure projects and financial oversight, while shareholder and stakeholder engagement has improved, but remains an ongoing focus, particularly with elected members, mana whenua and partner CCOs.

Tauranga City Council staff review of director fees July-August 2026 – Wrap up

34. The 2026 review found that the current remuneration bands for all four CCOs remain appropriate. Application of the MJA Methodology confirmed that Bay Venues and TMoTPL continue to sit within Band 3 (Commercial), while TAGT and TBoP remain within Band 4 (Non-commercial). Although public scrutiny, strategic importance and board responsibilities have continued to increase since the previous reviews, these changes were not sufficient to warrant a movement between remuneration bands.

35. Given that the existing bands remain unchanged, the review has used current fee levels as the starting point for considering any remuneration adjustments. The primary variable for the Council's consideration is therefore whether director fees should be adjusted to recognise inflation since the last review, partially adjusted, or remain unchanged. This approach is consistent with maintaining the integrity of the established remuneration framework while recognising changes in the external operating environment.

36. The inflation figures used in this review are based on cumulative CPI movements over the period since each CCO's director fees were last reviewed. CPI has been used as an objective and transparent measure of changes in the cost environment affecting both organisations and directors. For Bay Venues, TAGT and TBoP, the last fee review occurred in June 2023, resulting in a cumulative CPI increase of 10.4% over the three-year review

[10] Two reviews were completed – December 2023 (by Govn365, Council-led review) and December 2025 (by Lead, CCO-led review). The latter review results were shared with Elected Members in April 2026.
[11] This Council-led review was completed in December 2023, independently facilitated by Govn365.
[12] Two reviews were completed – in September 2024 (by Govn365, Council-led review) and review results were shared with the Mayor in March 2025, and in June 2026 (CCO-led review with self-assessment by the TMoTPL Board) and review results were shared with Elected Members in July 2026.

period. For TMoTPL, the last fee review occurred in May 2024, resulting in a cumulative CPI increase of 6.9% over a two-year review period.

37. The different review periods reflect the timing requirements of the Appointment Policy, which requires director remuneration to be reviewed at least once per triennium. As Bay Venues, TAGT and TBoP were last reviewed in 2023, a three-year inflation measure has been applied. TMoTPL was reviewed separately in 2024 due to its more recent establishment and governance requirements, and therefore a two-year inflation measure has been applied. This ensures each organisation is assessed on a like-for-like basis from the date its remuneration was last considered by the Council.

38. **Overall, the review concludes that the current remuneration framework remains fit for purpose, and that the current remuneration bands for all four CCOs remain appropria**te. The Council's decision is therefore centred on the extent to which director fees should be adjusted within that existing framework, balancing inflationary pressures, affordability considerations, market remuneration trends, and the need to attract and retain suitably qualified directors to govern the Council's CCOs effectively.

STATUTORY CONTEXT

39. Regular reviews of CCO director fees are required by the LGA 2002.

40. The Appointment Policy includes consideration of director fees and the expectation that CCO director fees will be reviewed at least once per triennium.

41. Undertaking regular reviews ensures that directors are remunerated appropriately and the recruitment and appointment of board members continue to be based on merit.

STRATEGIC ALIGNMENT

42. Bay Venues, TAGT, TBoP and TMoTPL actively work with the Council, tangata whenua and our community to contribute towards great outcomes, value for money, and delivering more with less resources. Strong effective governance is fundamental to ensuring the above can continue to be delivered:

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	✓
We are a well-planned city that is easy to move around	☐
We are a city that supports business and education	✓
We are a vibrant city that embraces events	✓

OPTIONS ANALYSIS

43. There are two issues to be considered, and analysis has been done on each issue.

Issue One: What fee increase, if any, should be applied?

44. **Option 1A: CPI cumulative increase of 10.4% for Bay Venues, TAGT and TBoP, and of 6.9% for TMoTPL** – This option maintains the real value of fees and supports the attraction and retention of skilled directors.

Advantages	Disadvantages
• Remuneration increase linked to inflation. • Remuneration increase enables the Council to attract and retain suitably qualified board members. • Remuneration increase enhances the Council’s reputation, particularly within certain sectors such as arts and tourism.	• Might be viewed negatively by the public in this ongoing cost of living and financial constraint environment that the Council and CCOs are operating in. • As the Council provides operational funding for the CCOs, which includes director fees, an increase in

• May further improve relationships with Bay Venues, TAGT, TBoP and TMoTPL board members by recognising and valuing their contribution. • Will avoid fee erosion over time.	remuneration may lead to a small increase in the Council's funding (or the CCOs will need to find the budget the fund the increase). See Issue Two.

45. **Option 1B: Midpoint increase of 5.2% for Bay Venues, TAGT and TBoP, and of 3.45% for TMoTPL** – This option provides for some increase while recognising current financial pressures on the Council and its CCOs.

Advantages	Disadvantages
• Remuneration increase enables the Council to attract and retain suitably qualified board members. • Remuneration increase enhances the Council's reputation, particularly within certain sectors such as arts and tourism. • May further improve relationships with Bay Venues, TAGT, TBoP and TMoTPL board members by recognising and valuing their contribution.	• Might be viewed negatively by the public in this ongoing cost of living and financial constraint environment that the Council and its CCOs are operating in. • Will cause some fee erosion over time. • As the Council provides operational funding for the CCOs, which includes director fees, an increase in remuneration may lead to a small increase in the Council's funding (or the CCOs will need to find the budget the fund the increase). See Issue Two.

46. **Option 1C: No increase** – This option avoids additional costs but does not address inflation.

Advantages	Disadvantages
• There are no additional costs or financial impacts on the Council, CCOs and ratepayers. • May be viewed favourably by the public in this ongoing cost of living and financial constraint environment.	• Potential negative impact on the Council's relationship with the CCO board members, due to a perception that they are under-valued. • Potential reputational issues, leading to difficulty attracting and retaining high-calibre board members. • May create pressure for future reviews with larger catch-up adjustments required. • Will cause some fee erosion over time.

47. **Option 1D: Maximum payment framework (equivalent to Option 1A)** – This option provides flexibility for boards while setting a clear upper limit on remuneration.

Advantages	Disadvantages
• Provides a clear upper limit on board remuneration costs for the next three years (till the next review in 2029). • Boards have budget control in when to implement the maximum payment. • Allows boards the flexibility to pay a director up to that amount if required.	• Might be viewed negatively by the public in this ongoing cost of living and financial constraint environment that the Council and CCOs are operating in. • As the Council provides operational funding for the CCOs, which includes director fees, an increase in remuneration may lead to a small increase in the Council's funding (or the CCOs will need to find the budget the fund the increase). See Issue Two.

48. The tables below show the fee increase based on the options provided on Issue One:

Bay Venues (Band 3 Commercial)	Current fee	Fee increase – Option 1A, Option 1D	Fee increase – Option 1B
Chair	$70,000	$77,280	$73,640
Deputy Chair	$43,750	$48,300	$46,025
Other Directors	$35,000 (x4 = $140,000)	$38,640 (x4 = $154,560)	$36,820 (x4 = $147,280)
Total remuneration	**$253,750**	**$280,140**	**$266,945**

TAGT (Band 4 Non-commercial)	Current fee	Fee increase – Option 1A, Option 1D	Fee increase – Option 1B
Chair	$15,000	$16,560	$15,780
Deputy Chair	$9,375	$10,350	$9,862
Other Trustees	$7,500 (x5 = $37,5000)	$8280 (x5 = $41,400)	$7,890 (x5 = $39,450)
Total remuneration	**$61,875**	**$68,310**	**$65,092**

TBoP (Band 4 Non-commercial)	Current fee	Fee increase – Option 1A, Option 1D	Fee increase – Option 1B
Chair	$27,000	$29,808	$28,404
Deputy Chair	$16,875	$18,630	$17,752
Other Trustees	$13,500 (x3 = $40,500)	$14,904 (x3 = $44,712)	$14,202 (x3 = $42,606)
Total remuneration	**$84,375**	**$93,150**	**$88,762**

TMoTPL (Band 3 Commercial)	Current fee	Fee increase – Option 1A, Option 1D	Fee increase – Option 1B
Chair	$90,000	$96,210	$93,105
Deputy Chair	N/A	N/A	N/A
Other Directors	$45,000 (x2 = $90,000)	$48,105 (x2 = $96,210)	$46,552 (x2 = $93,105)
Total remuneration	**$180,000**	**$192,420**	**$186,210**

Summary	Current fee	Fee increase – Cumulative CPI Option 1A, Option 1D	Fee increase – Mid-point CPI Option 1B
BVL	253,750	280,140	266,945
TAGT	61,875	68,310	65,092
TBoP	84,375	93,150	88,762
TMoTPL	180,000	192,420	186,210
Total remuneration	**$580,000**	**$634,020**	**607,009**

Issue Two: Who should fund any approved increase?

