AGENDA

Ordinary Council meeting
Tuesday, 10 November 2026

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

Date: **Tuesday, 10 November 2026**

Time: **9:00 am**

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

Gareth Green

Interim 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).

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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 Extraordinary Council meeting held on 12 October 2026

File Number: **A21374066**

Author: **Caroline Irvin, Governance Advisor**

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

RECOMMENDATIONS

That the Minutes of the Extraordinary Council meeting held on 12 October 2026 be confirmed as a true and correct record.

ATTACHMENTS

1. **Minutes of the Extraordinary Council meeting held on 12 October 2026**

DRAFT MINUTES

Extraordinary Council meeting
Monday, 12 October 2026

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MINUTES OF TAURANGA CITY COUNCIL
EXTRAORDINARY COUNCIL MEETING
HELD AT THE TAURANGA CITY COUNCIL CHAMBERS, L1, 90 DEVONPORT ROAD, TAURANGA
ON MONDAY, 12 OCTOBER 2026 AT 2.00 PM

PRESENT: Mayor Mahé Drysdale, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor, Cr Hēmi Rolleston

IN ATTENDANCE: Christine Jones (General Manager: Strategy, Partnerships & Growth), Craig Rice (Chief Operating & Financial Officer), Andy Mead (Head of City Planning & Growth), Anahera Dinsdale (Governance Advisor), Caroline Irvin (Governance Advisor).

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1 OPENING KARAKA

Cr Hēmi Rolleston opened the meeting with a karakia.

2 APOLOGIES

APOLOGY

RESOLUTION CO/26/19/1

Moved: Cr Rick Curach
Seconded: Cr Kevin Schuler

That the apology for absence received from Deputy Mayor Jen Scoular be accepted.

CARRIED

3 ACCEPTANCE OF LATE ITEMS

Nil

4 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

5 CHANGE TO THE ORDER OF BUSINESS

Nil

6 DECLARATION OF CONFLICTS OF INTEREST

Nil

7 DISCUSSION OF LATE ITEMS

The following public excluded, supplementary item was taken in open:

7.1 Public Excluded Minutes of the Council meeting held on 29 September 2026

RESOLUTION CO/26/19/2

Moved: Cr Rod Taylor
Seconded: Cr Steve Morris

That the Public Excluded Minutes of the Council meeting held on 29 September 2026 be confirmed as a true and correct record.

CARRIED

8 PUBLIC EXCLUDED SESSION

Resolution to exclude the public at 2.04pm

RESOLUTION CO/26/19/3

Moved: Cr Marten Rozeboom
Seconded: Cr Hēmi Rolleston

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
8.2 - Western Bay of Plenty City / Regional Deal: Implementation Plan Approval	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
8.1 - Public Excluded Minutes of the Council meeting held on 29 September 2026	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)(g) - The withholding of the	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

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	information is necessary to maintain legal professional privilege	

CARRIED

9 CLOSING KARAKIA

Cr Steve Morris closed the meeting with a karakia.

The meeting closed at 2.39pm.

The minutes of this meeting were confirmed at the Ordinary meeting of the Tauranga City Council held on 10 November 2026.

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7.2 Minutes of the Council meeting held on 20 October 2026

File Number: **A21374074**

Author: **Caroline Irvin, Governance Advisor**

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

RECOMMENDATIONS

That the Minutes of the Council meeting held on 20 October 2026 be confirmed as a true and correct record.

ATTACHMENTS

1. **Minutes of the Council meeting held on 20 October 2026**



DRAFT MINUTES

Ordinary Council meeting
Tuesday, 20 October 2026

UNCONFIRMED

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MINUTES OF TAURANGA CITY COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE TAURANGA CITY COUNCIL CHAMBERS, L1, 90 DEVONPORT ROAD, TAURANGA
ON TUESDAY, 20 OCTOBER 2026 AT 9:00 AM

MEMBERS PRESENT: Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor, Cr Hēmi Rolleston

IN ATTENDANCE: Gareth Green (Acting Chief Executive), Christine Jones (General Manager: Strategy, Partnerships & Growth), Craig Rice (Chief Operating & Financial Officer), Sarah Omundsen (General Manager: Regulatory & Community Services), Caroline Lim (CCO Specialist), Vicky Grant-Ussher (Policy Analyst), Susan Davidson (Head of Communications & Engagement), Wally Potts (Head of City Waters), Charles Lane (Team Leader: Commercial Legal), Tyler Buckley (Commercial Solicitor), Ariell King (Workstream Lead, Strategy, Policy and Bylaws), Becs Gallagher (Strategic Policy Advisor), Fiona Nalder (Principal Strategic Advisor), Jane Groves (Stormwater Programme Leader, City Waters), Kathryn Sharplin (Head of Finance),Jeremy Boase (Head of Strategy, Governance & Climate), Anne Payne (Principal Strategic Advisor), Josh Logan (Team Leader: Policy & Corporate Planning), Charlie Rahiri (Recovery Manager), Nick Chester (Recovery Project Manager), Emily McLean (Recovery Business & Community Manager), Amanda Davies (Portfolio Manager: Community Projects), Sarah Holmes (Team Leader: Governance & CCO Support Services), Caroline Irvin (Governance Advisor)

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 20 October 2026 at Council's YouTube Channel - Part 1 and Part 2.

UNCONFIRMED

1 OPENING KARAKIA

Cr Hēmi Rolleston opened the meeting with a karakia.

2 APOLOGIES

APOLOGY

RESOLUTION CO/26/20/1

Moved: Cr Rick Curach
Seconded: Cr Kevin Schuler

That the apology for lateness received from Cr Hautapu Baker be accepted.

CARRIED

3 PUBLIC FORUM

Anna Wentsch from Western Bay Wildlife Trust – Dog Bylaws

- Western Bay Wildlife Trust supported a year-round dog ban in Shark Alley to protect local shorebirds and breeding wildlife that match their full life cycle.
- This would also provide clearer rules for dog owners and easier enforcement for Tauranga City Council.
- The event scheduled to take place at Shark Alley could cause confusion to other dog owners who may then think that dogs were allowed in the area. The wildlife in this area could not move – but the event could be moved. This had the potential to undermine decades of conservation efforts from people in the local community.
- Coastal dunes were a wildlife habitat and refuge, Western Bay Wildlife Trust supported Council's Option 1 (c) – prohibiting dogs from Shark Alley and adjacent green space, and coastal dunes from Mauao south to Te Tumu.
- In response to a question, Ms Wentsch advised that in terms of the event, an option would be to take it further up the beach, to a domain in Papamoa, or to simply move the event further up the beach from Shark Alley.
- Ms Wentsch also advised that dog owners appeared to be confused about the requirement to keep dogs on a leash at the beach for six months of the year and the total ban during the remaining six months, as the transition dates and signage were unclear.

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGES TO THE ORDER OF BUSINESS

The Chair advised the following changes to the order of business:

- Open item 11.1: Adoption of the Annual Report 2025/26 would be taken at 1pm on Wednesday, 22 October.
- Public excluded item 13.3: Cyber Programme Business Case would be taken at 4pm today.

There were other changes to the order of business during the meeting.

7 CONFIRMATION OF MINUTES

7.1 Minutes of the Council meeting held on 1 September 2026

RESOLUTION CO/26/20/2

Moved: Deputy Mayor Jen Scoular

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Seconded: Cr Marten Rozeboom

That the Minutes of the Council meeting held on 1 September 2026 be confirmed as a true and correct record.

CARRIED

7.2 Minutes of the Council meeting held on 22 September 2026

RESOLUTION CO/26/20/3

Moved: Cr Kevin Schuler
Seconded: Cr Rod Taylor

That the Minutes of the Council meeting held on 22 September 2026 be confirmed as a true and correct record.

CARRIED

7.3 Minutes of the Council meeting held on 29 September 2026

RESOLUTION CO/26/20/4

Moved: Cr Glen Crowther
Seconded: Cr Hēmi Rolleston

That the Minutes of the Council meeting held on 29 September 2026 be confirmed as a true and correct record.

For: Mayor Mahé Drysdale, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor and Cr Hēmi Rolleston

Against: Nil

Abstained: Cr Jen Scoular

CARRIED 8/0

8 DECLARATION OF CONFLICTS OF INTEREST

Cr Glen Crowther noted an interest in item 11.10 ‘Chief Executive Recruitment and Appointment’ and would participate in the item but would not take part in any decision around the recruiter.

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

Nil

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11 BUSINESS

Timestamp: 17 minutes (Part 1)

11.2 Tāheke Bay Waters Limited Board - Recruitment of two further Directors to complete the Establishment Board

Staff Caroline Lim, CCO Specialist
Christine Jones, General Manager: Strategy, Partnerships & Growth

RESOLUTION CO/26/20/5

Moved: Cr Marten Rozeboom
Seconded: Deputy Mayor Jen Scoular

That the Council:

(a) Receives the report "Tāheke Bay Waters Limited Board - Recruitment of two further Directors to complete the Establishment Board".

(b) Approves the immediate recruitment of two further directors, based on the skills matrix approved on 21 April 2026, with a term of three years and six months each.

(c) Notes, pursuant to section 80 of the Local Government Act 2002, that the recruitment of the further two directors of the Water Organisation to terms ending 30 June 2030 is for a term exceeding three years which is inconsistent with the Tauranga City Council Appointment of Directors to Council Organisations Policy. Council considers the decision is justified given the Water Organisation is a start-up entity, the full Board is not expected to be in place until early 2027, and operations of the Water Organisation will not commence until 1 July 2027. Council does not intend to amend the Policy as a result of this decision.

CARRIED

Timestamp: 30 minutes and 15 seconds (Part 1)

11.3 LWDW, Major Decisions Framework

Staff Charles Lane, Team Leader: Commercial Legal
Tyler Buckley, Commercial Solicitor

The Chair advised that, due to Elected Members requiring more information from staff, this item would be continued at a later time in the meeting.

UNCONFIRMED

Timestamp: 1 hour (Part 1)

11.4 LWDW - Instrument of Delegation for bylaws and Trade Waste Discharge Plan

Staff Ariell King, Workstream Lead, Strategy, Policy and Bylaws
Becs Gallagher, Strategic Policy Advisor

RESOLUTION CO/26/20/6

Moved: Cr Marten Rozeboom
Seconded: Cr Kevin Schuler

That the Council:

(a) Receives the report "LWDW - Instrument of Delegation for bylaws and Trade Waste Discharge Plan ".

(b) Delegates the specific roles, responsibilities, and functions under the Local Government (Water Services) Act (LGWSA) to the Water Organisation as set out in **Attachment 1** subject to the incorporation of Tāheke – Bay Waters Limited.

(c) Delegates authority for the execution to the Chief Executive Officer.

(d) Notes that the delegation for the Trade Waste Discharge Plan will take effect immediately upon incorporation of Tāheke – Bay Waters, and that the delegations relating to the administration and enforcement of water services bylaws will occur on the operational date of 1 July 2027.

CARRIED

Timestamp: 1 hour and 12 minutes (Part 1)

11.6 Stormwater Reactive Reserve Fund and Policy

Staff Fiona Nalder, Principal Strategic Advisor
Jane Groves, Stormwater Programme Leader, City Waters
Christine Jones, General Manager: Strategy, Partnerships & Growth

At 10.30am, Cr Hautapu Baker entered the meeting.

RECOMMENDATIONS

Moved: Mayor Mahé Drysdale
Seconded: Cr Rod Taylor

That the Council:

(a) Receives the report "Stormwater Reactive Reserve Fund and Policy".

(b) Approves rescinding the Stormwater Reactive Reserve Fund Policy, closing the application process, setting aside $3.1million of contingency funding to resolve current applications, with any unspent balance of the $3.1 million contingency at 30 June 2027

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transferring it to Tāheke – Bay Waters Limited to use for this purpose.

(c) Approves, in event that the cost of resolving the current applications is less than the contingency amount set aside, the remaining contingency funding is used to contribute to the cost of stormwater network improvements targeted towards reducing flooding on private property.

(d) Directs Tāheke – Bay Waters Limited, via the Statement of Expectations, to consider their approach regarding community support for flood assistance, and to develop a policy if required.

(e) Approves, for the purpose of preparing the draft Long-Term Plan the following allocation of the remaining funds in the Stormwater Reactive Reserve Fund (approx. $13.2 million):

(i) *Option 1:* Allocation of $**X** from the Stormwater Reactive Reserve Fund towards the recovery costs of the January 2026 Mauao landslide.

and/or

(ii) *Option 2*: Allocation of the balance of the Stormwater Reactive Reserve Fund as at 30 June 2027 towards implementing stormwater projects across the city focussed on reducing future flood risk and transfer the Fund to Tāheke – Bay Waters Limited to use for this purpose.

and/or

(iii) *Option 3*: Allocation of the remaining balance of the Stormwater Reactive Reserve Fund as at 30 June 2027 towards paying down:

- water activity debt.

and/or

- general Council debt.

(f) Notes that resolution (e) is still subject to the Long-Term Plan prioritisation process, and that the option reflected in the adopted draft Long-Term Plan will be subject to public consultation.

(g) **Attachment 2** to remain in confidential due to legal privilege.

AN AMENDMENT WAS PROPOSED

RESOLUTION CO/26/20/7

Moved: Cr Glen Crowther
Seconded: Cr Rick Curach

That the Council:

(h) Directs the Chief Executive to ensure that all risk related stormwater projects are analysed in terms of risk and delivered in as timely and appropriate way as possible.

For: Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Kevin Schuler and Cr Hēmi Rolleston

Against: Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Cr Marten Rozeboom and Cr Rod Taylor

CARRIED 6/4

The amendment was carried and became part of the substantive motion.

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The substantive motion was put in parts as follows:

RESOLUTION CO/26/20/8

Moved: Mayor Mahé Drysdale
Seconded: Cr Rod Taylor

That the Council:

(a) Receives the report "Stormwater Reactive Reserve Fund and Policy".

(b) Approves rescinding the Stormwater Reactive Reserve Fund Policy, closing the application process, setting aside $3.1million of contingency funding to resolve current applications, with any unspent balance of the $3.1 million contingency at 30 June 2027 transferring it to Tāheke – Bay Waters Limited to use for this purpose.

(c) Approves, in event that the cost of resolving the current applications is less than the contingency amount set aside, the remaining contingency funding is used to contribute to the cost of stormwater network improvements targeted towards reducing flooding on private property.

(d) Directs Tāheke – Bay Waters Limited, via the Statement of Expectations, to consider their approach regarding community support for flood assistance, and to develop a policy if required.

CARRIED

MOTION

Moved: Mayor Mahé Drysdale
Seconded: Cr Rod Taylor

That the Council:

(e) Approves, for the purpose of preparing the draft Long-Term Plan the following allocation of the remaining funds in the Stormwater Reactive Reserve Fund (approx. $13.2 million):

(iii) *Option 3*: Allocation of the remaining balance of the Stormwater Reactive Reserve Fund as at 30 June 2027 towards paying down:

- water activity debt.

and/or

- general Council debt.

For: Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Cr Rod Taylor and Cr Hēmi Rolleston

Against: Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom and Cr Kevin Schuler

LOST 4/6

RESOLUTION CO/26/20/9

Moved: Cr Steve Morris
Seconded: Cr Kevin Schuler

That the Council:

(e) Approves, for the purpose of preparing the draft Long-Term Plan the following allocation of the remaining funds in the Stormwater Reactive Reserve Fund (approx.

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$13.2 million):

(i) *Option 2*: Allocation of the balance of the Stormwater Reactive Reserve Fund as at 30 June 2027 towards implementing stormwater projects across the city focussed on reducing future flood risk and transfer the Fund to Tāheke – Bay Waters Limited to use for this purpose.

For: Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom and Cr Kevin Schuler

Against: Mayor Mahé Drysdale, Deputy Mayor Jen Scoular, Cr Rod Taylor and Cr Hēmi Rolleston

CARRIED 6/4

RESOLUTION CO/26/20/10

Moved: Mayor Mahé Drysdale
Seconded: Cr Rod Taylor

That the Council:

(f) Notes that resolution (e) is still subject to the Long-Term Plan prioritisation process, and that the option reflected in the adopted draft Long-Term Plan will be subject to public consultation.

(g) Attachment 2 to remain in confidential due to legal privilege.

(h) Directs the Chief Executive to ensure that all risk related stormwater projects are analysed in terms of risk and delivered in as timely and appropriate way as possible.

CARRIED

At 11.16am the meeting adjourned.

At 11.27am the meeting resumed in open.

Timestamp: 2 hours 26 minutes (Part 1)

11.7 Te Awanui Māori ward poll date

Staff Jeremy Boase, Head of Strategy, Governance & Climate
Anne Payne, Principal Strategic Advisor

Action requested

- The Mayor requested that no appointments be made, and that no further work be progressed

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in relation to the Māori ward poll, until after the general election.

RESOLUTION CO/26/20/11

Moved: Cr Rod Taylor
Seconded: Cr Hautapu Baker

That the Council:

(a) Receives the report "Te Awanui Māori ward poll date".

(b) Agrees that the Māori ward binding poll (referendum) is to be held on 23 March 2027.

CARRIED

Cr Hēmi Rolleston abstained from voting on this item.

Timestamp: 2 hours and 34 minutes (Part 1)

11.8 Long-term Plan 2027-2037 - Project Update

Staff Josh Logan, Team Leader: Policy & Corporate Planning
Jeremy Boase, Head of Strategy, Governance & Climate

RESOLUTION CO/26/20/12

Moved: Deputy Mayor Jen Scoular
Seconded: Cr Kevin Schuler

That the Council:

(a) Receives the report "Long-term Plan 2027-2037 - Project Update ".

CARRIED

Timestamp: 2 hours and 44 minutes (Part 1)

11.12 Event Temporary Alcohol-Free Areas 2026/2027

Staff Sarah Omundsen, General Manager: Regulatory & Community Services

RESOLUTION CO/26/20/13

Moved: Cr Hēmi Rolleston
Seconded: Cr Hautapu Baker

That the Council:

(a) Receives the report "Event Temporary Alcohol-Free Areas 2026/2027".

(b) Agrees that the proposed temporary alcohol-free areas are appropriate and proportionate, and are justified as a reasonable limitation on people's rights and

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freedoms.

(c) Resolves under clause 9 of the Alcohol Control Bylaw 2018 to implement temporary alcohol-free areas to support events across Tauranga for the 2026/2027 summer as follows:

Tauranga City Council New Year's Eve community events and Soper Reserve events as set out in the below table:

Fergusson Park	Fergusson Park including Tilby Drive from the intersection of Tainui Street and Waratah Street (all inclusive) from 10am, 31 December 2026 to 6am, 1 January 2027.
Gordon Spratt Reserve	Gordon Spratt Reserve and Alice Lane (all inclusive), and Parton Road (between Tara Road and Papamoa Beach Road) from 10am, 31 December 2026 to 6am, 1 January 2027.
Tauranga Racecourse Reserve	Tauranga Racecourse Reserve from 10am, 31 December 2026 to 6am, 1 January 2027.
Soper Reserve	Soper Reserve and Newton Street (all inclusive) as follows from 6am to midnight on the following dates. • 7 November 2026 (Indulgence festival) • 13 November 2026, with a postponement date of 14 November 2026 (No Days Off concert) • 12 December 2026 (Leavers' 26 concert)

CARRIED

Timestamp: 2 hours and 47 minutes (Part 1)

11.9 2027 - 2037 Long-term Plan - Revenue and Financing Policy Framework - Funding Needs Analysis

Staff Craig Rice, Chief Operating & Financial Officer
Kathryn Sharplin, Head of Finance
Josh Logan, Team Leader: Policy & Corporate Planning

At 11.59am, the meeting adjourned.

At 2.30pm the meeting resumed in open.

RESOLUTION CO/26/20/14

Moved: Deputy Mayor Jen Scoular
Seconded: Cr Glen Crowther

That the Council:

(a) Receives the report "2027 - 2037 Long-term Plan - Revenue and Financing Policy

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Framework - Funding Needs Analysis".

(b) Adopts the draft Funding Needs Analysis (**Attachment 1**), completing Step 1 of the Revenue and Financing Policy review required under section 101(3)(a) of the Local Government Act 2002, and informing the preparation of a draft Revenue and Financing Policy for Council consideration in December 2026.

(c) Notes that the draft Funding Needs Analysis may require amendment through the Long-term Plan process and that any proposed amendments will be presented to Council for decision.

CARRIED

Timestamp: 22 minutes and 20 seconds (Part 2)

11.5 January Weather Event - Recovery Progress Report

Staff Charlie Rahiri, Recovery Manager
Nick Chester, Recovery Project Manager
Emily McLean, Recovery Business & Community Manager
Amanda Davies, Portfolio Manager: Community Projects

RESOLUTION CO/26/20/15

Moved: Cr Rod Taylor
Seconded: Cr Hautapu Baker

That the Council:

(a) Receives the report "January Weather Event - Recovery Progress Report".

(b) Approves an additional $3.5 million of operational budget for the Mauao recovery and review workstreams

(c) Approves funding of this expenditure from:

(i) Offsetting expenditure

(ii) Loan funding

(d) Receives a detailed budget, including an updated cost security forecast, provided to Elected Members within the fortnightly update.

CARRIED

EXTENSION OF MEETING TIME

RESOLUTION CO/26/20/16

Moved: Cr Marten Rozeboom
Seconded: Cr Rick Curach

That the Council meeting extends beyond 6 hours.

CARRIED

UNCONFIRMED

WORKING GROUPS MEMBERSHIP FOR MAUAO

The Chair advised the following members on the working groups for Mauao:

Re-Opening Working Group for Mauao:

Mayor Mahē Drysdale, Deputy Mayor Jen Scoular and Cr Hēmi Rolleston.

Future Working Group for Mauao:

Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach and Cr Kevin Schuler.

13 PUBLIC EXCLUDED SESSION

PUBLIC EXCLUDED SESSION

Resolution to exclude the public at 4.03pm.

RESOLUTION CO/26/20/17

Moved: Cr Hautapu Baker
Seconded: Cr Hēmi Rolleston

That 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:

13.3 - Cyber Programme Business Case	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)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret	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

CARRIED

At 5.42pm the meeting resumed in open.

At 5.42pm the meeting adjourned.

UNCONFIRMED

11 BUSINESS - CONTINUED

RESUMPTION OF COUNCIL MEETING IN OPEN ON WEDNESDAY, 21 OCTOBER 2026 AT 1PM

MEMBERS PRESENT: Mayor Mahé Drysdale (Chair), Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Marten Rozeboom, Cr Kevin Schuler, Cr Rod Taylor, Cr Hēmi Rolleston, Cr Steve Morris (online).

IN ATTENDANCE: Gareth Green (Acting Chief Executive), Christine Jones (General Manager: Strategy, Partnerships & Growth), Craig Rice (Chief Operating & Financial Officer), Sarah Omundsen (General Manager: Regulatory & Community Services), Caroline Lim (CCO Specialist), Vicky Grant-Ussher (Policy Analyst), Oscar Glossop (Team Leader: Animal Services), Susan Davidson (Head of Communications & Engagement), Wally Potts (Head of City Waters), Kathryn Sharplin (Head of Finance), Ross Hudson (Head of Spaces and Places), Jeremy Boase (Head of Strategy, Governance & Climate), Caroline Irvin (Governance Advisor), Quinn Tawaka (Governance Advisor).

EXTERNAL: Leon Pieterse, Director, Audit New Zealand

Peter Watson, Reserves & Facilities Manager, Western Bay of Plenty District Council

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 21 October 2026 at Council's YouTube Channel - Part 3.

Timestamp: 8 minutes and 25 seconds (Part 3)

11.1 Adoption of the Annual Report 2025/26

Staff Craig Rice, Chief Operating & Financial Officer

External Leon Pietersie, Director, Audit New Zealand

At 1.06pm, Cr Hēmi Rolleston entered the meeting.

At 1:14pm, Cr Hautapu Baker entered the meeting.

RESOLUTION CO/26/20/18

Moved: Mayor Mahé Drysdale
Seconded: Cr Marten Rozeboom

UNCONFIRMED

That Council:

(a) Receives the report titled "Adoption of the Annual Report 2025/26".

(b) Receives the Audit Office report on Tauranga City Council's 2025/26 Annual Report.

(c) Adopts the audited Tauranga City Council 2025/26 Annual Report, as required under the provisions of the Local Government Act 2002.

(d) Authorises the Chief Executive to make any necessary minor numerical, wording or layout changes to the 2025/26 Annual Report before final publication, and to approve the Annual Report summary.

(e) Notes the audited 2025/26 Annual Report Summary will be prepared and available online within the next 30 days.

CARRIED

Timestamp: 25 minutes and 50 seconds

11.10 Chief Executive Recruitment and Appointment

Staff Mayor Mahé Drysdale

RESOLUTION CO/26/20/19

Moved: Mayor Mahé Drysdale
Seconded: Deputy Mayor Jen Scoular

That the Council:

(a) Receives the report "Chief Executive Recruitment and Appointment".

(b) Notes that Marty Grenfell resigned as Chief Executive on 29 September 2026.

(c) Agrees to undertake an open, merit-based recruitment process for a permanent Chief Executive, supported by an independent executive search partner.

(d) Approves the evaluation criteria for the selection of the independent executive search partner and delegates to the subcommittee the authority to select and appoint the preferred executive search partner, within the recruitment budget approved by Council and subject to Council's procurement requirements.

(e) Establishes a Chief Executive Appointment Subcommittee comprising the Mayor and Deputy Mayor Scoular, Councillor Morris and Councillor Rozeboom, with the Mayor as Chair.

(f) Delegates to the Chief Executive Appointment Subcommittee authority to:

(i) work with the executive search partner

(ii) oversee the approved recruitment process

(iii) finalise the position description, candidate brief and selection criteria following consideration of elected members input and advice from the appointed external search partner

(iv) approve the advertising and executive search methodology

(v) consider the longlisting, determine the shortlist, oversee preliminary assessment of shortlisted candidates and recommend final candidates to full council for interview

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(vi) approve recruitment-related expenditure within the budget approved by Council

(vii) provide confidential progress updates to Council at agreed stages of the recruitment process.

(g) Retains to full Council the final selection and appointment of the permanent Chief Executive and approval of the term of appointment, remuneration and material conditions of employment.

(h) Approves a recruitment budget of up to $100,000 excluding GST, covering executive search fees, advertising, assessment, due diligence, candidate travel, legal and independent remuneration advice, and other reasonable recruitment and appointment costs.

(i) Notes the current Chief Executive Position Description dated 12 May 2023 and agrees that it be updated before the position is taken to market to reflect Council's strategic direction and the outcomes and capabilities identified in this report following input from all elected members and advice from the appointed executive search partner.

(j) Notes that the permanent Chief Executive may be appointed for a term of up to five years, with the final term determined by Council as part of the appointment decision.

(k) Notes that independent remuneration advice has been sought from Strategic Pay and agrees that the proposed remuneration parameters be considered in public excluded business before the position is taken to market.

(l) Approves the indicative recruitment timetable set out in this report and delegates authority to the Chief Executive Appointment Subcommittee to refine it with the appointed recruitment partner, provided the final appointment remains a decision of full Council.

(m) Notes that candidate information, remuneration advice, commercially sensitive agency proposals and evaluation material, reference checks and employment negotiations will be considered in public excluded business where the relevant statutory grounds apply.

(n) Will interview the final short listed candidates.

CARRIED

Timestamp: 1 hour and 10 minutes (Part 3)

11.11 TECT Park sub-regional parks agreement

Staff Ross Hudson, Head of Spaces and Places

External Peter Watson, Reserves & Facilities Manager, Western Bay of Plenty District Council

Action Requested:

- That the Council works collaboratively with Western Bay of Plenty District Council to develop and strengthen the relationship required to support future collaboration. This would involve convening joint hui and meetings to discuss matters of shared interest, identify collective priorities, and exchange information and perspectives.

RESOLUTION CO/26/20/20

Moved: Deputy Mayor Jen Scoular
Seconded: Cr Kevin Schuler

UNCONFIRMED

That the Council:

(a) Receives the report “TECT Park sub-regional parks agreement”.

(b) Notes the agreement will be signed, with agreed amendments, until 30 November 2028 under delegated authority by the Chief Executive and the Mayor.

CARRIED

Timestamp: 1 hour 48 minutes

11.13 Deliberations and Adoption of the Dog Management Policy and Bylaw and the Keeping of Animals Bylaw

Staff Vicky Grant-Ussher, Policy Analyst
Oscar Glossop, Team Leader: Animal Services
Sarah Omundsen, General Manager: Regulatory & Community Services

RESOLUTION CO/26/20/21

Moved: Cr Rod Taylor
Seconded: Cr Glen Crowther

That the Council:

(a) Receives the report "Deliberations and Adoption of the Dog Management Policy and Bylaw and the Keeping of Animals Bylaw".

(b) Receives the 9 additional written submissions on the review (Attachment 1)

(c) Receives the 7 late submissions on the review (Attachment 1)

(d) Notes the summary of consultation (Attachment 2).

(e) Agrees to the recommended changes to the draft Dog Management Policy (Attachment 3), Dog Management Bylaw (Attachment 4), and Keeping of Animals Bylaw (Attachment 5) including:

(iv) **Option 1F** – Do not allow an exemption to enable use of the green space and Marine Parade Coastal Path adjacent to Shark Alley by dogs when part of an approved event

(vi) **Option 3B -** Agree to update poultry provision to require a licence to keep poultry other than chickens, ducks and quails in residential zones or to keep more than 6 these, require a licence to keep more than 2 dogs in residential zones, allow a licensee to walk more than 4 dogs at once, create a general power provision to support the team leader Animal Services to issue reasonable instructions for the keeping of animals, including related to bees and update Regional Pest Management Plan references.

(vii) **Option 4B –** Include bylaw provisions encouraging desexing, microchipping and registering cats on The New Zealand Companion Animal Register (NZCAR) or other recognised database.

(f) Agrees to the following options for staff progressing further work including:

(i) **Option 5A:** Start work with the Department of Conservation now and reconsult on the bylaw on this issue.

UNCONFIRMED

(ii) **Option 5C:** Progress work on dog friendly spaces through the Open Space Provision Policy.

(v) **Option 5F:** Reconsider rules for dogs on beaches through the upcoming Beaches Bylaw review.

(g) Determines, in accordance with section 155 of the Local Government Act 2002, that the amendments to the Dog Management Policy 2026 and Dog Management Bylaw 2026 and Keeping of Animals Bylaw 2026 are the most appropriate way of addressing the perceived problems, are in the most appropriate form of the bylaw, and do not give rise to any implications under, or any inconsistencies with, the New Zealand Bill of Rights Act 1990 (attachment 6)

(h) Notes the Consistency Accountability Statement (attachment 7)

(i) Adopts the amendments to the Dog Management Policy 2026 and Dog Management Bylaw 2026 and Keeping of Animals Bylaw 2026, incorporating the decisions made under recommendations (e).

(j) Resolves that all amendments come into force on 1 February 2027

(k) Authorises the General Manager: Regulatory and Community Services to make minor or technical amendments prior to publication.

CARRIED

RESOLUTION CO/26/20/22

Moved: Cr Rod Taylor
Seconded: Cr Glen Crowther

That the Council:

(e) Agrees to the recommended changes to the draft Dog Management Policy (Attachment 3), Dog Management Bylaw (Attachment 4), and Keeping of Animals Bylaw (Attachment 5) including:

(i) **Option 1C** - Prohibiting dogs from Shark Alley and adjacent green space, and coastal dunes from Mauao south to Te Tumu.

And

(v) **Option 2B** - Prohibit dogs from active recreation surfaces and parks fenced for inclusion purposes, and require dogs to be on leash in City Centre Waterfront, Red Square, Masonic Park, Marine Pathway Coastal Path, Beach Road Pathway and the Pāpāmoa Coastal Path and in cemetery and burial grounds.

For: Deputy Mayor Jen Scoular, Cr Hautapu Baker, Cr Glen Crowther, Cr Rick Curach, Cr Steve Morris, Cr Marten Rozeboom, Cr Rod Taylor and Cr Hēmi Rolleston

Against: Mayor Mahé Drysdale and Cr Kevin Schuler

CARRIED 8/2

At 3.57pm the meeting adjourned.

At 4.10pm the meeting resumed in open.

UNCONFIRMED

Timestamp: 3 hours and 15 minutes (Part 3)

11.3 LWDW, Major Decisions Framework - Continued

Staff Charles Lane, Team Leader: Commercial Legal
Tyler Buckley, Commercial Solicitor

RESOLUTION CO/26/20/23

Moved: Cr Marten Rozeboom
Seconded: Cr Hautapu Baker

That the Council:

(a) Receives the report "LWDW, Major Decisions Framework".

(b) Approves the Major Decisions Framework for inclusion in the Establishment Phase Agreement to be executed by Council, Western Bay of Plenty District Council, and Tāheke - Bay Waters Limited.

(c) Delegates to the General Manager: Strategy, Partnerships & Growth authority to finalise the Major Decisions Framework, incorporate the Major Decisions Framework within the Establishment Phase Agreement, and execute the Establishment Phase Agreement on behalf of Council, noting this replaces the previous Commitment Agreement which was approved by way of Council resolution.

CARRIED

12 DISCUSSION OF LATE ITEMS

Nil

13 PUBLIC EXCLUDED SESSION - CONTINUED

Resolution to exclude the public at 4.13PM

RESOLUTION CO/26/20/24

Moved: Cr Marten Rozeboom
Seconded: Deputy Mayor Jen Scoular

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 - Public Excluded Minutes of the Council meeting held on 1	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would

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September 2026	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)(d) - The withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities 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)	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 - Public Excluded Minutes of the Council meeting held on 22 September 2026	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)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret 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)(f)(ii) - The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege 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

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	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	
13.4 - Tauriko West Funding Agreement - Variation of Commercial Feasibility Condition	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
13.5 - Te Manawataki o Te Papa Limited - Director appointment	s6(b) - The making available of the information would be likely to endanger the safety of any person 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
13.6 - Te Maunga New Inlet Works Detailed Design Phase - Engagement of Beca for Design Services	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	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
13.7 - Legal Update Regarding WorkSafe	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
13.8 - Appointment of Interim Chief Executive	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
Confidential Attachment 2 - 11.6 - Stormwater Reactive Reserve Fund and Policy	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege	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
Confidential Attachment 3 - 11.13 - Chief Executive Recruitment and	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely	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

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Appointment	unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	information for which good reason for withholding would exist under section 6 or section 7
Confidential Attachment 4 - 11.13 - Chief Executive Recruitment and Appointment	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

CARRIED

At 6.55pm the meeting resumed in open.

14 CLOSING KARAKIA

Cr Steve Morris closed the meeting with a karakia.

The meeting closed at 6.56PM.

The minutes of this meeting were confirmed as a true and correct record at the Ordinary Council meeting held on 10 November 2026.

UNCONFIRMED

8 DECLARATION OF CONFLICTS OF INTEREST

9 DEPUTATIONS, PRESENTATIONS, PETITIONS

9.1 Tauranga Intermediate Students - Visit to Yantai and Hitachi

ATTACHMENTS

Nil

9.2 Mr Greg Simmonds - Report on the Delegation visit to Yantai

ATTACHMENTS

Nil

10 RECOMMENDATIONS FROM OTHER COMMITTEES

10.1 LWDW - Statement of Expectations: Comments from Incoming Board and Recommendations from Joint Committee

File Number: **A21340248**

Author: **Tyler Buckley, Commercial Solicitor**
Charles Lane, Team Leader: Commercial Legal

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

PURPOSE OF THE REPORT

1. To consider comments from the incoming Board of Directors of Tāheke – Bay Waters Limited on the draft Statement of Expectations, and to consider the Joint Committee's recommendations on those comments, for consideration by the shareholder councils before public engagement.

RECOMMENDATIONS

That the Council:

(a) Receives the report "LWDW - Statement of Expectations: Comments from Incoming Board and Recommendations from Joint Committee".

(a) Receives the comments provided by the Incoming Board of Directors of Tāheke – Bay Waters Limited on the draft Statement of Expectations, and the Joint Committee's recommendations on those comments, as set out in Attachment 1.

(b) Approves the updated draft Statement of Expectations as set out in Attachment 3 for public engagement.

Or

(c) Approves the updated draft Statement of Expectations as set out in Attachment 3, subject to the following further amendments, for public engagement:

(i) [insert amendment].

(ii) [insert amendment]

EXECUTIVE SUMMARY

2. A Statement of Expectations (**SOE**) is a statutory planning and accountability document that sets out the shareholder councils' expectations for Tāheke – Bay Waters Limited (**Tāheke – Bay Waters**) and informs its decisions, actions and preparation of its Water Services Strategy.

3. The Local Government (Water Services) Act 2025 (**LG (WS) Act**) requires Tauranga City Council (**TCC**) and Western Bay of Plenty District Council (**WBOPDC**), as shareholders, to give Tāheke – Bay Waters a reasonable opportunity to review and comment on the draft SOE and to consider those comments before finalising and adopting the SOE.

4. TCC and WBOPDC approved the original draft SOE in August and September 2026 for review by the Incoming Board of Tāheke – Bay Waters (**Incoming Board**) and community feedback.

5. The Incoming Board subsequently provided feedback aimed at making the SOE clearer, more practical and realistic. Key areas of feedback included:

(a) Strengthening the collaborative, good-faith relationship between the shareholders and Tāheke – Bay Waters;

(b) Recognising that the concept of "community affordability" is impacted by factors outside of Tāheke – Bay Waters' control, and focusing instead on prudent financial management of areas within the Company's control;

(c) Clarifying the operating principles and the respective responsibilities of Tāheke – Bay Waters and the shareholder councils;

(d) Distinguishing between establishment and enduring expectations; and

(e) Providing greater certainty around the SOE review period.