49. **Option 2A: Council funds FY27 increase (backdated to 1 July 2026)** – No financial impact on the CCOs in FY27. The CCOs would absorb the ongoing increase within existing budgets from FY28 onwards.

Option 1A CPI increase **Option 1D** Maximum payment framework	**Impact on the Council FY27**	**Impact on the CCOs FY27**
	Total across the CCOs = **$54,020.** • Bay Venues – $26,390. • TAGT – $6,435. • TBoP – $8,775. • TMoTPL – $12,420.	$0.
Option 1B Midpoint increase	**Impact on the Council FY27**	**Impact on the CCOs FY27**
	Total across the CCOs = **$27,009.** • Bay Venues – $13,195. • TAGT – $3,217. • TBoP – $4,387. • TMoTPL – $6,210.	$0.

50. **Option 2B: Council-controlled organisations fund increase** – This option has no financial impact on the Council, as the CCOs would absorb the ongoing increase within existing budgets. If Option 1A or 1B, council-controlled organisations fund the increase in FY27, backdated to 1 July 2026. If Option 1D, each CCO Board would determine the funding and timing of implementation, including whether to implement increases immediately, backdate them to 1 July 2026, or defer implementation based on their financial capacity.

Option 1A CPI increase **Option 1D** Maximum payment framework	**Impact on the Council for FY27**	**Maximum impact on the CCOs for FY27**
	$0.	• Bay Venues – $26,390. • TAGT – $6,435. • TBoP – $8,775. • TMoTPL – $12,420.

Option 1B Midpoint increase	**Impact on the Council for FY27**	**Maximum impact on the CCOs for FY27**
	$0.	• Bay Venues – $13,195. • TAGT – $3,217. • TBoP – $4,387. • TMoTPL – $6,210.

FINANCIAL CONSIDERATIONS

51. Tourism Bay of Plenty:

- As joint shareholder of TBoP, WBoPDC provided a one-off grant of $10,000 (against a total fee increase of $10,875) to fund the majority of the TBoP Board director fee increase approved during the previous review in June 2023.

- If Council adopts Option 1A ($8,775), Option 1B ($4,387), or Option 1D ($8,775) in conjunction with Option 2A (Council funds FY27 increase), staff recommend that the Council funds the director fee increase on this occasion.

52. See Issue Two above in the “Option Analysis” section for more information relating to Options 2A and 2B.
53. If Council decides to the option to increase the fee from 1 July 2026 and fund that from Council, then this will be unbudgeted expenditure. In the first instance this will sought to be funded by savings that may occur during the year, and if that is not possible it will be reported back as part of the overall fiscal reporting of Council.

RISKS AND LEGAL IMPLICATIONS

54. There are no legal implications associated with the review or this report.
55. There may be reputational risks as ensuring that CCO director fees are appropriate, enables the Council to attract and retain suitably qualified directors for its CCOs.

TE AO MĀORI APPROACH

56. This report is specifically on the review of director fees, therefore, the Te Ao Maori approach has not been factored into this review.

CLIMATE IMPACT

57. This report is specifically on the review of director fees, therefore, climate impact has not been factored into this review.

CONSULTATION / ENGAGEMENT

58. The Boards of Bay Venues, TAGT, TBoP and TMoTPL, via their Chairs, have been informed about this review.
59. As representatives of joint shareholder WBoPDC, that council’s Mayor and Deputy Mayor have been informed of this review.
60. There is no requirement or expectation to consult the public on this matter under the LGA.

SIGNIFICANCE

61. The Local Government Act 2002 requires an assessment of the significance of matters, issues, proposals and decisions in this report against Council’s Significance and Engagement Policy. Council acknowledges that in some instances a matter, issue, proposal or decision may have a high degree of importance to individuals, groups, or agencies affected by the report.
62. In making this assessment, consideration has been given to the likely impact, and likely consequences for:
    (a) the current and future social, economic, environmental, or cultural well-being of the district or region
    (b) any persons who are likely to be particularly affected by, or interested in, the decision.
    (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.
63. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance, because it has low public interest, low impact on the Council being able to perform its role and fee increases are less than $500k opex.

ENGAGEMENT

64. Taking into consideration the above assessment, the review that has been undertaken, the analysis of each option presented in this report, and that the decision is of low significance, officers are of the opinion that no further engagement is required prior to the Council making a decision.

NEXT STEPS

65. Staff will action the Council's decision on the fee increase and who will fund the increase.

66. Staff will communicate Council's decision to the CCO Boards and WBoPDC.

67. The next review of CCO director fees is scheduled for 2029.

ATTACHMENTS

1. Director Fees Review Council-Controlled Organisations July-August 2026 - A21030449 ⇩

Director Fees Review Tauranga City Council's Council-Controlled Organisations July-August 2026

<u>Appendix 1:</u> Methodology for review of Tauranga City Council's council-controlled organisation director fees

Methodology

The Martin, Jenkins & Associates (MJA) Methodology has been used for this 2026 review. This was the same methodology used in 2016, 2017, 2020, 2023 and 2024 for the previous CCOs' director fees reviews.

This methodology considers the relative scale of each CCO through a variety of dimensions in the following key areas:

- Size and scale
- Complexity and scope
- Accountability, and
- Skills required.

Size and scale

These are quantitative dimensions which demonstrate the relative magnitude of each CCO, including revenue, opex, capex, asset base, equity, liabilities and employee numbers.

These dimensions are useful for understanding the scale of an organisation but are not sufficient on their own to assess the nature of governance roles and responsibilities.

Budget	Score
$0-10m	1
$10m-50m	2
$50m-100m	3
$100m-300m	4
$300m-600m	5
$600m-1.2b	6
$1.2b+	7

Assets owned	Score
$0-100m	1
$100m-500m	2
$500m-1b	3
$1b-3b	4
$3b-6b	5
$6b-12b	6
$12b+	7

Full-time employees	Score
0-50	1
51-99	2
100-299	3
300-499	4
500+	5

Complexity and scope

These dimensions assess the nature of the work performed by each CCO. This includes dimensions such as relationship management responsibilities, the complexity of issues considered, whether or not there are past decisions for guidance and ownership versus management responsibilities.

Complexity of issues	Score
Very complex issues with no past decisions for guidance. Each situation significantly to others and solution required is often unique.	5
Some issues will be very complex with few previous decisions for guidance.	4
Complex issues requiring analysis and consideration of potential alternative solutions. While each case will be treated on its merits there will often be previous decisions for guidance.	3
Some issues will be complex requiring analysis and careful judgement but other issues will be straightforward and may be resolved quickly through consistent application of established decisions.	2
Situations require consideration and judgement, but usually under established guidelines.	1

Function, level and scope of authority	Score
Innovative – the development of new concepts is required to find innovative and path-finding solutions. There will be little or no external guidance (New Zealand or internationally) to aid resolution of these issues.	5
Constructive – the development of new approaches or advice is required where the issues are complex, multi-dimensional and involve substantial research, consideration of possible alternatives and their consequences. The body may commission research or utilise the findings to inform their policy development or advice.	4
Evaluative – issues will include circumstances, facts and concepts different to those that have been experienced in the past. Analytical thinking and evaluative judgement will be required to identify realistic alternatives and apply/recommend a solution.	3
Judgement – solutions will be found from application of professional or personal judgement and generally guided by previous decisions. Circumstances may be different from those previously experienced but there will be a sufficient frame of reference to make a considered decision.	2
Operational – issues to be resolved are generally within existing policy and prior decisions. Decisions can generally be made quickly and with reasonable certainty.	1

Accountability

This considers the scale of market risk, exposure and public interest in each CCO. This includes the impact of decisions made by each Board, the public profile of the CCO's activities, potential risk to reputation of individual directors, and key risks faced.

Impact of decisions	Score
An immediate impact on groups of people or sectors of society.	5
An immediate, critical impact on individual or small number of people.	4
Decisions have an immediate, but not critical effect on a small number of individuals or a single corporate entity.	3
Decisions have a longer-term impact on groups of people or sectors of society.	2
Decisions affect internal policies within an organisation.	1

Public profile	Score
High profile – broad public interest and scrutiny likely. Potential impact on New Zealand's international population.	5

Moderate profile – strong interest likely from large sectors of the public. Decisions may have a major effect on the Council.	4
Medium profile – public interest likely to be localised to area, sector or discipline.	3
Limited profile – usually non-controversial determinations but of interest to small pressure groups.	2
Low profile – generally non-controversial findings or recommendations.	1

Risk to personal reputation	Score
Widespread public interest in outcomes would be expected. Member/s will attract strong interest from media and/or peers. Potential risk to personal and/or the body's reputation is high.	5
Strong public, peer and stakeholder interest and importance would be associated with these issues. Media interest would also be expected, but potential risk to personal or the body's reputation is unlikely.	4
Moderate but widespread public and peer interest is likely. Reputational risk is minimal.	3
Public interest is likely to be limited, but the issues would be of interest to other members of the particular profession or sector.	2
There is likely to be little or no wider public or peer interest in decisions made by the entity.	1

Skills required

In addition to these dimensions, the skills collectively required within each board were considered. This includes the type of expertise and specialisation needed.

Expertise required	Score
Outstanding and authoritative knowledge, recognised nationally and internationally for expertise in a particular field.	12
Deep and broad knowledge in a specific area or as a leader. Widely respected as a subject matter expert or authority in their field.	10
Substantial range of knowledge and experience in a field or professional discipline sometimes associated with senior level functional or technical leadership, executive management or governance roles.	8
A number of years' experience in a technical, professional field or in a leadership role is a prerequisite.	6
No specific experience is required but members would have broad general knowledge and may represent a body of opinion.	4

Consideration of these collective dimensions provides a comprehensive understanding of each CCO and enabled a review of the internal relativities between each of the CCOs.

Converting the score to a band

Extrapolated based on previous scores and band levels:

	Band 1	Band 2	Band 3	Band 4	Band 5
Budget	7	6	5	4	3
Assets owned	7	6	5	4	3
FTEs	5	4	3	2	2
Complexity of issues	5	4	3	2	1
Function, level and scope of authority	5	4	3	2	1
Impact of decisions	5	4	3	2	1
Public profile	5	4	3	2	1
Reputational risk	5	4	3	2	1

Skills / Expertise	12	10	8	6	5
Total (upper limit of band)	**56**	**46**	**36**	**26**	**18**

Fees

Recommended fee bands:

Band level	Commercial basis	Non-commercial basis	Score
1	$51,000 to $58,000	$25,500 to $29,000	47-56
2	$38,000 to $45,000	$19,000 to $22,500	37-46
3	$33,000 to $40,000	$16,500 to $20,000	27-36
4	$15,000 to $25,000	$7,500 to $12,500	19-26
5	$5,000 to $15,000	$2,500 to $7,500	12-18

<u>Appendix 2:</u> Fee benchmarking for Tauranga City Council's council-controlled organisations

Note:

- The benchmarking figures for other CCOs or comparable entities have come from their most recent annual reports found online during the 2026 review.
- Director fees vary significantly by organisation type, with governance fees in many community-focused, Māori, co-operative and public-sector organisations generally lower than those in commercial organisations, particularly listed companies.
- A common governance remuneration benchmark is for the Board Chair to receive approximately twice the fee of a Director (around 2:1), reflecting the greater leadership and accountability of the role. Deputy Chairs are typically paid 1.25 times a standard Director fee, recognising their additional responsibilities and succession support role.
- Tātaki Auckland Unlimited's economic development branch has been brought in-house into Auckland Council, however, it continues to operate as a CCO focusing solely on destination, arts, culture and major events, such as the Auckland Zoo and Aotea Centre. Information in their Annual Report FY25 is still relevant to this review.
- Eke Panuku Development Auckland has been disestablished and brought in-house into Auckland Council, however, information in their Annual Report FY25 is still relevant to this review.

Organisation/ comparison group	Type of entity	Director	Deputy Chair	Chair
General (median figures)				
State-owned enterprises IoD/EY Directors' Fees Report 2025/26		$36,000	$45,000	$70,158
Statutory boards IoD/EY Directors' Fees Report 2025/26		$27,000	$33,750	$43,000
Council-controlled organisations IoD/EY Directors' Fees Report 2025/26		$40,700	See footnote[1]	$54,510
Not-for-profit IoD/EY Directors' Fees Report 2025/26		$35,000	See footnote[2]	$46,000
Trust IoD/EY Directors' Fees Report 2025/26		$15,372	N/A	$30,000
Comparable entities with Bay Venues Limited The comparator set was considered appropriate for assessing Bay Venues director remuneration, as each organisation operates within a similar public-sector environment involving venue and event management, significant community assets, and a balance of community and commercial objectives.				
Dunedin Venues Management Annual Report FY25	Dunedin City Council CCTO	$20,000	N/A	$30,000
Tātaki Auckland Unlimited	Auckland Council CCO	$62,000	$67,000	$108,000

[1] Sample sizes were too small to be meaningful for this review.

[2] Sample sizes were too small to be meaningful for this review.

Organisation/ comparison group	Type of entity	Director	Deputy Chair	Chair
Annual Report FY25				
Wellington Regional Stadium Trust Annual Report FY25	Wellington joint CCO – Greater Wellington Regional Council & Wellington City Council	$25,000	N/A	$45,000
Wellington Regional Economic Development Agency Annual Report FY25	Wellington City Council CCO	$25,000	N/A	$50,000
Venues Ōtautahi Limited Annual Report FY25	Christchurch City Council CCO	$37,375	N/A	$74,750
Comparable entities with Tauranga Art Gallery Trust The comparator set comprises New Zealand cultural, museum and arts organisations operating in the public-benefit sector and governed through trust, statutory board, CCO or Crown-entity structures. While not exact peers, these organisations provide a reasonable market reference for governance workload, stakeholder complexity, stewardship of significant cultural assets, public accountability obligations and strategic oversight responsibilities.				
Te Manawa Museums Trust Annual Report FY25	Palmerston North City Council CCO	$3369	N/A	N/A
Wellington Museums Trust Annual Report FY25	Wellington City Council CCO	$22,000	N/A	$36,000
Auckland War Memorial Museum Annual Report FY25	Statutory Trust Board Organisation	$20,000-25,000	$25,000-35,000	$45,000-55,000
Museum of New Zealand Te Papa Tongarewa Annual Report FY25	Crown entity	$16,500	$16,500	$33,000
The Arts Centre Te Matatiki Toi Ora (The Arts Centre of Christchurch Trust) Annual Report FY25	Christchurch Independent Charitable Trust	$8000-15,000	$12,000-20,000	$20,000-35,000
Comparable entities with Tourism Bay of Plenty The comparator set was selected on the basis that they undertake tourism promotion, destination management and/or regional economic development functions on behalf of local or central government entities. While the scale and complexity of operations vary, they operate in similar governance environments and require boards to oversee destination marketing, stakeholder engagement, economic development outcomes, public funding and strategic regional leadership.				

Organisation/ comparison group	Type of entity	Director	Deputy Chair	Chair
Tourism New Zealand Annual Report FY25	Crown entity	$23,900	N/A	N/A
Tātaki Auckland Unlimited Annual Report FY25	Auckland Council CCO	$62,000	$67,000	$108,000
Wellington Regional Economic Development Agency Annual Report FY25	Wellington City Council CCO	$25,000	N/A	$50,000
Rotorua Economic Development Limited Annual Report FY25	Rotorua Lakes Council CCO	$15,000	N/A	$30,000
Comparable entities with Te Manawataki o Te Papa Limited The comparator set was selected on the basis that they undertake significant urban development, regeneration, placemaking, property investment, infrastructure delivery, and strategic asset governance activities within a public sector or council-controlled environment. While the organisations vary in scale, ownership structure, and geographic scope, each requires directors to oversee complex capital programmes, manage significant stakeholder relationships, balance commercial and community outcomes, and operate within a framework of public accountability.				
Eke Panuku Development Auckland Annual Report FY25	Former Auckland Council CCO	$49,061	N/A	$104,850
Christchurch City Holdings Limited Annual Report FY25	Christchurch City Council CCTO	$55,000	$55,000	$110,000
Kāinga Ora – Homes and Communities (urban development and regeneration arm) Annual Report FY25	Crown entity	$50,319	$56,341	$98,000

11.5 Consultation on Options for a New Governance and Delivery Model for Tauranga Airport

File Number: **A20904060**

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PURPOSE OF THE REPORT

1. The purpose of this report is to seek Council's endorsement to continue progressing the review of future ownership, governance and delivery options for Tauranga Airport assets and activities.
2. This report also proposes the establishment of an Airport Working Group to oversee the options development process, including options analysis, due diligence and stakeholder engagement.
3. Through this process, staff will identify a preferred option, together with reasonably practicable alternatives, for Council's consideration and potential inclusion in Long-term Plan 2027-37 consultation.

RECOMMENDATIONS

That Council:

(a) Receives the report "Consultation on options for governance and delivery model for Tauranga Airport".

(b) Agrees to progress the proposed work programme to assess possible future ownership, governance and delivery arrangements for Tauranga Airport.

(c) Notes that any formal public consultation would be undertaken through the Long-term Plan 2027-37 process, which would address the statutory requirements associated with establishing a Council-Controlled Organisation or Council-Controlled Trading Organisation and any proposed transfer of ownership or control of Airport assets and activities. The consultation material would present Council's preferred approach together with reasonably practicable alternatives

(d) Establishes an Airport Working Group in accordance with the Terms of Reference at **Attachment 2.**

(e) Appoints [insert Elected Member], [insert Elected Member] and [insert Mana Whenua representative] as members of the Airport Working Group.