6. The Joint Committee considered the Incoming Board's feedback on 23 October 2026 and unanimously recommended that all of the Incoming Board's feedback be accepted, subject to minor amendments to items 2, 11 and 15 set out in **Attachment 1**. The Incoming Board is content with the Joint Committee's amendments.

7. The draft SOE has been updated to reflect the Incoming Board's feedback and the Joint Committee's recommendations. Council is now asked to approve the updated draft SOE for community engagement.

8. **Attachment 1** summarises the Incoming Board's feedback and the Joint Committee's recommendations on each item. **Attachment 2** is a tracked changes version of the updated draft SOE, showing the changes from the original draft approved by Council, and **Attachment 3** is a clean copy of the updated draft SOE.

9. Subject to approval by both shareholder councils, the updated draft SOE will proceed to a three-week community engagement process before Christmas 2026. Following engagement, the shareholder councils will consider the feedback received before approving and adopting the final SOE.

10. The final SOE is expected to be issued to Tāheke – Bay Waters around February 2027.

BACKGROUND

11. The SOE is an important part of the statutory planning and accountability framework for Tāheke – Bay Waters. It records the shareholders' expectations and provides strategic direction for Tāheke – Bay Waters' Water Services Strategy. The draft SOE addresses matters including expected outcomes and operating principles, establishment expectations, planning and statutory obligations, relationships and engagement, Tangata Whenua, strategic priorities, performance and reporting, and permitted operational direction. Importantly, Tāheke – Bay Waters is required by legislation to give effect to the SOE.[1]

12. The draft SOE has been developed having regard to the LG (WS) Act, the Shareholders' Agreement, the Commercial Term Sheet adopted by TCC and WBOPDC in March 2026, and feedback previously provided by the Joint Committee.

13. On 27 August 2026, WBOPDC approved the draft SOE being provided to Tāheke – Bay Waters for review and comment and being made publicly available for community feedback. TCC gave the corresponding approvals on 1 September 2026. The original intention was for the Incoming Board review and community engagement processes to occur concurrently.

14. Following preliminary discussions, the Incoming Board indicated that it would prefer to provide formal feedback before community engagement commenced. The process was therefore updated to first allow the councils to consider the Incoming Board's comments (and incorporate any agreed changes) before an updated draft SOE is presented to the community. This reduces the risk of material amendments following community engagement.

15. Staff provided the Incoming Board with a separate briefing regarding the draft SOE before it provided its feedback.

[1] Section 226, Local Government (Water Services) Act 2025.

FEEDBACK FROM THE INCOMING BOARD

16. The Incoming Board's comments, together with the proposed changes to the draft SOE, are captured at **Attachment 1**.[2]

17. The Incoming Board's changes are intended to make the SOE clearer, more practical and realistic. Key proposals made by the Incoming Board include the following:

    (a) Strengthening the collaborative, good-faith relationship between the shareholders and Tāheke – Bay Waters.

    (b) Replacing the existing expectation of "improved community affordability" with an expectation focused on prudent financial management, financially sustainable services and avoiding unreasonable price shocks (i.e. matters that Tāheke – Bay Waters can reasonably influence). The Incoming Board considered that "improved community affordability" could not reasonably be guaranteed by Tāheke – Bay Waters, as affordability is also influenced by factors outside its control, including inflation and the cost of goods and services.

    (c) Clarify the operating principles and the respective responsibilities of Tāheke – Bay Waters and the shareholder councils.

    (d) Distinguish between establishment and enduring expectations.

    (e) Provide greater certainty around the SOE review period.

    (f) Recognising Tāheke – Bay Waters' ability to recover reasonable costs for work undertaken for shareholders and developers in the context of planning processes.

    (g) Requiring that where a shareholder requires Tāheke – Bay Waters to "act in accordance" with obligations that the shareholder has to third parties, the onus will sit with the shareholder to identify such obligations.

    (h) Requiring the shareholders and Tāheke – Bay Waters to work together to agree a list of obligations relating to Tangata Whenua.

    (i) Strengthening expectations around industry performance measures and benchmarking.

RECOMMENDATIONS FROM THE JOINT COMMITTEE

18. On 23 October 2026, the Incoming Board's feedback was presented to the Joint Committee. The Chair of the Incoming Board, Keith Turner, and Director Patrick Dougherty attended to present the Incoming Board's feedback and answer questions.

19. The Joint Committee considered each item of the Incoming Board's feedback set out in **Attachment 1** and unanimously agreed to recommend that all of the Incoming Board's feedback be accepted, subject to minor amendments to items 2, 11 and 15. The Joint Committee's recommendations are recorded in the final column of the Comment Table in **Attachment 1**.

20. The Joint Committee made the following formal recommendations:

    Recommends that Tauranga City Council and Western Bay of Plenty District Council accept the Board comments identified as "Recommend Accept" in the final column of Attachment 1.

    Recommends that staff update the draft Statement of Expectations to incorporate the Board comments identified as "Recommend Accept", for consideration and approval by Tauranga City Council and Western Bay of Plenty District Council prior to public engagement.

[2] Schedule 1 includes the Incoming Board's Comments, the accompanying proposed changes to the draft SOE, and also the Joint Committee's recommendations with respect to each proposed change.

UPDATED DRAFT SOE

21. The draft SOE has been updated to reflect the Joint Committee's recommendations and is presented to Council for consideration and approval before community engagement.

22. A tracked changes version, showing the changes from the original draft SOE approved by Council, is included at **Attachment 2**. A clean copy of the updated draft SOE is included at **Attachment 3**.

23. Following community engagement[3], the shareholder councils will consider the feedback received before approving and adopting the final SOE.

STATUTORY CONTEXT

24. Sections 224 to 229 of the LG (WS) Act set out the statutory framework for preparing and adopting an SOE. In summary, the shareholder councils must prepare and adopt an SOE, Tāheke – Bay Waters must give effect to it, and the SOE must comply with the LG (WS) Act and Tāheke – Bay Waters' foundation documents.

25. As part of that process, section 229 requires the shareholder councils to give Tāheke – Bay Waters a reasonable opportunity to review and comment on the draft SOE. The shareholder councils are required to consider any comments received before finalising and adopting it.

26. The LG (WS) Act does not expressly require public consultation on the draft SOE. However, the Joint Committee previously recommended that the shareholder councils undertake public engagement before adopting the final SOE. That recommendation was subsequently approved by both WBOPDC and TCC, with the draft SOE approved for community engagement.

STRATEGIC ALIGNMENT

27. 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	☐

28. The SOE supports a well-planned and inclusive city by establishing long-term shareholder expectations for the delivery of water services and by providing for engagement with communities, consumers and Tangata Whenua. It supports environmental outcomes through expectations relating to resilient infrastructure, environmental performance and climate considerations. Reliable, efficient and financially sustainable water services also support growth, development and economic activity across the councils' service areas.

OPTIONS ANALYSIS

29. The Incoming Board has provided feedback on the draft SOE, which has been considered by the Joint Committee. The Joint Committee unanimously recommended that the Incoming Board's feedback be accepted, subject to the three minor amendments outlined above.

30. Council has the following options:

    (a) Option 1: Accept the Joint Committee's recommendations and approve the updated draft SOE at **Attachment 3** for community engagement; or

[3] For clarity, community engagement is not required or anticipated. However, the shareholder councils have agreed to undertake a community engagement process.

(b) Option 2: Approve the updated draft SOE at **Attachment 3** for community engagement, subject to any further amendments agreed by Council.

31. Option 1 is recommended. It reflects the Incoming Board's feedback and the Joint Committee's consideration of that feedback, while enabling the updated draft SOE to proceed to community engagement.

FINANCIAL CONSIDERATIONS

32. The recommendations have no direct financial implications. However, Tāheke – Bay Waters must give effect to the final SOE, including through its Water Services Strategy, which will have financial implications for Tāheke – Bay Waters and the Councils.

RISKS AND LEGAL IMPLICATIONS

33. The shareholder councils must consider the Incoming Board's comments before finalising and adopting the SOE. The updated SOE must also remain consistent with the LG (WS) Act and Tāheke – Bay Waters' foundation documents.

34. Considering the Incoming Board's feedback before community engagement reduces the risk of material changes being required after engagement has commenced.

TE AO MĀORI APPROACH

35. Tangata Whenua representatives have participated in developing Tāheke – Bay Waters' governance arrangements through the Joint Working Group and Joint Committee. Their membership of the Joint Committee enables Te Ao Māori perspectives to inform consideration of the Incoming Board's feedback.

36. The draft SOE includes expectations relating to Tāheke – Bay Waters' relationships and engagement with Tangata Whenua and compliance with applicable Treaty settlement obligations. The recommendations do not alter those existing obligations or commitments.

CLIMATE IMPACT

37. The recommendations have no direct climate impact. However, the draft SOE expects Tāheke – Bay Waters' asset management and investment decisions to take account of climate considerations and long-term infrastructure resilience.

CONSULTATION / ENGAGEMENT

38. The draft SOE has been considered by the Incoming Board and the Joint Committee, with the Joint Committee's recommendations now incorporated into the updated draft presented to the shareholder councils for approval.

39. Subject to approval by both TCC and WBOPDC, the updated draft SOE will proceed to a three-week community engagement process before Christmas 2026.

40. The community engagement is an additional engagement step and is not a formal statutory consultation process. Following engagement, the shareholder councils will consider the feedback received before approving and adopting the final SOE and issuing it to Tāheke – Bay Waters.

SIGNIFICANCE

41. 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.

42. 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.

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

NEXT STEPS

44. The updated draft SOE, incorporating the Joint Committee's recommendations, will be presented to WBOPDC on 19 November 2026 for consideration and approval.

45. Subject to approval by both shareholder councils, the updated draft SOE will proceed to a three-week community engagement process before Christmas 2026.

46. Following community engagement, the shareholder councils will consider the feedback received before approving and adopting the final SOE. The final SOE is expected to be issued to Tāheke – Bay Waters around February 2027.

ATTACHMENTS

1. **Attachment 1 - Board Feedback, and Joint Committee Recommendations - A21351152**
2. **Attachment 2 - Tracked changes draft SOE - A21351153**
3. **Attachment 3 - Clean draft SOE - A21351158**

Attachment 1: Table summarising the Board's comments on the draft SOE and Joint Committee's recommendations

	Board Comments	Proposed change to draft SOE	JC recommends (Accept / Not accept)
1.	Operating principle and outcomes: This section contains the 11 principle objectives of Tāheke. In other words, the rest of the SOE elaborates on what is expected in each of these principle objectives. Action—it would be good to clarify that Operating Principles are the "priority" and should be interpreted with the additional detail that follows.	Additional paragraph at the end of the section including operating principles and objectives: 12. The Company should give priority to working towards achieving these operating principles and outcomes. These principles and outcomes are intended to guide the Company's activities and should be interpreted with the additional detail contained within this SOE.	Recommend: Accept
2.	Operating principle and outcomes: Operating principle and outcome 10(a) states an expectation we "*achieve improved community affordability over time*" seems doomed to failure. Affordability is significantly outside our control—i.e.--If incomes decline in real terms how do we cut charges when we will have an already sunk funding obligation. And I hear the industry collective WSS needs $44B of capital investment over the next 10 yrs. It will be impossible to make such investment if prices cannot rise. It seems affordability is crossing into social support targeting which is a Central govt issue. Action—I could live with a declining cost per unit of supply (essentially a productivity figure)	• Amend paragraph 11(a) (Operating principles and outcomes): a. **Value and affordability**: Prudent financial management and financially sustainable services that offer excellent value for price, avoid unreasonable price-shocks and achieve ~~improved community affordability~~a declining cost per unit of supply over time.	Recommend: Not accept. Instead, update paragraph to simply read: "*Value and affordability: Prudent financial management and financially sustainable services that offer excellent value for price and avoid unreasonable price-shocks*."
3.	Establishment Expectations:	• Add new paragraph 11(l) (Operating principles and outcomes):	Recommend: Accept

	Board Comments	Proposed change to draft SOE	JC recommends (Accept / Not accept)
	In my view the principal expectation should be "*Successful full operational commencement from 1 July 2027*" which means: a) 12(a): No disruption to services and service quality b) 12 (b) to 12(h): As drafted. c) 12(i) would seem to be an ongoing objective rather than just an establishment objective.	l. **Efficiency and effectiveness:** Explore efficiency opportunities, effectiveness opportunities and future growth opportunities including shared opportunities with other providers and Shareholder Councils, or other councils joining the Company. • Amend paragraph 13(f) to read as follows (Establishment Expectations): f. Explore establishment growth opportunities, including other councils joining the Company or shared opportunities with other providers or Shareholder Councils.	
4.	Statutory and Shareholder Obligations: "Planning and Statutory obligations" would be better described as "Statutory and Shareholder Obligations"	• Amended Heading before paragraph 15 ~~Planning and statutory~~ Statutory and Shareholder obligations	Recommend: Accept
5.	Performance, monitoring and reporting: I like the idea of defining the key performance indicators. But will they be comparable to the rest of the WO's. It seems to me there is a strong case for a universal set of KPI's for the industry so we can either do our own benchmarking, or the regulator can do their benchmarking. This has a longer-term goal for me and that is the companies that don't look good on their KPI's will be motivated to seek scale economies –i.e. amalgamate. Action—can we add a comment that we should seek to foster an industry wide set of KPI's and report our performance relative to all other WO's	• Amended paragraph 25 (Performance, monitoring and reporting): 25. The Company must report against an agreed set of performance indicators to enable the Shareholders to monitor service delivery, financial sustainability, regulatory compliance, customer outcomes, and organisational performance. Performance indicators are expected to align with the WSS and relevant regulatory frameworks, and may be refined from time to time by agreement between the Shareholders and the Company. The Company should seek to foster an industry wide set of performance indicators and report its performance relative to all other water organisations.	Recommend: Accept

	Board Comments	Proposed change to draft SOE	JC recommends (Accept / Not accept)
6.	Operational Direction: I am not sure these belong in an expectations letter if we are simply doing what is required under foundation docs. Why pick out sections of them when we are obliged to honour all parts of the foundation docs. Action—Delete 21 & 22 **Operational direction** 21. The Company must ringfence its operations in the manner contemplated by clause the Constitution, and comply with any Shareholder reporting requirements under cl 2.8 of the Constitution. 22. In accordance with the Company's foundation documents and section 228(4) of the LG(WS) Act the Shareholders and Company will proceed on the following basis wit regard to the setting and collection of charges: a. [TBC]	The substance of this operational direction will not be captured within the Shareholders' Agreement (**SHA**). This is what the SHA says about the setting and collection of charges: **The setting and collection of charges**: The parties agree that: (a) The Shareholders may provide operational direction in respect of the setting and collection of charges for drinking water, wastewater and stormwater that are required to be provided within each Shareholder's Service Area. (b) The Statement of Expectations may include requirements or expectations with regard to the setting and collection of charges for each Water Service (in accordance with section 228(4) of the LG (WS) Act). (c) Details of the exact approach regarding the setting and collection of charges for each water service will be included each Shareholder's Transfer Agreement with the Company. (d) The long-term goal will be for the Company to hold all responsibility to set and collect charges for each Water Service. However, over the Company's initial years of operation the parties acknowledge that the Shareholders may need to hold some responsibilities in this regard. (e) If a Transfer Agreement requires the Shareholders to set charges for any Water Service, then the Shareholders must take into account the views of the Company regarding such charges, and the Shareholders must meet their obligations in relation to revenue sufficiency and the other matters set out clause 6 of Schedule 2 of the LG (WS) Act. As above, it is anticipated that the SOE will actually contain the operative direction. Once the approach to setting and collecting charges is finalised, the intention is to place it within paragraph an updated paragraph 27: 28. In accordance with the Company's foundation documents and section 228(4) of the LG(WS) Act the Shareholders and Company will proceed on the following basis with regard to the setting and collection of charges: a. [TBC]	Recommend: Accept
7.	Purpose and period: Propose the following change, on the basis that this will provides more certainty around term of the SOE and	• Amended paragraph 4 and 5 (Purpose and period):	Recommend: Accept

	Board Comments	Proposed change to draft SOE	JC recommends (Accept / Not accept)
	signals a definite intent to review at least every three years:	4. This SOE relates to athe period ~~of at least 10 consecutive financial years~~ from ~~the Company's incorporation. But the Shareholders can issue a new~~its adoption until 30 June 2037. 4.5. This SOE ~~to the Company~~may be amended or reviewed at any time. by Council in accordance with the process under the LG(WS) Act. This SOE will be reviewed by 30 June 2028 and at least every three years thereafter in accordance with the provisions of the LG(WS) Act.	
8.	Operating principles and outcomes: Propose the following change as noted in the next column.	• Amended paragraph 11 (Operating principles and outcomes): 11. The Shareholders expect the Company to ~~provide~~work towards providing water services based on the following principles and in a way that achieves the following outcomes:	Recommend: Accept
9.	Establishment Expectations: Propose the following change as noted in the next column. The change to paragraph (e) is on the basis that we can only honour obligations and commitments we know about and have agreed to. Similarly, we should be consulted on any major decision the Councils may be facing before Day 1 that could affect the operations of the Company (this could be an exchange of letters between CEOs?)	• Amended paragraph 13 (Establishment Expectations): **Establishment Expectations** ~~7.~~13. During the establishment phase from incorporation to when the Company becomes operational, the Shareholders expect the Company to: a. ~~Achieve full~~Do all things reasonably necessary and within the Company's control to achieve operational readiness by 1 July 2027, with no disruption to services and service quality. b. Work with the Shareholders to complete all necessary transfer, shared service, transitional service, billing and collection agreements. Noting that the transfer of land and stormwater assets will be more complex and is expected to continue for some years beyond the establishment phase. c. Develop, consult on and adopt its first WSS prior to 1 July 2027. d. Work with the Shareholders to maintain continuity of customer billing. e. Honour all existing obligations and commitments ~~inherited~~formally transferred from the Shareholders. f. Explore establishment growth opportunities, including other councils joining the Company or shared opportunities with other providers or Shareholder Councils.	Recommend: Accept
10.	Enduring Expectations:	• New paragraph 14 (Enduring Expectations):	Recommend: Accept

	Board Comments	Proposed change to draft SOE	JC recommends (Accept / Not accept)
	Propose to identify a set of enduring expectations on the basis that all operating principles and outcomes are unlikely to be able to be achieved by Day 1. I have moved the longer-term expectations into a separate section Enduring Expectations. Notes that the reference to "regulatory risk" is included in the "Enduring" category of expectations, although it could be better placed in the "Establishment" category.	**Enduring Expectations** 14. After the Company becomes operational, the Shareholders expect the Company to: ~~f.~~a. Put in place sound financial, regulatory risk, governance, audit and assurance frameworks. ~~g.~~b. Plan for long-term system integration, shared services, service transition and potential future organisational change. c. Develop a roadmap for business systems and shared service transition.	
11.	Statutory and Shareholder obligations: With respect to the following paragraph, I note that it will be important that the Company is reimbursed for work/advice we provide for Councils and also have the ability to charge Developers for processing consent applications, etc. This does not need to be acknowledged in this SOE – but perhaps the Establishment Agreement?" ~~8.~~9. The Company is expected to be a key partner of the Shareholders in land-use, growth, spatial, infrastructure and resource management planning. The Shareholders expect the Company to: a. Act as the primary source of three-waters technical advice to the Shareholders. b. Where reasonably practicable, co-ordinate its works with Shareholder works to achieve efficiencies and minimise community disruption. c. Use consistent population, growth, and climate assumptions aligned with Shareholder planning processes. d. Engage jointly with Shareholders on development proposals and infrastructure agreements. e. Align its position with Shareholder policies when responding to unplanned or out-of-sequence development proposals.	• Amended paragraph 15 (Statutory and Shareholder obligations): 15. The Company is expected to be a key partner of the Shareholders in land-use, growth, spatial, infrastructure and resource management planning. For the avoidance of doubt, the Company will be entitled to compensation for work undertaken or advice provided for the Shareholders in this area. Similarly, the Shareholders will not prevent the Company from having an ability to charge developers costs incurred by the Company in the context of planning processes. The Shareholders expect the Company to: a. Act as the primary source of three-waters technical advice to the Shareholders. b. Where reasonably practicable, co-ordinate its works with Shareholder works to achieve efficiencies and minimise community disruption. c. Use consistent population, growth, and climate assumptions aligned with Shareholder planning processes. d. Engage jointly with Shareholders on development proposals and infrastructure agreements. e. Align its position with Shareholder policies when responding to unplanned or out-of-sequence development proposals.	Recommend: Accept, but add the word "***reasonable***" before the word "compensation"
12.	Statutory and Shareholder obligations: In the following paragraph, we query what does this mean – what are the implications? We need to know. These obligations should be identified – in Transfer Agreements?	• Amended paragraph 16 (Statutory and Shareholder obligations):	Recommend: Accept

	Board Comments	Proposed change to draft SOE	JC recommends (Accept / Not accept)
	~~9.~~10. The Shareholders require the Company to meet all relevant statutory obligations that apply to the Shareholders as territorial authorities, to the extent those obligations are relevant to the delivery of water services. This includes obligations arising under the LG(WS) Act, relevant Treaty Settlement Obligations, and any other applicable legislation. The Company must conduct its activities in a manner that supports the Shareholders to meet those obligations.	16. The Shareholders require the Company to meet all relevant statutory obligations that apply to the Shareholders as territorial authorities, to the extent those obligations are relevant to the delivery of water services. (the Shareholders will bear the onus of identifying any such obligations to the Company in writing). This includes obligations arising under the LG(WS) Act, relevant Treaty Settlement Obligations, and any other applicable legislation. The Company must conduct its activities in a manner that supports the Shareholders to meet those obligations.	
13.	Statutory and Shareholder obligations: In the following paragraph, query what does this mean – what are the implications. We need to know. These obligations should be identified – in Transfer Agreements? ~~10.~~11. Where a Shareholder holds obligations related to a third party that relate to water services, the Company must act in accordance with those obligations. The Company must ensure that its actions do not place the Shareholders in breach of such obligations.	• Amended paragraph 17 (Statutory and Shareholder obligations): 17. Where a Shareholder holds obligations related to a third party that relate to water services, the Company must act in accordance with those obligations. (the Shareholders will bear the onus of identifying any such obligations to the Company in writing). The Company must ensure that its actions do not place the Shareholders in breach of such obligations.	Recommend: Accept
14.	Statutory and Shareholder obligations: In the following paragraph, query while our agreement is required, it would be nice to know what was being considered when this para was written? ~~11.~~12. Where agreed with the Shareholders, the Company must undertake specified water-services obligations on behalf of one or both Shareholders. Any such obligations must be clearly defined and delegable, consistent with the Company's statutory purpose, and recorded in appropriate governance or contractual arrangements.	This paragraph reflects s 127(2)(e) of the legislation, which says an SOE may contain "*a requirement that the water organisation undertake a specified obligation on behalf of a shareholder that is a territorial authority*". So the shareholders were probably considering nothing more than the wording of the legislation.	Recommend: Accept
15.	Relationships and engagement with customers and communities: Proposes to delete this paragraph (as noted in the next column) on the basis this is a big ask – it would mean we have very little control over how services are provided. More of an in-house business unit than a stand-alone company:	Deleted the following paragrapgh (Relationships and engagement with customers and communities): 19. ~~Enter into a shared service agreements, service level agreements, partnering agreements or memoranda of understanding as reasonably requested by the Shareholders.~~	Recommend: Not accept. Instead, reinsert (19) but change to: "Enter into ***mutually agreed*** shared service agreements…"
16.	Tangata Whenua:	This task is underway – ultimately the newly appointed Māori liaison employee of Tāheke will undertake this task. There	Recommend: Accept

<table>
<tr><th></th><th>Board Comments</th><th>Proposed change to draft SOE</th><th>JC recommends (Accept / Not accept)</th></tr>
<tr><td></td><td>Notes it would be useful to have a summary list of the obligations/acknowledgements made in Treaty Settlements or through the Shareholders, that could affect the Company.</td><td>was general agreement that it wouldn't be necessary to list all of these obligations within the SOE.
Amended paragraph 21 and 22 (Tangata Whenua):
21. In its relationship with Tangata Whenua, the Company is expected to:
a. Establish and maintain effective relationships with Tangata Whenua including iwi and hapū within the TCC and WBOPDC rohe (boundaries), acting through their recognised iwi or hapū authority or governance entity.
b. Act in a manner that is consistent with Treaty Settlement Obligations (and establishing processes to ensure the Company both understands and continues to fulfil any such obligations on an ongoing basis).
c. Be proactively open to partnership opportunities with Māori entities.
22. Where a Shareholder holds obligations to Tangata Whenua or other Māori organisations that relate to water services, the Company must act in accordance with those obligations. The Shareholders and the Company will work together to agree a written list of such obligations.</td><td></td></tr>
<tr><td>17.</td><td>Operational direction:
Query what is envisaged by the following paragraph:
~~22~~23. In accordance with the Company's foundation documents and section 228(4) of the LG(WS) Act the Shareholders and Company will proceed on the following basis with regard to the setting and collection of charges:
a. [TBC]</td><td>This remains a work in progress. A report will be presented to the Board for feedback in October. This is the current proposal (still subject to change):
TCC area – setting & collecting charges:<table><tr><th>Service</th><th>Who determines level of revenue required to be covered by charges</th><th>Who Sets Charges (within Council's service area)?</th><th>Under what legislation are charges set?</th><th>Who Collects Charges (within Council's service area)?</th><th>Review Date</th></tr><tr><td>Drinking Water</td><td>WO</td><td>WO</td><td>LG(WS) Act 2025</td><td>Council</td><td>1 July 2029</td></tr><tr><td>Wastewater</td><td>WO</td><td>Council</td><td>LG (Rating) Act 2002</td><td>Council</td><td>1 July 2029</td></tr><tr><td>Stormwater</td><td>WO</td><td>Council</td><td>LG (Rating) Act 2002</td><td>Council</td><td>1 July 2030</td></tr></table>WB area – setting & collecting charges:<table><tr><th>Service</th><th>Who determines level of revenue required to be covered by charges</th><th>Who Sets Charges (within Council's service area)?</th><th>Under what legislation are charges set?</th><th>Who Collects Charges (within Council's service area)?</th><th>Review Date</th></tr><tr><td>Drinking Water</td><td>WO</td><td>WO</td><td>LG(WS) Act 2025</td><td>Council</td><td>1 July 2029</td></tr><tr><td>Wastewater</td><td>WO</td><td>WO</td><td>LG(WS) Act 2025</td><td>Council</td><td>1 July 2029</td></tr><tr><td>Stormwater</td><td>WO</td><td>WO</td><td>LG(WS) Act 2025</td><td>Council</td><td>1 July 2030</td></tr></table></td><td>Recommend: Accept</td></tr>
<tr><td>18.</td><td>Relationship expectations between the Shareholders and the Company:
Request to include a new section on the relationship between Shareholders and the Company, emphasising good faith collaboration between the parties. Refer to</td><td>New paragraphs 7, 8, 9 and 10 (Relationship expectations between the Shareholders and the Company):</td><td>Recommend: Accept</td></tr>
</table>

	Board Comments	Proposed change to draft SOE	JC recommends (Accept / Not accept)
	relevant section of Marlborough District Council's water organisation SoE for a reference point. Place this "relationship between Shareholders and Company" section of the SOE in a prominent place early within the document.	**Relationship expectations between the Shareholders and the Company** 7. The Shareholders recognise that establishing a strong, trusting relationship between the Shareholders and the Company is in the best interests of the customers and the communities within Tauranga and the Western Bay of Plenty. A highly collaborative, good faith, and no surprises relationship will be necessary as the Shareholders and the Company work through the issues and challenges that impact on the delivery of water services. 8. To achieve a strong and trusting relationship, the following behaviours are expected from the Shareholders and the Company: a. Openness, honesty, integrity and professionalism, including a 'no surprises' approach to communications; b. Respect and listening to each other; c. Working constructively to find solutions; d. Early identification of disagreements or differences of view and rapid resolution of issues; e. Understanding the respective issues, challenges and constraints that the Shareholders and the Company face; and f. Providing each other with timely access to information needed to discharge their respective responsibilities. 9. While the Shareholders recognise that establishing strong, independent governance arrangements will be important to the success of Company, meeting the communities' expectations for safe, reliable and affordable water services will require the Shareholders and the Company to build their relationship at all levels, and check in on those relationships regularly. 10. Where there are disagreements, these will be addressed in the spirit of good faith, and should be resolved by the respective chief executives of the Shareholders and the Company in the first instance before escalation to form dispute resolution processes.	

Attachment 2: "Marked up" version of SOE incorporating comments from Incoming Board recommendations from and Joint Committee

Draft: 23 October 2026 (incorporating Incoming Board comments and Joint Committee Recommendations)

STATEMENT OF EXPECTATIONS

Purpose and period

1. This Statement of Expectations (**SOE**) sets out the expectations of Tauranga City Council and Western Bay of Plenty District Council as Shareholders of Tāheke Bay Waters Limited (**Company**).
2. It is prepared under Part 4, Subpart 1 of the Local Government (Water Services) Act 2025 (**LG(WS) Act**) and is intended to guide the Company's decisions, actions and preparation of its Water Services Strategy (**WSS**).
3. This SOE does not direct day-to-day management or operational matters, except where operational direction is permitted by the Company's foundation documents.
4. This SOE relates to the period from its adoption until 30 June 2037.
5. This SOE may be amended or reviewed at any time by Council in accordance with the process under the LG(WS) Act. This SOE will be reviewed by 30 June 2028 and at least every three years thereafter in accordance with the provisions of the LG(WS) Act.
6. Definitions of capitalised phrases within this document can be found within the Company's Constitution and Shareholders' Agreement.

Operating principles and outcomes

7. The Shareholders expect the Company to work towards providing water services based on the following principles and in a way that achieves the following outcomes:
    a. **Value and affordability**: Prudent financial management and financially sustainable services that offer excellent value for price and avoid unreasonable price-shocks.
    b. **Compliance**: Full compliance with drinking water, wastewater, stormwater and environmental standards, resource consents, comprehensive stormwater consents, legislation and regulatory requirements, (except where any non-compliance has been identified in a Shareholder's Water Services Delivery Plan).
    c. **Environmental health**: Operations that support the health and wellbeing of water bodies and recognise water as a taonga.
    d. **Integrated sub-regional delivery**: A coordinated approach across the service area, subject to the ringfencing and charging arrangements in the Company's foundation documents.
    e. **Good governance, transparency and customer-focus**: Efficient, accountable and transparent and governance and operations, with a focus on customer satisfaction.
    f. **Workforce, partnerships and growth**: A capable workforce and constructive relationships with Shareholders, Tangata Whenua, regulators, neighbouring providers, infrastructure partners, developers and key stakeholders. Explore partnerships or co-investment opportunities that support Shareholder objectives.

g. **Growth pays for growth**: Growth-related capital expenditure is attributed to, and funded by, those who cause and/or benefit from that investment, with external funding maximised where available.[1] The Company will explore innovative approaches regarding growth funding.

h. **Customer and community**: Responsive service delivery, effective communication, and high public confidence in water services

i. **Kaitiakitanga and wellbeing of water**: Recognise the vital importance of water as a taonga, uphold its responsibility as a guardian over water resources and water services (and support Tangata Whenua to exercise their role as Kaitiaki). Ensure that its decisions recognise the importance of the health and wellbeing of water, for the benefit of the environment, communities and future generations.

j. **Long-term planning:** Asset management and investment decisions based on long-term demand, growth, resilience, and climate considerations. Support the Shareholders' position on planning processes and the Shareholders' long-term plans.

k. **Te Mana o te Wai**: Recognise the fundamental importance of water and the need to protect and enhance the health and mauri of water bodies. In exercising its functions, the Company should have regard to Te Mana o te Wai and support outcomes that improve environmental health, community wellbeing, and intergenerational stewardship of water resources.

8. The Company should give priority to working towards achieving the above operating principles. The above principles should be interpreted with the additional detail contained within this.

Relationship expectations between the Shareholders and the Company

9. The Shareholders recognise that establishing a strong, trusting relationship between the Shareholders and the Company is in the best interests of the customers and the communities within Tauranga and the Western Bay of Plenty. A highly collaborative, good faith, and no surprises relationship will be necessary as the Shareholders and the Company work through the issues and challenges that impact on the delivery of water services.

10. To achieve a strong and trusting relationship, the following behaviours are expected from the Shareholders and the Company:

a. Openness, honesty, integrity and professionalism, including a 'no surprises' approach to communications;

b. Respect and listening to each other;

c. Working constructively to find solutions;

d. Early identification of disagreements or differences of view and rapid resolution of issues;

e. Understanding the respective issues, challenges and constraints that the Shareholders and the Company face; and

f. Providing each other with timely access to information needed to discharge their respective responsibilities.

[1] As far as reasonably practicable.

g. While the Shareholders recognise that establishing strong, independent governance arrangements will be important to the success of Company, meeting the communities' expectations for safe, reliable and affordable water services will require the Shareholders and the Company to build their relationship at all levels, and check in on those relationships regularly.

11. Where there are disagreements, these will be addressed in the spirit of good faith, and should be resolved by the respective chief executives of the Shareholders and the Company in the first instance before escalation to form dispute resolution processes.

Establishment Expectations

12. During the establishment phase from incorporation to when the Company becomes operational, the Shareholders expect the Company to:

a. Do all things reasonably necessary and within the Company's control to achieve operational readiness by 1 July 2027, with no disruption to services and service quality.

b. Work with the Shareholders to complete all necessary transfer, shared service, transitional service, billing and collection agreements. Noting that the transfer of land and stormwater assets will be more complex and is expected to continue for some years beyond the establishment phase.

c. Develop, consult on and adopt its first WSS prior to 1 July 2027.

d. Work with the Shareholders to maintain continuity of customer billing.

e. Honour all existing obligations and commitments formally transferred from the Shareholders.

f. Explore establishment growth opportunities, including other councils joining the Company or shared opportunities with other providers or Shareholder Councils.

Enduring Expectations

13. After the Company becomes operational, the Shareholders expect the Company to:

a. Put in place sound financial, regulatory risk, governance, audit and assurance frameworks.

b. Plan for long-term system integration, shared services, service transition and potential future organisational change.

c. Develop a roadmap for business systems and shared service transition.

d.

Statutory and Shareholder obligations

14. The Company is expected to be a key partner of the Shareholders in land-use, growth, spatial, infrastructure and resource management planning. For the avoidance of doubt, the Company will be entitled to reasonable compensation for work undertaken or advice provided for the Shareholders in this area. Similarly, the Shareholders will not prevent the Company from having an ability to charge developers costs incurred by the Company in the context of planning processes. The Shareholders expect the Company to:

a. Act as the primary source of three-waters technical advice to the Shareholders.

b. Where reasonably practicable, co-ordinate its works with Shareholder works to achieve efficiencies and minimise community disruption.

c. Use consistent population, growth, and climate assumptions aligned with Shareholder planning processes.

d. Engage jointly with Shareholders on development proposals and infrastructure agreements.

e. Align its position with Shareholder policies when responding to unplanned or out-of-sequence development proposals.

15. The Shareholders require the Company to meet all relevant statutory obligations that apply to the Shareholders as territorial authorities, to the extent those obligations are relevant to the delivery of water services (the Shareholders will bear the onus of identifying any such obligations to the Company in writing). This includes obligations arising under the LG(WS) Act, relevant Treaty Settlement Obligations, and any other applicable legislation. The Company must conduct its activities in a manner that supports the Shareholders to meet those obligations.

16. Where a Shareholder holds obligations related to a third party that relate to water services, the Company must act in accordance with those obligations (the Shareholders will bear the onus of identifying any such obligations to the Company in writing). The Company must ensure that its actions do not place the Shareholders in breach of such obligations.

17. Where agreed with the Shareholders, the Company must undertake specified water-services obligations on behalf of one or both Shareholders. Any such obligations must be clearly defined and delegable, consistent with the Company's statutory purpose, and recorded in appropriate governance or contractual arrangements.

Relationships and engagement with customers and communities

18. The Shareholders expect the Company's relationships with customers and communities to be based on trust, openness, collaboration, mutual respect, early issue identification, good-faith problem-solving and a strong "no surprises" culture. The Shareholders expect the Company to collaborate constructively with third parties, including regulators, Tangata Whenua, neighbouring councils or water service providers and infrastructure partners.

19. Enter into mutually agreed shared service agreements, service level agreements, partnering agreements or memoranda of understanding as reasonably requested by the Shareholders.

20. In its relationship with customers and Shareholder communities, the Company is expected to:

a. Place the interests of consumers at the centre of decision-making.

b. Maintain effective customer service processes.

c. Provide accessible, timely, and transparent information to the public.

d. Engage proactively with communities on service performance and major initiatives.

e. Foster transparency, accountability and public confidence by publishing key performance information and engaging openly with the community.

f. Undertake appropriate community and consumer engagement in relation to the delivery of water services, based on its Significance and Engagement Policy.

Engagement should be timely, accessible, and proportionate to the matter concerned.