(f) Approves obtaining professional tax advice, including a binding ruling from Inland Revenue, to provide certainty on Council's tax position and inform the assessment of the available options.

(g) Requests that staff report back to Council with the outcomes of the options analysis and due diligence, the proposed commercial term sheet, the outcomes of the tax advice and Inland Revenue ruling process, and any other supporting advice necessary to enable Council to determine whether a change to the current ownership, governance and delivery arrangements is warranted and, if so, a preferred ownership, governance and delivery model, together with reasonably practicable alternatives, for consultation through the draft Long-term Plan 2027-37.

(h) Agrees that the commercially sensitive parts of this report and its attachments are to remain in the public excluded section on the grounds that release of that commercially sensitive information would be likely to prejudice or disadvantage Council's commercial activities and negotiating position in relation to the future ownership, governance and delivery arrangements for Tauranga Airport.

EXECUTIVE SUMMARY

4. Tauranga Airport (the **Airport**) is a strategic infrastructure asset and a standalone Council activity that operates without ratepayer funding. It supports regional connectivity, tourism, business travel, trade and investment. The Airport operates on a financially sustainable basis, generating consistent earnings while maintaining prudent stewardship of resources.
5. The Airport is currently managed within Council, but its commercial nature, operating scale, regulatory environment, risk profile, succession requirements and future capital needs support consideration of a more specialised governance and operating model. A new model would provide independent governance with specialist airport sector expertise, clearer accountability, improved risk management and greater operational focus while retaining appropriate Council oversight and strategic control.
6. This report seeks Council approval to continue developing the full range of reasonably practicable options for the future ownership, governance and delivery model of the Airport, to establish an Airport Working Group to support that process, and to undertake a parallel work programme including preparation of options analysis and due diligence, development of a commercial term sheet, and obtaining tax advice and an Inland Revenue binding ruling.
7. No final decision will be made on a preferred governance or ownership model for Airport until consultation on the draft 2027-2037 Long-term Plan has been completed and Council has considered the outcomes of that consultation. It is intended that this process will satisfy both the consultation requirements associated with establishing a Council Controlled Organisation (**CCO**) or a Council Controlled Trading Organisation (**CCTO**), and the requirement to provide for any future transfer of ownership or control of the Airport through the Long-term Plan before any such decision is made. The final scope of the proposal to be consulted on is yet to be determined but may include the establishment of a CCTO, future ownership scenarios, or both. Any final decision will also be informed by the outcomes of options analysis, due diligence, commercial negotiations, tax advice and recommendations from the Airport Working Group.

BACKGROUND

Tauranga Airport

8. The Airport is currently operated as a standalone Council activity and is identified as a strategic asset in Council’s Significance and Engagement Policy (**SEP**) and in the Long-term Plan (**LTP**). It provides critical regional infrastructure for tourism, business travel, trade, investment and regional connectivity.
9. The Airport operates without ratepayer funding and has developed as a commercially significant business unit. It supports approximately 550,000 passengers annually and includes a substantial commercial footprint across aviation, parking, ground transport, property leases and terminal precinct activities. Details are provided in the fact sheet at **Attachment 1**.
10. Council is an airport authority under the Airport Authorities Act 1966 (**AAA**). The AAA provided for local authorities to establish airport companies to operate airports on a commercial basis. Despite choosing not to establish an airport company, section 4(3) of the AAA requires Council to operate and manage the Airport as a commercial undertaking.
11. The AAA will be repealed on 5 April 2030. If the Airport wishes to retain the powers it currently holds as an airport authority, it will need to register as an airport operator under the Civil Aviation Act 2023 (**CAA**). The CAA also requires registered airports to be operated as a

commercial undertaking, unless Council chose to provide otherwise in its planning documents.

Reason for considering structural change

12. While there is no immediate time pressure for Council to make decisions on registration of the Airport under the CAA, it is nevertheless timely to consider appropriate structures to facilitate commercial operations under the CAA in the future.

13. The Airport's commercial nature, operational risk profile and strategic importance support consideration of a more specialised governance and operating model.

    A new model would allow the Airport to operate with clearer independent governance with specialist airport sector expertise, stronger commercial focus and appropriate accountability to Council as owner or shareholder.

14. The proposed direction is to consult on a range of options for separating the Airport operations from Council to improve commercial independence, risk management, governance focus and operational agility, while retaining Council control of strategic infrastructure. Some models may also preserve an option for Council to consider future capital raising, including a minority shareholding, but that is not a decision sought through this report.

Work undertaken to date

15. Initial feasibility work has identified several options to establish a new model for the Airport.

16. Elected Members were briefed in August 2026 on broader asset and activity coherency opportunities, including the potential to move the Airport into a more suitable governance and delivery model.

17. The briefing identified the Airport as a commercial activity that may be more suited to a specialist model than a direct Council activity, due to its revenue base, scale, risk profile, specialist operating requirements and future capital optionality.

STRATEGIC / STATUTORY CONTEXT

18. The proposal is part of a wider strategic asset management approach seeking to ensure that the right assets sit in the right ownership, governance and delivery model. For the Airport, the strategic question is whether a commercially focused, specialist airport operation should continue to be managed as an internal Council activity, or whether it would better achieve public value, risk management and financial and commercial objectives through a different model.

19. The Airport is a strategic infrastructure asset that supports regional connectivity, business travel, tourism, trade, investment and wider economic growth. It also operates in a specialist regulatory environment, with operational, commercial and safety risks that require focused governance, clear accountability and dedicated management capability.

20. Under local government law Councils have the option to consider both a CCO or a CCTO as organisational options that can operate at arm's length while remaining accountable to Council. Depending on the option selected, Council could set strategic direction, ownership expectations and reserved matters, while enabling an independent board and management team to focus on safe, efficient and commercially disciplined airport operations.

21. The Local Government Act 2002 (**LGA**) provides the statutory framework for establishing and governing CCOs and CCTOs, decision-making, consultation, significance, strategic assets and Long-term Plan amendments. Any decision to materially change the ownership, governance or delivery model for the Airport will need to be made in accordance with the LGA and Council's Significance and Engagement Policy.

22. Because the Airport is identified as a strategic asset in the SEP and in the LTP, any decision involving a material change to ownership, control, governance or delivery arrangements should be explicitly provided for in the LTP.

23. There is currently no provision in the LTP 2024-34 that provides for the transfer of ownership or control of the Airport to a new ownership or governance structure such as a CCTO, or any subsequent transfer of an interest in that CCTO. Accordingly, if Council wishes to progress a preferred approach, staff recommend that the proposal be included in the consultation material for the draft 2027-37 Long-term Plan. The consultation material would identify Council's preferred approach, outline the reasonably practicable alternatives, and explain the advantages, disadvantages and implications of each option. The consultation requirements associated with the establishment of a CCO/CCTO, together with the requirement to provide for any future transfer of ownership or control of the Airport through the Long-term Plan before a final decision is made, are discussed further under the heading "Consultation / Engagement" below.

24. Staff will first progress the options analysis and due diligence, supported by targeted soft engagement where useful to inform the options.

25. A later report will bring back the analysis, recommended model, establishment pathway, governance model, risk assessment and any budget implications before Council resolves a preferred approach for inclusion in the draft Long-term Plan consultation.

26. The statutory context of the Airport is that there are specific, regulatory and land-related considerations. Airport operations are subject to aviation regulation, while the land estate includes Council land, Crown-related land and jointly acquired interests that may be subject to deed, reserve, trust or Crown economic interest arrangements. These constraints mean the options must be designed carefully so that regulation, public ownership, strategic control, aviation continuity, Crown interests and any Mana Whenua interests are appropriately recognised and protected.

27. Early and meaningful engagement with Mana Whenua will be required as the proposal develops. This should include recognition of existing agreements, aspirations and cultural interests, together with consideration of any opportunities for Mana Whenua participation in the ownership, governance, investment or stewardship of the Airport, should Council ultimately decide to proceed with a new ownership, governance and delivery model. This includes consideration of any future capital raising opportunities that may arise if Council were to sell a minority interest in the Airport.

28. If a preferred approach is included in the draft Long-term Plan, consultation material will need to provide a fair representation and sufficient explanation of the proposed LTP amendment, its objectives and effects, significant issues and choices, and their consequences to inform discussions between Elected Members and communities before decisions are made.

STRATEGIC ALIGNMENT

29. This contributes to the promotion or achievement of the following strategic community outcome(s):

	Contributes
We are an inclusive city	✓
We value, protect and enhance the environment	☐
We are a well-planned city that is easy to move around	✓
We are a city that supports business and education	✓
We are a vibrant city that embraces events	☐

30. The Airport is an important strategic asset for Tauranga and the wider region. The recommendations in this report support the assessment of future ownership, governance and delivery options to ensure the Airport remains well positioned to meet the region's future needs.