Tangata Whenua

21. In its relationship with Tangata Whenua, the Company is expected to:
    a. Establish and maintain effective relationships with Tangata Whenua including iwi and hapū within the TCC and WBOPDC rohe (boundaries), acting through their recognised iwi or hapū authority or governance entity.
    b. Act in a manner that is consistent with Treaty Settlement Obligations (and establishing processes to ensure the Company both understands and continues to fulfil any such obligations on an ongoing basis).
    c. Be proactively open to partnership opportunities with Māori entities.
22. Where a Shareholder holds obligations to Tangata Whenua or other Māori organisations that relate to water services, the Company must act in accordance with those obligations. The Shareholders and the Company will work together to agree a written list of such obligations.
23. The Shareholders expect the Company to:
    a. Engage with Tangata Whenua on substantive governance and strategic matters, including the WSS, environmental performance frameworks, and operational policies of general application. Such engagement will be undertaken consistently with the Company's Significance and Engagement Policy.
    b. Recognise and provide for any relevant statutory acknowledgements made under Treaty settlement legislation applicable to the Service Area when making decisions that affect the statutory areas to which those acknowledgements relate.
    c. Fulfil all engagement obligations arising from resource consents held or transferred to the Company (including engagement with, or participation of, specified Māori groups).

WSS strategic priorities and assurance

24. The Company's WSS should prioritise:
    a. successful establishment and stable operations;
    b. safe, reliable, affordable and compliant water services;
    c. infrastructure investment that supports planned growth;
    d. integrated planning with Shareholders, NZTA, central government and other infrastructure providers;
    e. water conservation and demand management;
    f. long-term system resilience (including stormwater risk strategies) and consideration of alternatives to discharge to water; and; and
    g. no dividends unless there are exceptional circumstances where a distribution of dividends is unanimously approved by the Shareholders and approved by the Board, subject to all solvency and statutory tests.

Performance, reporting and monitoring

25. The Company must report against an agreed set of performance indicators to enable the Shareholders to monitor service delivery, financial sustainability, regulatory compliance, customer outcomes, and organisational performance. Performance indicators are expected to align with the WSS and relevant regulatory frameworks, and may be refined from time to time by agreement between the Shareholders and the Company. The Company should seek to foster an industry wide set of performance indicators and report its performance relative to all other water organisations.
    a. **Establishment reporting**: quarterly establishment progress reports to the Joint Committee, covering milestones, risks and delivery against establishment expectations
    b. **Half-yearly reports**: prepare and provide water-services half-yearly reports in accordance with section 248 of the LG(WS) Act, including sufficient financial, personnel, service, health and safety, regulatory compliance, capital project, stakeholder engagement and risk information.
    c. **Operational reporting**: once operationally stable, provide quarterly performance reports to the Shareholders.
    d. **Governance engagement**: hold regular joint governance meetings with the Board and management, supported by additional briefings as required.
26. The Company must apply best accounting practice when receiving and collecting (as and when relevant) Development Contributions, Development Levies and, if relevant, Financial Contributions. Records must transparently show the source of the funds, how they are used, and the net financial position of those funds.

Operational direction

27. The Company must ringfence its operations in the manner contemplated by clause 2.7 of the Constitution, and comply with any Shareholder reporting requirements under clause 2.8 of the Constitution.
28. In accordance with the Company's foundation documents and section 228(4) of the LG(WS) Act the Shareholders and Company will proceed on the following basis with regard to the setting and collection of charges:
    a. [TBC]

Attachment 3: "Clean" version of SOE incorporating comments from Incoming Board recommendations from and Joint Committee

Draft: 23 October 2026 (incorporating Incoming Board comments and Joint Committee Recommendations)

STATEMENT OF EXPECTATIONS

Purpose and period

1. This Statement of Expectations (**SOE**) sets out the expectations of Tauranga City Council and Western Bay of Plenty District Council as Shareholders of Tāheke Bay Waters Limited (**Company**).
2. It is prepared under Part 4, Subpart 1 of the Local Government (Water Services) Act 2025 (**LG(WS) Act**) and is intended to guide the Company's decisions, actions and preparation of its Water Services Strategy (**WSS**).
3. This SOE does not direct day-to-day management or operational matters, except where operational direction is permitted by the Company's foundation documents.
4. This SOE relates to the period from its adoption until 30 June 2037.
5. This SOE may be amended or reviewed at any time by Council in accordance with the process under the LG(WS) Act. This SOE will be reviewed by 30 June 2028 and at least every three years thereafter in accordance with the provisions of the LG(WS) Act.
6. Definitions of capitalised phrases within this document can be found within the Company's Constitution and Shareholders' Agreement.

Operating principles and outcomes

7. The Shareholders expect the Company to work towards providing water services based on the following principles and in a way that achieves the following outcomes:
    a. **Value and affordability**: Prudent financial management and financially sustainable services that offer excellent value for price and avoid unreasonable price-shocks.
    b. **Compliance**: Full compliance with drinking water, wastewater, stormwater and environmental standards, resource consents, comprehensive stormwater consents, legislation and regulatory requirements, (except where any non-compliance has been identified in a Shareholder's Water Services Delivery Plan).
    c. **Environmental health**: Operations that support the health and wellbeing of water bodies and recognise water as a taonga.
    d. **Integrated sub-regional delivery**: A coordinated approach across the service area, subject to the ringfencing and charging arrangements in the Company's foundation documents.
    e. **Good governance, transparency and customer-focus**: Efficient, accountable and transparent and governance and operations, with a focus on customer satisfaction.
    f. **Workforce, partnerships and growth**: A capable workforce and constructive relationships with Shareholders, Tangata Whenua, regulators, neighbouring providers, infrastructure partners, developers and key stakeholders. Explore partnerships or co-investment opportunities that support Shareholder objectives.

g. **Growth pays for growth**: Growth-related capital expenditure is attributed to, and funded by, those who cause and/or benefit from that investment, with external funding maximised where available.[1] The Company will explore innovative approaches regarding growth funding.

h. **Customer and community**: Responsive service delivery, effective communication, and high public confidence in water services

i. **Kaitiakitanga and wellbeing of water**: Recognise the vital importance of water as a taonga, uphold its responsibility as a guardian over water resources and water services (and support Tangata Whenua to exercise their role as Kaitiaki). Ensure that its decisions recognise the importance of the health and wellbeing of water, for the benefit of the environment, communities and future generations.

j. **Long-term planning:** Asset management and investment decisions based on long-term demand, growth, resilience, and climate considerations. Support the Shareholders' position on planning processes and the Shareholders' long-term plans.

k. **Te Mana o te Wai**: Recognise the fundamental importance of water and the need to protect and enhance the health and mauri of water bodies. In exercising its functions, the Company should have regard to Te Mana o te Wai and support outcomes that improve environmental health, community wellbeing, and intergenerational stewardship of water resources.

8. The Company should give priority to working towards achieving the above operating principles. The above principles should be interpreted with the additional detail contained within this.

Relationship expectations between the Shareholders and the Company

9. The Shareholders recognise that establishing a strong, trusting relationship between the Shareholders and the Company is in the best interests of the customers and the communities within Tauranga and the Western Bay of Plenty. A highly collaborative, good faith, and no surprises relationship will be necessary as the Shareholders and the Company work through the issues and challenges that impact on the delivery of water services.

10. To achieve a strong and trusting relationship, the following behaviours are expected from the Shareholders and the Company:

a. Openness, honesty, integrity and professionalism, including a 'no surprises' approach to communications;

b. Respect and listening to each other;

c. Working constructively to find solutions;

d. Early identification of disagreements or differences of view and rapid resolution of issues;

e. Understanding the respective issues, challenges and constraints that the Shareholders and the Company face; and

f. Providing each other with timely access to information needed to discharge their respective responsibilities.

[1] As far as reasonably practicable.

g. While the Shareholders recognise that establishing strong, independent governance arrangements will be important to the success of Company, meeting the communities' expectations for safe, reliable and affordable water services will require the Shareholders and the Company to build their relationship at all levels, and check in on those relationships regularly.

11. Where there are disagreements, these will be addressed in the spirit of good faith, and should be resolved by the respective chief executives of the Shareholders and the Company in the first instance before escalation to form dispute resolution processes.

Establishment Expectations

12. During the establishment phase from incorporation to when the Company becomes operational, the Shareholders expect the Company to:

a. Do all things reasonably necessary and within the Company's control to achieve operational readiness by 1 July 2027, with no disruption to services and service quality.

b. Work with the Shareholders to complete all necessary transfer, shared service, transitional service, billing and collection agreements. Noting that the transfer of land and stormwater assets will be more complex and is expected to continue for some years beyond the establishment phase.

c. Develop, consult on and adopt its first WSS prior to 1 July 2027.

d. Work with the Shareholders to maintain continuity of customer billing.

e. Honour all existing obligations and commitments formally transferred from the Shareholders.

f. Explore establishment growth opportunities, including other councils joining the Company or shared opportunities with other providers or Shareholder Councils.

Enduring Expectations

13. After the Company becomes operational, the Shareholders expect the Company to:

a. Put in place sound financial, regulatory risk, governance, audit and assurance frameworks.

b. Plan for long-term system integration, shared services, service transition and potential future organisational change.

c. Develop a roadmap for business systems and shared service transition.

d.

Statutory and Shareholder obligations

14. The Company is expected to be a key partner of the Shareholders in land-use, growth, spatial, infrastructure and resource management planning. For the avoidance of doubt, the Company will be entitled to reasonable compensation for work undertaken or advice provided for the Shareholders in this area. Similarly, the Shareholders will not prevent the Company from having an ability to charge developers costs incurred by the Company in the context of planning processes. The Shareholders expect the Company to:

a. Act as the primary source of three-waters technical advice to the Shareholders.

b. Where reasonably practicable, co-ordinate its works with Shareholder works to achieve efficiencies and minimise community disruption.

c. Use consistent population, growth, and climate assumptions aligned with Shareholder planning processes.

d. Engage jointly with Shareholders on development proposals and infrastructure agreements.

e. Align its position with Shareholder policies when responding to unplanned or out-of-sequence development proposals.

15. The Shareholders require the Company to meet all relevant statutory obligations that apply to the Shareholders as territorial authorities, to the extent those obligations are relevant to the delivery of water services (the Shareholders will bear the onus of identifying any such obligations to the Company in writing). This includes obligations arising under the LG(WS) Act, relevant Treaty Settlement Obligations, and any other applicable legislation. The Company must conduct its activities in a manner that supports the Shareholders to meet those obligations.

16. Where a Shareholder holds obligations related to a third party that relate to water services, the Company must act in accordance with those obligations (the Shareholders will bear the onus of identifying any such obligations to the Company in writing). The Company must ensure that its actions do not place the Shareholders in breach of such obligations.

17. Where agreed with the Shareholders, the Company must undertake specified water-services obligations on behalf of one or both Shareholders. Any such obligations must be clearly defined and delegable, consistent with the Company's statutory purpose, and recorded in appropriate governance or contractual arrangements.

Relationships and engagement with customers and communities

18. The Shareholders expect the Company's relationships with customers and communities to be based on trust, openness, collaboration, mutual respect, early issue identification, good-faith problem-solving and a strong "no surprises" culture. The Shareholders expect the Company to collaborate constructively with third parties, including regulators, Tangata Whenua, neighbouring councils or water service providers and infrastructure partners.

19. Enter into mutually agreed shared service agreements, service level agreements, partnering agreements or memoranda of understanding as reasonably requested by the Shareholders.

20. In its relationship with customers and Shareholder communities, the Company is expected to:

a. Place the interests of consumers at the centre of decision-making.

b. Maintain effective customer service processes.

c. Provide accessible, timely, and transparent information to the public.

d. Engage proactively with communities on service performance and major initiatives.

e. Foster transparency, accountability and public confidence by publishing key performance information and engaging openly with the community.

f. Undertake appropriate community and consumer engagement in relation to the delivery of water services, based on its Significance and Engagement Policy.

Engagement should be timely, accessible, and proportionate to the matter concerned.

Tangata Whenua

21. In its relationship with Tangata Whenua, the Company is expected to:
    a. Establish and maintain effective relationships with Tangata Whenua including iwi and hapū within the TCC and WBOPDC rohe (boundaries), acting through their recognised iwi or hapū authority or governance entity.
    b. Act in a manner that is consistent with Treaty Settlement Obligations (and establishing processes to ensure the Company both understands and continues to fulfil any such obligations on an ongoing basis).
    c. Be proactively open to partnership opportunities with Māori entities.
22. Where a Shareholder holds obligations to Tangata Whenua or other Māori organisations that relate to water services, the Company must act in accordance with those obligations. The Shareholders and the Company will work together to agree a written list of such obligations.
23. The Shareholders expect the Company to:
    a. Engage with Tangata Whenua on substantive governance and strategic matters, including the WSS, environmental performance frameworks, and operational policies of general application. Such engagement will be undertaken consistently with the Company's Significance and Engagement Policy.
    b. Recognise and provide for any relevant statutory acknowledgements made under Treaty settlement legislation applicable to the Service Area when making decisions that affect the statutory areas to which those acknowledgements relate.
    c. Fulfil all engagement obligations arising from resource consents held or transferred to the Company (including engagement with, or participation of, specified Māori groups).

WSS strategic priorities and assurance

24. The Company's WSS should prioritise:
    a. successful establishment and stable operations;
    b. safe, reliable, affordable and compliant water services;
    c. infrastructure investment that supports planned growth;
    d. integrated planning with Shareholders, NZTA, central government and other infrastructure providers;
    e. water conservation and demand management;
    f. long-term system resilience (including stormwater risk strategies) and consideration of alternatives to discharge to water; and; and
    g. no dividends unless there are exceptional circumstances where a distribution of dividends is unanimously approved by the Shareholders and approved by the Board, subject to all solvency and statutory tests.

Performance, reporting and monitoring

25. The Company must report against an agreed set of performance indicators to enable the Shareholders to monitor service delivery, financial sustainability, regulatory compliance, customer outcomes, and organisational performance. Performance indicators are expected to align with the WSS and relevant regulatory frameworks, and may be refined from time to time by agreement between the Shareholders and the Company. The Company should seek to foster an industry wide set of performance indicators and report its performance relative to all other water organisations.
    a. **Establishment reporting**: quarterly establishment progress reports to the Joint Committee, covering milestones, risks and delivery against establishment expectations
    b. **Half-yearly reports**: prepare and provide water-services half-yearly reports in accordance with section 248 of the LG(WS) Act, including sufficient financial, personnel, service, health and safety, regulatory compliance, capital project, stakeholder engagement and risk information.
    c. **Operational reporting**: once operationally stable, provide quarterly performance reports to the Shareholders.
    d. **Governance engagement**: hold regular joint governance meetings with the Board and management, supported by additional briefings as required.
26. The Company must apply best accounting practice when receiving and collecting (as and when relevant) Development Contributions, Development Levies and, if relevant, Financial Contributions. Records must transparently show the source of the funds, how they are used, and the net financial position of those funds.

Operational direction

27. The Company must ringfence its operations in the manner contemplated by clause 2.7 of the Constitution, and comply with any Shareholder reporting requirements under clause 2.8 of the Constitution.
28. In accordance with the Company's foundation documents and section 228(4) of the LG(WS) Act the Shareholders and Company will proceed on the following basis with regard to the setting and collection of charges:
    a. [TBC]

11 BUSINESS

11.1 2026 China Delegation Visit - Mayoral Outcome Report

File Number: **A21189039**

Author: **Caroline Irvin, Governance Advisor**

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

PURPOSE OF THE REPORT

1. To report to Elected Members on the outcomes of the 2026 China Mayoral visit.

RECOMMENDATIONS

That the Council:

(a) Receives the report "2026 China Delegation Visit - Mayoral Outcome Report".

EXECUTIVE SUMMARY

2. In August 2026, Tauranga City Council led a delegation to Yantai, China, to mark the 40th anniversary of the Tauranga-Yantai Sister City relationship. The visit reinforced longstanding government, education, business and community connections, while creating opportunities for future collaboration in trade, investment, education and cultural exchange. The delegation strengthened Tauranga's international relationships and established a platform for continued engagement that will support economic, educational and cultural outcomes for Tauranga and the Western Bay of Plenty.
3. When the delegation was approved by Council in June 2026, there was an action for the delegation to report back on the trade, business and investment leads that are generated from the visit. The Sister City Delegation Outcome Report attached to this report addresses this action.
4. This is a report back on the delegation, there are no identified risks to bring to elected members attention.

SISTER CITY DELEGATION REPORT

5. The attached report outlines the 2026 Sister City delegation to Yantai, China, including the purpose of the visit, delegation membership, key activities, outcomes and funding arrangements. It also evaluates the benefits achieved and identifies opportunities to maximise the value of future mayoral and civic delegations. Supporting material, including the visit itinerary, briefing information and media coverage, is provided in the appendices.

STRATEGIC ALIGNMENT

6. 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 ☐

FINANCIAL CONSIDERATIONS

7. Council approved air travel and accommodation at the meeting of 23 June (total approved $17,666).

TE AO MĀORI APPROACH

8. The Tauranga Intermediate students that formed part of the delegation gave a Māori cultural performance in Yantai's cultural district.

SIGNIFICANCE

9. 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.

10. 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 .

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

11. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the matter is of low significance. The report is for information purposes only.

ENGAGEMENT

12. 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.

ATTACHMENTS

1. 2026 China Mayoral Outcome Report - A21189025

Sister City Delegation Outcome Report

Yantai, Shandong, China: 8th – 16th August, 2026

The document provides a report to Tauranga City Council on the 2026 sister city delegation visit to Yantai, China from 8th to 16th August 2026. It details the delegation's purpose, objectives, members, outcomes and funding arrangements. The report assesses outcomes and provides recommendations on maximising value and impact from future Mayoral delegations. Appendices provide supporting information such as the visit itinerary, in-market briefing papers, media coverage etc.



Members of the 2026 Tauranga delegation to Yantai, China

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1. **Executive Summary**

From 8-16 August 2026, Tauranga City Council led a delegation to Yantai, Shandong Province, China, to celebrate the 40th anniversary of the Tauranga–Yantai Sister City relationship. The visit reaffirmed one of New Zealand's longest-standing city-to-city partnerships and advanced Tauranga's objectives across international relations, education, economic development, investment attraction, and cultural exchange.

The delegation engaged with Yantai municipal leaders, educational institutions, businesses, and community organisations, strengthening existing relationships while identifying new opportunities for collaboration. Key outcomes included the reinforcement of high-level government connections, support for international education growth, expanded access to influential business and investment networks, and increased visibility for Tauranga as a destination for investment, tourism, study, and trade.

Overall, the delegation strengthened partnerships developed over four decades and established a strong foundation for future cooperation. The report recommends building on this momentum through more targeted business engagement, continued support for educational and cultural exchanges, and ongoing collaboration with Yantai to maximise long-term benefits for Tauranga and the Western Bay of Plenty.

2. **Background and Strategic Context**

2.1 History of the sister city relationship

The sister city relationship between **Tauranga** and **Yantai, Shandong Province, China**, was formally established in **1986** when the Sister City Agreement was signed by Tauranga Mayor Noel Pope and representatives from Yantai. This makes it one of New Zealand's longest-standing city-to-city relationships with China.

Over the past four decades, the relationship has grown from a civic friendship into a broad partnership encompassing **education, trade, culture, sport, and scientific research**. In the early years, cooperation included a **Sister Port Agreement** between the Port of Tauranga and the Port of Yantai in 1991, educational visits, and sporting exchanges, including links between Bay of Plenty and Yantai table tennis programmes.

Education has been one of the most enduring pillars of the relationship. Since **2002**, **Tauranga Intermediate School** and **Yantai No. 2 Middle School** have

maintained a sister-school partnership that has enabled hundreds of students to participate in exchanges and develop lifelong international friendships.

The relationship has also fostered scientific collaboration, particularly between the **University of Waikato** and the **Yantai Institute of Coastal Zone Research**, supporting cooperation in marine science, aquaculture, environmental research, and marine biotechnology.

Tauranga businesses have participated in trade promotion events in Yantai and explored opportunities in agriculture, horticulture, food production, and marine industries.

The cities celebrated their **30th anniversary in 2016**, and **40th anniversary in 2026**, marking the milestone with official delegations, cultural performances, business and education meetings, student participation, and renewed commitments to cooperation. In 2025, **Priority One** and the **Yantai Foreign Affairs Office** signed a Memorandum of Understanding, witnessed by Mayor Mahē Drysdale to further strengthen economic, educational, and government-to-government collaboration.

Today, the Tauranga–Yantai sister city relationship provides a platform for international engagement, creating opportunities for business, education, cultural exchange, and people-to-people connections between Tauranga and one of China's leading coastal cities.

2.2 Alignment with Council strategies and priorities

Tauranga City Council's Sister City relationships sit within the context of the Western Bay of Plenty's International Strategy. The strategy aims to boost Tauranga Moana's global profile through international connections, tourism, talent attraction, city partnerships, and economic growth in sectors like technology and agriculture. Key actions include strengthening sister city and targeted city to city relationships, attracting high-value visitors and skills, supporting international education, and fostering collaboration among partners to enhance community wellbeing and regional prosperity.

A copy of the Western Bay of Plenty International Strategy is included as Appendix E.

2.3 Recent delegations and exchanges

2014 | Trade promotion delegation

- Mayor Stuart Crosby led a delegation of local businesses and organisations for the purpose of a trade promotion event in Yantai.

2016 | 30th anniversary Mayoral delegation to Yantai

- Mayor Stuart Crosby led a Tauranga delegation to Yantai to mark the 30th anniversary of the Sister City relationship. The delegation included seven students, who stayed with local host families. The visit emphasized civic friendship, education exchange, youth participation, and enduring personal relationships between the two cities.

2018 | Mayoral delegation to Yantai

- Mayor Greg Brownless led a delegation to Yantai seeking to advance Tauranga's relationships and opportunities across education, trade, investment, and sport. A copy of the 2018 trip report is included as Appendix D.

2025 | Yantai delegation to Tauranga led by Yantai Party Secretary

- Following the Covid years, Yantai Party Secretary Mr Jiang Cheng led a small delegation to Tauranga to re-establish city to city visits.
- Priority One and Yantai Municipal Government Foreign Affairs Office signed an MoU to work together to strengthen economic, educational and government to government collaboration.

2026 | 40th anniversary Mayoral delegation to Yantai

- Mayor Mahē Drysdale led a delegation of civic, business, education, arts, and cultural representatives to China, with the objectives to recognise the 40th anniversary, develop commercial opportunities for local businesses, promote Tauranga as an international study destination, showcase Māori culture, and deepen education and youth exchanges.

3. **Delegation Overview**

3.1 Delegation dates and objectives

Mayor of Tauranga Mahē Drysdale led a twenty one person delegation of city, business and education representatives to Yantai, China from August 8-16, 2026. The purpose of the delegation was to:

- Recognise the 40th Sister City Anniversary between Tauranga and Yantai.
- Develop and promote commercial opportunities for local businesses.
- Promote Tauranga as a study destination for Chinese students.
- Promote Māori culture through performance and song and identify opportunities for arts and cultural exchange between the two cities.
- Deepen existing education relationships and identify additional opportunities for student exchange.

3.2 Delegation members and participating organisations

The Tauranga delegation was made up of 21 members from the following organisations:

1. Tauranga City Council:
    1. Mayor Mahē Drysdale
    2. Deputy Mayor Jen Scoular
    3. Cr Rod Taylor
2. Priority One:
    4. Greg Simmonds, General Manager
3. Creative Bay of Plenty:
    5. Arohanoa Mathews, Ngā toi Māori Navigator
4. University of Waikato:
    6. Anne Young, Senior Manager International
    7. Kathy Liu, Regional Manager - North China
5. Zespri International:
    8. Ivan Kinsella, Head of Corporate Affairs China (Shanghai only)
    9. John Li, External Relations Director
6. BeeNZ:
    10. Julie Hayes, Managing Director
    11. Hellen Faulkner, China Sales
7. Open Ocean Whakatōhea Mussels:
    12. Ian Craig
    13. Christine Craig
8. Tauranga Intermediate School:
    14. Jack Te Moana, Head of Māori

15. Annemieke Hart, International Director
16. Marley Ayshford, student
17. Naia Bennett-Taylor, student
18. Buck Hopping, student
19. Hilton Nuku Charles, student
20. Paama Reihana, student
21. Tukuora Tuakaki, student

3.3 Funding and support arrangements

All costs associated with the delegation were borne individually by participants or by their organisations. In Yantai, meals and transport for the delegation were provided by Yantai Municipal Government. In addition, Yantai covered the accommodation costs for five members of the delegation, including those from Tauranga City Council. Tauranga Intermediate students were home-stayed with families from Yantai No. 2 Middle School.

Tauranga City Council provided five scholarships, and Priority One provided one scholarship, of $1,500 each towards the cost of Tauranga Intermediate School student participation on the delegation.

4. **Programme and Engagements**

4.1 Summary itinerary

The delegation's itinerary included meetings on trade, cultural exchange, and industry promotion in Shanghai and Yantai, involving government officials, business leaders, and students. Key activities included briefings from NZ Government agencies and business organisations in China, business and education visits, ceremonial exchanges, and cultural activities. The trip aimed to strengthen sister city relations, trade ties, and educational collaborations between Tauranga and Yantai.

A trip itinerary is included in Appendix A.

4.2 Civic and government meetings

Meetings were held in Shanghai with the following New Zealand Government agencies:

- Ministry of Foreign Affairs & Trade (Consul General, Ardi Barnard & Trade Consul, Tim Vaughan-Sanders).

- New Zealand Trade & Enterprise (Regional Director, Chris Metcalf; Business Development Manager, Catherine Liu & Trade Analyst, Ruby Qi).
- Education New Zealand (Regional Manager, Shelly Xu).

4.3 Education engagements

The following meetings were held to progress education relationships with China and promote Chinese international students to study in Tauranga:

- Education New Zealand China Market briefing. Briefing paper included as Appendix C.
- Liucheng – a premier student recruitment agency and partner of Waikato University in China.
- Huatong International (HTI) – is a global education recruitment and marketing leader and partner of Waikato University in China.
- EIC Education (Yantai) – a China based education recruitment consultancy and partner of Waikato University in China.
- Yantai No. 2 Middle School – the sister school of Tauranga Intermediate since 2002.
- Yantai University.
- Yantai Coastal Zone Institute, Chinese Academy of Science – the sole Chinese academic institution specialising in comprehensive research of the coastal zone.

4.4 Cultural and community engagements

The following meetings and events were held to progress cultural and community engagement:

- 40th Anniversary Opening Ceremony – provided opportunities for Mayors and Councillors from Yantai and Tauranga to speak about the relationship and vision for the future. Included Chinese media interviews and cultural performances from Tauranga Intermediate and Yantai No. 2 Middle School students.
- Municipal leaders meeting – a meeting between Mayor Mahē Drysdale and Yantai Mayor Zhang Mingkang.
- Dinner hosted by Yantai Party Secretary, Mr Jiang Cheng who visited Tauranga in 2025.
- Dinner hosted by Yantai Vice Mayor, Mr Lin Yutao.

- Māori cultural performance in Yantai's cultural district by Tauranga Intermediate students.
- Yantai Culture Centre, a potential collaboration partner for Creative Bay of Plenty.
- Public exhibition of Tauranga photographs in Yantai Art Gallery.
- Changyu Wine Culture Museum. Yantai is the birthplace of China's wine industry.
- Tauranga Intermediate student homestay and school experience in Yantai.

4.5 Economic development, trade, and investment meetings

The following meetings were held to progress trade and investment opportunities:

- Meetings with NZ Government officials from MFAT, NZTE and Education NZ.
- NZ Business Roundtable in China (Executive Director, Nick Calder). A recent China Business Sentiment report by NZBRIC is included as Appendix B.
- Silver Fern Farms (Country Manager, Patrick Lu).
- Tauranga and Yantai Industry Promotion Conference and product display, opened by Deputy Mayor Jen Scoular, with an economic presentation delivered by Priority One.
- Rongchang Pharmaceuticals, Yantai.
- Shandong Luye Pharmaceuticals, Yantai.
- Dongfang Electronics, Yantai.
- Yantai Investment Development Board.
- Yantai Dachen Food Products.
- Yantai Yinglai Seafood Products.
- Yantai Lushun Foodstuffs.

5. **Outcomes Against Delegation Objectives**

5.1 Objective and outcome assessment

The objectives of the delegation were to:

- Recognise the 40th Sister City Anniversary between Tauranga and Yantai.
- Develop and promote commercial opportunities for local businesses.
- Promote Tauranga as a study destination for Chinese students.

- Promote Māori culture through performance and song and identify opportunities for arts and cultural exchange between the two cities.
- Deepen existing education relationships and identify additional opportunities for student exchange.

Overall, the objectives were largely achieved, however recommendations for improving tangible outcomes, particularly related to trade and investment are set out in section 5.5. Outcomes detailed in section 5.2 and 5.3 will be tracked and reported on six-monthly through the Western Bay International Strategy.

5.2 Agreements reaffirmed or signed

The following agreements were signed during the delegation:

- An MoU between BeeNZ and Yantai Lushun Foodstuffs to explore potential cooperation in areas including product supply, market channels and brand promotion in China. Potential for establishing a joint venture business in New Zealand was also discussed.
- An MoU between Priority One and Dongfang Electronics to explore potential cooperation opportunities in smart grid and integrated energy management. Dongfang Electronics committed to visiting Tauranga before the end of 2026 to explore commercial opportunities.
- An MoU between Priority One and Yantai Municipal Government Foreign Affairs Office to further strengthen intergovernmental cooperation, with the intention of encouraging direct cooperation between various sector stakeholders in both cities. Priority One had an initial meeting with the Yantai Investment Board to discuss potential areas of cooperation.
- An MoU between Tauranga Intermediate School and Yantai No. 2 Middle School to reaffirm their sister school relationship and commitment to furthering student and cultural exchange.
- An MoU between Creative Bay of Plenty and Yantai Culture Centre to explore the establishment of an arts and cultural exchange programme.

5.3 New opportunities identified

In addition to the formal opportunities set out in 5.2, the following new opportunities were identified:

- Potential for commercial relationships between Open Ocean Whakatōhea Mussels, Yantai Dachen Food Products and Yinglai Seafood Products.
- Potential for Priority One and Yantai Investment Bureau to develop a targeted investment platform.
- Leba Industries – Leba is a diversified-group enterprise located in the Yantai Zone of China (Shandong) Pilot Free-Trade Zone. They are interested in exploring opportunities in the following three areas:
    - Gold commodity trade. An introduction has been made to Oceania Gold in Waihi.
    - Medical-care information technology (including training programmes for medical-IT professionals).
    - Automobile spare-parts.
- Yantai Shuangye Food – a frozen food exporter interested in partnering with NZ food processors.
- Yantai Ruihua Foodstuffs – a dairy raw material importer interested in long-term procurement of premium natural dairy products from NZ.
- Shandong Momao Foods – a seafood exporter interested in two-way cold chain cooperation to improve logistical costs for themselves and a NZ partner.

5.4 Relationships strengthened during the delegation

Several existing relationships were strengthened during the visit, including:

- The relationship between Tauranga City Council and Yantai Municipal Government which built on the visit to Tauranga last year led by Yantai Party Secretary Mr Jiang Cheng.
- The relationship between Priority One and Yantai Municipal Government Foreign Affairs Office, which built on their visit to Tauranga in 2025.
- The relationship between Tauranga City, Priority One, Waikato University and the Yantai Coastal Zone Institute. This is an important research relationship developed through the Sister City mechanism. Currently, there are two joint research proposals being assessed by the Chinese Academy of Sciences and MBIE. These relate to ‘traditional medicines’ focusing on marine functional foods and medicinal compounds – a strength in China, and a focus for the new Waikato University Medical School.
- The relationship between Tauranga and the New Zealand Government in China, with MFAT noting Tauranga has developed a strong

reputation within China for the consistency of it's in-market presence. An important platform for successful relationships in China.

- The relationship between Waikato University and Yantai University. This focused on potential undergraduate or postgraduate pathways for Yantai University students to Waikato University, however English language requirements are likely to be a barrier.
- The relationship between Waikato University and it's key international student recruitment partner agencies in China. The University currently have 40 international students from Yantai studying across their campuses in Hamilton and Tauranga. Mayor Mahē Drysdale met with Yantai students studying in Tauranga in June to understand their motivations and experience studying in Tauranga. The University and Education New Zealand have identified Shandong Province as a key growth province for international student recruitment and the sister city relationship provides an additional opportunity to drive recruitment to the University and the Tauranga campus.

5.5 Recommendations for future delegations

1. **Strengthen Business-to-Business Links**
    - The long-term success of the sister city relationship will depend on increasing commercial and business engagement between Tauranga and Yantai. Good progress has been made in the education sector, but there would be value in focusing more on other sectors, including tourism to deepen the economic benefits.
    - A targeted approach of one business per selected industry is recommended. Invite businesses with genuine export, investment, or partnership potential to participate in visits.
    - Create more targeted business to business engagement opportunities in-market, for example by arranging more business to business meetings with relevant business owners and investors, facilitating introductions to potential commercial partners, and providing time for dedicated business networking opportunities.

2. **Leverage Official Relationships and Networks**
    - The support of Yantai City officials and key relationship managers has proven critical in facilitating access to influential business leaders in Yantai.
    - Future engagement should continue to utilize these high-level government and business connections to maximise opportunities for Tauranga businesses.

3. **Promote Investment Opportunities in Tauranga**
    - Tauranga businesses often face capital constraints that can limit growth.
    - The sister city relationship could be used to attract Yantai entrepreneurs and investors to visit Tauranga and explore investment opportunities in local businesses.
    - Encouraging inbound investment missions from Yantai could create significant economic benefits for the region.
    - The new relationship with Yantai Investment Bureau provides an opportunity to explore this.

Overall Recommendation
Evolve the sister city relationship from being primarily education-focused to a broader economic partnership that includes trade, business collaboration, and investment attraction, supported by strong government-to-government connections.

6. **Benefits to the City and Community**

6.1 Key benefits

The 2026 delegation successfully strengthened Tauranga's international relationships, enhanced the city's profile in China, supported international education and economic development objectives, expanded access to influential networks, and created a stronger platform for future trade, investment, cultural, and educational collaboration. While there is scope to increase the commercial focus of future delegations, the visit delivered important strategic value and reinforced Yantai's role as one of Tauranga's most significant international partners. Specific benefits include:

1. Strengthened Strategic Relationship with Yantai

The delegation reinforced the 40-year sister-city relationship between Tauranga and Yantai, maintaining goodwill and high-level connections with municipal leaders, government agencies, educational institutions, and businesses. Strong international relationships create a platform for future collaboration and provide Tauranga with ongoing access to one of China's significant coastal cities.

2. Enhanced International Profile and Reputation

The visit increased Tauranga's visibility among Chinese government officials, business leaders, education providers, and New Zealand government

stakeholders. Through official engagements and presentations, Tauranga was able to promote itself as a destination for investment, tourism, education, and business partnerships.

3. Support for International Education Growth

International education remains one of the strongest areas of engagement between Tauranga and Yantai (including the wider Shandong Province). The delegation strengthened relationships with education institutions and promoted Tauranga as a quality study destination, supporting ongoing student recruitment and the economic benefits that international education brings to the city.

4. New Opportunities for Trade, Investment and Business Engagement

The inclusion of representatives from organisations such as Zespri, the University of Waikato, BeeNZ Honey, Open Ocean Whakatōhea Mussels, Priority One, Creative Bay of Plenty and Tauranga Intermediate School provided opportunities to explore commercial, educational and sector-specific partnerships. The delegation established connections that can support future trade, business collaboration, market development and investment attraction initiatives.

5. Improved Access to Influential Networks

The delegation benefited from introductions facilitated through Yantai municipal leaders and local hosts. These high-level relationships provide access to influential decision-makers that would be difficult for individual organisations to achieve independently, helping to open doors for future commercial and institutional partnerships.

6. Support for the Western Bay of Plenty International Strategy

The delegation directly contributed to the objectives of the Western Bay of Plenty International Strategy by:

- Strengthening international partnerships.
- Promoting Tauranga as a destination for talent, students, visitors and investment.
- Supporting trade development and investment attraction.
- Enhancing cultural understanding and people-to-people connections.

In addition, Tauranga City Council has an objective to be an inclusive city, supporting the diversity of our people. Learning and experiencing first hand about how other cultures conduct business and engage and leverage

international connections, helps our understanding of the increasingly diverse cultures in Tauranga.

7. Increased Understanding of Chinese Markets and Opportunities

Delegates gained first-hand insight into Eastern China and Yantai's economy, institutions, infrastructure and business environment. This knowledge improves Tauranga's ability to identify future areas for collaboration and helps inform future international engagement activities.

8. Foundation for Future Economic Outcomes

Opportunities to strengthen the commercial focus of future visits were identified, with the 2026 delegation establishing and reaffirming relationships and goodwill that can be leveraged to attract investment, support export growth, encourage business exchanges, and develop future trade missions between the two cities.