AIRPORT WORKING GROUP

31. To support Council's consideration of potential future ownership, governance and delivery arrangements for the Airport, it is proposed that an Airport Working Group be established in accordance with the Terms of Reference at **Attachment 2**. The Airport Working Group will provide oversight, guidance and recommendations to Council throughout the options development, engagement and assessment process.

32. It is proposed that the Airport Working Group comprise two Elected Members and one Mana Whenua representative. This reflects the advisory role of the Working Group and is intended to provide meaningful Elected Member and Mana Whenua involvement in the development and assessment of options, while maintaining a group size that is able to work efficiently and support timely progression of the project.

33. Early and meaningful engagement with Mana Whenua will be important as the proposal develops. The inclusion of a Mana Whenua representative recognises that the options under consideration may involve significant decisions relating to Airport land and associated assets. If section 77(1)(c) of the LGA applies to an eventual decision, Council must take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga. Mana Whenua involvement in the Airport Working Group will help ensure these matters, together with broader Mana Whenua perspectives, interests and aspirations, are considered throughout stakeholder engagement, options analysis, due diligence and the assessment of potential ownership, governance and delivery models before Council determines a preferred approach.

34. The proposed appointment also aligns with Council's Te Ao Māori approach by supporting early and meaningful engagement, recognising existing agreements and cultural and land interests, and enabling Mana Whenua to contribute to the development of options, consultation material and recommendations to Council.

35. A similar working group approach was successfully adopted during the establishment of the Water Organisation. That process enabled early involvement in the development of options and provided an effective forum for collaboration and discussion. Mana Whenua participants in that process indicated their support for similar models being adopted for future projects.

36. The Airport Working Group will be advisory only. In other words, final decision-making authority on all matters relating to the Airport will remain with Council.

37. The Airport Working Group's scope will include consultation and stakeholder engagement, oversight of the development of options analysis and due diligence, consideration of ownership, governance and delivery options, development of a commercial term sheet and land and asset transfer principles, oversight of tax advice and any Inland Revenue binding ruling, Mana Whenua engagement, and other matters relevant to the assessment and implementation of any preferred model.

OPTIONS

38. Council has two options. Council can either progress the proposed work programme and establish an Airport Working Group or retain the status quo and not progress the proposed work programme at this time.

Option 1: Progress the proposed work programme and establish an Airport Working Group (Recommended):

39. Under this option, Council would continue to investigate potential future ownership, governance and delivery arrangements for the Airport. This would include options analysis, due diligence, targeted stakeholder engagement, tax advice, development of a commercial term sheet, and establishment of an Airport Working Group to provide oversight and guidance throughout the process. No decision would be made at this stage on a preferred ownership, governance or delivery model. The purpose of the work programme is to enable Council to make an informed decision on a preferred option, together with reasonably practicable alternatives, for consultation through the draft Long-term Plan 2027-37.

40. The advantages and disadvantages of this option, include:

Advantages	Disadvantages
• Enables Council to make an informed decision based on options analysis, due diligence and stakeholder feedback. • Provides early Elected Member and Mana Whenua involvement through the Airport Working Group. • Supports development of a robust business case before any consultation or final decision. • Enables tax, legal, commercial and governance issues to be identified and addressed before Council determines a preferred approach. • Maintains all ownership, governance and delivery options for future consideration. • Does not commit Council to any future governance or ownership model. • Supports consultation through the draft Long-term Plan 2027-2037 if Council subsequently decides to progress a preferred option.	• Requires expenditure on further legal, tax and commercial advice. • Requires staff resources to undertake options analysis, due diligence and stakeholder engagement. • Does not provide an immediate decision on the future ownership, governance or delivery model for the Airport.

Option 2: Do not progress the proposed work programme and do not establish an Airport Working Group

41. Under this option, Council would cease further investigation of alternative ownership, governance and delivery arrangements for the Airport. The Airport would continue to operate as a Council business unit under existing governance and management arrangements.

Advantages	Disadvantages
• Avoids the cost of further advice, due diligence and stakeholder engagement. • Requires no change to current governance or operating arrangements. • Minimises short-term staff and governance resource commitments.	• Does not address the strategic, governance and commercial drivers identified in this report. • Prevents further assessment of potentially more suitable ownership, governance or delivery models. • Limits Council's ability to understand the benefits, risks and implications of alternative approaches. • Removes the opportunity for structured Elected Member and Mana Whenua involvement through the proposed Airport Working Group. • May result in Council being less prepared to respond to future governance, succession, regulatory or capital

Advantages	Disadvantages
	requirements.

Recommended option

42. Staff recommend Option 1. It allows Council to undertake the work necessary to determine whether a change to the Airport's ownership, governance or delivery model is warranted, while preserving Council's ability to make a fully informed decision at a later date. Adoption of Option 1 does not commit Council to any future structural change and allows a preferred option, together with reasonably practicable alternatives, to be developed and assessed before being considered for consultation through the Long-term Plan 2027-2037 process

POSSIBLE FUTURE OWNERSHIP, GOVERNANCE AND DELIVERY MODELS FOR THE AIRPORT

43. Future structural options are not being decided today. If Council agrees to proceed, staff recommend that the business case test the following future ownership, governance and delivery options. These options are presented to define the scope of the next phase of work.

44. Five options have been considered for the future governance and delivery model of the Airport, presented below. These options are assessed against strategic fit, public ownership and control, commercial capability, risk management, consultation requirements, implementation complexity and future capital optionality.

45. The assessment recognises that the Airport is both a strategic public asset and a commercial operating business. The preferred model should therefore preserve Council's strategic control and public accountability, while enabling specialist governance, commercial benefits and discipline, operational agility after consultation and options analysis and due diligence.

46. The five options are as follows:

    (a) **Option 1 – Retain current state**: The Airport would continue to operate as an internal Council activity. LTP amendment would not be required. This option has the lowest immediate implementation complexity, retains direct Council control, and will not prevent the Airport being registered under the CAA. However, it does not address the strategic drivers for change, including specialist governance, succession risk, commercial agility, operational risk management, or future capital raising optionality.

    (b) **Option 2 – Establish a trust:** A trust could provide a degree of independence and may be suited to stewardship, community or charitable objectives. However, trusts are designed to hold and protect assets for beneficiaries, while other options are generally used for operating businesses - they offer simpler governance and greater commercial flexibility.

    (c) **Option 3 – Establish a Council-Controlled Organisation (CCO):** A CCO is a separate organisation that Council owns or controls and can be used to deliver Council objectives at arm's length. A CCO can improve focus, governance and accountability compared with an internal activity. However, to remain a CCO and not a CCTO, it must not be established primarily for the purpose of a making a profit. It may be suitable for public service delivery, project delivery, cultural, economic development or community outcomes. For the Airport, a standard CCO would provide separation and governance benefits, but may not provide the same commercial mandate, investor readiness or trading focus as a CCTO. While it is possible to register an airport under the CAA on the express basis that it will not operate as a commercial undertaking, such a position would need to be reasonably justified given that the statutory presumption is that airports are to be operated as commercial undertakings.

    (d) **Option 4 – Establish a Council-Controlled Trading Organisation (CCTO):** A CCTO is a type of CCO that operates a trading undertaking for the primary purpose of making a profit. The distinction is important: all CCTOs are CCOs, but not all CCOs are

CCTOs. A CCO may be designed around public service or strategic delivery objectives (as noted in Option 3), whereas a CCTO is explicitly commercial and better suited to optimise a revenue-generating activity such as an airport. As above, the AAA and CAA require airports to be operated as commercial undertakings. A CCTO would allow the Airport to operate through an independent commercial board, with Council retaining shareholder control, strategic direction, reserved matters and accountability mechanisms.

(e) **Option 5 - Establish a CCTO and expressly provide Council with the ability to potentially raise capital through the sale of a minority of the Council's interest.** This is Option 4 with the express provision of the ability for Council to raise funds through the sale of a minority interest in the CCTO. Considerations could include that the proceeds be used to assist with Council activities such as those described under the regional deal.

47. On balance, staff consider that Council should consult on the full range of reasonably practicable options before determining the preferred model. Current state, Trust, CCO, CCTO or CCTO with a potential future minority sale, each provide benefits depending on the weight Council places on commercial focus, public accountability, governance independence, implementation complexity, risk management and future capital optionality.

48. For clarity, at this stage, Council is not being asked to select a preferred option or commit to any change in the ownership, governance or delivery model for the Airport. The purpose of this report is to identify the reasonably practicable options available to Council and establish a process for further analysis, due diligence and stakeholder engagement. The Airport Working Group will oversee that process and provide guidance as the work programme progresses.