7. **Communications and Stakeholder Engagement**

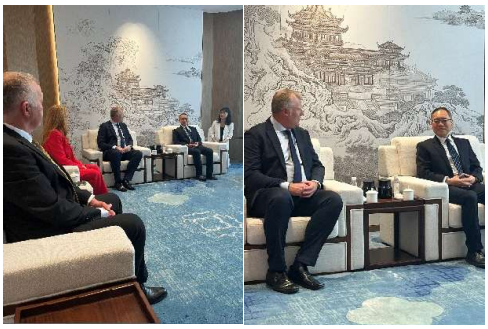
7.1 Media and public communications

The following media and television opportunities were provided in Yantai:

1. On August 12, 2026, the "Government Affairs" section of the official website of Yantai Municipal People's Government published an article titled "Yantai–Tauranga 40th Anniversary Celebrations Held in Yantai."
2. On August 12, 2026, Yantai TV Station's "Yantai News" program featured a special report on the "Yantai–Tauranga 40th Anniversary Celebrations Held in Yantai."
3. On August 12, 2026, "Yantai News" on Yantai TV Station (YTBTV) aired a special feature report on "Yantai–Tauranga 40th Anniversary Celebrations Held in Our City." This included TV interviews with Mayor Mahē Drysdale, Deputy Mayor Jen Scoular, Cr Rod Taylor and Priority One General Manager, Greg Simmonds.
4. On August 13, 2026, Yantai Daily featured a major report on page 3 under the headline: "Across Mountains and Oceans: Yantai No. 2 Middle School Welcomes Old Friends from Tauranga Intermediate School, New Zealand — Hosted by Local Families to Experience Authentic Chinese Culture. A Decade Later, a New Handshake Seals the Future."
5. On August 13, 2026, Qilu Net published a report on its "Shandong News" section titled "Yantai–Tauranga 40th Anniversary Celebrations Held in Our City."
6. On August 14, 2026, China Report published an article titled "Yantai–Tauranga 40th Anniversary Celebrations Held in Yantai."

In Tauranga, an article was published in Sunlive on 29th June titled "Tauranga Councillors approve China visit funds."

7.2 Photographs from the 2026 delegation



Municipal leaders meeting between Mayor Mahē Drysdale and Mayor Zheng Mingkang



40th Anniversary opening ceremony addresses



Interviews with Yantai Television News



Tauranga's 40th Anniversary Gift to Yantai City, commissioned by Creative Bay of Plenty Toi Māori Navigator, Arohanoa Mathews.



Deputy Mayor Jen Scoular delivering a speech in Yantai.



Priority One's Greg Simmonds presenting on Tauranga's economy.

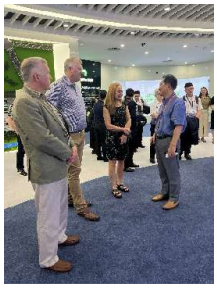


Visiting the exhibition of Tauranga photographs at Yantai Art Gallery.











Selection of business visits made by the delegation in China.








Tauranga students in Yantai.

Appendix A: 2026 China Delegation Itinerary

YANTAI & TAURANGA
SISTER CITIES
烟台与陶朗加
友好城市

ITINERARY

40th Sister City Anniversary Delegation

Date	Where		Notes
1 Saturday 8th August	Tauranga to Shanghai	**5.45pm** - Tauranga to Auckland: **NZ5142** arrives 6.30pm **10.45pm** - Auckland to Shanghai: **NZ289** arrives 6.55am (Sun 9th)	Flight arrives in Shanghai Sunday morning
2 Sunday 9th August	Shanghai	Two nights accommodation at: **Grand Central Shanghai** No 505, Jiujiang Road, Shanghai, 200001	Transfer from Airport to Hotel
3 Monday 10th August	Shanghai	**8.30am** – Meet in hotel lobby **8.40am** – Depart hotel for NZ Central **9.00am** – **Mihi whakatau** at NZ Central 9. Welcome from Consul General, Ardi Barnard + waiata 10. Response from Mayor Mahē Drysdale + delegation waiata (Te Aroha) 11. Shared kai and informal conversation **9.30am** – **China market briefing** • Host: *Ardi Barnad, NZ Consul General, Shanghai* • MFAT: East China & Shanghai business environment, NZ-China relationship • NZTE: China-NZ trade briefing • Q & A, panel discussion	Morning meetings hosted at **NZ Central** 3rd Floor, Jin Lin Tian Di, 190 Ma Dang Road Shanghai 200020 Briefings **Tim Vaughan-Sanders**, *Consul, Trade & Economic* **Ruby Qi** – *NZTE Trade Analyst* Q&A: **Ardi Barnard**, *Consul General* **Tim Vaughan-Sanders**, *Consul, Trade & Economic*

		10.30am – **Business briefing, networking and lunch** with NZ Business Roundtable in China (NZBRIC) • Host: *Nick Calder, Executive Director, NZBRIC* **12.30pm** – Depart NZ Central for **visit to Zespri's state of the art coolstore facility and Port of Shanghai** **5.00pm** – Return to Grand Central Hotel	**Catherine Liu**, *NZTE Business Development Manager* **Maggie Shen**, *Policy Advisor, Sister City Lead* **Lizzie Wang**, *Policy Advisor, Trade & Economic* **Nick Calder**, *Executive Director* and NZBRIC board members: **Dan Young** *(Chair of NZBRIC & President of Tatua China)*, **Rocky Meng** *(Founder of Sparks Partners)* and **David Boyle** *(CEO of Primary Collaboration NZ),* ***Patrick Lu*** *(China Country Manager, Silver Fern Farms),* ***Tony Liu*** *(Sales Director, NZMP Fonterra)* Afternoon meetings hosted by Ivan Kinsella and John Li, Zespri Ardi Barnard and Tim Vaughan-Sanders to join us for the afternoon *(Anne Young to visit education agents in Shanghai)*
4 Tuesday 11th August	Yantai	**8.30am** – Depart Hotel for Pudong Airport **11.00am** - Shanghai to Yantai: **MU5527** arrives 12.30pm Three nights accommodation at: **Huanghai Hotel Yantai**	Tauranga Intermediate student group joins delegation at Shanghai Pudong Airport

		No.7 Binhai Middle Road, Laishan District, Yantai **5.30pm** – Municipal leaders meeting • Exchange of ceremonial gifts **6.00pm** – Formal welcome banquet hosted by Yantai Municipal Government	
5 Wednesday 12th August	Yantai	**9.00am – 10.15am** Opening Ceremony of the 40th Anniversary of the Sister City Establishment **10.30am – 12.00pm** Yantai & Tauranga Industry promotion conference **2.00pm – 5.00pm** Visit Yantai Children's Palace, Suochengli Ancient Quarter, Chaoyang Street, Yantai Hill and Yantai Art Museum **7.00pm – 8.00pm** Light Show: Witness of Friendship; Starting point for the Future	
6 Thursday 13th August	Yantai	Morning Corporate Visit "Discover Yantai" (Laishan District) Afternoon Corporate Visit "Discover Yantai" (Zhifu District)	*John Li (Zespri) leaves delegation and Kathy Liu (Waikato University) joins delegation*
7 Friday 14th August	Yantai	**9.00am** - Yantai to Shanghai Hongqiao: **MU5583** arrives 10.35am One nights accommodation: **Grand Central Hotel Shanghai** No 505, Jiujiang Road, Shanghai, 200001 Group dinner: **6.30PM - Lost Heaven on the Bund** No.17a Yanan East Road, Huangpu District, Shanghai	Transfer from Shanghai Hongqiao to Hotel
8 Saturday 15th August	Shanghai to Auckland	**11.00am** – Depart Hotel for Shanghai Pudong Airport **2.15pm** - Shanghai to Auckland: **NZ288** arrives 5.40am	Flight arrives Auckland Sunday 16th August
9 Sunday 16th August	Auckland to Tauranga	**8.35am** - Auckland to Tauranga: **NZ5129** arrives 9.15am	

Appendix B: NZ Business Roundtable in China Business Survey

https://www.priorityone.co.nz/wp-content/uploads/NZBRiC-2026-Business-Outlook-Survey-Report-English-Final_compressed.pdf

Appendix C: Education New Zealand China market briefing

https://www.priorityone.co.nz/wp-content/uploads/ENZ-China-Industry-Briefings-for-Wuhan-Agent-Seminar.pdf

Appendix D: 2018 Mayoral Delegation to China Post-trip Report

https://www.priorityone.co.nz/wp-content/uploads/2018-Tauranga-Mayoral-Delegation-Outcomes-Report-1.pdf

Appendix E: Western Bay of Plenty International Strategy 2026-2028

WBOP-International-Strategy_2026-2028.pdf

11.2 2027-37 LTP Capital Prioritisation

File Number: **A21366865**

Author: **Susan Braid, Finance Lead Capital Performance and Community Investment**
Kathryn Sharplin, Head of Finance

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

PURPOSE OF THE REPORT

1. To seek Council decisions on revisions to the draft capital programme for the first draft 2027-37 Long-term Plan, to better align with Council's rates targets for years one and two of the LTP and the 4% annual rates cap which is legislated to apply from 2029/30.

RECOMMENDATIONS

That Council:

(a) Receives the report "2027-37 LTP Capital Prioritisation".

(b) Notes that, if recommendations (c)-(i) are accepted, the resulting first draft capital programme would reduce from $1.0b to $751m in FY28-FY30 and for the ten years the programme would reduce from $2.5b to $2.4b.

(c) Agrees the significant deferral and/or descoping of the projects listed in **Attachment 1** based on Elected Member feedback, resulting in a net reduction of $158.3m across FY28-FY30, comprising:

(i) CFIP Memorial Park Aquatics Facility: defer by three years and reduce scope by 20%, resulting in a gross capital reduction of $90.1m, an external funding reduction of $16.8m, and a net Council funding reduction of $73.3m across FY28-FY30.

(ii) Domain Road Upgrading Stage 2: defer by three years, resulting in a $24.7m net reduction across FY28-FY30.

(iii) Mauao Remediation (Spaces and Places): reduce placeholder budget by 50%, resulting in a $13.1m net reduction across FY28-FY30.

(iv) TSP002 Hewletts Sub Area: defer by three years, resulting in a gross capital reduction of $42.8m, an external funding reduction of $31.5m, and a net Council funding reduction of $11.3m across FY28-FY30.

(v) Badminton BoP Indoor Facility: defer by three years, resulting in a $5.2m net reduction across FY28-FY30.

(vi) Baypark Master Plan: reduce scope by 20%, resulting in a $5.4m net reduction across FY28-FY30.

(vii) Grenada Street Cycleway: defer by three years, resulting in a gross capital reduction of $7.8m, an external funding reduction of $4.0m, and a net Council funding reduction of $3.8m across FY28-FY30.

(viii) Aquatics Network – Ōtūmoetai Pool Upgrades: defer by four years, resulting in a $3.8m net reduction across FY28-FY30.

(ix) Memorial Park Upgrade (Ex S2): defer by three years and reduce scope by 33%, resulting in a $3.6m net reduction across FY28-FY30.

(x) Minor Improvements - Safety and Accessibility: reduce scope by 28%, resulting in a $3.4m net reduction across FY28-FY30.

(xi) Maranui Street Reconstruction: defer by three years, resulting in a $2.9m net reduction across FY28-FY30.

(xii) Fergusson Park Master Plan: defer by four years, resulting in a $2.9m net reduction across FY28-FY30.

(xiii) Strand South Reserve: reduce scope by 30%, resulting in a $2.8m net reduction across FY28-FY30.

(xiv) Poteriwhi Active Reserve: defer by one year, resulting in a $2.1m net reduction across FY28-FY30.

(d) Agrees to the following reductions to budget resulting from staff assessment of deliverability and opportunity to reduce expenditure listed in **Attachment 2**, resulting in a net reduction of $24.0m across FY28-FY30, comprising:

(i) Digital Hardware: reduce the programme by $2.0m, reflecting budget no longer required, resulting in a net reduction of $2.0m across FY28-FY30.

(ii) Mount Sports Squash Club Building Development: defer the full project budget from FY30 to FY35, resulting in a net reduction of $1.9m across FY28-FY30.

(iii) New Public Toilets: rephase the project to provide budget every alternate year, resulting in a net reduction of $0.5m across FY28-FY30.

(iv) Turret Road / Fifteenth Avenue multimodal improvements: rephase the programme, resulting in a gross capital reduction of $20.0m, an external funding reduction of $5.1m, and a net Council funding reduction of $14.9m across FY28-FY30.

(v) Welcome Bay Road Pavement Rehabilitation, TCC contribution: defer the programme by three years, resulting in a gross capital reduction of $9.4m, an external funding reduction of $4.8m, and a net Council funding reduction of $4.6m across FY28-FY30.

(vi) Ohauiti Road, Boscobel South: defer the FY30 budget beyond the 2027-37 LTP, resulting in a gross capital reduction of $0.6m, an external funding reduction of $0.3m, and a net Council funding reduction of $0.3m across FY28-FY30.

(e) Agrees to the following increases to budget resulting from revised costings, staff assessments and the consequence of proposed deferrals in (c) listed in **Attachment 3**, resulting in a net increase of $12.3m across FY28-FY30, comprising:

(i) Baypark Arena Expansion: increase the gross project budget by $4.9m and net Council funding by $5.2m across FY28-FY30, to reflect updated costings and contingency allowance. Note that a separate report will be brought to Council in December 2026 outlining options and seeking Council approval to progress the project into the next phase of design.

(ii) Te Maunga Closed Landfill: rephase the programme and increase the total project budget by $3.4m, from $21.0m to $24.5m, increasing net Council funding by $2.1m across FY28-FY30.

(iii) Domain Road Renewal: include an additional $2.4m budget in FY29 if Domain Road Upgrading Stage 2 is agreed to be deferred, increasing net Council funding by $2.4m across FY28-FY30.

(iv) Drainage Improvements: reinstate the project budget, increasing gross capital and net Council funding by $2.7m across FY28-FY30.

(f) Agrees to less significant amendments to the projects listed in **Attachment 4** based on

Elected Member feedback by the periods and scope adjustments specified in that attachment, resulting in a net reduction of $24.0m across FY28-FY30.

(g) Agrees to defer and reduce the scope of the projects listed in **Attachment 5** based on Elected Member feedback by the periods and scope adjustments specified in that attachment, resulting in a net reduction of $28.5m across the 10-year period (no impact across FY28-FY30).

(h) Agrees to amend the projects listed in **Attachment 6** based on staff assessment of growth and transport resilience projects, resulting in a net reduction of $16.7m across the 10-year period (no impact across FY28-FY30).

(i) Agrees that the projects listed in **Attachment 7** are excluded from the first draft 2027-37 LTP capital programme as a result of capital prioritisation prior to the 24 September 2026 workshop.

EXECUTIVE SUMMARY

2. Council has progressively developed the capital programme for the 2027-37 LTP through decisions on 23 June 2026 and workshops on 24 September and 27 October 2026. The September workshop showed a heavily front-loaded programme of just over $1b in FY28-FY30, including approximately $338m of external funding. Council requested a scenario exercise to identify changes that could reduce net capital expenditure by approximately $200m across those three years.

3. Seven of ten Elected Members completed individual scenarios, and four of the seven met the target of $164m savings set for the exercise, which assumed Turret Road, Western Waste Drop-off Facility and Infrastructure Renewals savings to arrive at the total $200m. The responses were collated to identify common signals and converted into a single organisation-wide package. Projects with a strong common signal (four to seven members) or a split but material signal (three members) have been included. To build a package as close as possible to the $200m target, emerging themes, where only two members identified a project for deferral or descoping, have also been included. Projects identified by only one member have not been included, and the current programme has been retained for those projects. A summary of the Elected Member responses is provided in **Attachment 8**.

4. All proposed changes have since been checked by the business to confirm they are realistic and deliverable. Some changes cannot proceed for contractual, compliance, funding or safety reasons, and alternative treatments are proposed for others. As a result, the proposed package reduces net capital expenditure by $194.0m across FY28-FY30, approximately $6.0m short of the $200m target.

5. As presented at the 2 July 2026 Council workshop, the draft capital programme has been developed using a P70 cost-estimation basis. Before the changes recommended in this report, identifiable contingency was approximately $49.6m in FY28 (12.6% of the programme), $55.2m in FY29 (17.1%) and $93.3m in FY30 (31.1%). Contingency is not available for discretionary spending, and contingency no longer required is reduced and reported as a saving. Staff recommend retaining the P70 basis for the draft LTP while strengthening the visibility, periodic review and governance reporting of contingency. Depending on Council's decisions on the recommended project deferrals and scope reductions, the contingency amounts shown above may reduce once those decisions are reflected in the corporate planning model.

6. The proposed package incorporates the completed staff assessment of the service, delivery, dependency, funding, safety, compliance and operational implications of the proposed changes. Commentary on any implications that need to be called out is provided in this report and set out against the relevant projects in **Attachments 1-6**.

7. The recommendations are structured so Council can consider the more significant project changes, based on Elected Member feedback, likely to be of interest to the community

(Attachment 1); staff proposed reductions (Attachment 2); staff proposed increases (Attachment 3); and less significant adjustments, based on Elected Member feedback, in bulk (Attachment 4). Adjustments that do not affect FY28-FY30 but change the overall ten-year programme are captured separately for visibility (Attachments 5 & 6), alongside the projects excluded from the first draft programme (Attachment 7). Councillors may choose to take individual items separately from the bulk recommendations, should they wish to exclude or change any of them, and amend the recommendations as required rather than agreeing to each recommendation in its entirety.

BACKGROUND

Council decisions on 23 June 2026

8. On 23 June 2026 Council received the report "Long-Term Plan Capital Programme Development Including Major Projects". Council requested that LTP scenarios be developed using maximum rates increases of 5.3% after growth for years 1 and 2 and no more than 4% after growth for years 3 to 10, with a second option of 7% per year. Council also adopted principles of value for money, looking after existing assets, and supporting economic and population growth. It provided initial direction on the timing of major programmes and requested further work on prioritisation and scope.

Capital prioritisation workshop - 24 September 2026

9. At the 24 September workshop staff presented the first working draft capital programme and the projects proposed for inclusion and exclusion. Current project budgets across FY28-FY30 were just over $1b, with approximately $338m of external funding. The programme was heavily front-loaded and was not consistent with the rates expectations signalled by Council.

10. Elected members requested a scenario model that allowed each member to indicate whether projects should be included, excluded, deferred, reduced in scope, or both deferred and reduced in scope. The exercise sought approximately $200m of net capital expenditure reductions across FY28-FY30.

Capital update workshop - 27 October 2026

11. At the 27 October workshop Council received an update on the feedback and the emerging package. Six of ten elected members had completed the scenario exercise at that point. Staff explained the feedback-collation method, the staff-proposed adjustments, and the intended structure of the recommendations for the 10 November meeting. Staff validation was continuing, and the package remained subject to change as delivery and service consequences were confirmed.

How elected member feedback was collated

Signal across seven responses	Treatment in proposed package	Rationale
4-7 members provided a strong common signal	Prioritised in the proposed package	Represents the clearest common direction across the responses received.
3 members provided a split but material signal	Prevailing signal included in the proposed package	Recognises a material theme while resolving differences in timing or treatment.
2 members identified a project	Emerging theme included in the proposed package	Included to bring the package as close as possible to the $200m target.
0-1 members identified a project	Not included – current programme retained	Signal remains visible in Attachment 1, and Council may still consider the option if required.

12. This method converts seven separate scenarios into a coherent package for Council consideration. It is not a voting mechanism and does not replace Council's formal decision. Council may amend any project treatment, deferral period or scope assumption through the resolutions at the meeting.

Staff assessment of the proposed package

13. Staff have assessed each proposed change, including:

    i. outcomes or levels of service that would not be achieved or would be delayed;

    ii. project dependencies and flow-on impacts;

    iii. statutory, contractual, funding, safety, compliance or operational constraints; and

    iv. any reason a proposed exclusion, deferral or scope reduction cannot reasonably proceed.

14. The resulting comments are summarised in **Attachments 1-6**. They distinguish, where applicable, between a delay to an outcome, a permanent reduction in scope or level of service, a loss of external funding or shift in timing, and a delivery or compliance constraint.

Proposed changes arising from Elected Member feedback

15. These changes are grouped by scale of impact. **Attachment 1** sets out 14 significant deferrals and scope changes, reducing net Council funding by $158.3m across FY28-FY30. **Attachment 4** sets out the remaining, smaller deferrals and scope changes, reducing net Council funding by $24.0m across FY28-FY30. **Attachment 5** sets out changes that do not affect FY28-FY30 but reduce net Council funding by $28.5m across the ten-year period. **Attachment 7** lists the projects excluded from the first draft LTP capital programme.

16. Following staff validation, some changes signalled by Elected Members are not proposed to proceed, or an alternative treatment is proposed:

    i. Te Maunga Closed Landfill (descope 20%): additional budget of $3.4m proposed instead, to allow for an engineered cap if confirmed as the preferred option (Attachment 8);

    ii. Digital Hardware (descope 15%): a greater reduction of approximately 27% ($2.0m) has already been actioned as a staff proposed change, reflecting budget no longer required (Attachment 2);

    iii. Turret Road / Fifteenth Avenue multimodal improvements (defer 3 years): rephased as a staff proposed change instead, retaining funding for planned construction from late 2027 to 2029 and providing a $14.9m net reduction across FY28-FY30 (Attachment 2);

    iv. Western Waste Drop-off Facility (descope and/or defer): retain the current budget while risk assessment information is considered;

    v. Cambridge Road Closed Landfill Upgrade (descope 20%): retain the current programme because of compliance, health and safety, and reconsenting requirements;

    vi. Te Tumu Road Corridors (descope): retain the full scope because the project is 100% externally funded, so descoping creates no net Council saving;

    vii. The Boulevard – Sands Avenue to Te Tumu (defer 3 years): retain the current programme because the Bluehaven/TCC development agreement creates a contractual commitment;

    viii. Belk Road Futureproofing (descope 15%): retain the FY29 land purchase required under the developer agreement, with later budgets deferred beyond the LTP (Attachment 2);

    ix. Kennedy Road/Hastings Road Reserve Land Purchase (descope 10%): retain the current programme because of developer agreement implications;

    x. Chapel Street Bridge Resilience Works (defer 2 years): retain the current programme because deferral increases FY28-FY30 cost due to inflation, and further assessments are underway;

xi. Baypark Arena Expansion (descope 10%): replaced by the staff proposed budget update (Attachment 2);

xii. Tara Road Cycleway (exclude): defer three years instead, as the project is required to meet consent obligations;

xiii. Sports – Arena Seismic Strengthening (descope and defer): defer three years only, as the scope is set by the engineering solution;

xiv. Mount Sports Squash Club Building Development Grant and New Public Toilets (descope 10%): deferred or rephased instead, with full scope retained (Attachment 2); and

xv. Pyes Pa Road Upgrade, Pyes Pa Road (Joyce Road to Kennedy Road) and Keenan Road Access (descope 15%): deferred beyond the LTP instead and retained in the Infrastructure Strategy (Attachment 2).

Staff proposed adjustments

17. Staff have proposed a number of adjustments to the first draft capital programme, listed in **Attachments 2, 3 and 6**. These reflect updated cost information, budget no longer required, revised delivery timing, and projects where additional risk factors have been considered since the initial prioritisation process. Together they reduce gross capital by $22.2m and external funding by $10.5m, providing a net reduction of $11.7m across FY28-FY30.

18. Several adjustments proposed by staff move budgets beyond the 2027-37 LTP period, with the projects retained in the Infrastructure Strategy. These are Waitaha Road, Ohauiti South Transport Infrastructure, Ohauiti Road (Boscobel South), Belk Road Futureproofing, Pyes Pa Road Upgrade, Pyes Pa Road (Joyce Road to Kennedy Road) Upgrade and Keenan Road Access. Apart from Ohauiti Road (Boscobel South), these changes do not affect FY28-FY30 but reduce the ten-year programme.

19. Two programmes are proposed to be reinstated within the LTP period: Drainage Improvements ($2.7m across FY28-FY30 and $7.2m across the ten years), to address slope-stability risks on the road corridor, and Citywide Infrastructure Natural Hazards Resilience – Transport ($10.3m across FY35-FY37) to enable priority resilience risks identified through current and future studies to be addressed.

Baypark Arena Expansion

20. Staff are continuing to assess the value for money of the Baypark Arena Expansion. A separate report will be brought to Council in December 2026 outlining options and seeking approval to progress the project into the next phase of design. A draft version of this report is provided in **Attachment 9**.

21. It is recommended in this report that the Baypark Arena Expansion budget is updated to reflect revised costings and contingency allowance. This reflects a more complete project cost position and includes a number of items that were not included in the earlier estimate, such as consent-related costs, including approximately $600k for development contributions, mana whenua costs, internal staff time, consultant and MSQA fees, and site-wide service connections required for the arena. This increases the total project budget from $30.9m to $35.9m, increasing gross capital by $4.9m and net Council funding by $5.2m across FY28-FY30. A fixed $13m external grant assumption is phased in FY28.

Western Waste Drop-Off Facility

22. Elected Member feedback provided a strong common signal to defer or descope this project. Staff initially modelled a one-year deferral of the facility development, keeping the $21.3m FY28 land-purchase budget only, which was expected to save approximately $11.4m of net Council funding across FY28-FY30. Following receipt of new risk assessment information, staff now recommend retaining the current project budget. Had the deferral been actioned, the package would have exceeded the $200m target.

Te Maunga Closed Landfill

23. Staff propose rephasing the programme and increasing the total project budget by $3.4m, from $21.0m to $24.5m, increasing gross capital and net Council funding by $2.1m across FY28-FY30.

24. An engineered cap is a cover designed to keep rain out of buried waste. It is being considered for Te Maunga Closed Landfill and is expected to reduce the contaminated water the landfill produces. An additional $3.4m is sought to allow an engineered cap to replace the basic soil cover if confirmed as the preferred option. Importantly, this is now a much more affordable option. An engineered cap was not included originally because it was expected to cost $15m to $30m, but updated estimates indicate it could be delivered for significantly less. The additional funding is therefore an opportunity to achieve a better long-term cap at a much lower cost than previously expected.

25. Upgrades to collect contaminated water and manage stormwater are funded separately in FY27. Across the full project, the total Te Maunga Closed Landfill programme is currently budgeted at $21m up to FY30. The additional $3.4m would bring the total to $24.5m up to FY31. Setting aside funding now keeps the engineered-cap option open before work on the basic cover makes switching impractical or more expensive. Most cap work could be finished by June 2030, subject to investigations, funding and approvals. The final approach depends on further investigations and the options review with Ngā Pōtiki, including cultural considerations. The budget does not approve construction or commit Council to spending the full amount; design, consents and further Council decisions are still required. More detail on the request is provided in **Attachment 10**.

Sporting facility deficits

26. At the 27 October workshop, it was requested that material on sporting facility deficits be included as an attachment to this report (see **Attachment 11**). The material is intended to provide context on existing shortfalls in sports fields, indoor courts and aquatic facilities as Council considers deferrals, scope reductions and exclusions from the draft capital programme.

27. The main deficits are a four-field shortfall in the west (Bethlehem–Tauriko), expected to grow over the LTP period, a local shortfall at Blake Park, and emerging pressure in the east from Wairakei and future Te Tumu growth. Indoor courts meet Council's current level of service, but there is a three-court shortfall against the Sport NZ benchmark, increasing to five over the LTP period, with major venues at or near capacity at peak weekday evening times. Aquatic facilities have an identified pool-space deficit of 901m² (25%), particularly in leisure, learn-to-swim and hydrotherapy provision, alongside growing pressure on lane space and ageing facilities.

28. Changes to planned sporting and community facility investment may extend the period in which identified deficits remain, alter the geographic distribution of provision, or affect the timing of growth and level-of-service responses.

Project contingency and cost-estimation approach

29. As presented at the 2 July 2026 Council workshop, the draft capital programme has been developed using a P70 cost-estimation basis. This approach is intended to provide a reasonable balance between affordability and the risk of underfunding projects, with contingency reflecting the level of uncertainty remaining at the relevant stage of the project lifecycle. Cost estimates and contingency allowances are expected to be reviewed and progressively refined as project scope, design, procurement and delivery information becomes more certain.

30. Prior to incorporating the project deferrals and scope changes recommended in this report, identifiable contingency represents approximately $49.6m in FY28, or **12.6%** of the programme, $55.2m in FY29, or **17.1%**, and $93.3m in FY30, or **31.1%**. The higher proportion in FY30 largely reflects the lower maturity and greater uncertainty associated with projects scheduled further into the LTP period. These amounts will change as the

recommendations in this report are incorporated and individual project estimates are updated.

31. Contingency included within a project budget is not available for discretionary expenditure. Access is subject to the applicable project governance and budget-adjustment processes, with adjustments reported through capital programme monitoring. Where project risks reduce or contingency is no longer required, the relevant budget is reduced and reported as a saving rather than being automatically available for use elsewhere.

32. Reducing project budgets to a P50 basis could lower the apparent capital programme, but would transfer a greater level of cost risk to Council. If the released capacity were used to commence additional projects, Council could subsequently face funding pressure where existing projects require provision for risks that materialise. As a P50 means a 50% chance of overruns, and unbudgeted funds are only within CE approval of $500k, this would also mean a large load on Council to approve the overruns or stop a project. Hence, P50 budgeting is only practicable with DFA changes that allow shifting overruns and underruns within a portfolio.

33. Moving contingency into a central pool, or placing it outside the first three LTP years, would also require further work to address project-specific debt, development-contribution, subsidy and other funding arrangements. Pooling all contingency in a portfolio would reduce the overall contingency held. This is under consideration but needs further work and Exec alignment. The key design parameters are:

    - Projects need a small amount of contingency that the project can manage – this needs to be sufficient for risk management of known risk (e.g. weather exposure) and actual incidents (e.g. make-safe of a site if an accident has happened).
    - Portfolios need to have a sensible pooling of projects. For instance, all Transport projects together (irrespective of GM line) would be sensible due to NZTA funding, procurement synergies, similarities of risk and mutual impact on congestion.
    - Amount of contingency should be commensurate to the complexity of a project – for example:
        - A small project that repeats (e.g. playground or bus shelter renewal) should have a small amount of contingency overall (for instance, <5%).
        - A mid-range (moderate complexity or size) project may have more risk requirements and may be managed with for example a 7% to 10% contingency.
        - A large (highly complex) project needs a bespoke contingency.
    - Similar to the amount of contingency, DFA needs to be designed accordingly:
        - Smaller projects could access portfolio contingency above the small amount described above through sign off by the GM.
        - Midrange could need sign off by the CEO, or a forum such as an investment committee or stage gate (staff, not council committee).
        - Large projects could be managed through an investment committee.
    - Any investment or contingency deciding forum needs to meet regularly so as to not hold up projects progressing.

34. Staff therefore recommend retaining the current P70 planning basis for the draft LTP while strengthening the visibility, periodic review and governance reporting of contingency.

STATUTORY CONTEXT

35. The requirement to produce a long-term plan every three years is set out in the Local Government Act 2002.

36. In December 2025 Government announced a policy intention to introduce annual rates capping in a range of 2% to 4%. Detail of the proposal is still being developed and legislation is scheduled to be in place during 2027. The indication is that the rates cap legislation would apply from 2029/30, which is year 3 of the LTP. However, the extent to which rates regulation would apply for the first two years of the LTP is not clear.

STRATEGIC ALIGNMENT

37. 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	✓

38. The capital programme supports all of Council's community outcomes. The proposed package applies the principles previously adopted by Council: value for money, looking after existing assets, and supporting economic and population growth.

OPTIONS ANALYSIS

39. **Option 1 – Agree the proposed package, with any amendments made at the meeting (recommended).**

Advantages	Disadvantages
Provides clear direction for the next draft LTP.	The package is approximately $6.0m short of the $200m target.
Moves the programme closer to Council's rates expectations.	Deferrals and scope reductions may delay outcomes or reduce levels of service.
Reflects the common signals from the seven responses received.	May affect external funding, dependencies or project readiness.
Allows financial modelling, deliverability testing and consultation preparation to proceed.	May extend existing infrastructure and sporting facility deficits.
Retains transparency through project schedules.	Further savings may still be required when operating budgets, updated estimates and risks are incorporated.

40. **Option 2 – Do not agree the proposed package.**

Advantages	Disadvantages
Avoids making changes before all project information and any further Elected Member responses are available.	Does not meet the timing requirements of the LTP – so a draft would not be available by the deadline of 15 December 2026.
Preserves the current draft project timing and scope in the short term.	The financials in the model remain inconsistent with the rates expectations identified at the September workshop.
	Delays rates, debt, funding and deliverability modelling.
	Provides insufficient direction to activity managers.

	Compresses the remaining LTP timetable and may require a further decision round.

41. Option 1 is recommended because it provides a workable basis for the next programme iteration, while allowing Council to amend individual projects and requiring the updated programme to return through the remaining LTP process.

FINANCIAL CONSIDERATIONS

42. If recommendations (c)-(i) are accepted, the first draft gross capital programme across FY28-FY30 would reduce from $1,017.3m to $750.5m, and net Council funding would reduce from $679.4m to $485.4m. This is summarised by priority area in Table 1 below.

43. The main reductions in gross capital expenditure across FY28-FY30 are in Address Transport (29.6%) and Deliver for our Community (34.0%), representing reductions of around one-third in each priority area.

44. The proposed package reduces net Council funding across FY28-FY30 by $194.0m, approximately $6.0m short of the $200m target. It reduces gross capital by $266.7m and external funding by $72.7m across the same period. Table 2 below summarises the financial impacts.

45. Across the full ten-year period, the gross capital programme reduces from $2,532.0m to $2,359.2m, and net Council funding reduces by $154.8m. The ten-year reduction is smaller than the three-year reduction because many changes are deferrals, which move expenditure into later years and add inflation to the deferred amounts.

46. Updated modelling will identify impacts on debt, interest, depreciation, operating costs, rates, development contributions, reserves, subsidies and committed funding arrangements. Deferral does not necessarily reduce ten-year cost and may increase future cost through escalation, temporary works, remobilisation or changed funding assumptions

Table 1: FY28-FY30 gross capital programme by priority area ($m)

Priority area	Current FY28-FY30 ($m)	Recommended FY28-FY30 ($m)	Movement ($m)	Change %
Enable Housing	126.3	114.7	(11.6)	(9.2%)
Address Transport	390.3	274.8	(115.5)	(29.6%)
Enhance the Environment	82.9	81.5	(1.4)	(1.7%)
Deliver for our Community	399.4	263.6	(135.8)	(34.0%)
Navigate and Manage Change	18.4	15.9	(2.5)	(13.4%)
Total capital programme	**1,017.3**	**750.5**	**(266.7)**	**(26.2%)**

Chart 1: Current FY28-FY30 gross capital programme by priority area

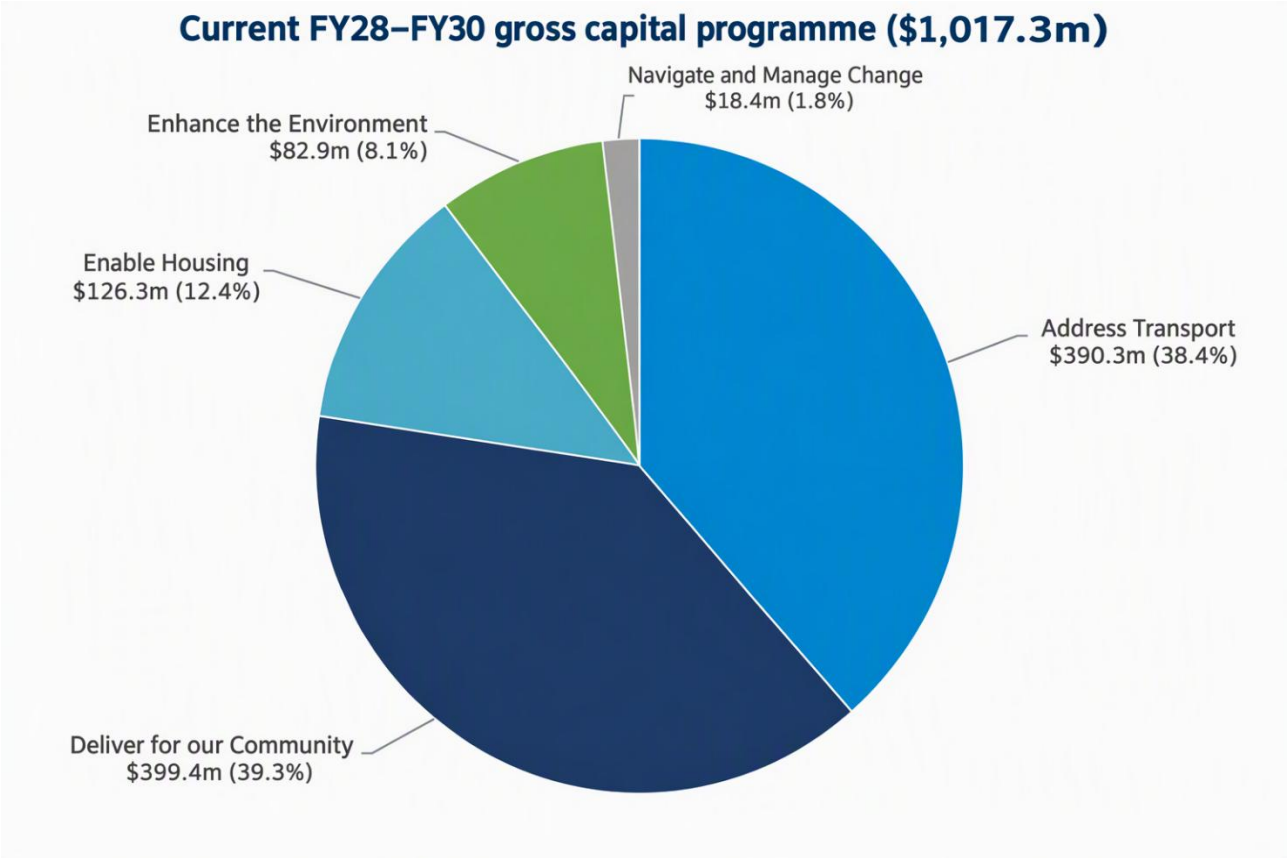


Chart 2: Recommended FY28-FY30 gross capital programme by priority area

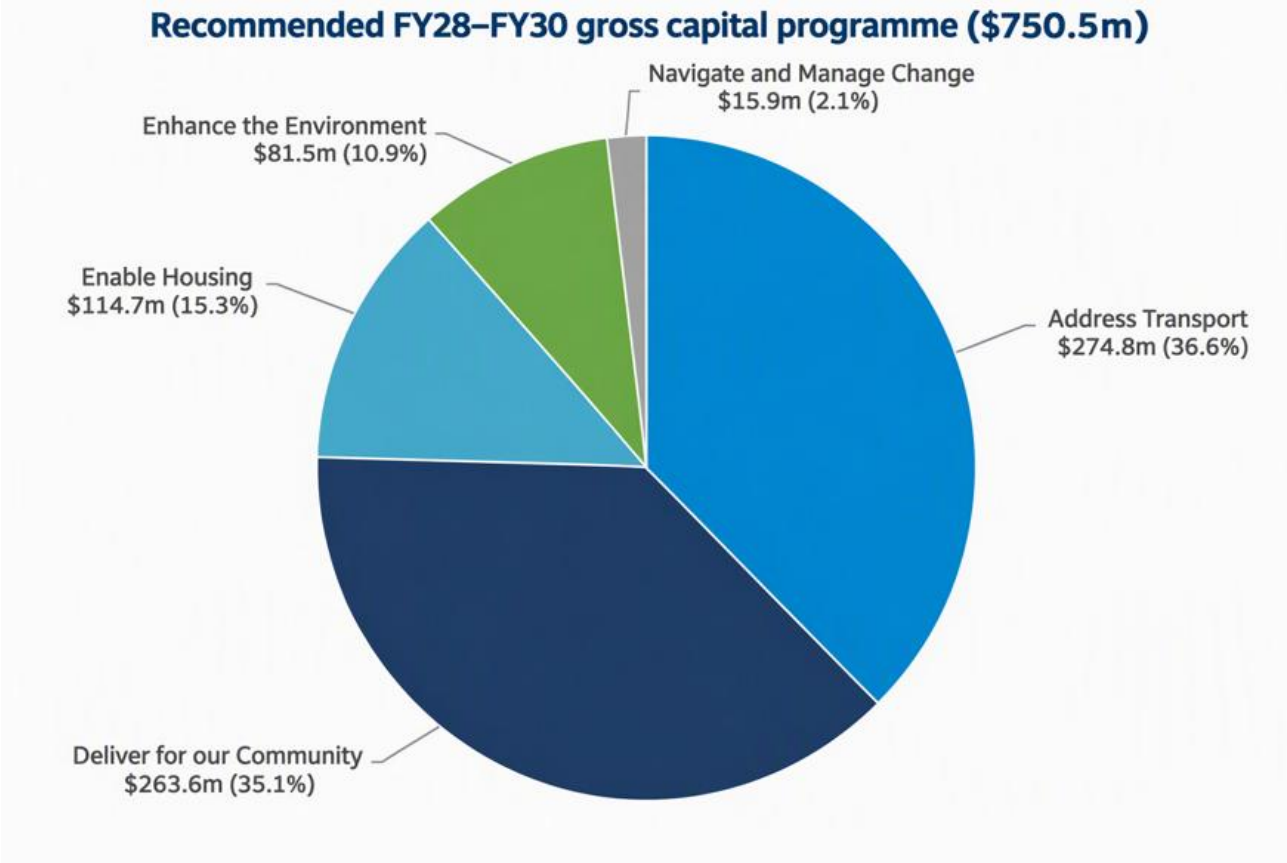


Table 2: Summary of financial impacts

Financial measure	Current draft ($m)	Proposed package ($m)	Movement ($m)
FY28–FY30 gross capital programme	1,017.3	750.5	(266.7)
FY28–FY30 external funding	337.8	265.1	(72.7)
FY28–FY30 net Council funding	679.4	485.4	(194.0)
FY28–FY30 net reduction target	200.0	194.0	(6.0)
FY28–FY37 gross capital programme	2,532.0	2,359.2	(172.8)
FY28–FY37 external funding	721.1	703.0	(18.1)
FY28–FY37 net Council funding	1,811.0	1,656.2	(154.8)

47. If all recommendations are agreed, the phasing of the recommended gross capital programme (before external funding) by priority area across the ten years of the LTP is set out in **Attachment 12**. The recommended programme totals $2,359.2m across FY28-FY37, consistent with Table 2.

48. The recommended programme remains highest in FY28 at $319.5m, reducing to $189.6m in FY31 before building again to $269.4m in FY36 and $261.2m in FY37 as deferred expenditure moves into later years. Address Transport makes up just over half of the ten-year programme ($1,256.6m).

RISKS AND LEGAL IMPLICATIONS

49. The key risks associated with the proposed package, and the proposed treatments, are set out in the table below.

Risk	Proposed treatment
External funding changes Deferral or scope change may reduce, delay or jeopardise subsidies, grants, IFF drawdown or other funding.	The external funding effect of each affected project has been identified, and savings are reported on a net Council funding basis rather than gross.
Asset and service risk Project delays may increase failure risk, maintenance cost or service interruption.	Asset and level-of-service implications are called out against each project in the attachments. Critical and compliance works have been retained in the recommendations.
Statutory and contractual commitments Some changes may conflict with consents, contracts, designations, agreements or statutory obligations.	Staff validation has removed changes that conflict with known commitments.
Programme dependencies A change to one project may create temporary works, abortive cost or delay linked projects.	Interdependent projects are called out in the attachments.
Cost escalation and estimate uncertainty Deferred expenditure may cost more later and current estimates may change.	Deferred budgets have been re-inflated to destination years. Estimates will be updated through the LTP process.
Shortfall against target The package is approximately $7.4m short of the $200m target.	Council may amend the package at the meeting. Further options may need to be considered depending on how close the revised programme gets to the desired rates targets.

TE AO MĀORI APPROACH

50. The LTP allocates resources to outcomes, activities and projects that affect Tauranga Moana communities. Staff assessments have identified projects where the proposed changes affect mana whenua commitments, including Te Ranga masterplan (verbal commitments to mana whenua) and the Eastern Waste Drop-off Facility (cultural matters identified by Ngā Pōtiki). These matters are recorded in the attachments and will continue to inform the treatment of affected projects.

CLIMATE IMPACT

51. The proposed changes may affect adaptation, emissions reduction, resilience and nature outcomes depending on the projects involved. Material climate impacts are most likely where resilience, drainage, transport mode shift, waste, energy-saving or nature and biodiversity projects are deferred or reduced in scope. The reinstatement of Drainage Improvements and

Citywide Infrastructure Natural Hazards Resilience – Transport supports resilience outcomes.

CONSULTATION / ENGAGEMENT

52. The decisions in this report provide direction for preparing the draft LTP and are not the final adoption decisions. Formal LTP consultation is expected in March/April 2027. Before then, affected partners and funders will be engaged where a proposed change may affect a commitment, funding agreement, delivery arrangement or material community outcome.

SIGNIFICANCE

53. 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.

54. 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 needs 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.

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

ENGAGEMENT

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

57. At this early stage of the LTP process, consultation is not required, but as options develop Councillors and staff may engage with relevant stakeholders.

NEXT STEPS

58. Following Council's decisions, staff will:

    i. update the corporate planning system and produce a reconciled capital programme reflecting Council's decisions;

    ii. model the revised rates, debt, interest, depreciation, operating cost and external funding impacts;

    iii. follow up the risk assessment and report back on the Western Waste Drop-off Facility budget;

    iv. bring a separate report on the Baypark Arena Expansion to Council in December 2026;

    v. reflect the revised programme in activity plans and the next draft LTP financial information;

    vi. complete targeted engagement with funders, partners and affected stakeholders where required; and

    vii. bring the updated programme and financial implications through the next scheduled LTP workshop and decision points.

ATTACHMENTS

1. **Significant Recommended Changes Impacting FY28-FY30 (based on EM Feedback) - A21378853 (Separate Attachments 1)**
2. **Staff Proposed Reductions to the Draft 2027-37 LTP - A21378854 (Separate Attachments 1)**
3. **Staff Proposed Increases to the Draft 2027-37 LTP - A21378855 (Separate Attachments 1)**
4. **Other Recommended Changes Impacting FY28-FY30 (based on EM Feedback) - A21378856 (Separate Attachments 1)**
5. **Other Recommended Changes Not Impacting FY28-FY30 (based on EM Feedback) - A21378857 (Separate Attachments 1)**
6. **Staff Proposed Changes to the Draft 2027-37 LTP - A21378858 (Separate Attachments 1)**
7. **Projects Excluded from the Draft 2027-37 LTP - A21378859 (Separate Attachments 1)**
8. **Elected Member Response Summary - A21378860 (Separate Attachments 1)**
9. **Arena Extension Draft Paper - A21378861 (Separate Attachments 1)**
10. **Te Maunga Closed Landfill - A21383195 (Separate Attachments 1)**
11. **Sporting facility deficits - A21383196 (Separate Attachments 1)**
12. **Recommended Capital Programme Gross Budgets by Priority Area - A21383197 (Separate Attachments 1)**

11.3 User Fees and Charges Review-Issues and Options

File Number: **A21386864**

Author: **Caroline Irvin, Governance Advisor**

Authoriser: **Caroline Irvin, Governance Advisor**

BACKGROUND

1. The report accompanying this agenda item, ‘User Fees and Charges Review-Issues and Options’, will be circulated separately prior to the meeting.

11.4 Council-Controlled Organisations - Letters of Expectations 2027/2028

File Number: **A19424292**

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 approval of the Council's Letters of Expectations 2027/28 to its substantive council-controlled organisations, namely Bay Venues Limited, Tauranga Art Gallery Trust, Tourism Bay of Plenty and Te Manawataki o Te Papa Limited.

2. These letters are the result of the engagement with Elected Members, the council-controlled organisations, and council staff who have key operational relationships with these council-controlled organisations. Feedback provided has been included in the letters attached to this report for approval. There are no risks or legal implications with this report.

RECOMMENDATIONS

That the Council:

(a) Receives the report "Council-Controlled Organisations - Letters of Expectations 2027/2028".

(b) Approves the Letter of Expectations 2027/28 from Tauranga City Council to **Bay Venues Limited** (Attachment One of this report).

(c) Approves the Letter of Expectations 2027/28 from Tauranga City Council to **Tauranga Art Gallery Trust** (Attachment Two of this report).

(d) Approves the Letter of Expectations 2027/28 from Tauranga City Council to **Tourism Bay of Plenty** (Attachment Three of this report). Noting that joint shareholder Western Bay of Plenty District Council is providing Tourism Bay of Plenty with its own Letter of Expectations.

(e) Approves the Letter of Expectations 2027/28 from Tauranga City Council to **Te Manawataki o Te Papa Limited** (Attachment Four of this report).

(f) Notes that subject to some significant decisions in the coming months, including on the Long-term Plan 2027/2037, future of Mount Hot Pools and the review of governance and service delivery arrangements for community assets, updated letters might need to be issued to the council-controlled organisations.

EXECUTIVE SUMMARY

3. This report seeks Council's approval of the annual Letters of Expectations (LoEs) to its substantive council-controlled organisations (CCOs).

4. Council provides annual LoEs to its substantive CCOs to ensure alignment and integrated delivery of Council's strategic outcomes, and to influence the development of its CCOs' Statements of Intent (SoIs). The Council's substantive CCOs are Bay Venues Limited (Bay Venues), Tauranga Art Gallery Trust (TAGT), Tourism Bay of Plenty (TBoP) and Te Manawataki o Te Papa Limited (TMoTPL).

5. The LoEs 2027/28 were developed with input from Elected Members, the CCOs and council staff who have key operational relationships with these CCOs. Feedback received has been

incorporated into these letters. The letters are attached (**Attachments One to Four**) to this report for Council's approval.

6. These letters have been developed within a dynamic and evolving environment, with three interrelated processes progressing concurrently – the Long-term Plan (LTP), LoEs, and SoIs. Each process informs and influences the others, with the LTP process ultimately setting the strategic direction and priorities that Council expects its CCOs to deliver. As these processes continue to evolve, it may be necessary to update and reissue letters to ensure they remain aligned with Council's final decisions and expectations.

7. The letters are being requested to be approved now (prior to the Christmas / New Year holidays), as the CCOs require Council's framework of expectations as soon as possible to assist with the development of their draft SoIs.

8. Council's LoEs, at their core, similar to previous years, expect its CCOs to continue prioritising value for money, delivering more with available resources for the residents of Tauranga, and being financially prudent and sustainable.

9. The "Background" section below outlines Council's key expectations across its CCOs, the specific expectations for each individual CCO, why a letter of expectations exists, and the core purpose of the Council's CCOs.

10. The "Options Analysis" is provided below, and it recommends that the Council approves these letters to:

    - Ensure clear direction and expectations are provided to the CCOs
    - Maximise the collaborative approach as part of the collective (the wider TCC group), and
    - Enable the CCOs to continue to contribute towards Council's vision, strategic priorities and community outcomes.

11. The operating grants to be provided by Council for FY28 are subject to approval as part of the LTP 2027/2037 process, and if approved, will be effective from 1 July 2027.

12. Council's decision-making on the LTP is guided by the need to balance future investment with affordability for today's ratepayers, amid increasingly challenging economic conditions, ongoing cost-of-living pressures, local government reform, and a constrained fiscal environment shaped by rates-capping considerations.

13. Underpinning the decision-making is alignment and consistency across the collective:

    - The intent is to ensure that both Council and its CCOs are subject to a consistent funding framework, recognising the need to balance affordability with organisational sustainability.
    - The approach would provide for the full funding of interest and depreciation costs, while any increase in operating expenditure (excluding interest and depreciation) would be based on the same percentage increase applied to Council's operating costs.
    - The actual percentage increase, if any, will not be known until further progression of the LTP process and consideration of Council's own budget requirements.
    - It is also acknowledged that CCO operating budgets have generally not received inflationary increases in recent years.

14. After staff assessment, there are no risks or legal or financial implications associated with these letters (other than the operating grants as noted above).

15. Subject to Council's approval and after the letters have been provided to the CCOs, the focus for Council going forward with this process, as per previous years, is as follows:

    - **Draft Statements of Intent FY28-30** – when the draft SoIs are provided to Council by 1 March 2027 (a legislative deadline), the draft documents will be assessed as to whether they meet the Council's expectations, and Council will provide feedback by 1

May 2027 (a legislative deadline). A TCC staff report outlining Council's draft feedback will be presented to the Council for approval in April, and

- **Final Statements of Intent FY28-30** – when the final SoIs have been adopted by the CCO Boards and provided to Council by 30 June 2027 (a legislative deadline), a TCC staff report noting key points of the final documents will be presented to the Council for formal acknowledgement in July.

16. Note that as joint shareholder of TBoP, Western Bay of Plenty District Council (WBoPDC) will issue an LoE through their own process.

BACKGROUND

Council's key expectations of its substantive council-controlled organisations

17. To ensure responsible stewardship of public funds, Council's key expectations of its CCOs are as follows:

- **Deliver more with available resources** – by managing activities in a manner that is consistent with Council's broader financial stewardship principles. Council expects a consistent approach across the collective, with operational expenditure decisions reflecting the same level of financial discipline applied by Council. In the current challenging economic environment, CCOs are expected to carefully prioritise their activities and robustly justify any proposed increase in operational expenditure by demonstrating clear value for money. Specifically, this means:
    - The proposed funding approach is intended to provide greater consistency and alignment between Council and its CCOs when considering any operational funding increases through the LTP process. Under this approach, interest and depreciation costs would be fully funded, while any increase in operating costs (excluding interest and depreciation) would be linked to the percentage increase applied to Council's own operating expenditure.
    - This methodology promotes a fair and equitable approach across the collective by aligning operational funding increases for CCOs with those experienced by Council. It also acknowledges that CCOs have received limited, or in some cases no inflationary funding adjustments in recent years, and establishes a more consistent framework for future funding considerations.
    - The specific percentage increase has not yet been determined, as Council's overall funding requirements and cost pressures will be considered through the ongoing LTP process. Any operational funding adjustment for CCOs will therefore remain subject to the outcome of that process and subsequent Council decisions.
- **Maximise value for money** – by carefully reviewing all planned expenditure to confirm necessity and optimise value for Tauranga residents, actively seeking opportunities to reduce or avoid costs where possible.
- **Health, safety and risk management** – by effectively managing risks and maintaining a robust health and safety culture. Council expects its CCOs to provide, but not limited to, strong oversight of strategic, operational, financial, and reputational risks, while ensuring health and safety remains a core governance priority.
- **Trust and confidence** – by raising the profile of the collective outcomes delivered for the Tauranga community through open and transparent communications that highlight the CCOs' achievements and their contribution to the wider priorities and objectives of the TCC group, building public trust and confidence in both Council and its CCOs.

Council's specific expectations of its substantive council-controlled organisations

18. Across these letters, the prevailing theme is one of continuity and business-as-usual delivery. At the same time, the letters acknowledge the need for flexibility and responsiveness as

Council considers a number of significant matters, including the future of the Mount Hot Pools, the review of governance and service delivery arrangements for community assets, and the level of funding available through the LTP process. As decisions on these matters are made, Council's expectations may evolve accordingly.

19. **Bay Venues** – Continue to work collaboratively with Council to explore future governance and service delivery options for community assets, and continue to engage constructively with Council, mana whenua and all key stakeholders regarding the future of Mount Hot Pools.

20. **TAGT** – Continue to showcase the redeveloped building of Toi Tauranga Art Gallery to local, national, and international visitors, continue driving visitor numbers while educating, challenging, and inspiring current and future generations through exceptional art experiences.

21. **TBoP** – Continue to deliver business as usual operations, showcasing our inclusive, accessible and vibrant city to national and international visitors and, subject to Council approval through the LTP process, progress two non-business as usual programmes, the Coastal Bay of Plenty Place Brand and Digital kiosk network/wayfinding.

22. **TMoTPL** – Continue to deliver the city centre precinct projects as part of Te Manawataki o Te Papa and also successfully deliver on its expanded portfolio of city-wide major infrastructure and transport projects, including Tauriko West Enabling Works, Fifteenth Avenue to Welcome Bay, Cameron Road Stage 2, and Connecting Mount Maunganui.

Letter of Expectations – Best practice

23. Letters of Expectations, while not mandated by legislation, are considered best practice and serve as strategic guidance tools for both councils and CCOs.

24. Under the Local Government Act 2002 (LGA 2002), the Council has limited formal input into its CCOs' annual planning until the draft SoIs are submitted. By that stage, as the shareholder, the Council only has two months to respond.

25. To address this, the Council, consistent with several other councils, adopts a proactive and collaborative approach by engaging with its CCOs early in the planning cycle. This ensures alignment between the CCOs' objectives and the Council's strategic priorities, particularly where CCOs deliver significant services on behalf of the Council.

26. The LoEs outline strategic focus areas for the upcoming financial year. These letters serve as guidance for what the Council expects to see in the next SoIs.

27. The Council does not typically issue LoEs to its other CCOs, namely Bay of Plenty Local Authority Shared Services Limited (BoPLASS), Local Government Funding Agency (LGFA), and Te Manawataki o Te Papa Charitable Trust (TMoTP Charitable Trust), unless significant concerns arise. This is due to the Council being one of nine shareholders in BoPLASS, one of 31 shareholders in the LGFA, and co-governs TMoTP Charitable Trust with the Ōtamataha Trust.

Core purpose of the Council's substantive council-controlled organisations

28. The term *substantive council-controlled organisation* originates from the 2010 Auckland local government amalgamation legislation, referring to entities that deliver significant services on behalf of that council.

29. The following table outlines the core purpose of the Council's substantive CCOs:

CCO	Core purpose
Bay Venues	To connect the community with exceptional experiences through hosting activities and events at community facilities across Tauranga including aquatic centres, indoor sport and fitness facilities such as the Haumaru Sport and Recreation Centre, event venues, community centres and halls, and the Adams Centre for High Performance.

TAGT	To create and deliver exceptional art experiences that engage, inspire, challenge and educate visitors through exhibitions, public programmes and events.
TBoP	To lead the sustainable growth of the Western Bay of Plenty visitor economy, the management of the region as a visitor destination, and the management of iSITE Visitor Information Centres at Tauranga, Mount Maunganui and the Port of Tauranga (during the cruise season only).
TMoTPL	To govern the effective delivery of a suite of projects across Tauranga city, to benefit the whole community.

STATUTORY CONTEXT

30. While not a legislative requirement under the LGA 2002, when combined with the overarching Enduring Statement of Expectations, the LoEs are key strategic governance documents through which the Council provides clear guidance to its CCOs.

31. The Letters of Expectations help ensure that the CCOs' objectives and strategies are aligned with Council's by providing key areas of focus that the Council expects to see reflected in the CCOs' Statements of Intent.

32. The Council's partnerships with its CCOs help successfully deliver Tauranga's community outcomes and facilitate Tauranga becoming a vibrant city that attracts businesses, events, people and visitors, is well-planned, connected, accessible and inclusive.

STRATEGIC ALIGNMENT

33. The CCOs actively work in partnership with the Council, mana whenua and our community to achieve great outcomes for the people of Tauranga:

	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

34. **Option 1A (<u>Recommended</u>):** Approve the Council's LoEs for 2027/28 to Bay Venues, TAGT, TBoP and TMoTPL:

Advantages	Disadvantages
• Council provides clear, timely guidance to its CCOs, ensuring expectations, especially around SoIs, are communicated early to Board Chairs. • Council and its CCOs continue to work together to enhance shared success and deliver unified public value. • Council's approval of the letters publicly confirms expectations, promoting transparency, accountability, and good governance. • It's good practice to provide annual letters to ensure that both parties are on the same page.	• Responding to potentially evolving annual directives may draw CCO Boards into operational matters, reducing their focus on strategic, long-term governance. • Over-reliance on formal annual letters may limit meaningful engagement, making Council–CCO relationships more transactional and less fluid, adaptive or collaborative.

35. **Option 1B:** Do not approve the Council's LoEs for 2027/28 to Bay Venues, TAGT, TBoP and TMoTPL:

Advantages	Disadvantages
• Council can utilise potentially more effective channels, such as governance catchups, workshops and briefings, to foster alignment and deeper dialogue with CCOs, beyond formal annual letters. • Trust and confidence between Council and its CCOs are best built through open and consistent communication, rather than through formal annual letters.	• Potential for the Council and its CCOs to be misaligned, which can hinder community outcomes and reduce effectiveness and value for money for the people of Tauranga. • Lack of clear strategic guidance may undermine progress in collaboration, transparency, and trust between Council and its CCOs. • Without early input, Council may miss key opportunities to influence the CCOs' priorities before their SoIs are drafted. • The letters provide a year-on-year governance record of the Council's expectations. Without these letters, future council elected members and staff may lack clarity on past decisions and expectations, thus weakening continuity, institutional learning, and the LoE process.

FINANCIAL CONSIDERATIONS

36. The CCOs' operating budgets for FY28 are subject to approval via the Long-term Plan 2027/2037 process and, if approved, the grants will be effective from 1 July 2027.

37. Council's decision-making on the LTP is guided by the need to balance future investment with affordability for today's ratepayers, amid increasingly challenging economic conditions, ongoing cost-of-living pressures, local government reform, and a constrained fiscal environment shaped by rates-capping considerations.

38. Underpinning the decision-making is alignment and consistency across the collective, and the intent is to ensure that both Council and its CCOs are subject to a consistent funding framework, recognising the need to balance affordability with organisational sustainability.

39. The Council's expectation is that its CCOs continue to operate prudently in the challenging economic and the cost-of-living environment Tauranga ratepayers are continuing to experience.

RISKS AND LEGAL IMPLICATIONS

40. There are no risks or legal implications with this report.

TE AO MĀORI APPROACH

41. The Letters of Expectations emphasise partnership with mana whenua, a continuing desire to strengthen this partnership and demonstrate the fostering of relationships with local iwi and hapū.

42. For example, there is an expectation for TMoTPL to continue fostering the relationship with the Ōtamataha Trust in relation to the Te Manawataki o Te Papa precinct projects, while also there is an expectation for this organisation to build relationship with tangata whenua across the city due to its recent portfolio expansion of major infrastructure and transport projects.

CLIMATE IMPACT

43. The Letters of Expectations emphasise sustainability, climate resilience and reducing carbon footprint.

44. For example, there is an expectation for TBoP to continue supporting tourism businesses to improve their sustainability performance through The Green Room Sustainability Programme, which has transitioned to Tourism Industry Aotearoa's Akiaki Sustainability Programme.

CONSULTATION / ENGAGEMENT

45. The Council is not required or expected to consult on a CCO's Letter of Expectations under the LGA 2002.

46. Engagement on the development of the LoEs has been sought with Elected Members, the CCOs and council staff who hold key operational relationships with these CCOs.

SIGNIFICANCE

47. 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.

48. 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.

49. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of medium significance, as there's moderate interest from the public on the LoEs, these new letters flow from past decisions and letters, and the amount of operating funding to be approved for the CCOs is subject to the LTP 2027/2037 process.

ENGAGEMENT

50. Taking into consideration the above assessment, the engagement that has been undertaken with all parties involved in this process, the options analysis that has been conducted, and 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

51. Letters will be issued to the CCO Board Chairs and will be published on Council's website.

52. The letters will guide the development of the CCOs' draft SoIs, due by 1 March 2027 and final SoIs due by 30 June 2027.

53. Council will review both the draft and final SoIs through formal reporting processes.

54. CCOs' performance against their SoIs will be reported back to Council through FY28 half-year and annual reporting.

ATTACHMENTS

1. **Bay Venues - Letter of Expectation FY28 - A21349508**
2. **TAGT - Letter of Expectation FY28 - A21349519**
3. **TBoP - Letter of Expectation FY28 - A21349526**
4. **TMoTPL - Letter of Expectation FY28 - A21349564**

FOR COUNCIL APPROVAL 10 NOVEMBER 2026

[ON MAYORAL LETTERHEAD]

10 November 2026

Simon Clarke
Chair
Bay Venues Limited

By email: [INSERT EMAIL]

Dear Simon

Tauranga City Council Letter of Expectations for 2027/28

On behalf of Tauranga City Council, I would like to thank the Bay Venues Limited (Bay Venues) Board for its ongoing commitment to providing high-quality, inclusive, and community-focused facilities and services for the people of Tauranga.

As we look ahead to FY28, Council's expectations of Bay Venues are focused on business as usual such as continuing to deliver value for money, balancing commercial success with community outcomes, and ensuring Tauranga residents continue to benefit from a vibrant, accessible, and well-managed network of facilities.

At the same time, Council would like Bay Venues to note that expectations could change as a result of the Section 17A review, and decisions made on the future of Mount Hot Pools and the Long-term Plan 2027-2037 / Zero-Based Budgeting process. Council thanks Bay Venues on the constructive and collaborative approach taken and the provision of information to date, and requests that this continues.

Council also places a strong emphasis on effective risk management and maintaining a robust health and safety culture. Council expects Bay Venues to provide, but not limited to, strong oversight of strategic, operational, financial, and reputational risks, while ensuring health and safety remains a core governance priority. This expectation is outlined in the table below.

Council's decision-making is guided by the need to balance future investment with affordability for today's ratepayers, amid increasingly challenging economic conditions, ongoing cost-of-living pressures, local government reform, and a constrained fiscal environment shaped by rates-capping considerations. In this context, Bay Venues is expected to:

- **Deliver more with available resources** – by managing its activities in a manner that is consistent with Council's broader financial stewardship principles. Council expects a consistent approach across the Council group, whereby operational expenditure decisions reflect the same level of financial discipline applied by Council. In the current challenging economic environment, Bay Venues is expected to carefully prioritise its activities and rigorously justify any proposed increase in operational expenditure by demonstrating tangible value for money.
- **Maintain a balanced approach** – by supporting community outcomes while ensuring commercial activities contribute to the affordability and sustainability of services.
- **Deliver community-focused outcomes** – that support Council's strategic vision (*Tauranga, together we can prioritise nature, lift each other up, fuel possibility*) through initiatives that promote inclusion, sustainability, wellbeing and social connection.

In delivering these priorities, Council's broader decision-making principles should continue to guide Bay Venues' operations and activities:

- Looking after what we have.
- Everyone pays a fair share.
- Ongoing financial, economic, social, cultural and environmental sustainability.
- Affordability.
- Robust and transparent financial analysis.
- Growth pays for growth.
- Value for money.

For clarity, **'value for money'** means achieving the best balance of cost, quality, and sustainability through the efficient, effective, and economical use of public resources to deliver the greatest benefit to the community.

Council's strategic community outcomes remain an important consideration and should be reflected in Bay Venues' Statement of Intent, with progress against relevant objectives reported through half-year and annual reporting.

Key expectations and priorities

Value for money and financial sustainability	Council's expectations include: • Continuing to deliver value for money to Tauranga residents through the efficient, effective, and transparent use of public resources, supported by clear performance outcomes and demonstrated community benefit. • Aligning facility renewals planning with Council's strategic priorities and the 2027/37 Long-term Plan. • Reviewing Bay Venues' capital and upgrade budgets to ensure the spending planned is both necessary and will deliver maximum value, with every opportunity to save or reduce cost considered. • Demonstrating efficient, effective and economical use of public resources through transparent reporting and measurable outcomes.
Health, safety and risk management	Council's expectations of Bay Venues are: • Maintaining a strong governance focus on health, safety, and risk management, ensuring appropriate systems, controls, and assurance processes are in place. • This expectation includes demonstrating active oversight of strategic, operational, financial, and reputational risks, while fostering a culture of continuous improvement and compliance across the organisation.
Business as usual operations	Bay Venues is expected to continue delivering high-quality services that provide value for money, while maintaining an appropriate balance between commercial sustainability and community benefit. Council expects Bay Venues to continue being a responsible steward of community assets, ensuring facilities are maintained, operated, and renewed effectively for the long-term benefit of Tauranga residents. Council encourages Bay Venues to continue working collaboratively with Council, mana whenua, and the wider community on the future direction of the Mount Hot Pools, with decision pending on the Hot Pools. Council also expects Bay Venues to continue prioritising community outcomes, including: • Celebrating Tauranga's diverse communities through events, festivals and programmes, particularly those that support young people, disabled communities, and other under-represented groups. • Working with Council staff to embed universal design and accessibility across the facilities and services, including emergency egress, inclusive events, equitable gym access, and safe connection between Bayfair and Baypark. • Partnering with Council staff to ensure facilities are prepared and available to support all community members during emergency events.
Governance best practice	Council expects Bay Venues to continue: • Operating in accordance with the Council's Enduring Statement of Expectations and all relevant regulatory, statutory, policy and administrative requirements. • Upholding governance best practices. • Participating in regular meetings and workshops with the Mayor and Councillors. • Supporting the Council-CCO Aspiring Directors Programme.

Strategic projects and partnerships	Bay Venues is expected to maintain close engagement with Council on strategic future investment projects, including: • The proposed relocation of the Tauranga Netball Centre to Mercury Baypark. • The development of the Memorial Park Aquatic Centre. • The proposed extension of the Mercury Baypark Arena. Council also expects Bay Venues to continue strengthening the partnership with mana whenua by: • Supporting regular engagement through the Te Rangapū Mana Whenua o Tauranga Moana Forum. • Completing the memoranda of understanding with two to three local iwi and hapū. • Exploring opportunities, with Council staff, to expand the network of community facilities in partnership with Māori and private landowners.
Reporting, branding and recognition of Council	Council expects Bay Venues to continue recognising and promoting Council's role as the owner of the community facilities and the primary funder. This includes: • Clearly demonstrating the value delivered to the community and the return on Council's investment. • Acknowledging Bay Venues' status as a Council-Controlled Organisation and Council's ongoing financial contribution. • Raising the profile of the collective outcomes delivered for the Tauranga community through open and transparent communications that highlight Bay Venues' achievements and its contribution to the wider priorities and objectives of the TCC group, building public trust and confidence in both Bay Venues and Council. • Providing regular reporting on performance, community impact, achievements, challenges, and future priorities. • Sharing information with Council in a timely manner when requested.

Section 17A Review of Bay Venues Limited
As you are aware, Council resolved at its meeting on 22 September 2026 on the following:

- **Progress the review programme –** Council has directed that the review programme be progressed, including the assessment of future ownership, governance, and service delivery options for Bay Venues. This work will also consider opportunities to improve public understanding of the relationship between Bay Venues and Council-owned assets, as well as identify potential shared-service opportunities that may enhance organisational alignment and value for money.
- **Consultation requirements –** Any formal public consultation on potential changes will occur through the Long-term Plan 2027/37 process. Should any proposal involve the transfer of ownership or control of a strategic asset, Council will be required to meet the consultation requirements of the Local Government Act 2002. This will include providing information on the preferred option, alternative options, and the respective implications of each.
- **Establishment of a Working Group –** Council has resolved to establish a Bay Venues Limited Working Group comprising elected members, one mana whenua representative, and subject matter experts as required, with appointments delegated to the Mayor. At the Council meeting on 21 October, the elected members confirmed for the Working Group are Councillor Rozeboom, Councillor Schuler and Councillor Rolleston.
- **Reporting back to Council –** Council staff will report back on the outcomes of engagement activities, recommendations from the Working Group, business case findings, options analysis, due diligence assessments, preferred and alternative options, implementation pathways, and any additional advice required to support Council's decision-making.
- **No final decision without consultation –** Council has confirmed that no final decision regarding the transfer of ownership or control of a strategic asset will be made unless the proposal is included within the Long-term Plan and public consultation feedback has been duly considered.

Statement of Intent
Council expects the key expectations and priorities outlined above to be reflected in Bay Venues' Statement of Intent 2027/28-2029/30 and supported by appropriate performance measures benchmarked against comparable organisations.

Together, we have an opportunity to continue delivering outcomes for Tauranga that are financially responsible, socially inclusive, and economically sustainable. Council looks forward to working collaboratively with Bay Venues to achieve these outcomes.

Thank you for your contribution to this process. Council looks forward to receiving Bay Venues' draft Statement of Intent by 1 March 2027.

Yours sincerely,

[INSERT SIGNATURE]

Mahé Drysdale MNZM
Mayor of Tauranga

Cc: Chad Hooker, Chief Executive, Bay Venues Limited – [INSERT EMAIL]

DRAFT

FOR COUNCIL APPROVAL 10 NOVEMBER 2026

[ON MAYORAL LETTERHEAD]

10 November 2026

Rosemary Protheroe
Chair
Tauranga Art Gallery Trust

By email: [INSERT EMAIL]

Dear Rosemary

Tauranga City Council Letter of Expectations for 2027/28

On behalf of Tauranga City Council, I would like to thank the Tauranga Art Gallery Trust (TAGT) Board for its ongoing commitment to enriching the cultural fabric of our city.

As we look ahead to FY28, Council's expectations of TAGT are focused on continuing to deliver value for money, achieving a balanced approach between artistic excellence and financial sustainability, and ensuring Tauranga residents continue to benefit from inclusive, engaging and accessible arts and cultural experiences.

Council also places a strong emphasis on effective risk management and maintaining a robust health and safety culture. Council expects TAGT to provide, but not limited to, strong oversight of strategic, operational, financial, and reputational risks, while ensuring health and safety remains a core governance priority. This expectation is outlined in the table below.

Council's decision-making is guided by the need to balance future investment with affordability for today's ratepayers, amid increasingly challenging economic conditions, ongoing cost-of-living pressures, local government reform, and a constrained fiscal environment shaped by rates-capping considerations. In this context, TAGT is expected to:

- **Deliver more with available resources** – by managing its activities in a manner that is consistent with Council's broader financial stewardship principles. Council expects a consistent approach across the Council group, whereby operational expenditure decisions reflect the same level of financial discipline applied by Council. In the current challenging economic environment, TAGT is expected to carefully prioritise its activities and rigorously justify any proposed increase in operational expenditure by demonstrating tangible value for money.
- **Maintain a balanced approach** – by supporting community outcomes with strong curatorial programmes, community engagement and accessibility
- **Community-centric outcomes** – that support Council's strategic vision (*Tauranga, together we can prioritise nature, lift each other up, fuel possibility)* through exhibitions, education programmes and partnerships that reflect and enhance Tauranga's diversity and creativity.

In delivering these priorities, Council's broader decision-making principles should continue to guide the Board and Toi Tauranga Art Gallery's operations and activities:

- Looking after what we have.
- Everyone pays a fair share.
- Ongoing financial, economic, social, cultural and environmental sustainability.
- Affordability.
- Robust and transparent financial analysis.
- Growth pays for growth.
- Value for money.

For clarity, **'value for money'** means achieving the best balance of cost, quality, and sustainability through the efficient, effective, and economical use of public resources to deliver the greatest benefit to the community.

Council's strategic community outcomes remain an important consideration and should be reflected in TAGT's Statement of Intent, with progress against relevant objectives reported through half-year and annual reporting.