49. Following completion of the options analysis, due diligence, stakeholder engagement and Working Group process, staff will report back to Council with a recommended preferred approach for the Airport, together with reasonably practicable alternatives, for inclusion in the draft 2027-37 Long-term Plan consultation material. Final decisions on the future ownership, governance and delivery model for the Airport will be made only after completion of the Long-term Plan consultation process and consideration of submissions.

50. If Council elects to proceed with Option 4 (CCTO) or option 5 (CCTO, with a minority sale), the preferred corporate structure at this stage is a CCTO established as a limited partnership, controlled through a general partner company in which Council retains more than 50% of the voting rights and at least 50% of the director appointment rights. This structure is currently preferred because it allows Council to retain control of the Airport while providing flexibility to attract external investment, likely preserves the Airport's existing tax treatment (subject to a favourable tax ruling), ring-fences commercial risk from Council, and provides a well-established and familiar investment vehicle for infrastructure investors. The proposed structure will continue to be refined and tested by the Airport Working Group.

FINANCIAL CONSIDERATIONS

51. The financial considerations in respect of the next phase are expected to be modest relative to the scale of the Airport activity. Staff will continue options analysis, due diligence and targeted soft engagement, where useful, before returning to Council with a preferred approach for possible inclusion in the draft Long-term Plan consultation.

52. If Council later resolves to include a preferred approach in the draft Long-term Plan, the public would be invited to provide feedback through the LTP consultation process. The consultation material would explain the proposal, credible alternative options, key advantages and disadvantages, financial implications and any matters Council must consider before making a final decision.

53. Note that a formal decision from Inland Revenue to confirm how tax law will apply to some of the options, will also be undertaken give Council certainty before it proceeds.

54. Two internal secondments will undertake the options analysis and due diligence alongside other special project duties. Any backfill of these resources will be limited to fixed term or contractor resources.

55. A desktop valuation of the Airport, including sensitivity analysis of the key valuation assumptions, will be provided to Council at the time staff bring back the consultation results, options analysis and due diligence.

56. Airport budgets are assumed to cover the cost of this next phase.

RISKS AND LEGAL IMPLICATIONS

57. The establishment and operation of a CCTO will be in accordance with the Companies Act 1993, the Limited Partnerships Act 2008, the LGA and related local government accountability requirements. Those requirements include consultation before establishment, Council control or shareholder oversight, director appointment processes, letters or statements of expectation, statements of intent, performance reporting, accountability back to Council and transparency to the community.

58. The key legal and risk matters for the proposed new model and any future minority shareholding option are summarised below:

    (a) **Statutory establishment and consultation risk:** Council must meet its LGA decision-making and consultation obligations. Because the Airport is a strategic asset, the pathway must be designed to align with the LTP, Council's Significance and Engagement Policy, and any requirements associated with a material transfer of ownership, control or governance.

    (b) **Governance and control risk:** Options must preserve Council control of strategic infrastructure while allowing independent commercial governance. This may require design of the constitution, shareholder expectations, statement of intent, reserved matters, reporting obligations, director appointment rights, step-in rights and escalation mechanisms.

    (c) **Land, title and Crown interest risk:** The Airport land estate includes Council land, Crown-related land and jointly acquired interests. Some land may be subject to deed, reserve, trust, aviation purpose or Crown economic interest constraints. These matters may limit what can be transferred, leased, licensed or used as part of any structure and will require legal due diligence before any establishment or transfer of ownership is implemented.

    (d) **Aviation regulatory and operational risk:** Airport operations are subject to aviation safety, operational continuity and regulatory obligations. Any transition must ensure that licences, certifications, operational responsibilities, safety systems, contracts, insurance arrangements, delegations and accountabilities remain effective before, during and after establishment.

    (e) **Tax and structure risk:** Initial work has identified a potential tax-transparent limited partnership as the preferred legal entity to constitute the CCTO with a view to preserving Council's existing income tax treatment and providing for any future capital raising. Further advice will be required to confirm whether the current tax treatment can be preserved for Council, whether a private binding ruling should be obtained, and whether the preferred structure creates any unintended tax or policy consequences.

    (f) **Mana Whenua and relationship risk:** Early and meaningful engagement with Mana Whenua will be required before the proposal is materially advanced. This should include recognition of existing agreements, cultural interests, land-related matters and any potential future participation opportunity if Council later considers a capital raising or ownership structure involving third parties.

    (g) **Transition and implementation risk:** The movement from an internal Council activity could affect staff, contracts, systems, delegations, insurance, funding flows, reporting, financial controls, asset management and operational continuity. A staged transition plan and clear decision gates are therefore required before implementation.

(h) **Reputational and public confidence risk:** The Airport is a strategic public asset and any proposal involving a new governance structure, future investor participation or capital raising may be perceived as a loss of public ownership or control. Consultation materials will need to clearly distinguish between consulting on CCTO establishment and any later decision on capital raising or ownership participation.

59. These matters are proposed to be managed through a staged decision-making process. The current decision is limited to further assessment of the available options and targeted soft engagement, where useful. A later report will return to Council with the recommendations of the Airport Working Group, options analysis and due diligence, the proposed commercial term sheet, the outcomes of the tax advice and Inland Revenue ruling process, and any other advice necessary to enable Council to determine a preferred approach for inclusion in the draft Long-term Plan consultation.

TE AO MĀORI APPROACH

60. Early and meaningful engagement with Mana Whenua will be required as the proposal develops. A Mana Whenua representative is proposed to be appointed to the Airport Working Group to help ensure that Mana Whenua perspectives, interests and aspirations are considered throughout the consultation, options analysis, due diligence and assessment process. The inclusion of a Mana Whenua representative also recognises that the options under consideration may involve decisions relating to Airport land and associated assets. If section 77(1)(c) of the LGA applies to an eventual decision, Council must take into account the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, valued flora and fauna, and other taonga.

61. Staff have engaged with the Mayor's Office and the Head of Takawaenga to raise early awareness of the proposal and support early Mana Whenua engagement as the project develops.

62. The scope of this proposal does not include, and will not affect, the separate Whareroa Marae future-proofing initiative. As that initiative relates to Airport land, a summary is provided below for context:

(a) In May 2024, Council agreed in principle to explore making available approximately five hectares of land within the wider Airport landholding as a potential future-proofing option for the Whareroa Marae community, subject to protecting ongoing Airport operations, obtaining agreement from the Whareroa community, and securing the consent of the Crown and Western Bay of Plenty District Council as joint beneficiaries of the Airport land trust.

(b) Subsequent work has focused on addressing the legal, property, governance and engagement matters required to progress that initiative. This includes consideration of Public Works Act requirements, successor and stakeholder support, governance and ownership arrangements, land suitability, and engagement with the marae community and other affected parties.

63. Consistent with Council's Te Ao Māori approach, Mana Whenua will continue to be engaged throughout the development and assessment of options for the future ownership, governance and delivery model of the Airport. This will include consideration of cultural interests, existing agreements, land and taonga-related matters, and any future participation opportunities should Council ultimately decide to proceed with a new model.

CONSULTATION / ENGAGEMENT

64. To establish a CCO or CCTO under section 56 of the LGA, Council must undertake consultation in accordance with section 82 of the LGA. In addition, where the proposal involves the transfer of ownership or control of a strategic asset, section 97 of the LGA

requires the proposal to be expressly provided for in the Long-term Plan before any final decision can be made.

65. These requirements can be addressed through a single Long-term Plan process. Accordingly, consultation on the establishment of a CCO or CCTO, and any associated transfer of ownership or control of Airport assets, can be undertaken as part of the Long-term Plan consultation rather than through a separate consultation process.

66. There are two mechanisms available to satisfy these requirements:

    (a) amend the current Long-term Plan using the special consultative procedure; or,

    (b) include the proposal in the draft 2027-37 Long-term Plan and consult on it as part of the upcoming Long-term Plan process.

67. Staff originally signalled that the current Long-term Plan could be amended through a standalone special consultative procedure. While this remains legally available, it would require preparation of an amended Long-term Plan, development of consultation material identifying the reasonably practicable options and Council's preferred approach, completion of an Audit New Zealand review of the consultation document, and implementation of the special consultative procedure. Given the time required to complete these steps (at least 2-3 months), consultation would likely occur immediately before, or very close to, consultation on the draft 2027-37 Long-term Plan. In those circumstances, staff consider there is limited benefit in undertaking a separate special consultative procedure when the same matters can be considered through the upcoming Long-term Plan process.

68. Staff therefore consider that the preferred approach is to include the proposal in the draft 2027-37 Long-term Plan and undertake consultation as part of that process. This would enable the consultation required for the establishment of a CCO or CCTO under sections 56 and 82 of the LGA, together with the requirements of section 97 relating to any transfer of ownership or control of a strategic asset, to be addressed through a single process.