DRAFT

Key expectations and priorities

Value for money and financial sustainability	Council's expectations include: • Continuing to deliver value for money to Tauranga residents through the efficient, effective, and transparent use of public resources, supported by clear performance outcomes and demonstrated community benefit. • Strengthening long-term financial sustainability by pursuing appropriate revenue-generating opportunities, including sponsorship, philanthropy, venue hire, commercial partnerships, memberships, retail activities, fundraising, and other income streams aligned with strategic objectives.
Health, safety and risk management	Council's expectations of TAGT are: • Maintaining a strong governance focus on health, safety, and risk management, ensuring appropriate systems, controls, and assurance processes are in place. • This expectation includes demonstrating active oversight of strategic, operational, financial, and reputational risks, while fostering a culture of continuous improvement and compliance across the organisation.
New facility and 20th anniversary celebration	Council acknowledges the successful opening of Toi Tauranga Art Gallery's new facility and the strong visitation levels achieved since opening last November. Council's expectations include: • Continuing to build on this momentum by maximising the opportunities presented by the new venue, maintaining its position as a significant cultural destination for Tauranga, and attracting a diverse mix of local, national, and international visitors. • Leveraging the new facility to increase community participation, deliver high-quality exhibitions and programmes, strengthen Tauranga's cultural identity, and enhance the city's reputation as a vibrant destination. • Monitoring and reporting on visitor numbers, audience diversity, customer satisfaction, and broader community outcomes to demonstrate the value generated through this significant public investment. • Ensuring the 20th anniversary of Toi Tauranga Art Gallery in 2027 is a celebration that befits our growing city and our continued commitment to the arts sector.
Business as usual operations **Governance best practice**	TAGT is expected to continue providing a range of arts and cultural experiences for Tauranga's local, regional, and international audiences by: • Delivering dynamic exhibition programmes and education and outreach initiatives that engage schools, young people, and under-represented communities. • Developing digital engagement tools and improving online access to collections. • Enhancing environmental sustainability through responsible resource management, waste minimisation, and recycling. • Creating and maintaining a welcoming and inclusive environment where creativity, culture, and community connection can thrive. Council expects TAGT to continue: • Operating in accordance with the Council's Enduring Statement of Expectations and all relevant regulatory, statutory, policy and administrative requirements. • Upholding governance best practices. • Participating in regular meetings and workshops with the Mayor and Councillors. • Supporting the Council-CCO Aspiring Directors Programme.
Strategic projects and partnerships	TAGT is expected to continue building strong and enduring relationships by:

	• Developing strategic partnerships with arts organisations, funders, and stakeholders to enhance programming, funding opportunities, and organisational resilience. • Working closely with Council to deliver shared outcomes and position Toi Tauranga Art Gallery as an integral part of the Te Manawataki o Te Papa Civic Precinct whānau (Library & Community Hub, Civic House, Exhibition & Museum, and Baycourt), including aligning with the precinct's vision, identity, look and feel, branding, and user fees and charges framework, to maximise value and community benefit. Council also expects TAGT to continue strengthening its partnership with mana whenua by: • Supporting regular engagement through the Te Rangapū Mana Whenua o Tauranga Moana Forum. • Building and maintaining meaningful relationships with local iwi and hapū. • Integrating te ao Māori perspectives into programming, governance, and organisational planning. • Supporting and promoting initiatives that celebrate Māori art, culture, and identity.
Reporting, branding and recognition of Council	Council expects TAGT to continue recognising and promoting Council's role as the primary funder of Toi Tauranga Art Gallery. This includes: • Clearly demonstrating the value delivered to the community and the return on Council's investment. • Acknowledging TAGT's status as a Council-Controlled Organisation and Council's ongoing financial contribution. • Raising the profile of the collective outcomes delivered for the Tauranga community through open and transparent communications that highlight TAGT's achievements and its contribution to the wider priorities and objectives of the TCC group, building public trust and confidence in both TAGT and Council. • Providing regular reporting on performance, community impact, achievements, challenges, and future priorities. • Sharing information with Council in a timely manner when requested.

Statement of Intent
Council expects the key expectations and priorities outlined above to be reflected in TAGT's Statement of Intent 2027/28-2029/30 and supported by appropriate performance measures benchmarked against comparable organisations.

Together, we have an opportunity to continue delivering outcomes for Tauranga that are financially responsible, socially inclusive, economically and artistically vibrant. Council looks forward to working collaboratively with TAGT to achieve these outcomes.

Thank you for your contribution to this process. Council looks forward to receiving TAGT's draft Statement of Intent by 1 March 2027.

Yours sincerely

[INSERT SIGNATURE]

Mahé Drysdale MNZM
Mayor of Tauranga

Cc: Siobhan Waterhouse, Acting Director, Toi Tauranga Art Gallery – [INSERT EMAIL]

FOR COUNCIL APPROVAL 10 NOVEMBER 2026

[ON MAYORAL LETTERHEAD]

10 November 2026

Russ Browne
Chair
Tourism Bay of Plenty

By email: [INSERT EMAIL]

Dear Russ

Tauranga City Council Letter of Expectations for 2027/28

On behalf of Tauranga City Council, I would like to thank the Tourism Bay of Plenty (TBoP) Board for its ongoing commitment to promoting our region, enriching the visitor economy, and exploring additional funding opportunities at both a national and regional level.

As we look ahead to FY28, Council's expectations of TBoP are focused on continuing to deliver value for money, maintaining a balanced approach to destination marketing and destination management, and ensuring tourism contributes positively to the wellbeing of Tauranga residents. This focus is on business as usual operations with the workstreams that TBoP has identified in its Zero-Based Budgeting information i.e. Workstreams 1-14 and 18.[1]

In addition, there are two programmes of work that sit outside of business as usual (which are subject to being funded separately to the business as usual operations) that will need to be delivered for FY28, and these are:

- Digital Kiosk Network/Wayfinding (Workstream 15) – the ongoing operation and development of the regional digital visitor information network, complementing TBoP's i-SITE, website, mobile and other visitor information channels.
- Coastal Bay of Plenty Place Brand development and implementation (Workstream 16) – the long-term implementation and stewardship of the region's first unified place brand, supporting tourism, investment, talent attraction, business growth, events and regional pride.

Council also places a strong emphasis on effective risk management and maintaining a robust health and safety culture. Council expects TBoP to provide, but not limited to, strong oversight of strategic, operational, financial, and reputational risks, while ensuring health and safety remains a core governance priority. This expectation is outlined in the table below.

Council's decision-making is guided by the need to balance future investment with affordability for today's commercial and industrial targeted ratepayers, amid increasingly challenging economic conditions, ongoing cost-of-living pressures, local government reform, and a constrained fiscal environment shaped by rates-capping considerations. In this context, TBoP is expected to:

- **Deliver more with available resources** – by managing its activities in a manner that is consistent with Council's broader financial stewardship principles. Council expects a consistent approach across the Council group, whereby operational expenditure decisions reflect the same level of financial discipline applied by Council. In the current challenging economic environment, TBoP is expected to carefully prioritise its activities and rigorously justify any proposed increase in operational expenditure by demonstrating tangible value for money.
- **Maintain a balanced approach** – by supporting community outcomes while maintaining a strong programme of destination marketing and management, community engagement, sustainability initiatives and cultural inclusion.
- **Deliver community-focused outcomes** – that support Council's strategic vision (*Tauranga, together we can prioritise nature, lift each other up, fuel possibility*) through initiatives that promote tourism, partnerships, storytelling and sustainability.

In delivering these priorities, Council's broader decision-making principles should continue to guide TBoP's operations and activities:

[1] This letter does not include Workstream 17 – i-SITE Capex Project (relocation of the Tauranga i-SITE to Te Manawataki o Te Papa and investment into a portable i-SITE caravan) – as this workstream's delivery is within the current FY27.

- Looking after what we have.
- Everyone pays a fair share.
- Ongoing financial, economic, social, cultural and environmental sustainability.
- Affordability.
- Robust and transparent financial analysis.
- Growth pays for growth.
- Value for money.

For clarity, **'value for money'** means achieving the best balance of cost, quality, and sustainability through the efficient, effective, and economical use of public resources to deliver the greatest benefit to the community.
Council's strategic community outcomes remain an important consideration and should be reflected in TBoP's Statement of Intent, with progress against relevant objectives reported through half-year and annual reporting.

Key expectations and priorities

Value for money and financial sustainability	Council's expects TBoP to continue with the following: • Delivering value for money to Tauranga residents through the efficient, effective, and transparent use of public resources, supported by clear performance outcomes and demonstrated community benefit. • Strengthening long-term financial sustainability by pursuing appropriate alternative funding mechanisms to support tourism offerings and reduce reliance on Council funding.
Health, safety and risk management	Council's expectations of TBoP are: • Maintaining a strong governance focus on health, safety, and risk management, ensuring appropriate systems, controls, and assurance processes are in place. • This expectation includes demonstrating active oversight of strategic, operational, financial, and reputational risks, while fostering a culture of continuous improvement and compliance across the organisation.
Business as usual operations (Workstreams 1-14 and 18): **1 – Data, Research & Insights** **2 – Campaigns Promotion & Social Media** **3 – Destination Experiences & Storytelling** **4 – Media & Public Relations** **5 – Cruise Sector Facilitation** **6 – i-SITE Operations** **7 – Flavours of Plenty** **8 – Conferences & Business Events** **9 – Trade & Familiarisations** **10 – Operator Capability Building** **11 – New Product Development** **12 – Leveraging Major Events** **13 – Tourism Sector Associations & Government Agencies** **14 – Regional Partnerships & Community Engagement** **18 – Overheads**	TBoP is expected to continue delivering a broad range of tourism activities and initiatives, as outlined in its ZBB Workstreams 1-14 and 18: • Promoting Tauranga and the Coastal Bay of Plenty as a vibrant, inclusive, accessible and welcoming destination through effective destination marketing, visitor campaigns, and authentic storytelling that showcases the region's cultural, historical and natural assets in partnership with mana whenua, iwi, hapū and regional partners. • Supporting tourism businesses to improve sustainability outcomes through the Akiaki Sustainability Programme. • Maintaining a focus on business events as a driver of higher-value and off-peak visitation, while advocating for future hotel and conference infrastructure. • Facilitating strategic tourism growth through product development opportunities, including cycleways, walking trails, Māori tourism experiences, visitor attractions, accommodation and conference investment. • Ensuring the i-SITE network and visitor information services, including future operations within Te Manawataki o Te Papa, remain fit for purpose and responsive to future visitor needs.
Governance best practice	Council expects Tourism Bay of Plenty to continue: • Operating in accordance with the Council's Enduring Statement of Expectations and all relevant regulatory, statutory, policy and administrative requirements. • Upholding governance best practices. • Participating in regular meetings and workshops with the Mayor and Councillors. • Supporting the Council-CCO Aspiring Directors Programme.

Digital kiosk network/wayfinding (Workstream 15: Non-business as usual – *Subject to being funded separately to business as usual*)	Council's expectations are: • Encouraging TBoP to develop and optimise the regional digital visitor information network, ensuring it complements existing visitor channels and improves access to timely, high-quality visitor information. • Using visitor insights and emerging technology to enhance the digital visitor experience and support increased visitor engagement across the region. • Reporting regularly on the performance, utilisation, and outcomes of the digital kiosk network to demonstrate its contribution to visitor satisfaction and regional economic outcomes.
Coastal Bay of Plenty Place Brand development and implementation (Workstream 16: Non-business as usual – *Subject to being funded separately to business as usual*)	Council acknowledges the mahi that has done with the Place Brand project and congratulates the milestones achieved to date by TBoP. Council's expectations include: • Leading the implementation and ongoing work of Tauranga and the wider Bay of Plenty place brand, ensuring its consistent application across destination marketing, stakeholder engagement, visitor attraction and investment promotion activities. • Working collaboratively with Council, iwi, industry partners and key regional stakeholders to coordinate and strengthen awareness of the place brand and enhance the region's reputation as a desirable place to visit, live, work, study and invest. • Providing Council with regular updates on place brand implementation activities, including measures of stakeholder adoption, brand reach and contribution towards regional economic development and visitor economy objectives.
Strategic projects and partnerships	Across all of TBoP's identified workstreams, the organisation is expected to continue collaborating and building strong enduring relationships by: • Building and maintaining strategic regional and national partnerships to support the tourism sector, improve operating environments, and advocate for sustainable visitor funding mechanisms. • Working collaboratively with the cruise industry, local operators, councils, communities and central government to maximise the economic and community benefits of cruise tourism. • Strengthening tourism industry capability through training and development opportunities for local operators. • Partnering with businesses to develop a business events investment framework aligned with Council's Events Action and Investment Plan. • Working closely with Council to identify and advance destination development opportunities, including Te Manawataki o Te Papa, Ōmanawa Falls, TECT Park, and regional cycling and walking trail initiatives. Council also expects TBoP to continue strengthening its partnership with mana whenua by: • Supporting regular engagement through the Te Rangapū Mana Whenua o Tauranga Moana Forum. • Demonstrating the fostering of relationships with two-three local iwi and hapū. • Elevating Te Ao Māori and support authentic Māori cultural experiences through inclusive destination management and meaningful engagement with Māori communities. • Supporting the growth of new and existing Māori tourism operators to enhance the region's cultural offerings and visitor experiences. • Incorporating local cultural histories and stories into digital storytelling and wayfinding platforms.
Reporting, branding and recognition of Council	Council expects TBoP to continue recognising and promoting Council's role as the primary funder, and our joint role in promoting tourism and economic development. This includes:

	• Clearly demonstrating the value delivered to the community and the return on Council's investment. • Acknowledging TBoP's status as a Council-Controlled Organisation and Council's ongoing financial contribution. • Raising the profile of the collective outcomes delivered for the Tauranga community through open and transparent communications that highlight TBoP's achievements and its contribution to the wider priorities and objectives of the TCC group, building public trust and confidence in both TBoP and Council. • Providing regular reporting on performance, community impact, achievements, challenges, and future priorities. • Sharing information with Council in a timely manner when requested.

Statement of Intent
Council expects the key expectations and priorities outlined above to be reflected in TBoP's Statement of Intent 2027/28-2029/30 and supported by appropriate performance measures benchmarked against comparable organisations.

Together, we have an opportunity to continue delivering outcomes for Tauranga that are financially responsible, socially inclusive, and economically sustainable. Council looks forward to working collaboratively with TBoP to achieve these outcomes.

Thank you for your contribution to this process. Council looks forward to receiving TBoP's draft Statement of Intent by 1 March 2027.

Yours sincerely

[INSERT SIGNATURE]

Mahé Drysdale MNZM
Mayor of Tauranga

Cc: Oscar Nathan, General Manager, Tourism Bay of Plenty – [INSERT EMAIL]

DRAFT

FOR COUNCIL APPROVAL 10 NOVEMBER 2026

[ON MAYORAL LETTERHEAD]

10 November 2026

Kim Wallace
Chair
Te Manawataki o Te Papa Limited

By email: [INSERT EMAIL]

Dear Kim

Tauranga City Council Letter of Expectations for 2027/28

On behalf of Tauranga City Council, I would like to thank the Te Manawataki o Te Papa Limited (TMoTPL) Board for its ongoing commitment to delivering the Te Manawataki o Te Papa civic precinct development projects.

As we look ahead to FY28, Council's expectations of TMoTPL are focused on delivering value for money, so that Tauranga residents continue to benefit from the long-term value generated by these city centre precinct developments, and also from the city-wide major infrastructure and transport projects (as a result of the recent expansion of TMoTPL's portfolio). This means achieving a balanced approach to capital development project delivery by ensuring that projects are well-managed, timely and aligned with strategic objectives, and also providing high-quality, cost-effective services and outcomes.

Council also places a strong emphasis on effective risk management and maintaining a robust health and safety culture. Council expects TMoTPL to provide strong oversight of strategic, operational, financial, and reputational risks, while ensuring health and safety remains a core governance priority in undertaking its assurance and oversight role. This expectation is outlined in the table below.

Council's decision-making is guided by the need to balance future investment with affordability for today's ratepayers, amid increasingly challenging economic conditions, ongoing cost-of-living pressures, local government reform, and a constrained fiscal environment shaped by rates-capping considerations. In this context, TMoTPL is expected to:

- **Deliver more with available resources** – by managing its activities in a manner that is consistent with Council's broader financial stewardship principles. Council expects a consistent approach across the Council group, whereby operational expenditure decisions reflect the same level of financial discipline applied by Council. In the current challenging economic environment, TMoTPL is expected to carefully prioritise its activities and rigorously justify any proposed increase in operational expenditure by demonstrating tangible value for money.
- **Maintain a balanced approach** – by maintaining a strong programme of capital projects while focused on community engagement, sustainability initiatives and cultural inclusion.
- **Deliver community-focused outcomes** – that support Council's strategic vision (*Tauranga, together we can prioritise nature, lift each other up, fuel possibility*) through industry-best practice, strong enduring partnerships and creating a city that includes and welcomes everyone.

In delivering these priorities, Council's broader decision-making principles should continue to guide TMoTPL's operations and activities:

- Looking after what we have.
- Everyone pays a fair share.
- Ongoing financial, economic, social, cultural and environmental sustainability.
- Affordability.
- Robust and transparent financial analysis.
- Growth pays for growth.
- Value for money.

For clarity, **'value for money'** means achieving the best balance of cost, quality, and sustainability through the efficient, effective, and economical use of public resources to deliver the greatest benefit to the community.

Council's strategic community outcomes remain an important consideration and should be reflected in TMoTPL's Statement of Intent, with progress against relevant objectives reported through half-year and annual reporting.

Key expectations and priorities

Value for money and financial sustainability	Council's expectations include: • Continuing to deliver value for money to Tauranga residents through the efficient, effective, and transparent use of public resources, supported by clear performance outcomes and demonstrated community benefit. • Reviewing the capital programmes of work to ensure the spending planned is necessary and that every opportunity to save/reduce cost is considered, thereby delivering maximum value for money for Tauranga residents.
Health, safety and risk management	Council's expectations of TMoTPL are: • Maintaining a strong governance focus on health, safety, and risk management, ensuring appropriate systems, controls, and assurance processes are in place. • This expectation includes demonstrating active oversight of strategic, operational, financial, and reputational risks, while fostering a culture of continuous improvement and compliance across the organisation.
Te Manawataki o Te Papa civic precinct development and wider city centre projects	Te Manawataki o Te Papa precinct continues to be delivered at pace, with the high-quality civic spaces providing an enjoyable, uplifting, accessible and well-connected experience for residents, businesses, visitors and event organisers. Council expects TMoTPL to continue to oversee and provide assurance in relation to the design, procurement and construction of the following Te Manawataki o Te Papa civic precinct and wider city centre projects: • Civic House, Exhibition Gallery and Museum buildings and associated landscaping, as per the agreed project timelines and in accordance with the Tauranga Civic Precinct Masterplan and any further approvals or variations advised by Council. • Memorial Park Aquatic Centre project and associated landscaping, as per the agreed project timelines and guidelines advised by Council • Baycourt refurbishment, as per the agreed project timelines and in accordance with the Tauranga Civic Precinct Masterplan and any further approvals or variations advised by Council. • Public Realm and Waterfront sub-programme and associated landscaping, as per the agreed project timelines and in accordance with the Tauranga Moana Waterfront Plan and any further approvals or variations advised by Council.
Major project programmes of work	With the recent expansion of TMoTPL's portfolio, Council's expectations are for TMoTPL to oversee and provide assurance in relation to the design, procurement and construction of the following major infrastructure and transport projects across the city, with specific outcomes as per the approved investment cases: • Connecting Mount Maunganui. • 15th Avenue to Welcome Bay. • Cameron Road Stage 2. • Tauriko West Enabling Works. • Marine Precinct wharf structures. • Baypark Arena. • Tauranga Netball upgrade • Speedway upgrade.
Industry best practice	Council's expectations are for TMoTPL to continue adhering to best practice by: • Ensuring the total capital project cost for each programme of work does not exceed budget; and appropriately balancing the capital cost of initial construction, the cost of operation, and the cost of refurbishments over the lifetime of the projects,

Governance best practice	• Meeting contracted delegations, New Zealand legislation and regulations and New Zealand construction industry best practice, including meeting or exceeding New Zealand construction industry best practice standards for the health, safety and wellbeing of all involved in a project. • Delivering a sustainable approach to the design and construction of projects, including consideration of 6 Green Star sustainability and WELL certifications for the associated buildings. • Delivering projects which will provide an uplifting, enjoyable experience for those utilising the civic precinct area for recreation and business, and for those bringing events or experiences to the precinct. • Ensuring the precinct area is accessible to all in the region, addressing both access for those with disabilities and ease of access for all in terms of transport and connectedness to outer areas of Tauranga. • Reviewing the capital programme to ensure the spending planned is necessary and that every opportunity to save/reduce cost is considered, thereby delivering maximum value for money for our people. • Providing local procurement opportunities, where practical and commercially feasible for local stakeholders including mana whenua. Council expects TMoTPL to continue: • Operating in accordance with Council's Enduring Statement of Expectations and all relevant regulatory, statutory, policy and administrative requirements. • Upholding governance best practices. • Continuing building a strong and productive relationship with Council's Major Projects team, to ensure an integrated approach to capex project delivery across the city. • Participating in regular meetings and workshops with the Mayor and Councillors.
Partnership with the Ōtamataha Trust (city centre precinct projects)	Council encourages TMoTPL to continue strengthening this partnership by: • Continuing to engage with Ōtamataha Trust on these city centre projects. • Ensuring these city centre projects recognise and reflect the enduring connection of mana whenua to Te Papa and the city centre. • Respecting the name gifted by representatives of Ōtamataha Trust for the overall Te Manawataki o Te Papa precinct project.
Partnership with Tangata Whenua (city-wide major projects)	Council expects TMoTPL to build this partnership by: • Working collaboratively with tangata whenua. • Supporting regular engagement through the Te Rangapū Mana Whenua o Tauranga Moana Forum. • Ensuring that city-wide major projects recognise and reflect the inherent connection with tangata whenua to Tauranga Moana. • Respecting the names gifted by tangata whenua for city-wide major projects, where applicable.
Reporting, branding and recognition of Council	Council expects TMoTPL to continue recognising and promoting Council's role as the primary funder. This includes: • Clearly demonstrating the value delivered to the community and the return on Council's investment. • Acknowledging TMoTPL's status as a Council-Controlled Organisation and Council's ongoing financial contribution. • Raising the profile of the collective outcomes delivered for the Tauranga community through open and transparent communications that highlight TMoTPL's achievements and its contribution to the wider priorities and objectives of the TCC group, building public trust and confidence in both TMoTPL and Council. • Providing regular reporting on performance, community impact, achievements, challenges, and future priorities. • Sharing information with Council in a timely manner when requested.

	• Ensuring all significant stakeholders and communities across the city regularly receive project delivery updates.

Statement of Intent
Council expects the key expectations and priorities outlined above to be reflected in TMoTPL's Statement of Intent 2027/28-2029/30 and supported by appropriate performance measures benchmarked against comparable organisations.

Together, we have an opportunity to continue delivering outcomes for Tauranga that are financially responsible, socially inclusive, and economically sustainable. Council looks forward to working collaboratively with TMoTPL to achieve these outcomes.

Thank you for your contribution to this process. Council looks forward to receiving TMoTPL's draft Statement of Intent by 1 March 2027.

Yours sincerely

[INSERT SIGNATURE]

Mahé Drysdale MNZM
Mayor of Tauranga

Cc: Graeme Frith, Portfolio Manager: Civic and Support Services, Major Projects – [INSERT EMAIL]

DRAFT

11.5 Water Organisation - Financial Issues

File Number: **A20184772**

Author: **Frazer Smith, Manager: Strategic Finance & Growth**
Kathryn Sharplin, Head of Finance

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

PURPOSE OF THE REPORT

1. This report covers a number of financial issues related to the setup of the new waters entity. This includes:
   (a) Financial reserves to be retained within Council
   (b) Approach to reserve accounting
   (c) Financial Accounting disclosures.

RECOMMENDATIONS

That Council:

(a) Receives the report "Water Organisation - Financial Issues".

(b) Confirms that the following reserves are transferred to the Water Organisation when it is established:

(i) Biosolids Reserve

(ii) Wastewater Enhancement Reserve.

(c) Ensures the Statement of Intent includes a requirement to maintain reserve accounting in relation to Development Contributions (or similar growth charges).

(d) Ensures the Statement of Intent does not include a requirement to maintain reserve accounting in relation to depreciation.

EXECUTIVE SUMMARY

2. The remaining financial issues related to the Water Organisation from the financial due diligence workstream are now being brought back to Council for resolution.
3. The recommendation is to formally agree to transfer two reserves to the Water Organisation as they are operational in nature.
4. Consideration should be given to requiring the Water Organisation to maintain Development Contribution reserves by including this within the Statement of Expectations, but not requiring this in relation to depreciation (this does not prevent the Water Organisation from doing so).

BACKGROUND

5. As part of the Waters establishment there was a financial due diligence workstream. The results of this workstream were presented at the 24 March 2026 Council meeting. This joint report (from TCC & WBOPDC) is included as **Attachment 1**.
6. A number of issues were raised as part of the financial due diligence work that required follow-up. This report addresses these issues.

FINANCIAL RESERVES TO BE RETAINED WITHIN COUNCIL

7. We identified three reserves sitting within the water activities for which a decision needs to be made as to whether to transfer the reserve to the new water entity or retain them within Council. Table 1 shows the balances of these reserves.

Table 1: Balance of Water Reserves

Reserve	Balance 2025 $m	Balance 2026 $m
Stormwater Reactive Reserve	14.5	15.3
Biosolids Reserve	5.8	5.8
Wastewater Enhancement Reserve	0.8	0.8

8. If these reserves are retained within Council this would increase the amount of debt to transfer to the Water Organisation.

Stormwater Reactive Reserve

9. The Stormwater Reactive Reserve was considered by Council at the meeting of 20 October 2026 (A20912405) and is to be transferred.

Biosolids Reserve

10. This reserve is used to fund the periodic removal of sediment from wastewater detention ponds. This is a significant cost that is incurred on an irregular basis (normally every 3 years). As the ponds are classified as land assets there is no depreciation to fund this work. Rather than triggering a spike in rates requirements in the years where this work is undertaken this reserve is used to smooth the impact on rates.

11. As this is an entirely operational reserve it logically sits with the Water Organisation that will be undertaking this maintenance going forward.

12. If the reserve is passed to the Water Organisation, we do not believe that Council need to include anything within the Statement of Expectations as it is entirely an operational decision that smooths the funding of this activity.

Wastewater Enhancement Reserve

13. The purpose of this reserve is to mitigate the cultural and environmental effects of the wastewater scheme and relates to a specific consent condition. This reserve is funded from the wastewater targeted rate.

14. This reserve is administered by the Wastewater Management Review Committee (WMRC). It is expected that the WMRC will transfer to the new Water Organisation.

15. Table 2 below outlines the key advantages and disadvantages of having the reserve within the respective entities.

Table 2: Advantages and disadvantages in relation to the location of the Wastewater Enhancement Reserve

	Advantages	Disadvantages
Retain reserve within Council		• Ongoing funding of reserve may be challenging under a rates cap. • Actual work being undertaken within the Water Organisation • No part of future WMRC
Transfer reserve to Water Organisation	• Direct relationship with iwi member of the WMRC committee • Water Organisation is responsible for wastewater activity • May be able to use more flexible funding arrangements • More likely to be in direct contact with those impacted by specific wastewater capital works	

16. While this is a TCC Council decision we have sought feedback from the Water Organisation. (WBOPDC is not impacted).

    Preference from Water Organisation: That this reserve is transferred to the new Water Organisation.

17. If the reserve is transferred to the Water Organisation, we do not believe that Council need to include anything within the Statement of Expectations as it relates to a specific consent condition.

ACCOUNTING FOR RESERVES WITHIN THE WATER ORGANISATION

18. TCC currently maintains a significant number of reserves, significantly more than most Councils, particularly in relation to Development Contributions and Depreciation. The balances of these reserves will be transferred to the Water organisation on 30 June 2027.

19. There is no requirement for the Water Organisation to use reserve accounting. If TCC chooses to ensure the continued use of reserve accounting this would need to be included in the Statement of Expectations.

Development Contributions (Growth charges)

20. Council currently maintain Development Contribution reserves for each growth area and each service (eg transport or wastewater) for which Development Contributions are collected. This shows the net balance of capital expenditure expended in that growth area less any Development Contributions received and interest charges. In theory, once the growth area is full the balance of the reserve should be zero.

21. If the Water Organisation does not maintain these reserves going forward it would have no impact on the calculation of Development Contribution charges.

22. The advantages and disadvantages of using reserve accounting for Development Contribution are set out in Table 3 below.

Table 3: Advantages and disadvantages of accounting for Development Contributions (growth revenue) by maintaining separate reserves

Advantages	Disadvantages
• The development community is supportive of this approach and appreciate being able to see the net position of the Council in the areas they are developing. • Provides Council with a much better understanding of how much under collection there is likely to be in a particular growth area. • Able to more specifically address a backlog (eg targeted rate for Pyes Pa West under-collection). • Able to specifically identify growth debt (and debt that has been transferred from growth debt to ratepayer funded debt) separately within the financial statements.	• Considerably more complex to administer, particularly given the long periods over which development occurs. • Need to retain staff with the appropriate skills and knowledge. • Can monitor DCs to a certain extent outside of the formal accounting systems.

Depreciation Reserves

23. Depreciation reserves show the net balance of funded depreciation less spending on replacement infrastructure (renewals) and the impact of interest charges. Debt retirement is also funded from depreciation reserves.

24. The balance of the depreciation reserve provides an indication that Council is spending an appropriate amount of funds replacing assets as they wear out. Because debt retirement is also funded from the reserve it is often lower than might be expected.

25. If the Water Organisation does not maintain these reserves then this could change the way that revenue requirements are calculated. This is shown in Table 4 below.

Table 4: Calculation of revenue requirements in relation to asset replacement

Calculation of revenue requirements if funding depreciation (likely through use of reserves)	Calculation of revenue requirements if NOT using depreciation reserves
Depreciation expense per activity. Less non funded depreciation • Other funding sources (such as expected NZTA subsidy on renewals). • Depreciation where Council has specifically resolved not to replace the asset (eg all-weather track).	Either Renewals expenditure for the year. Plus debt retirement for the year. Or Debt Retirement for the year Plus interest impact of capitalised renewals expenditure Likely to be unsustainable in the long

Calculation of revenue requirements if funding depreciation (likely through use of reserves)	Calculation of revenue requirements if NOT using depreciation reserves
	term due to impact on debt levels

26. The advantages and disadvantages of using reserve accounting for depreciation are outlined in Table 5 below.

Table 5: Advantages and disadvantages of accounting for depreciation by maintaining separate reserves

Advantages	Disadvantages
• Can result in a less "lumpy" revenue requirement if there are large renewals required in some years. • Shows a clear balance of the reserve which can highlight whether depreciation (and the reserve) is either too high or too low. • Provides Council with a demonstration that it is looking after its assets. • Can highlight problems with the amount of depreciation calculated.	• Considerably more complex to administer, particularly given the long periods over which development occurs. • Need to retain staff with the appropriate skills and knowledge • Distorted by debt retirement being funded from these reserves as well as renewals (ie reserve may be lower than expected) • There are alternative measures that can provide evidence that Council is maintaining assets (such as depreciation/ renewals ratio)

FINANCIAL DISCLOSURE REQUIREMENT

27. We have sought expert advice on the basis for which the Water Organisation's financial results will be consolidated into Council's results in the future.

28. There were some concerns that the accounting basis required might be highly complex and incorporated directly into Council accounts. This would be highly confusing for future readers of Council's financial statements.

29. The advice we received has resolved this issue. It does require the novation (transfer) of Council debt to the Water Organisation to achieve this. Novation of debt was the approach that Council was intending to use for the establishment of the Water Organisation.

30. We are currently seeking further advice in relation to the accounting disclosures that may be required (by TCC) if we collect some of the Water Organisation charges as a rate.

STATUTORY CONTEXT

31. Council has elected to establish a joint Water Organisation with WBOPDC. This report establishes some of the requirements for this entity going forward.

STRATEGIC ALIGNMENT

32. This report does not contribute directly to one of the strategic outcomes. It does enable Council to properly establish a Water Organisation.

FINANCIAL CONSIDERATIONS

33. There are no direct financial costs arising from any of the resolutions contained within this report. If any of the reserves are retained within Council this does imply that an ongoing commitment is made to continuing to fund these reserves.

LEGAL IMPLICATIONS / RISKS

34. There are no direct legal implications in relation to this decision.

TE AO MĀORI APPROACH

35. This report is not impacted by Council's Te Ao Māori approach as it is regarding an administrative or regulatory procedure.

CONSULTATION / ENGAGEMENT

36. We have consulted WBOPDC and the Water Organisation in relation to the specific issues contained within the report. No wider engagement is considered necessary.

SIGNIFICANCE

37. 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.

38. 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 .

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

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

ENGAGEMENT

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

NEXT STEPS

41. There are no further steps required. This report resolves previous issues raised.

ATTACHMENTS

1. Finance Due Diligence Report (FINAL) - A20749977

Western Bay of Plenty District Council

Tauranga City

Joint Water Services Organisation

Finance Due Diligence Report

10 March 2026

Contributors / Reviewers	• **Frazer Smith** TCC: Manager Strategic Finance & Growth • **Jonathan Fearn** WBOPDC: Chief Financial Officer • **Kathryn Sharplin** TCC: Head of Finance • **Cathy Davidson** TCC: Water Services Organisation Establishment Lead • **Rod Barnett** TCC: Financial Analyst Waters • **Ben Corbett** TCC: Team Lead Growth Funding • **Peter Renouf** WBOPDC: Commercial Business Analyst • **Sheree Covell** TCC: Manager Treasury and Financial Processes		
Approved	• **Matt Potton** WBOPDC: General Manager Corporate Services • **Craig Rice** TCC: Chief Operating and Financial Officer • **Adele Henderson** WBOPDC: Programme Director Water Services Organisation • **Christine Jones** TCC: General Manager: Strategy, Partnerships and Growth		
Status	Final		

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Executive Summary

This report presents the findings of the finance due diligence undertaken by TCC (TCC) and Western Bay of Plenty District Council (WBOPDC) to support the establishment of a proposed joint Water Services Organisation (WO) under the Local Government (Water Services) Act 2025. The due diligence was, focused on identifying material risks or “red flags” at a governance and strategic level rather than operational detail. The due diligence scope includes areas considered as key to further understand and confirm by both Councils. This report does not seek to resolve differences and identifies as next steps areas which will need to be addressed as part of establishing a combined WO.

Debt confirmation work has provided assurance over the accuracy and completeness of the debt to be transferred to the WO. Both Councils undertook detailed multiyear reconciliations of their waters’ debt, supported by benchmarking to DIA’s 2022 baseline debt figures and an independent review by Mafic Partners Limited. Mafic confirmed that each Council’s internal loan movements closely matched waters-related capital expenditure, revenue, and operating flows over the past decade, with only immaterial unexplained variances (TCC: 1.32%, WBOPDC: nil). The amount of debt reviewed and confirmed during the years reviewed was 58% of total debt for TCC and 23% for WBOPDC.

These findings validate that the combined net waters debt of $640.6m (June 2025) fairly represents actual investment in water services and provides a sound basis for the WO’s opening balance sheet. Debt levels remain sustainable over the 10-year planning horizon, with LGFA covenant compliance expected and ringfenced pricing mechanisms in place to manage differences between the Councils.

The asset valuation due diligence has identified no significant issues that would impede WO establishment. Both Councils are progressing their normal valuation cycles ahead of a coordinated 30 June 2027 revaluation by a single independent valuer. This approach will ensure asset values are consistent, transparent, and fully aligned at transfer. While some variations exist in the depth and reliability of asset condition information, these are well understood and will be addressed through additional pre-establishment work, including confirming the valuation methodology and how condition assessments will be incorporated.

Analysis of the future capital programme indicates a high level of confidence in the achievability of planned investment under the Water Services Delivery Plan (WSDP). Both Councils have demonstrated strong capital delivery performance in recent years, and the review of major projects shows that identified risks relate primarily to timing rather than cost escalation. For WBOPDC, past performance—including full delivery of its 2025 major programme—supports the feasibility of the forward works, while TCC’s current delivery rates and the improved focus afforded by the WO structure further reinforce confidence. Continued monitoring of capital delivery, cost pressures, and unplanned requirements will remain essential through to 1 July 2027 and into the early years of the new entity.

Across the remaining areas of financial due diligence—including treasury management, stormwater assets, depreciation, liabilities, growth funding, insurance arrangements, revenue and expenditure ringfencing, and agreements with external parties—no significant issues have been identified that would prevent the establishment of the WO.

Most matters fall into the category of normal pre-establishment activity, such as confirming asset transfer boundaries, finalising reserve and liability treatment, documenting debt and hedging novation, and responding to changes in national growth funding legislation once enacted. The work completed to date indicates that all identified issues are manageable, well understood, and able to be addressed through planned Stage 2 workstreams. Overall, no "showstoppers" have emerged through the due diligence review, and the remaining tasks are operational in nature and consistent with the expected establishment pathway for the WO.

Matters associated with cross-boundary funding of infrastructure and services is addressed in a separate paper and is not part of this due diligence report.

Overall Conclusion

No material issues were identified that would prevent a successful transition to a WO. Both Councils have established finance systems, processes, supported by good financial knowledge through each organisation. Key financial risks and areas of concern were identified in conjunction with the wider project team, and individual Council finance teams and executive. These have been collaboratively worked through with support and assurance sought from external advisors as deemed necessary. Conclusions and agreed next steps are documented in this combined Council report.

The only issues identified that must be worked through before confirming the development of a combined CCO are the agreement to complete a joint asset revaluation by 30 June 2027 and establishing agreement on the principle of how the use of cross boundary assets will be paid for.

The finance due diligence provides confidence that the assumptions underpinning the WSDPs are materially accurate and suitable as a foundation for establishing the WO. No significant barriers to the formation of the WO were identified through this process. The key risks to progress relate to decisions on how asset and liability transfers will occur in practice.

Next steps

Next steps for each key section of this report have been recorded in the report. They are summarised in Attachment 2. These have also been transferred to a master list of pre-establishment tasks for the wider project working group.

The contributors to this report look forward to continuing to work collaboratively to support the setup of the new entity.

Background

TCC and WBOPDC have undertaken a collaborative and combined due diligence process, including establishment planning for a joint WO under the Local Government (Water Services) Act 2025 (the "**Act**") to deliver water services (the "**Project**").

Driven by direction from both Councils staff have undertaken to identify and understand any significant risks arising from the Project that either Council may face through a due diligence process. This paper summarises the areas of focus and outcomes from completion of the finance due diligence review on the Project.

It is emphasised that staff have been instructed to take a light-touch approach to due diligence, with the mantra of a “do not over-cook but do not over-look” approach, focusing on major red flag issues and to identify areas where further work will be required during a possible establishment phase of this Project. This has not been a fulsome “leave no stone unturned” due diligence exercise, however external experts have been engaged, commonly by both Councils, to support evidence on identified key areas.

This paper summarises the following financial due diligence aspects of the project as per the approved scope of stage 1 of the due diligence workstream.

The key aspects of due diligence discussed are as follows:

- Confirmation of Debt
- Treasury Management
- Assets and Valuation
- Achievability of Future Capex
- Stormwater Assets
- Depreciation
- Liabilities
- Growth Funding
- Other Reserves
- Revenue for sustainability of WO under ring-fencing
- Arrangements with external parties
- Insurance Arrangements
- Model Identified Financial Impacts

Confirmation of Debt

The level of debt each Council will transfer to the WO is a critical part of the financial due diligence process. Based on the most recent Annual Reports, the combined net waters debt position across the Councils is $640.6m. This will form a significant opening balance sheet position for the WO, noting that two further years of water activity results will occur before the final transfer amount is confirmed. A summary of this debt position is provided in Table 1 below.

Council Debt on 30 June 2025 (Table 1)

Description	TCC	WBOPDC
Water Related Net Debt ($m)	489.3	151.3
Total Council Debt ($m)	1,407.7	176.3
Proportion water debt to total debt	35%	86%
Water Debt per connection ($)	7,230	7,856

The WO will be able to sustain a proportionally higher level of debt than the originating Councils; however, ongoing monitoring of these levels will be a key KPI for the new entity. As debt is influenced by the timing of capital programmes, the combined WSDP debt profile supports compliant financing sufficiency across the full 10-year period. The Local Government Funding Agency’s (LGFA) 8% Free Funds from Operations (FFO) requirement is also maintained under the planned capital and revenue settings.

The level of debt transferred by each Council will also influence the WO's shareholding structure—particularly the allocation of Class B shares—as well as each Council's share of interest costs and debt repayment obligations arising from non-harmonised revenue calculations, and the overall borrowing capacity of the WO.

The due diligence process to confirm debt, began with each Council undertaking a detailed review and reconciliation of its waters-related debt. This analysis was then shared and discussed by the respective finance teams. The purpose of this work was to confirm the accuracy of the debt each Council will transfer to the WO, including an assessment of whether the water debt represents a fair and accurate proportion of the Council's total debt. Council debt for waters includes current accounts, internal loans and growth debt, all separately identifiable by each water type.

This review included analysing each Council's capital expenditure as reported in the Annual Report Activity Funding Impact Statements, and considering the treatment of relevant revenue streams, such as development and financial contributions, and that of depreciation charges to reconcile movements in the waters activity debt. These reconciliations were then confirmed against the recorded debt balances and the corresponding internal loan book movements. It was agreed that this process would cover a minimum of five years to substantiate the total debt attributable to the activity.

Below is a summary of each Council's analysis and results:

Summary of TCC results (Table 2)

Summary of Errors		
(A) Closing Net Debt	**2017**	204,438,159
(B) Closing Net Debt	**2025**	489,278,512
(C)=(A-B) Increase in Net Debt over period		284,840,353
(D) Total change unexplained over period		(3,761,436)
(D)-(C) Unexplained debt movement as a % of Total		-1.3%
(C)/(B) Proportion of debt verified		58.2%

	Totals above ($000)	
	2024 Actual	**2025 Actual**
Water Supply	238,685	247,546
Wastewater	178,873	201,996
Stormwater	153,383	158,628
(A) Total Waters Debt	**570,941**	**608,171**
Water Supply	33,343	38,689
Wastewater	41,423	37,385
Stormwater	36,831	42,818
(B) Total Waters Net Investment Balance	**111,596**	**118,892**
(A)-(B) Net Debt	**459,345**	**489,279**

This shows that, for TCC debt, we have been able to confirm that the increased waters debt from 2018 to 2025 was supported by the work we undertook.

Further assurance of the debt position was obtained by benchmarking it against the 2022 Water Service Entity baseline debt figures previously agreed with the Department of Internal Affairs as part of the water services reform programme. During the reconciliation process outlined above, TCC was able to match these figures precisely to the individual water activity debt amounts, providing strong validation of the accuracy and completeness of the debt position.

Summary of WBOPDC results (Table 3)

		Three Waters
Opening Activity Debt	**2015**	$111,134,937
Closing Activity Debt	**2025**	$151,316,401
Change in Activity Debt over 10 years		**$40,181,464**
Debt change reconciliation 10-year variance		**$0**
10-year change variance over total 2025 debt		**0%**
Proportion of 2025 debt verified		27%

	2025 **Debt by Activity**
Water supply	$64,555,922
Wastewater	$54,966,508
Stormwater	$31,793,971
Total Waters	**$151,316,401**

For WBOPDC, the analysis was completed for a 10-year period from 2015 to 2025. Over this timeframe, waters debt increased by $40m.

The reconciliation and underlying analysis identified nil variance across the decade, with 100% of the $40m movement able to be reconciled and fully verified.

Further assurance was obtained by benchmarking the reconciled debt position against the 2022 Water Services Entity baseline debt figures previously agreed with the Department of Internal Affairs as part of the water services reform programme.

WBOPDC was able to match these baseline figures exactly to the individual water activity debt amounts, providing strong validation of the accuracy and completeness of its debt position.

A notable difference emerging through the process of debt confirmation was the higher proportion of waters debt to total external public debt for WBOPDC when compared with TCC, as reflected in Table 1.
The analysis confirmed that this ratio is consistent with WBOPDC's historical trend, and does not represent a recent shift, noting that 73% of WBOPDC's 2025 debt was incurred before 2015.

External expert advice also confirmed that this position is not unusual for councils with similar geographic and demographic characteristics. In many rural councils, capital expenditure is driven predominantly by waters and transport activities. Transport costs are largely funded through rates revenue and subsidies, so that waters activities naturally comprise most of Council's external debt. WBOPDC's position aligns with this pattern.

Based on the completed analysis and external validation received, the high proportion of WBOPDC's total debt attributable to waters activities is assessed as reasonable and accurate, and supported by the average age of the infrastructure being low (discussed in the AMOS due diligence report).

While WBOPDC debt as a proportion of total council debt is significantly higher than TCC's debt, WBOPDC debt per connection is close to TCC debt per connection.

Independent Water Debt Review

The intent of the WO is to ringfence pricing to its Water customers. This is in part because of the differing levels of debt being introduced by each Council.

Due to the significant impact of these debt balances on the opening positions, the WO's shareholding positions, and the impact debt will have on the WOs ability to deliver intended capital works, it was agreed to engage Mafic Partners Limited to provide independent assurance of the accuracy of the debt reconciliations outlined above.

The assurance work focused on evaluating the methodologies used to allocate debt to waters activities and the amount of debt in 2025 traced back to movements in capital expenditure revenue and debt repayment since 2015. The objective was to validate the reasonableness of the debt amounts proposed for transfer to the WO, and to identify any issues and recommend actions where required.

The "Water Debt Identification Review" by Mafic was completed at the end of February 2026. The summary of findings includes the following key points from Mafic:

- TCC and WBOPDC maintain internal borrowings to record borrowing arrangements between water services and other council business
- With fully separate accounts for water services within council accounts, debt and reserves related to water supply, wastewater and stormwater services is clearly identifiable
- The ability to explain the movements in the internal loan accounts through cash flows related to water services provides reassurance that movements over the past ~10 years are reflective of the debt requirements of water services
- TCC debt as recorded in internal loan and reserve accounts increased $285m from FY17 to FY25. Movements in capex, capital revenue, operational rates and capitalised interest related to water services equals $281m for the same period.

The difference (or unexplained portion) is $3.8m or 1.32% of the total movement

- WBOPDC debt as recorded in internal loans, current accounts and financial contributions debt increased $39m from FY14 to FY25. Movements in cash flows (capex, capital revenue, operational rates and capitalised interest) related to water services equals $39m for the same period.
- **The difference (or unexplained portion) is nil.**
- The approach used by TCC and WBOPDC is consistent with the approach and values agreed with the NTU for the FY22 value of debt and reserves - Differences are considered immaterial.
- **Unexplained differences in movements are considered immaterial.**

A copy of the report by Mafic is attached (**Attachment 1 - Independent Water Debt Review.pdf**).

Debt Changes Before Transfer

As noted above, the debt positions confirmed through this process reflect each Council's position as of 30 June 2025. These positions will continue to change, with the final transfer amounts to be formally agreed at the date of transfer on 1 July 2027.

TCC has indicated that its debt position may be affected by future Council decisions that are yet to be made. Potential adjustments may include:

- Potential retention of reserves within TCC (see reserves section below)
- Potential transfer of part of current digital debt (outlined in cost of transfer report)

However, as outlined below, this is not expected to have a material impact on the WO's overall debt position, as demonstrated in Table 4. There is also no immediate impact for WBOPDC, as each Council's debt position will remain ringfenced.

For full disclosure WBOPDC has subsidised waters over the last ten years by $15.4m, through general rates. WBOPDC are currently not proposing to transfer this across to the WO as this would not be in the best interest of the WO or its customers.

Debt summary showing potential adjustments (Table 4)

Description	TCC	WBOPDC
	$m	$m
Water Related Net Debt - Base	489.3	151.3
Adjustment for Reserves retained within Council	15.3	-
Adjustment for water related digital debt	15.0	-
Water related debt - Amended	519.6	151.3
Proportion water debt to total debt	1,407.7	176.3
Proportion water debt to total	37%	86%
Water Debt per connection ($)	7,678	7,856

As noted above in the debt confirmation process a difference emerged through that process that there is a higher proportion of waters debt to total external public debt for WBOPDC when compared with TCC, as reflected in Table 1.

The debt confirmation process analysis confirmed that this ratio is consistent with WBOPDC's historical trend, and does not represent a recent shift, noting that 73% of WBOPDC's 2025 debt was incurred before 2015. WBOPDC capital expenditure is driven predominantly by waters and transport activities. Transport costs are largely funded through rates revenue and subsidies, so that waters activities naturally comprise most of Council's external debt.

Also reflecting on the higher debt per connection for WBOPDC serves a geographically more dispersed district with lower density settlements, which generally requires more network length per connection resulting in higher renewal costs leading to higher capital cost per household particularly when compared to TCC geographically. The WBOPDC geography also impacts on the need for multiple water treatment plants spread across the water service networks.

Tauranga City Council has a substantially larger population with rapid growth which has required the introduction of large, stepped infrastructure. This infrastructure has been debt funded in recent years which relates to the large amount of debt being incurred in recent years, most of which is growth funded. Future growth is also becoming much more expensive as it is located further away from key processing plants.

As a further comparison, examination of a geographically proximate third party council similar in both size and geographic characteristics to WBOPDC shows that total water debt, and water debt on a per connection basis, diverges due to differences in each council's position within its investment cycle, historic levels of asset maintenance, the specific assets required to deliver services, and the scale of investment needed to meet growth and emerging regulatory requirements. These factors collectively result in the third party council holding lower water debt per connection than WBOPDC, despite the surface level similarities between the two organisations.

Debt Retirement

Within TCC debt retirement is paid for out of depreciation reserves (not rated for separately). For water supply and stormwater this is based on 2% of the amount of debt and 4% for Wastewater.

Repayment of waters debt by is completed annually by WBOPDC as part of its normal targeted rate and activity funding process. An average annual repayment percentage cannot be accurately provided as new loans being added and older loans being fully repaid can impact this calculation.

It is also important to recognise that the waters debt held by councils includes a significant growth related component, reflecting the investment required to service expanding communities and to ensure network capacity keeps pace with future demand. Consistent with standard local government funding principles, these assets are financed on an intergenerational basis, ensuring that the costs of long lived water infrastructure are shared fairly between current and future users who benefit from the service. This intergenerational funding approach underpins the rating and charging models historically applied by councils, where debt is used as a tool to smooth the financial impact of major capital investment over the life of the assets, rather than placing the full cost burden on today's ratepayers.

Internal loans in Waters for WBOPDC are typically over a 2025/30-year term, with some specific wastewater loan terms over a 50-year term. Interest and repayment of this debt is calculated and processed annually. The option of repayment through accumulated depreciation reserves is not available as WBOPDC does not fund depreciation for this activity.

In Summary

The debt confirmation due diligence process has provided strong assurance over the debt positions to be transferred to the WO, with both Councils completing detailed multi-year reconciliations of their water debt, supported by benchmarking to the DIA's 2022 baseline figures and independent verification from Mafic Partners Limited.

The combined waters debt of $640.6m at 30 June 2025 will be part of a significant opening balance sheet position for the WO, and the analysis confirms that these amounts are fair, reasonable, and accurately reflect each Council's water activity investment.

The WO's financing position remains robust, with debt levels supportable over the 10-year planning horizon, compliance with LGFA requirements maintained, and clear mechanisms in place to manage differences in each council's debt levels through ringfenced pricing and the shareholding structure.

While debt adjustments will occur before the final transfer on 1 July 2027 because of capital investment and activity through to 1 July 2027 and decisions on reserves and digital, these adjustments are known and not expected to materially affect the overall WO debt position.

Further Work Before Establishment

Further work is required before establishment to finalise the WO's opening debt position and ensure a smooth transition at 1 July 2027. This will include continued updates to each Council's water activity debt through to the transfer date, confirmation of any adjustments arising from local Council decisions, and agreement on transfer of assets and other liabilities that may impact debt balances. This additional work will involve the ongoing monitoring of capital programme delivery impacts on debt levels, validating any changes to revenue or depreciation treatment that influence debt movements.

Treasury Management

The treasury management function was assessed as part of the debt related finance due diligence work, with specific consideration given to:

- the ability to borrow to fund the planned capital programme;
- managing WO debt levels within LGFA covenant requirements and future WO treasury policies
- the hedging of debt, including interest rate risk management and the timing of debt maturities; and
- the establishment of undrawn standby facilities to ensure adequate liquidity for unplanned funding needs.

Staff have engaged with the LGFA, which has confirmed that it is willing to provide lending to the water entities. The LGFA Board will assess and approve borrowing applications directly with the WO at the time funding is sought.

Borrowing through the LGFA is available at highly competitive rates, largely due to the strength of central government support. It is expected that the WO's initial borrowings will be sourced through the LGFA, given this favourable pricing. Over time, the WO is likely to regularly review its borrowing strategy and lending partners to ensure it maintains access to competitively priced funding.

It has been confirmed that the key measure limiting the WO's borrowing capacity is the FFO to Debt ratio. As a combined TCC/WBOPDC entity, the WO will fall into the largest LGFA size category, which requires a minimum FFO to Gross Debt ratio of 8.0%.

LGFA Benchmark (Table 5)

Water Connections	FFO to Cash Interest Coverage Ratio (times)	FFO to Gross Debt Ratio	Percentage of Development Contributions recognised in operating revenue
Less than 5,000	**2.00**	**12%**	**0%**
5,000 - 10,000	**2.00**	**11%**	**25%**
10,000 - 20,000	**1.75**	**10%**	**50%**
20,000 - 50,000	**1.50**	**9%**	**50%**
Greater than 50,000	**1.50**	**8%**	**75%**

To provide all WOs with a reasonable transition timeframe, the LGFA allows a five-year period to reach full compliance with covenant requirements. Initial modelling indicates that the WO will be outside the 8% FFO to Gross Debt threshold in year one, as a result of WBOPDC being noncompliant for that year. However, this has been accepted by the DIA through approval of the WSDP and the WO remains compliant for the remaining nine years of the planning period.

Both Councils have agreed in principle to novate the relevant debt and associated interest rate swaps to the WO. This approach is supported by the LGFA, and work will continue towards achieving this by 1 July 2027, guided by advice from both Councils' mutual treasury advisor, Bancorp, who have been engaged throughout this due diligence process.

Options for novation include either partial novation of all loans based on the proportion of waters debt, or full novation of selected loans. The agreed objective is to ensure the WO inherits a fair and equitable debt position—particularly in relation to average cost of funds and maturity profile. At this time both TCC and WBOPDC have similar average cost of funds and similar maturity profiles, which will simplify novation decision principles. At this stage, proportional novation is considered the likely approach, with further detailed work to be completed in the next stage.

Staff also sought Bancorp's advice on debt issuance and hedging during the pre-establishment period. Both Councils will continue issuing debt and undertaking hedging in line with their existing strategies and policies, with no joint hedging arrangements to be established at this time. A fair and transparent hedging novation process will be developed and agreed with both Councils prior to 1 July 2027, and this position will be revisited with the WO's CEO and CFO when appropriate.

Both Councils currently maintain sufficient bank facilities to meet urgent or unexpected borrowing needs; however, these facilities will need to be reviewed once the final debt transfer positions are confirmed.

It is anticipated that treasury services for the WO will initially be delivered through a shared services model during establishment and early operations, with more permanent arrangements to be considered once the entity becomes fully operational.

Treasury Summary

Based on the investigations undertaken jointly and individually by Council staff, no significant treasury management concerns have been identified that would impede the establishment of the WO.

Further Treasury Work

The next stage of the finance workstream includes the appointment of treasury advisers to support the transfer of debt and associated hedging. Both Councils currently use Bancorp as their treasury adviser, and initial discussions have been held with Bancorp, who are already advising seven councils on similar transitions. Advice has also been received from the LGFA, which has confirmed that it will enable either partial or full novation of debt tranches at no cost.

Both Bancorp and the LGFA have noted that the WO will benefit from the experience and learnings of early CCO transitions, meaning our processes are expected to be significantly streamlined.

If the establishment of a separate WO is confirmed in April, the pre-establishment phase will focus on setting up the entity as a borrower with the LGFA and completing the novation of debt. Treasury management setup activities will continue to be progressed collaboratively, and will include:

- preparing and documenting the novation of debt by each Council;
- preparing and documenting the novation of interest rate hedging;
- developing a treasury policy and draft treasury strategy;
- determining and establishing LGFA and/or other borrowing facilities and operational banking requirements; and
- establishing transactional banking arrangements and Day 1 working capital facilities, informed by the WO CEO or CFO once appointed.

Assets and Valuation

Most of the analysis for this area of the due diligence programme has been undertaken by the AMOS (Asset Management, Operations and Stormwater) workstream. The financial due diligence workstream has focused specifically on considering the financial implications arising from this work.

Asset Values

The value of the assets transferred to the WO is the single largest part of the investment by the Councils. The basis for this value requires a sustainable level of rigour that can stand up over time. An independent valuation is essential to ensure that this investment fairly represents the investment by the ratepayers, stands up to the regulatory environment and provides a robust basis for admitting any other business (other Council WOs).

An estimate of asset values (including potential transfers) is included in Table 6 below. Note that these figures are expected to change considerably through a mixture of updated transactions and revaluations (two for WBOPDC).

Summary of Asset Values (Table 6)

Asset Summary (est 30 June 2027) ($m)	TCC	WBOPDC	Total
Total Assets	3,302	654	3,956
Total Liabilities	806	244	1,051
Debt as a % of Assets	24%	37%	27%

In commercial sectors such as energy, asset values are typically based on discounted future cashflows and an assumption of maximising returns. This approach is not appropriate for the WO, whose primary purpose is the delivery of high-quality public services rather than profit maximisation, and would require a range of speculative assumptions that are not suitable for establishment.

For Councils, asset valuations are more appropriately determined using Optimised Depreciated Replacement Cost (ODRC), which reflects:

- the cost of replacing assets in their actual locations;
- remaining useful life adjusted for condition; and
- optimisation to exclude assets that would not be rebuilt today.

This approach is well understood, widely applied, and based on detailed information from each Council's asset management systems.

The main consideration for due diligence is ensuring that valuations are applied consistently across the Councils joining the WO.

TCC completed its latest revaluation at 30 June 2025, and WBOPDC is currently undertaking its revaluation as part of its normal cycle (due 9March 2026). Once WBOPDC's work is completed by its independent valuer, the two sets of valuations will be more directly comparable, and work is underway to review comparative unit rates to confirm the basis is equitable.

Most importantly, a further revaluation by both Councils will be undertaken in advance as of 30 June 2027, with both Councils completing a water asset revaluation at the same time and using the same independent valuer. This final step will ensure the assets transferred to the new entity are valued on a fully consistent, transparent, and accurate basis for establishment of the WO.

Asset Value Summary

Staff are satisfied that there are no significant asset valuation issues that would impact the establishment of the WO. However, there remain important steps to be completed—including the coordinated 2027 revaluation using a single independent valuer—to ensure that all asset transfers are fair, reasonable, and based on a fully consistent and transparent valuation approach.

Further Asset Value Work

The further work to be completed prior to establishment will include:

- Agreement on timing and basis for 'transfer revaluations', including how asset condition will be considered.
- Confirm if any further work is required to understand each Council's asset condition prior to the revaluation process.
- Confirm which assets are to be transferred and ensure that the same classes of assets are transferred by both Councils.

Asset Condition

The AMOS due diligence includes consideration of the condition of assets of each Council. The available data raises some concerns around each Council's knowledge and understanding of the condition of some water assets. From a finance perspective however, it is noted that this is part of the reasoning for non-price harmonisation in the early years of the WO.

While non price harmonisation is in place, any asset failures will effectively be the responsibility of the ratepayers in the assets 'area of benefit'. However, it should be noted that this analysis excludes the impact on organisational resources and debt capacity which would need to be considered as capital needs are identified.

Further analysis will be completed during the pre-establishment stage to understand if there is any financial impact arising from the condition of assets, which will form part of the common asset valuation process at transfer.

Work will be undertaken to determine the financial consequences of asset condition, where the further work on asset condition identifies that the remaining useful life of the asset significantly different to that currently assumed. This will include financial implications for the asset valuation at transfer and projected renewal investment.

Other Assets

As part of the finance due diligence other assets have been considered and discussed,

Derivative Financial Instruments: These will transfer to the WO as part of the interest rate hedging novation process, which is planned to be completed proportionately to the new entity. This is also noted under the Treasury section above.

Investment properties: These properties (along with their associated debt) will be individually reviewed, with their original investment rationale determining whether they will stay within the respective Councils or be transferred.

Intangible assets: There are TCC intangible assets that relate to developed software applications and will likely be written off prior to transfer.

Forestry Assets: At this stage is it anticipated that these assets would remain within the respective Councils. Where these forestry assets' carbon credits and revenue streams sit remains to be resolved.

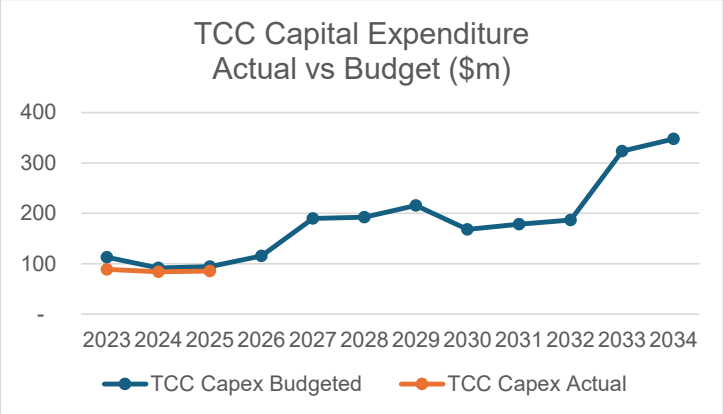
Further work required during the pre-establishment phase includes finalising which property assets will remain with the Councils and determining the appropriate treatment of any associated rental income.

Clarity is also needed on whether forestry assets will be retained by the Councils, along with decisions regarding the allocation of rental income and carbon- credit revenue. In addition, the treatment and potential -write-off of- any intangible assets will need to be confirmed.

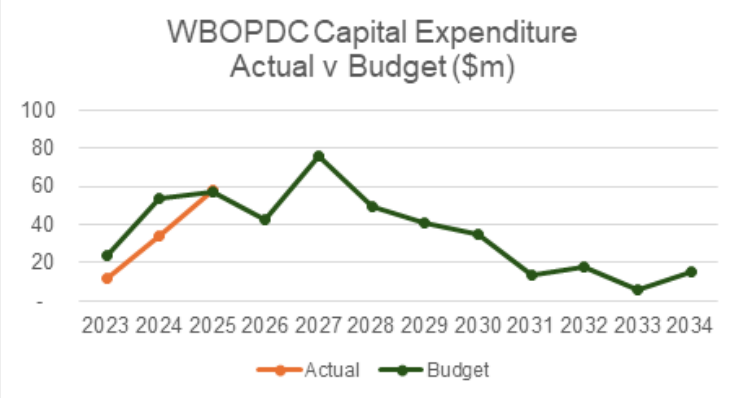
Achievability of future Capex

The WSDP sets out a significant capital programme for both Councils. To provide assurance that this programme is achievable for the WO, the capital expenditure delivered over the past three years was analysed and compared with the levels of investment outlined in the WSDPs.

Budgeted Capex showing completion to date for TCC (Table 7)



Budgeted Capex showing completion to date for WBOPDC (Table 8)



Further analysis was completed in relation to the larger projects ($50m for TCC and $25m for WBOPDC) within the WSDP (2027 to 2034). These (and the balance in total) were specifically reviewed with asset managers to determine if there were any currently identified risks around delivery.

Achievability of Key projects for TCC (Table 9)

	Project Cost 2027-2034 $m	Risks to delivery (H/M/L)	
		Timing	Costs
STORMWATER			
Te Papa Inten SW Upg Priority Dev Areas	105.4	M	L
Te Papa SW Nwk Upg & Land acquisition	75.3	M	L
Balance of Stormwater Supply programme	285.6	L	L
WASTEWATER			
Te Maunga WW Treatment Plant	228.6	L	L
Balance of Wastewater Supply programme	547.6	L	L
WATER SUPPLY			
Te Papa Intensification - Cameron Road	66.8	L	L
Cambridge Rsvr trunk main relocations	78.3	L	L
Balance of Water Supply programme	414.9	L	L

While there is a considerable increase in the level of capital expenditure over the WSDP period, projects in TCC are currently being completed to a significant degree. This, coupled with the increased focus of the new entity provides assurance that this programme of works is achievable. However, the WO debt levels will need to be closely monitored to ensure continued affordability for the WO and water customers.

Achievability of Key projects for WBOPDC (Table 10)

	Project Cost Per WSDP	Risk to delivery (H/M/L)	
		Timing Risk	Cost Risk
Te Puke Wastewater Treatment Plant	$77.6m	H	L
Katikati Ocean Outfall or Alternative discharge	$68.1m	H	L
Balance of Waters programme	$214.2m		
Total projected investment in water services	**$359.9m**		

Two major projects over $25m were identified for WBOPDC. The replacement of the Te Puke wastewater treatment plant and the replacement of Katikati Ocean Outfall (or an alternative discharge).

The Te Puke wastewater treatment plant project is required to meet environmental standards and support growth in Te Puke and for the Rangiuru Business Park. The high timing risk indicator reflects that the project is likely to be brought forward earlier than currently shown in the WSDP.

The Katikati Ocean Outfall project is currently on a trajectory to spend the money later in the WSDP period. A potential change to this timing could be to mitigate the operational costs to repair for breaks. This project has recently been included in an application to Central Government as a flood damage and resilience project, seeking an interest free loan to support the project.

The future expenditure profile in the WBOPDC graph aligns with levels the Council has previously achieved, with the significant peak in 2027 reflecting the planned timing of the Te Puke wastewater treatment plant upgrade. WBOPDC's 100% delivery of its larger capital

programme in 2025 provides further evidence that the future programme outlined in the WSDP is achievable.

Summary

Both Councils have consistently achieved a high level of capital project delivery in recent years, providing confidence in the ability of the WO to deliver the combined forward capital works programme. Where risks have been identified for larger future projects, these relate primarily to the timing of delivery rather than the underlying costs.

In the current financial year to December 2025, WBOPDC has completed a combined Waters capital programme of $19.4m, against a budget year to date of $18.6m (104%). The full year capital spend is currently forecast to be $50.9m, being $7.3m above full year budget, primarily because of earlier stage completion of Te Puke Wastewater treatment plant. This provides further support for the assumption of capital delivery achievement.

The position to December 2025 for TCC is a combined waters spend of $54.4m against a budget year to date of $54.6m (99.6%). The full year programme is expected to be completed.

Ongoing monitoring of project timing, costs, and any unplanned capital requirements will be important through to 1 July 2027 and will continue thereafter under the WO.

Stormwater assets

The AMOS workstream has completed an analysis in this area and the financial considerations are set out below.

Both Councils have confirmed that stormwater assets (excluding land) will be included in the WO, with TCC resolving this at its 10 February 2026 Council meeting and WBOPDC having previously made the same decision on 5 August 2025.

While most stormwater assets will transfer, both Councils have determined that land serving dual purposes, particularly where stormwater functions co-exist with recreational uses, will remain in Council ownership.

Stormwater systems are closely integrated with transportation networks, especially in managing road runoff. A high-level review was undertaken to ensure consistent treatment of assets between the Councils. Transportation related assets will likely remain with the Councils, while some stormwater assets may transfer to the WO.

Further pre-establishment work is required to confirm which stormwater assets within the wider water activities will be retained by the Councils and to identify any associated debt, noting that much of this debt is expected to be minimal due to the age of the assets.

The WO will also require appropriate rights of access to stormwater assets located on Council retained land. In addition, maintenance contracts will need to be designed to ensure that future maintenance and renewal costs can be allocated equitably between the Councils and the WO.

Depreciation

Depreciation being the financial recognition of the wearing out of assets over time. It is normally a nonfinancial cost, however for Local Authorities it is required to be funded from revenue (LGA s100 (1)). Depreciation charges are based on the useful lives of the relevant assets.

As part of the asset valuation work being undertaken there will be a comparison of the useful lives for each asset type to ensure that these are comparable between Councils. This will ensure that future depreciation charges will be consistent.

As assets will be identified by Council, the resulting depreciation charge will be able to be split between Councils for the purpose of ringfenced cost allocations. Further work will need to be done, as part of the asset revaluation process to compare and match the useful lives of each asset type for consistency.

Currently TCC and WBOPDC have a different approach to funding depreciation. TCC specifically fund (charge rates) based on the depreciation expense within the accounts. This is used to fund renewal capital expenditure (replacing existing assets) and debt retirement. WBOPDC do not specifically fund depreciation but do charge rates for debt retirement and renewals. While, in theory, these approaches should generate a similar long term average rates charge, the WO will need to adopt a consistent methodology. This will need to be developed before the WO starts operations.

Liabilities

Derivative Financial Instruments will be novated proportionately to the new entity. This is covered under the Treasury section above.

Payables and accruals: The Council's will pay any invoices billed or accrued as at 30 June 2027. Therefore, any balances will remain within the respective Council's.

Deposits Held: Deposits and bonds held will be transferred to the new entity as appropriate. This will be on a case-by-case basis,

Revenue in Advance: This will be transferred to the new entity.

Employee entitlements: These will likely be transferred to the WO at the time a Council employee is recruited by the WO, however, this will be on a case-by-case basis and driven by the people and workforce workstream.

Retentions: The current intention is to transfer these to the WO; however, this depends on our ability to novate the underlying contracts to the WO. This will be on a contract-by-contract basis.

Provisions: These are intended to be transferred to the new entity.

In summary liabilities to be transferred to the WO will be calculated and transferred on a consistent basis at 30 June 2027.

Further work will be required to ensure that each capital contract and its retentions can be novated to the new water entity, and to understand what employee entitlements will transfer to the new entity in conjunction with the People and Workforce workstream.

Growth funding

Growth is currently funded through different mechanisms across the two Councils. TCC predominantly uses Development Contributions (DCs), while WBOPDC relies mainly on Financial Contributions (FCs). New legislation—expected to introduce Development Levies (DLs)—is anticipated to replace the existing frameworks, although it has not yet been passed. Development Levies are expected to take effect from 1 July 2028, one year after WO establishment, with early adoption permitted.

The position regarding FCs at WBOPDC remains uncertain, as the RMA (the legislative basis for FCs) may be repealed prior to WO establishment. It is not yet clear whether transitional provisions for FCs will be introduced, although existing lawful conditions would continue to apply.

Given the timing and complexity of the policy changes for DCs, FCs, and the incoming levy regime, it is recommended that growth funding policy development be treated as a separate pre-establishment workstream. In the early stages, the WO is likely to rely on Council guidance for both policy settings and the charging of contributions.

Another option to consider is the approach taken by IAWAI. They have adopted a growth charge ($500pa for 25 years for standard residential) to cover the historical shortfall in DC funding. This charge would be incurred by any new developments.

In summary, there remains a high level of uncertainty regarding future growth funding arrangements until the new legislation is enacted in the 2026 calendar year. Both Councils will be required to redevelop their policies under the new framework. Establishing a dedicated workstream will support this transition, and there may be advantages in a joint working group developing consistent policies across the Councils and for the WO once the legislative requirements are confirmed.

Other reserves

There are a number of reserves that have been set up within TCC for which a decision has not been made as to whether they will transfer to the WO. These are shown in Table 11 below. These reserves are currently included within the net debt to be transferred to the water entity. Therefore, if they are retained within Council this will increase the debt to be transferred to the new entity.

Other TCC Reserves (Table 11)

Reserve	Balance 2025 $m
Stormwater Reactive Reserve	14.5
Biosolids Reserve	5.8
Wastewater Enhancement Reserve	0.8

The Wastewater Biosolids Reserve is used to streamline the removal of biosolids from detention ponds.

This is a high value expenditure item that is only incurred periodically (normally 3 years). As it is operational it is proposed to transfer this reserve to the new entity.

The Stormwater Reactive Reserve is derived from a specific targeted rate and will be used to support Council in managing storm events. As it is anticipated that Council will still manage these events going forward it is proposed that this reserve would stay within TCC and a targeted rate would continue to be levied.

The Wastewater Enhancement Reserve is provided for the purpose of mitigating the cultural and environmental impacts of the wastewater scheme. It is proposed that this reserve would be reviewed to determine whether it should transfer to the WO which will likely be responsible

for the wastewater consent associated with this reserve, or whether it should be retained with Council.

In summary TCC will need to decide what reserves (if any) should be retained within TCC. This will affect the amount of debt to be transferred as outlined in the debt section above.

Price Paths

Currently the revenue streams included in the combined WSDP are sufficient to keep the key ratios over the minimums required. These are a FFO to debt ratio higher than 8% and a debt to interest ratio of over 1.5. As discussed above in the debt section a 5-year period to meet these covenants is permitted.

The DIA approved the FFO to debt ratio being below 8% in 2027/28 as:

- It was only just below the minimum
- The level improved after 2027/28
- The level continued to improve going forward

WBOPDC has a changed revenue path in the WSDP compared to the LTP24-34. The outcome of the change resulted in the 2027/28 financials in the WSDP year having a non-compliant FFO ratio of 5.8%. The DIA permits a five-year transition to a compliant position. While the opportunity to improve this ratio is possible, through a further change in the revenue path, no changes are considered necessary at this stage as the DIA has approved the WSDP and the related financials.

The Councils have agreed that revenue within the new water WO will be ringfenced for a period. This means that revenue collected from each Council area will be kept separate and matched against a portion of expenses related to each Council area to generate separate shares of income.

As part of the preparation of the 2026/27 Annual Plan, TCC is proposing to make some adjustments to the waters revenue. This has not yet been formally approved by TCC Elected Members. This adjustment is summarised in Table 12 below. The impact of the adjustment reverses in the subsequent year.

Summary of adjustments to TCC water revenue compared to the WSDP (Table 12)

Table 1: Approved WSDP

Business	Desc	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
3 Waters	Total Operating revenue ($000)	142,222	158,837	152,146	178,084	197,738
3 Waters	Total Operating revenue inc(%)		11.68%	-4.21%	17.05%	11.04%
	FFO Ratio	10.61%	11.21%	7.98%	8.70%	9.07%
	Cash interest coverage ratio	1.93	2.19	1.58	1.70	1.71

	Revenue Adjustment		**-8,128**	**8,128**	-	-

Table 2: Proposed Revenue Pathway

Business	Desc	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
3 Waters	Total Operating revenue ($000)	140,603	150,708	160,274	178,083	197,738
3 Waters	Total Operating revenue inc(%)		7.19%	6.35%	11.11%	11.04%
	FFO Ratio	10.61%	9.69%	9.13%	8.70%	9.07%
	Cash interest coverage ratio	1.93	1.89	1.83	1.70	1.71

The TCC adjustment has the effect of smoothing the proposed price increases from 2026/27 to 2028/29. Because of the non harmonisation of pricing, this adjustment has no impact on WBOPDC water users.

TCC has sought feedback from the Department of Internal Affairs (DIA) in relation to this amendment to the WSDP. The feedback from DIA is that this amendment is not significant enough to require submission to amend the WSDP.