69. Notwithstanding the above, staff may, with the guidance of the Airport Working Group, undertake targeted pre-consultation engagement to inform the development of options and future consultation material. This engagement would not replace any statutory consultation requirements but would assist Council in understanding the views of Mana Whenua, Airport stakeholders, tenants, users, commercial partners and other interested parties before determining a preferred approach for formal consultation.

70. Any targeted engagement will be proportionate and designed to inform the options assessment and business case. Staff will work with the Airport Manager to identify and communicate with relevant stakeholders, including Mana Whenua, Whareroa hapū chairs, tenants and airport users. Information will be consistent, accessible and provided in plain English.

71. Without limiting the outcome of the options development process, future consultation material would likely address the following matters:

    (a) **Why are we asking?** The Airport is important infrastructure and a successful commercial activity. Council is considering whether it should continue to operate the Airport directly or whether a separate ownership, governance and operating model would better position the Airport for the future.

    (b) **What options are being considered?** The consultation material will identify the reasonably practicable options, including Council's preferred approach, together with the advantages and disadvantages of each option.

    (c) **What are we asking?** The consultation will seek feedback on Council's preferred approach, any alternative options, and matters Council should take into account before making a final decision. Topics are likely to include public ownership, Council control, safety and service continuity, financial performance, Mana Whenua engagement, transparency and reporting.

(d) **Future ownership changes.** The consultation material will explain that the current proposal relates to the governance and operating model for the Airport. Depending on the scope of the proposal ultimately endorsed by Council for consultation, the consultation material may also address future ownership scenarios, including a potential minority investment by a third party. Where included, the consultation material will outline the rationale, potential benefits, implications and safeguards associated with those scenarios and seek community feedback before any decisions are made. If a future minority investment is not included within the scope of the consultation proposal, any such proposal would be subject to further Council consideration and any applicable statutory decision-making and consultation requirements.

SIGNIFICANCE

72. The LGA requires an assessment of the significance of the matters, issues, proposals and decisions in this report against Council's Significance and Engagement Policy. That policy identifies the Airport as a strategic asset, important to regional connectivity, economic development, tourism, business travel, emergency access, aviation activity and long-term infrastructure planning.

73. In making this assessment, consideration has been given to the likely impact and likely consequences for:

    (a) the current and future social, economic, environmental, or cultural well-being of the district or region;

    (b) any persons who are likely to be particularly affected by, or interested in, the matter; and,

    (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so.

74. In accordance with the considerations above and having regard to the criteria and thresholds in the policy, the proposal is considered to be of **high** significance. This is because it relates to the future governance and delivery model for a strategic asset, may involve a material change in ownership or control arrangements, and is likely to be of high interest to the community, airport users, Mana Whenua, tenants, commercial stakeholders, Crown interests and the wider region.

75. The significance assessment does not mean Council has made a final decision. It means the proposal warrants clear, transparent and proportionate consideration through the LTP process before Council makes any final decision on the preferred governance model.

NEXT STEPS

76. If the above recommendations are adopted, staff will continue the options analysis and due diligence work programme and may undertake targeted soft engagement to better understand community and stakeholder views on different ownership, governance and delivery structures. That engagement would inform the options and business case but would not replace formal consultation through the draft 2027-37 Long-term Plan process on any preferred approach.

77. The Airport Working Group will oversee development of options analysis and due diligence, consideration of the ownership, governance and delivery options, preparation of a commercial term sheet for any preferred model, land and asset transfer principles, tax advice and any Inland Revenue binding ruling, Mana Whenua engagement, and other matters relevant to implementation.

78. Staff will subsequently report back to Council with:

    (a) the outcomes of any targeted soft engagement;

    (b) the recommendations of the Airport Working Group;

    (c) options analysis and due diligence;

    (d) the outcomes of the tax advice and Inland Revenue ruling process;

(e) a recommendation on the preferred approach, together with any reasonably practicable alternatives, for inclusion in the draft 2027-37 Long-term Plan consultation material, noting that final decisions would be made only after completion of the Long-term Plan consultation process and consideration of submissions; and

(f) any other advice necessary to enable Council to make a final decision on the preferred ownership, governance and delivery model for the Airport.

ATTACHMENTS

1. **Fact Sheet Tauranga Airport Includes Map - A21112508** ⇩
2. **Draft Terms of Reference for Airport Working Group - A21084444** ⇩

Tauranga City

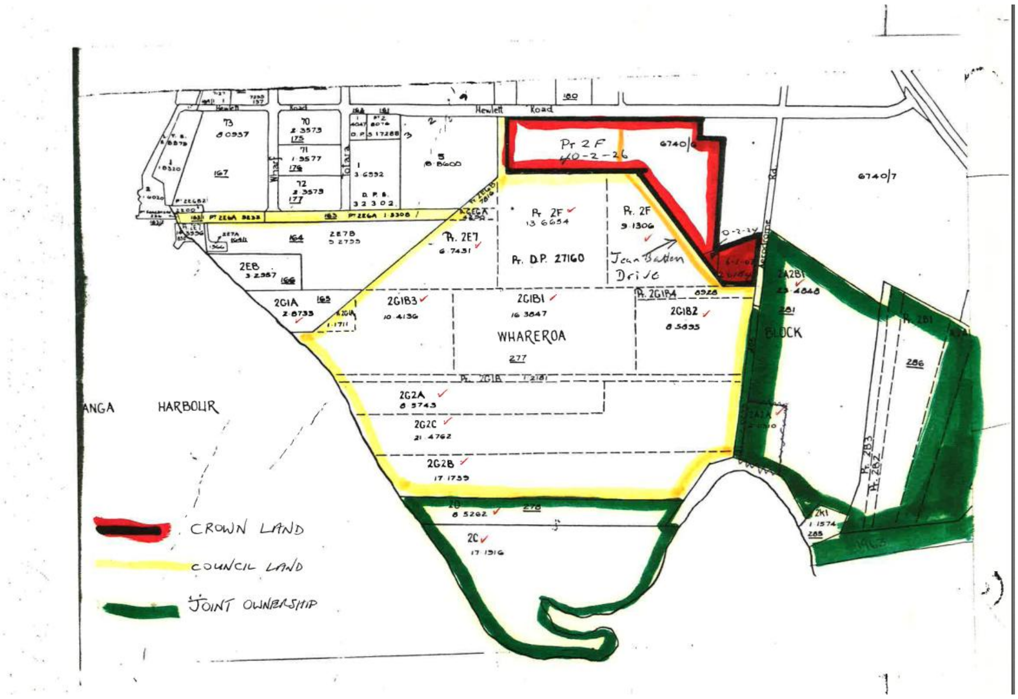
Fact Sheet: Tauranga Airport

A growing regional airport with diversified revenues, high operating margins, low leverage, and a substantial asset base, offering stable long-term cashflows and disciplined capital deployment opportunities.

Fact	Detail / Value
Overview	
Entity / operator	Tauranga Airport (operated as a standalone business unit of Tauranga City Council).
Ownership & governance	Owned by Tauranga City Council; operated under the Airport Authority Act framework.
Funding model (publicly stated)	Operates without ratepayer funding; revenue from landing fees, parking charges and property leases/rentals.
Scale	Fourth busiest Regional Airport with an annual passenger throughput of circa 550,000 (up from 320,000 in 2016). Air New Zealand operates up to 21 flights per day to Auckland, Wellington, and Christchurch.
Financial performance	
[redacted]	
Land, location & infrastructure	
Land holding	225 hectares (sizeable land holding), of which 55 hectares are wetlands and urupa (see appendix for further details)
Airfield infrastructure	One main sealed runway plus three grass runways; apron/terminal area and taxiway connections.
Runway capability	Main sealed runway length 1,825m; capable of handling up to Boeing 737-800 and Airbus A320.

Operating hours	Airport operates 24/7; Air Traffic Control provided 5:50am–9:00pm daily.
Based aircraft & hangars	Approximately 70 hangars; ~110 fixed wing and ~15 rotary wing aircraft based on the airfield.
Recent and planned capital works	Major terminal redevelopment completed April 2019; further works in 2024/2025 completed ~1,000 additional public car parks and 3 new aircraft stands.
Master planning	Airport has a 20-year master plan allocating land for future operational and commercial uses.
Land tenure / ownership mix (due diligence)	Underlying land interests are mixed with a shared between TCC, Western Bay of Plenty District Council and the Crown.
Geographic Placement	The Airport is a 10-minute drive to downtown Mount Maunganui or Tauranga CBD & located centrally within the Western Bay of Plenty region.
Further Property details	The Airport has 24 commercial/industrial lessees with land areas ranging from 1800m2 to 50,000m2, 76 hangar land leases and 22 Terminal precinct tenancies. Commercial/Industrial tenants range from large scale such as Bunnings, Steel and Tube, Crown forklifts down smaller sites occupied by a Z energy station and a number of upmarket car dealerships and hire companies.
Land parcel / legal description	Jointly **acquired land** (SA56C/405, 528369) – held by TCC on trust for the Crown and Western Bay of Plenty District Council; may only be sold at arm's length with 50% of proceeds paid to the Crown. Reserve **land** (SA40D/234) – local purpose reserve, currently leased to commercial tenants; may only be transferred to an airport company at market price. TCC **land** (505806) – the operational core, including the terminal, most leased hangars and most of the runway.

Map



Notes to the map:

- Crown land includes commercial leases
- Council land includes airport business, runway, terminal and majority of leased hangars
- Joint ownership includes some swamp land, coastal margins and land of interest to mana whenua

Note that the southern border of joint ownership land intersects with a tidal harbour / Waipu Bay and contain an urupa and natural wetlands of 55 hectares. The airport has sufficient land to grow from a regional facility to a metropolitan airport without this land and this area is intended to remain largely undisturbed and non-commercial. It may be that this area is excluded from airport assets to improve capital efficiency and ringfence with Council to ensure their protection.

3

Tauranga City

DRAFT TERMS OF REFERENCE

Tauranga Airport Working Group

1. Purpose

The Tauranga Airport Working Group (**Working Group**) will provide strategic direction and recommendations on the development of a proposed ownership, governance and delivery model for Tauranga Airport (the **Airport**), including detail to be included in the draft LTP (as it relates to the Airport) for consultation, the consultation process, business case development, binding tax ruling and recommendations to Council.

The Working Group's role is to support and inform Council's decision-making. The Working Group is advisory only and final decisions remain with Council.

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2. Context

The Airport is a strategic asset, as defined under Council's Significance and Engagement Policy, and is a commercially operated Council activity. Council is considering whether the Airport should continue to operate as an internal Council activity or move to a separate ownership, governance and delivery model.

Council has agreed to consult on the available options and develop a business case before making any final decision on the future ownership, governance and delivery arrangements for the Airport. The process will also need to provide for any consultation required under section 56 of the Local Government Act 2002 before establishing or becoming a shareholder in a CCO or CCTO, together with consultation through the draft Long-term Plan process.

The Working Group is established to provide oversight and guidance to staff throughout this process.

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3. Role of the Working Group

The Working Group will provide advice, guidance and recommendations to staff on matters associated with the potential establishment of a new ownership, governance and delivery model for the Airport.

The Working Group does not have delegated decision-making authority and cannot bind Council.

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4. Scope of Work

The Working Group will assist staff and professional advisors by considering and providing recommendations on the following matters.

4.1 Consultation and Engagement

Oversight of the development and finalisation of consultation and engagement material, including any consultation required under section 56 of the Local Government Act 2002 before establishing or becoming a shareholder in a CCO or CCTO, and material and key messages for inclusion in the draft Long-term Plan and its consultation document.

This includes consideration of:

- the proposed ownership, governance and delivery model and associated consultation material;
- material relating to the Airport for inclusion in the draft Long-term Plan;
- key messages relating to the Airport for inclusion in the draft Long-term Plan consultation document;
- stakeholder and Mana Whenua engagement; and
- recommendations arising from consultation and engagement.

4.2 Preferred Ownership, Governance and Delivery Model

Consideration of the ownership, governance and delivery options available for the Airport and the development of recommendations on the preferred corporate structure for any new ownership, governance and delivery model.

4.3 Commercial Term Sheet

The development of a commercial term sheet for the preferred ownership, governance and delivery model.

The commercial term sheet will record the key ownership, governance, control, funding, transition and establishment principles for the preferred model and will inform the recommendations to Council, and pending a final decision of the Council, shall inform the preparation of any foundation documents for the preferred ownership, governance and delivery model.

4.4 Land and Asset Transfer Principles

The development of high-level principles identifying:

- the land, assets, rights and obligations that should transfer to any new ownership, governance and delivery model for the Airport;
- the land, assets, rights and obligations that should remain with Council; and
- any protections required to preserve Council control, public ownership interests, Crown interests, Mana Whenua interests, aviation requirements and other strategic considerations.

4.5 Business Case

Oversight of the development of the business case including financial, legal, regulatory, governance, valuation, land, stakeholder engagement, transition and implementation matters.

The Working Group may review and provide feedback on any reports, advice or recommendations prepared as part of this work programme.

4.6 Tax Advice and Inland Revenue Ruling

Oversight of professional tax advice and any application to Inland Revenue for a binding tax ruling, including consideration of any implications for the preferred ownership and governance structure.

4.7 Mana Whenua

Ensure Mana Whenua are appropriately informed, engaged and able to contribute to the matters considered by the Working Group, including the development of the proposed ownership, governance and delivery model, consultation materials, business case and associated recommendations to Council.

4.8 Other Relevant Matters

Any other matter reasonably connected with the proposed establishment of a new ownership, governance and delivery model for the Airport that is referred to the Working Group by Council or staff.

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5. Out of Scope

The Working Group will not:

- make final decisions on whether to establish a new ownership, governance and delivery model for the Airport;
- approve the transfer of land, assets, staff, contracts or liabilities;
- approve any future minority shareholding transaction;
- approve final foundation documents;
- direct the operational management of the Airport;
- recruitment of any staff relevant to the Airport, including the Airport Manager; or
- replace formal Council decision-making, statutory consultation, professional advice or due diligence processes

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6. Membership

The Working Group shall comprise:

- [insert #] Elected Members appointed by Council; and
- [insert #] Mana Whenua representative appointed by Council.

Council staff and professional advisers may attend meetings and provide advice as required but are not members of the Working Group.

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7. Chairing Arrangements

The Working Group may appoint either:

- an independent Chairperson; or
- one of its members as Chair.

Where an independent Chairperson is appointed, the independent Chair:

- is not a member of the Working Group;
- has no voting rights;
- does not count towards quorum requirements; and
- is responsible for facilitating meetings, maintaining orderly conduct, managing any declared conflicts of interest and assisting the Working Group to achieve its objectives.

Where a member of the Working Group is appointed as Chair, that person retains all rights and responsibilities of a Working Group member, including voting rights and being counted for quorum purposes.

If the Chair is unavailable, the Working Group may appoint an acting Chair for that meeting.

8. Meeting Frequency

The Working Group will meet approximately once a month, or as required to support the project.

Meetings may be held in person or remotely.

The quorum for meetings is [insert #] members of the Working Group.

Meeting agendas and supporting papers should be circulated in advance where practicable, and action points recorded.

9. Reporting and Outputs

The Working Group will support the preparation of:

- consultation material relating to the proposed ownership, governance and delivery model, including any consultation required under section 56 of the Local Government Act 2002;
- material relating to the Airport for inclusion in the draft Long-term Plan;
- key messages relating to the Airport for inclusion in the draft Long-term Plan consultation document;
- a commercial term sheet for the preferred model;
- land and asset transfer principles;
- a business case;
- tax advice and Inland Revenue ruling outcomes;
- recommendations on Mana Whenua engagement and participation opportunities; and
- recommendations to Council on the future ownership, governance and delivery model for the Airport.

10. Decision-Making Status

The Working Group is advisory only.

Where possible, recommendations from the Working Group should be reached by consensus.

Where consensus cannot be reached, the differing views of members will be recorded and reported to Council.

No recommendation of the Working Group binds Council.

11. Confidentiality and Information Management

Members may receive commercially sensitive, legally privileged or confidential information.

Members must:

- preserve confidentiality where information is provided in confidence;
- respect legal privilege and commercial sensitivity; and
- ensure public communications remain consistent with Council-approved messaging and consultation requirements.

12. Conflicts of Interest

Members must disclose any actual, potential or perceived conflict of interest as soon as it arises.

The Chair, with governance advice where appropriate, will determine how any conflict should be managed.

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13. Duration and Review

The Working Group will commence upon adoption of these Terms of Reference and will remain in place until Council has made a final decision on the proposed ownership, governance and delivery model for the Airport.

If Council decides to proceed with a new ownership, governance and delivery model for the Airport, Council may continue the Working Group for such period as it considers necessary to support the establishment and implementation of that model. For example, this may include supporting the finalisation of foundation documents, governance arrangements, director or trustee appointments, shareholder oversight arrangements, transition planning, or any other matters required to give effect to Council's decision.

For clarity, Council may, by resolution:

- extend the duration of the Working Group;
- amend these Terms of Reference at any time; or
- disestablish the Working Group at any time.

12 DISCUSSION OF LATE ITEMS

13 PUBLIC EXCLUDED SESSION

Resolution to exclude the public

RECOMMENDATIONS

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
13.1 - Consultation on Possible Future Governance and Delivery Options of Community Assets	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.2 - Litigation report	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege s6(c) - The making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
13.3 - Bay of Plenty Housing Equity Fund	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(i) - The withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

13.4 - Local Water Done Well Digital Programme - Revised Approach for Phase Two	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

14 CLOSING KARAKIA