Revenue for sustainability of WO under ring-fencing

The ringfencing recognises that the two Councils are transferring different levels of relative debt/assets and revenue charges. In time the WO, in conjunction with both Councils, will consider adjusting relative revenue streams so that the WO can move towards full price harmonisation (same base charges for all consumers) should it wish.

Table 13 shows how each major component is ring fenced or split is shown below.

Breakdown of how revenue and costs are impacted by ringfencing (Table 13)

Revenue/ Cost Source	Basis for split (TCC vs WBOPDC)
Operating Revenue	Direct charge for each property/ Council area
Capital Revenue (FC's DC's)	Direct charge for each property/ Council area
Direct Operating Costs	Direct charge based on asset location * Includes • Downer maintenance contracts • Reserve mowing contracts
Operating Costs	To be determined **
Shared Services from Council's	Based on SLA's
Depreciation	Split based on asset location
Interest Costs	Split based on debt transferred

* No change from current joint contract with Downers

** The Councils will need to determine the basis for splitting indirect costs. Noting the current assumption is that the basis is likely to be based on Class B shareholding ratios.

The key aspects to be achieved to enable price harmonisation need to be established for the WO and associated Councils to work towards this. It would also inform any future partners what the WO is working towards.

While the key metrics to enable price harmonisation need to be worked on and established, they might include:

- Comparable price per connection
- Similar individual FFO to debt ratio's
- Comparable level of assessment and reliability of asset condition ratings
- Consistent basis for funding of depreciation and renewals

In summary both Councils have agreed to ringfencing and the removal of non-price harmonisation, a list of triggers have been compiled as part of the due diligence phase. It has been discussed in principle, subject to Council approval, that ringfencing will be revisited three years post establishment, with a formal review required within six years.

Both Councils also need to confirm the accounting basis for incorporating the financial results of the WO within their individual Council Annual reports.

Arrangements with external parties

Operational services are currently provided by a private sector contractor. The principal operating contract that currently exists is the Downers operational maintenance contract.

Other contracts in general are covered in the legal due diligence review, and these include a number of agreements between the two Council's that will be reviewed as part of the setup of the WO. While this workstream will be driven by the legal workstream, finance will need to consider implications of changes.

In summary both Councils need to determine the ongoing basis for access to infrastructure used by both Councils. With further work being needed to determine which agreements may be required between the two Councils and confirm the basis for sharing these costs. A separate paper on growth relating to cross-boundary matters has been developed to provide further context and discussion on this.

Insurance Arrangements

Currently both TCC and WBOPDC obtain their insurance through a joint arrangement headed by BOPLASS. This is then grouped with other similar Local Government groups to arrange cover. Aon acts or broker for all these entities to arrange insurance on the best terms possible. Considerable benefits are obtained through using this large collective grouping. Key insurances include:

- Above ground assets
- Below ground assets (pipe infrastructure)
- Loss of profits/ Increased costs of working
- Public Liability and Professional Indemnity.

It is anticipated that this process for securing insurance will continue for all parties (WO, other Councils and insurers), particularly for the cover for above ground and below ground assets. While the policies are obtained on a joint basis premiums are generated based on the specific assets (and their values) covered.

We have discussed this with Aon who has confirmed this would not be a problem for our insurers. For the first year (insurance year from 1 November 2026 to 31 October 2027) we may need to have both Council and the WO named in the policy to avoid ownership related matters associated with insurance.

As insurance is an annual contract the WO could reconsider this arrangement from 1 November 2027 if they so wished.

The BOPLASS board considered this arrangement on 20 February 2026 and confirmed that they are comfortable to pursue this option.

In summary both BOPLASS and our insurers are comfortable that the current collective process for obtaining insurance can be continued. Further considerations of the most appropriate public liability and professional indemnity cover (and other minor policies) need to be made, along with the WBOPDC and TCC waters assets for insurance purposes.

Model identified financial impacts

The work completed and noted above in this due diligence process has not raised any significant areas of concern where financial modelling or re-modelling has been required to support the decision of the WO establishment.

Attachment 2: Next Steps Identified within this report

The following is a summary of the further work required that was identified as part of this report.

- Continued updates to each Council's water activity debt through to the transfer date
- Confirmation of any adjustments arising from local Council decisions, and agreement on transfer of assets and other liabilities that may impact debt balances
- Ongoing monitoring of capital programme delivery impacts on debt levels, validating any changes to revenue or depreciation treatment that influence debt movements
- Appointment of treasury advisers to support the transfer of debt and associated hedging
- Treasury management setup activities will continue to be progressed collaboratively and will include:
    - preparing and documenting the novation of debt by each Council;
    - preparing and documenting the novation of interest rate hedging;
    - developing a treasury policy and draft treasury strategy;
    - determining and establishing LGFA and/or other borrowing facilities and operational banking requirements; and
    - establishing transactional banking arrangements and Day1 working capital facilities, informed by the WO CEO or CFO once appointed
- A co-ordinated 2027 revaluation using a single independent valuer - to ensure that all asset transfers are fair, reasonable, and based on a fully consistent and transparent valuation approach
- Agreement, as part of the revaluation, how asset condition will be considered.
- Confirm if any further work is required to understand each Council's asset condition prior to the revaluation process.
- Confirm which assets are to be transferred and ensure that the same classes of assets are transferred by both Councils
- Confirm treatment of any investment properties, Intangible assets or forestry assets that may need to be transferred
- Ongoing monitoring of project timing, costs, and any unplanned capital requirements through to 1 July 2027
- Confirm which land assets within the wider water activities will be retained by the Councils and identify any associated debt.
- As part of the asset revaluation process, compare and match the useful lives of each asset type for consistency.

- Ensure that each capital contract and its retentions can be novated to the new water entity, and understand what employee entitlements will transfer to the new entity in conjunction with the People and Workforce workstream
- Develop a consistent methodology for funding depreciation costs and the resulting renewal capital expenditure and debt retirement.
- Consider establishing a joint working group to develop consistent Development Levy policies across the Councils and for the WO once the legislative requirements are confirmed.
- TCC will need to decide what reserves (if any) should be retained within TCC
- Ensure any changes in water revenue are approved by the DIA if they represent deviations from the WSPD
- Determine how key costs within the WO will be split for the purposes of establishing water revenue requirements within a nonprice harmonised environment.
- Determine key aspects to be achieved in order to enable price harmonisation.
- Establish the basis for incorporating the financial results of the WO within their Annual reports
- Establish a basis for access to cross boundary infrastructure (separate workstream created for this)
- Resolve the basis for the establishment of suitable insurance cover
- Update financial models for any significant changes in financial assumptions.

11.6 Appointment of Interim Chief Executive to Bay of Plenty Local Authority Shared Services Limited

File Number: **A21349199**

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 approval on the appointment of Gareth Green, Tauranga City Council (TCC or Council) Interim Chief Executive, as a Director of Bay of Plenty Local Authority Shared Services (BoPLASS) Limited.
2. There are no risks or legal implications with this report.

RECOMMENDATIONS

That the Council:

(a) Receives the report "Appointment of Interim Chief Executive to Bay of Plenty Local Authority Shared Services Limited".

(b) Appoints **Gareth Green, Tauranga City Council Interim Chief Executive** as a Director of BoPLASS Limited on behalf of Tauranga City Council, with immediate effect.

(c) Advises BoPLASS Limited that Gareth Green has been appointed as a Director of the company on behalf of Tauranga City Council, and the company is requested to advise the Companies Office of the appointment.

EXECUTIVE SUMMARY

3. This report seeks approval to appoint the Interim Chief Executive, Gareth Green, as a Director of BoPLASS Limited, on behalf of Tauranga City Council, with immediate effect.
4. BoPLASS is governed by its Board of Directors. To ensure total synergy between BoPLASS' activities and its council shareholders' activities, the nine Directors are also the current Chief Executives of their respective shareholding councils. The dual roles recognise the interdependence of BoPLASS and its councils in the undertaking of its activities.
5. The following table outlines the nine shareholders and appointed directors of BoPLASS:

Shareholder	Appointed Director
Bay of Plenty Regional Council	Fiona McTavish
Gisborne District Council	Nedine Thatcher-Swann
Kawerau District Council	Morgan Godfery
Ōpōtiki District Council	Stace Lewer (Board Chair)
Rotorua Lakes Council	Andrew Moraes
Taupō District Council	Julie Gardyne
Tauranga City Council	*To be appointed following resignation of previous chief executive*
Western Bay of Plenty District Council	Matt Potton
Whakatāne District Council	Steven Perdia

6. Approving the appointment of the Interim Chief Executive would enable business continuity, decision-making continuity and stability to BoPLASS, other councils and stakeholders.
7. After staff assessment, there are no financial, legal or other risks associated with this report.
8. If approved, BoPLASS will be advised of the new appointment, and the new appointee will be provided board documentation and be invited to upcoming board meetings, with the next meeting on 11 December 2026.

BACKGROUND

9. The BoPLASS Board governs the organisation on behalf of its nine shareholder councils, providing strategic direction, oversight, and accountability for the delivery of shared services and joint procurement initiatives. Directors are the Chief Executives of the shareholder councils.
10. A key responsibility of the Board is to identify and oversee collaborative opportunities that improve efficiency, reduce costs, and deliver greater value for participating councils and their communities across the Bay of Plenty and Gisborne regions.
11. Given that Board membership comprises the Chief Executives of the shareholder councils, the resignation of TCC's previous Chief Executive has created a vacancy in the Council's representation on the Board. Appointing the Interim Chief Executive ensures the Council maintains its governance representation and participation in regional shared-services decision-making.
12. The appointment supports continuity of leadership, decision-making, and strategic engagement on behalf of TCC, ensuring the council remains connected to regional collaboration initiatives and ongoing BoPLASS work programmes.
13. Looking ahead, BoPLASS is focused on further strengthening collaboration between councils, expanding opportunities for shared services and joint procurement, and delivering measurable financial and service benefits through greater regional cooperation and innovation. Having the Interim Chief Executive involved with these future-focused discussions and decisions, will be beneficial to both BoPLASS and the council.

STATUTORY CONTEXT

14. Appointment of board members to the Council's CCOs, is one of Council's core responsibilities.
15. Council appoints directors to its CCOs under its Appointment of Directors to Council Organisations Policy.

STRATEGIC ALIGNMENT

16. The Council appointment will ensure that BoPLASS and its Board of Directors can continue to investigate, develop and deliver joint procurement and shared services projects:

	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

17. **Option 1A (Recommended)** – Appoints Gareth Green, Interim Chief Executive, as a Director to the Board of BoPLASS Limited, with immediate effect.

Advantages	Disadvantages
• This appointment would provide continuity of leadership, decision-making, and organisational stability for the CCO, while also maintaining confidence and continuity for Council, partner councils, and key stakeholders. • The Interim Chief Executive has an established understanding of both Council's strategic direction and the CCO's priorities, relationships, and key issues. • Appointing the Interim Chief Executive as a director would ensure Council's perspectives are represented in board decision-making from the outset, rather than waiting for a permanent Chief Executive to be appointed. • The Interim Chief Executive possesses the experience, knowledge, and capability to assume the director role immediately and make an effective contribution from day one.	• NIL.

18. **Option 1B** – Does not appoint Gareth Green, Interim Chief Executive, as a Director to the Board of BoPLASS Limited.

Advantages	Disadvantages
• NIL.	• No TCC representation at the board table. • Lack of continuity for the CCO in terms of leadership, decision-making and organisational stability.

FINANCIAL CONSIDERATIONS

19. Clause 4.10 of the Appointment Policy outlines the requirements for remuneration and indemnification of directors:

> *"In exceptional circumstances, where elected members and Council employees may have been appointed as directors of a CCO, they will not be remunerated for that role unless provided for by specific Council resolution."*

20. Gareth Green, Interim Chief Executive, will not receive any remuneration as a Director on the Board of BoPLASS Limited.

RISKS AND LEGAL IMPLICATIONS

21. Directors appointed by Council will be required to follow the provisions of the New Zealand Institute of Directors' Code of Ethics and of Council's Code of Conduct for Directors Appointed by Council to Council Organisations.

22. Council supports the payments by CCOs of directors' liability insurance and the indemnification of directors.

TE AO MĀORI APPROACH

23. The matter addressed in this report is of the appointment of the Interim Chief Executive, as a Director of BoPLASS. Therefore, this report does not contain information specifically pertaining to Te Ao Māori approach.

CLIMATE IMPACT

24. The matter addressed in this report is of the appointment of the Interim Chief Executive, as a Director of BoPLASS. Therefore, this report does not contain information specifically pertaining to climate impact.

CONSULTATION / ENGAGEMENT

25. It is not required or appropriate to consult on CCO board appointments under the Local Government Act.

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 needs 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 low significance, as it is a standard decision required of a governing body regarding its CCOs.

ENGAGEMENT

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

NEXT STEPS

30. If approved, Council will advise BoPLASS of this appointment.

31. BoPLASS will provide the new director with documentation from previous board meetings, and invites to upcoming board meetings.

ATTACHMENTS

Nil

11.7 Street Use and Public Places Bylaw - amendment

File Number: **A21337334**

Author: **Jane Barnett, Policy Analyst**

Authoriser: **Sarah Omundsen, General Manager: Regulatory and Community Services**

PURPOSE OF THE REPORT

1. To seek Council approval to amend the Street Use and Public Places Bylaw 2026 to reinstate two removal provisions that were unintentionally omitted when the bylaw was adopted.
2. To correct a drafting omission identified after the Street Use and Public Places Bylaw 2026 came into force.

RECOMMENDATIONS

That the Council:

(a) Receives the report "Street Use and Public Places Bylaw - amendment".

(b) Resolves, pursuant to section 156(2)(a) of the Local Government Act 2002, to amend the Street Use and Public Places Bylaw 2026 by reinstating the removal provisions set out below:

'Removal of material or things'

'(*a) In addition to the powers conferred on it by any other enactment, an authorised officer may remove or cause to be removed from any public place any material or thing using that public place in breach of the Bylaw.'*

'(b) Tauranga City Council may recover from the person who committed the breach of this bylaw the appropriate costs in connection with the removal of the material or thing.'

'Removal of works'

'An authorised officer may, pursuant to section 163 of the Local Government Act, remove or alter a work or thing that has been constructed in breach of this bylaw and may recover any costs of that removal or alteration from the person who committed the breach.'

(c) Resolves that the amendment comes into force on the date it is publicly notified.

DISCUSSION

3. During the review of the Street Use and Public Places Bylaw, a number of enforcement provisions were removed because they duplicated powers already available under the Local Government Act 2002 (LGA).
4. After the bylaw was adopted, staff identified that two provisions from the previous bylaw had been unintentionally omitted.
5. The proposed amendment does not introduce any new powers. It simply reinstates powers that existed under the previous bylaw and were intended to remain in place.

6. The first provision allows an authorised officer[4] to remove or arrange the removal of material or things placed in a public place in breach of the bylaw.
7. The second provision authorises Tauranga City Council to use the removal powers under section 163 of the LGA. Unlike most other enforcement provisions in the LGA, section 163 can only be used if a bylaw expressly provides for it.
8. Section 156(2)(a) of the LGA allows Council to make minor corrections to a bylaw by publicly notified resolution provided the change does not alter people's existing rights, obligations, protections or legal status.
9. Staff consider that section 156(2)(a) applies in this case. Both removal provisions were included in the previous bylaw and were intended to be carried forward into the 2026 bylaw. Council did not make a policy decision to remove these powers. Staff therefore consider the omission was a drafting error.
10. Reinstating the provisions does not change what the bylaw regulates or create any new offences or obligations. Instead, it restores the removal provisions that applied under the previous bylaw and were intended to be retained in the 2026 bylaw.
11. The alternative is to not amend the bylaw. This is not recommended because it would limit Tauranga City Council's ability to address breaches of the bylaw, including removing material, things or works under section 163 of the LGA.
12. The proposed amendment is set out in **Attachment 1** (see new sections 23 and 24 on page 15).
13. There are no material financial implications arising from the proposed amendment.

NEXT STEPS

14. If Council resolves to amend the bylaw, staff will publicly notify the amendment in accordance with section 156(2) of the Local Government Act 2002 and update the published version of the bylaw.

ATTACHMENTS

1. **Proposed Street Use and Public Places Bylaw amendment - A21367133**

[4] Means an employee or contractor of Tauranga City Council who carries out duties under the Street Use and Public Place Bylaw 2026 as part of their role, and includes any person who has been formally delegated authority to exercise powers under this bylaw.

STREET USE AND PUBLIC PLACES BYLAW 2026

First adopted	*8 December 2005*	**Minute reference**	M05/142
Revisions/amendments	*18 March 2013* *20 November 2018* *27 February 2020* *3 March 2026* *2 September 2026* *10 November 2026*	**Minute references**	M13/12 M18/101.6 CO2/20/3 CO/26/3/1 CO/26/0/19
Review date	*March 2036*		
Engagement required	*Special Consultative Procedure*		
Associated documents	*Street Use Policy 2024* *Traffic and Parking Bylaw 2023* *Use of Council Land Policy 2022* *Freedom Camping Bylaw 2019* *Beaches Bylaw 2018* *Alcohol Control Bylaw 2018* *Dog Management Bylaw 2018* *Dog Management Policy 2018*		
Relevant legislation	*This bylaw is made under sections 145 and 146 of the Local Government Act 2002, section 22AB of the Land Transport Act 1998, section 64 of the Health Act 1956 and section 12 of the Litter Act 1979.*		

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EXPLANATORY NOTE

Consistency with principles of responsible regulation

Tauranga City Council provided the following documents relating to its review of this secondary legislation, and its process for developing it, for consistency with the principles of responsible regulation under the Regulatory Standards Act 2025:

- *a consistency accountability statement on 2 September 2026.*
- *a summary of underpinning analysis on 2 September 2026.*

Copies of these documents can be found at www.tauranga.govt.nz/council/policies-and-bylaws

Tauranga City Council considers that a statement from the maker under section 14(1)(b) of the Regulatory Standards Act 2025 is not required for this secondary legislation

1. TITLE

1.1. This bylaw is the Street Use and Public Places Bylaw 2026.

2. COMMENCEMENT

2.1. This bylaw comes into force on 1 July 2026.

2.2. Clauses 7.3 to 7.5 (Fireworks) come into force on 1 October 2026.

3. APPLICATION

3.1. This bylaw applies to Tauranga City.

4. PURPOSE

4.1. The purpose of this bylaw is to:

(a) protect the public from nuisance, promote and maintain public health and safety and minimise the potential for offensive behaviour in public places;

(b) protect the environment, land, structures, property and assets managed or under the control of Tauranga City Council; and

(c) regulate commercial activity in public places.

5. DEFINITIONS

5.1. For the purposes of this bylaw words which refer to the singular include the plural, and the plural includes the singular.

5.2. For the purposes of this bylaw the following definitions shall apply:

Term	Definition
Approval	means a licence, permit, or other form of written permission granted by an authorised officer under this bylaw, which must be obtained before undertaking the activity to which it relates, and includes any conditions to which the approval is subject. The approval will include the duration of the approval period.
Authorised Officer	means an employee or contractor of Tauranga City Council who carries out duties under this bylaw as part of their role and includes any person who has been formally delegated authority to exercise powers under this bylaw.
Bylaw	means the Tauranga City Council Street Use and Public Places Bylaw.

Term	Definition
Commercial Activity	means any activity undertaken for payment or reward whether direct or indirect. This includes, but is not limited to: (a) trading; (b) advertising goods, services; (c) street performing; (d) promotional giveaways.
Commercial Display	means any temporary structure, installation or arrangement placed in a public place for the purpose of promoting, selling or advertising goods, services or brands. This includes, but is not limited to: (a) retail displays such as product stands and promotional tables; (b) coin-operated machines including vending machines amusement devices or similar equipment; (c) advertising activations such as temporary installation and branded props.
Community Event Sign	means any sign advertising an event (regardless of frequency) or community message.
Council	means the elected member body representing Tauranga City.
Directional Real Estate Sign	means a temporary sign used to guide potential buyers or renters to a property that is for sale or lease and is open for viewing as part of an open home or to auction event.
Election Sign	means any sign that: (a) may reasonably be regarded as encouraging or persuading a person to vote or not vote for a candidate, party, type of candidate or party, or in any particular way; and (b) is associated with an election, by-election, poll or referendum; (i) in the Electoral Act 1993, Local Electoral Act 2001 or any legislation that enables a referendum; or (ii) relating to a trust which owns shares in a public utility company for the benefits of its beneficiaries in Tauranga City.
Event	means a temporary, organised activity that takes place on one or more days in a public place, and may include community, cultural, commemorative, recreational, sporting, artistic, educational, or entertainment activities. For the purposes of this bylaw, “event” does not include informal recreation (for example, a picnic in a park) or peaceful protest or demonstration protected under the New Zealand Bill of Rights Act 1990.

Term	Definition
Filming	means the recording of images, moving or still, for commercial purposes or at a scale that might unduly obstruct use of a public place.
Fireworks	has the same meaning as firework in section 3 of the Hazardous Substances (Fireworks) Regulations 2001.
Footpath	means a path or way principally designed for and used by pedestrians and includes a footbridge.
Frontage	means the area directly between the shop front and the road kerb.
Magazine Sign	means any portable sign independently supported by means such as a post, frame, stand or wall.
Mobile Shop	means a vehicle from which goods or services are offered for sale or hire in a public place, including where payment is made electronically, remotely, or in advance of the goods or services being transferred. For the purposes of enforcement under the Land Transport Act 1998 or any regulations made under it, mobile shop has the meaning given in 22AB (6) of that Act.
Nuisance	has the same meaning as Section 29 of the Health Act 1956 and includes a person, animal, thing or circumstance causing unreasonable interference with the peace, comfort or convenience of another person whether or not that person is in a public place.
Open Home/Auction sign	means a temporary sign used to advertise and direct people to a property or site that is available for an open home viewing or being auctioned.
Person	means an individual, a corporation sole, a body corporate, and an unincorporated body.
Pedestrian Way	means the portion of the footpath that provides a continuous, unobstructed path for pedestrians, with a minimum width of 1.8 metres, unless otherwise specified by Council resolution. The pedestrian way is measured as follows: (i) 0.8 metres from the kerb (road frontage zone); and (ii) 1.5 metres from the property boundary (frontage zone). Where total footpath width is less than 4.1 metres, the frontage zone will be reduced as required to maintain the minimum pedestrian way. **Explanatory note**: On 8 July 2024 Crown Commissioners specified by resolution a 1.5 metre pedestrian way width for Maunganui Road,

Term	Definition
	Pacific Avenue, Prince Avenue, Banks Avenue and Salisbury Avenue. Resolution CO9/24/8
Public Place	means an area that is open to or used by the public, and which is owned, managed, maintained or controlled by Tauranga City Council. Public places include, but are not limited to roads, streets, footpaths, alleys, cycle tracks, lanes, accessways, carparks, reserves, parks, domains, beaches, foreshore, berms, verges and recreational grounds.
Real Estate Sign	means a sign advertising the sale, lease, rental or auction of all or part of a property or premises.
Reserve	means any land which is vested in or under the control of Tauranga City Council and which is set aside for public enjoyment as a reserve, park, garden or greenspace, whether or not that land has been vested a reserve under the Reserves Act 1977.
Reserve Management Plan	means a plan prepared under section 41 of the Reserves Act 1977.
Road	has the same meaning as road in section 315 of the Local Government Act 1974.
Shop front	means the common boundary between the legal road and the adjacent shop or other business.
Sign	means an advertisement, message or notice conveyed using any visual medium, which advertises a premises, service, good, product, activity and / or event or acts to inform, influence or warn any person.
Street dining furniture	means any movable furniture placed in a public place to facilitate dining and social interaction. For example, tables and chairs.
Street performance	means the provision of entertainment in a public place (for example, playing an instrument, singing, dancing, juggling, mime, puppetry, performance art, conjuring, aerobatics, recitation, undertaking artworks and performing other acts of theatrical or visual forms).
Tauranga City Council	means Council or any Committee, Sub Committee or elected member of Council or officer or other person authorised to exercise the authority of Council.
Trade, trading and trading activity	means the sale, hire, or offer of goods or services for payment, reward, or otherwise, and includes displaying goods or services for sale.

5.3. Explanatory notes are not part of this bylaw, and may be added, amended or deleted at any time without amending the bylaw.

Explanatory note: Explanatory notes are used for a number of reasons, including to explain the intent or a clause in less formal language, to include additional helpful information, or because the information may be subject to change and need to be updated before the bylaw itself has to be updated.

6. OBSTRUCTIONS IN PUBLIC PLACES

6.1. A person must not obstruct:

(a) the pedestrian way;

(b) the entrance to or exit from a public place.

6.2. Except where otherwise provided in this bylaw, no person must place or leave any material or thing in a public place without approval.

6.3. No owner or occupier of land shall allow trees or any other vegetation growing on such land to overhang or encroach by their roots or branches onto any public place so as to obstruct access to the public place or cause a nuisance.

6.4. If any tree or vegetation is in the opinion of an authorised officer, hazardous or is obstructing the pedestrian way or causing a nuisance the authorised officer may issue a written notice requiring the owner or occupier to cut back the tree or vegetation.

6.5. The owner or occupier is responsible for carrying out the works required by that notice under clause 6.4 and for meeting the costs of those works. If the owner or occupier fails to comply with the notice, Tauranga City Council may carry out such works and recover the costs from the owner or occupier.

Explanatory note: Section 355 of the Local Government Act 1974 empowers Tauranga City Council to require owners of land adjoining roads to manage trees and other vegetation on their property that affect public roads.

7. NUISANCE, PUBLIC SAFETY AND DAMAGE TO PUBLIC PLACES

7.1. A person may not cause a nuisance in a public place.

7.2. No person may, without approval:

(a) cause or allow any material or thing to be deposited or dropped onto a public place;

(b) place or leave any materials, thing, or substance in a public place that is likely to be hazardous or injurious to any person, or likely to create a nuisance;

(c) deposit in or around a public litter bin any household, business or trade refuse;

(d) damage, deface, interfere with, destroy or remove anything, or any part of anything in a public place, including any structure or building, any sign, artwork, and vegetation;

(e) erect, construct or place any building, structure or plant any vegetation in a public place, except as provided for in clause 19;

(f) cause or permit to be done any act that may damage any public place, or any work or thing in, on, over or under a public place;

(g) use any vehicle or be in control of an animal which damages any part of a public place;

(h) ride or take a bicycle or motorcycle or any other vehicle on or around Mauao.

Explanatory note: The Summary Offences Act 1981 enables the New Zealand Police to address more serious instances of obstruction, intimidation, disorderly and offensive behaviour or language in public places.

In accordance with section 13 and 14 of the Litter Act 1979 and the Council resolution M12/68.9 (23 October 2012) any person who breaches clauses 7.3(a), (b) and (c) may incur a fee of up to $400.

7.3. No person may light any fire or fireworks or pyrotechnics in any public place without approval.

Explanatory note: Pyrotechnic displays are subject to separate regulatory requirements administered by WorkSafe New Zealand.

7.4. Clause 7.3 subject to prohibitions or restrictions on the lighting of fires imposed by Fire and Emergency New Zealand, does not apply to:

(a) barbecues (meaning a fixed or portable electric or gas fired appliance or device, designed or intended for the cooking of food in the open air);

(b) emergency flares;

(c) fires lit in accordance with the Beaches Bylaw, as amended or replaced.

7.5 Clauses 7.3 and 7.4 are subject to any prohibitions or restrictions imposed by Fire and Emergency New Zealand.

Explanatory note: Fireworks may be used on private property. However, it is an offence under the Summary Offences Act 1981 to use fireworks in a manner that causes injury or alarm to any person in a public place. For example, throwing fireworks at people in public places from private property.

Nothing in clauses 7.3 or 7.4, including any approval granted under this bylaw, removes the requirement to comply with any prohibition or restriction imposed by Fire and Emergency New Zealand. Check before you light a fire at ***www.checkitsalright.nz***

8. COMMERCIAL ACTIVITIES, EVENTS AND FILMING IN A PUBLIC PLACE

8.1. No person may conduct a commercial activity, filming or hold an event in a public place without approval.

Explanatory note: Commercial activity includes market and stalls, mobile shops, fundraising or a charitable cause, soliciting of any subscription or collection of any donation, street performance, distribution of promotional goods and materials and hire of equipment.

9. STREET DINING AND COMMERCIAL DISPLAYS

9.1. All businesses operating from fixed premises are permitted to place street dining furniture and commercial displays on the footpath, subject to the following conditions:

(a) the area used must not exceed a total floor area of 1.5 square metres and must not protrude more than 1.5 metres from the front of the premises unless approval has been obtained;

(b) any protrusion up to 1.5 metres is permitted only where a pedestrian way of no less than 1.8 metres width, unless otherwise specified by Council resolution, is maintained on the footpath for unobstructed pedestrian movement;

(c) street dining furniture and commercial displays can only be placed in the front of the business;

(d) street dining furniture and commercial displays must not be placed in or otherwise obstruct the pedestrian way;

(e) street dining furniture and commercial displays may only be placed on the footpath during the business's hours of operation;

(f) the street dining furniture must be made available for use by any member of the public:

(g) unless otherwise authorised by Council, the street dining furniture and commercial display may not be placed:

(i) within 1 metre of any tree trunk or any Tauranga City Council street furniture (e.g. public bench);

(ii) within 0.8 metre of any road kerb;

(h) street dining furniture and commercial display must not obstruct access to parking meters, rubbish bins, accessibility features, bus stops or shelters, mobility spaces, pedestrian crossings, vehicular entrances or hinder visibility to or of pedestrian and vehicle traffic;

(i) street dining furniture and commercial displays must not encroach into the frontages of adjacent businesses unless all parties concerned agree in writing and have provided written notification to an authorised officer of their agreement;

(j) street dining furniture and commercial displays must be removed from the footpath:

(i) outside the business's hours of operation;

(ii) between the hours of 3am and 7am;

(iii) when requested by an authorised officer to facilitate street works, services, repairs, or other public utilities, or to ensure the health and safety of the public;

(k) any business placing street dining furniture on the footpath must:

(i) keep the street dining furniture clean and in good order and repair;

(ii) ensure that all waste, water and rubbish on or near the street dining furniture is removed;

(iii) comply with all statutes, regulations and ordinances regarding the conduct of the business and the use of the footpath for that purpose.

9.2. Commercial displays must be securely mounted or anchored and free from litter and objects that could fall or be blown into the path of pedestrians or traffic.

9.3. Commercial displays must not have any sharp edges or protruding objects that could injure the public.

9.4. Commercial displays must not include weapons, dangerous objects, music or amplified sound.

9.5. Approval must be obtained to use any area in addition to the area set out in clause 9.1(a).

10. SKATEBOARDS AND SCOOTERS

10.1. No person shall ride or use a skateboard, scooter, roller skates or similar device in any public place in such a manner as to be dangerous or cause a nuisance.

10.2. Council may by resolution determine areas where riding or using a skateboard, scooter, roller skates or similar device is prohibited (a **Prohibited Area**). Council may prohibit one or more of these wheeled recreational devices for example, skateboards but not scooters.

10.3. No person shall ride or use a skateboard, scooter, roller skates or a similar device in any prohibited area.

10.4. A fee of $55 is applicable for any breach of clauses 10.1 or 10.3.

11. GENERAL REQUIREMENTS FOR SIGNS

11.1. Except as provided for elsewhere in this bylaw, no sign shall be displayed in any public place without approval.

11.2. All signs and their supporting structures must be constructed, fixed, placed and maintained so they do not pose a danger to property or the public or cause a nuisance.

11.3. Without limiting 11.2, a sign must:

(a) be secure, structurally sound, not easily broken, and not able to be displaced under poor or adverse weather conditions;

(b) be maintained in a condition that does not endanger public safety (for example become structurally unsound or fall over) or cause a nuisance;

(c) not use illumination, luminescence, movement or material that may cause a distraction (for example flashing lights, lasers or reflective or luminescent material);

(d) not cover the display of any number allocated to a premises under the Local Government Act 1974;

(e) not emit smoke, steam or other matter.

11.4. Signs attached beneath street verandas shall have a minimum of 2.5 metres clearance from the footpath below.

11.5. No sign shall be placed or shall remain in a public place where in the opinion of an authorised officer that sign would affect the safe and efficient movement of pedestrian and vehicle traffic.

11.6. Without limiting 11.5 a sign must

(a) not obstruct or be likely to obstruct the line of sight, view of any corner, bend, intersection, vehicle crossing, pedestrian crossing or private entrance, traffic sign or traffic signal;

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(b) not distract unduly or be likely to distract unduly the attention of road users or footpath users;

(c) not constitute or be likely to constitute in any way a danger to road users or footpath users;

(d) be able to be read by a driver of a vehicle on a road moving at the legal speed limit if the sign is directed at drivers.

11.7. An authorised officer may by notice in writing (or without notice if the sign is deemed to be dangerous by an authorised officer), require the owner or user of any non-complying or unsafe sign to remove the offending sign from any public place.

Explanatory note: Safe line of sight standards can be viewed in the Austroads Guide to Road Design (Part 4A, Section 3.2.2).

Minimum recommended letter sizes and other design elements to ensure signs can be safely read by drivers of vehicles can be viewed in the New Zealand Transport Agency's Waka Kotahi's Traffic Control Devices Manual Part 3 Advertising Signs.

12. BUSINESS SIGNS

12.1. Businesses operating from fixed premises are permitted to place signs on the footpath subject to compliance with section 11, clauses 12.2 and 12.3.

12.2. Siting of business signs:

(a) businesses with one street front entrance shall be permitted one sign in addition to magazine signs;

(b) businesses with more than one street front entrance may have a maximum of two signs in addition to magazine signs;

(c) magazine signs shall be placed against the shop front;

(d) signs, other than magazine signs, shall be located:

(i) within the frontage of the shop or business being advertised;

(ii) in the area within 1.5 metres from the shop front or within 0.8 metre from the kerb line;

(iii) in no case within the pedestrian way.

(e) businesses using common entrance ways may only have a composite sign encompassing all businesses therein unless individual businesses within the arcade or mall have their own street frontage.

12.3. Dimensions of business signs:

(a) the maximum size of a free standing sign (including a composite sign) shall be 1200 millimetres high x 800 millimetres wide;

(b) the maximum size of an upright fabric banner style signs shall be 1200 millimetres high x 800 millimetres wide;

(c) the maximum size of a magazine sign shall be 0.5 square metres.

13. MOBILE SHOP SIGNS

13.1. Mobile shops are permitted to have two roadside signs displayed. Any other advertising must be directly attached to the mobile shop. Mobile shop signs must meet the general requirements for signs in Clause 11 of this bylaw.

13.2. Mobile shop signs must be no larger than one square metre and must not be located further than 100 metres from the mobile shop.

14. REAL ESTATE SIGNS

14.1. Real Estate signs must be placed directly outside the property to which the signage refers and as close to the street front boundary of that property as practicable.

14.2. Where a property is marketed by a sole agency one real estate sign is permitted, where a property is marketed by multiple agencies a maximum of 3 real estate signs are permitted.

14.3. A real estate sign, open home or auction sign placed in a public place must not exceed a maximum area of 2.2 m^2.

14.4. Real estate signs must be removed no later than 14 days after the property is sold and comply with the general conditions in section 11.

14.5. Directional real estate signs may be displayed on the day of an open home or auction provided they comply with the following conditions, in addition to the general conditions in section 11:

(a) each sign must not exceed 0.3 metres in area;

(b) the maximum height of each directional real estate sign must not exceed 1 metre above ground level;

(c) maximum of 1 directional real estate sign adjacent to the property for sale or auction site;

(d) a maximum of 1 directional real estate sign at each of the 3 nearest intersections leading toward the property or auction site.

14.6. In addition to the directional real estate signs permitted in clause 14.4 on the day of an open home or auction one open home or auction sign may be displayed on a public place or attached to a lawfully parked vehicle directly outside the site or property and complies with the general conditions in section 11.

15. ELECTION SIGNS

15.1. Approval must be obtained for the display of election signs on or in a public place.

15.2. The maximum size of any local election sign must not exceed 1.5 square metres in area.

15.3. Local election signs must comply with:

(a) clause 11 of this bylaw;

(b) Tauranga City Council's relevant policy on elections signs.

15.4. In accordance with the Electoral Act 1993 general election signs of up to 3 metres in size are permitted to be displayed 9 weeks before polling day.

15.5. General election signs must comply with Tauranga City Council's relevant policy on elections signs.

Explanatory note: Council's current policy on elections signs is the Local Elections policy.

The Electoral Act 1993 sets out specific conditions for election signs including the requirement for a promoter statement.

16. COMMUNITY EVENT SIGNS

16.1. Approval is required for community event signs.

16.2. Approved community events signs may only be erected at sites or on frames specifically reserved for that purpose. Signs must comply with Reserve Management Plans and any specifications for reserve signage.

17. GARAGE SALE SIGNS

17.1. Subject to clause 16.2, signs advertising garage sales are permitted in a public place provided clauses 11.2 to 11.6 of this Bylaw are complied with.

17.2. Signs advertising garage sales are only permitted to be displayed in the period starting 24 hours prior to the commencement of the garage sale and finishing at the end of the garage sale.

18. FENCES ADJACENT TO A PUBLIC PLACE

18.1. If any rail, gate fence, wall or retaining wall adjacent to a public place is in a state of disrepair as to be in the opinion of an authorised officer dangerous to persons passing within the public place, the authorised officer may give written notice requiring the owner or occupier of the land to repair or remove the rail, gate, fence, cover, wall or retaining wall to the satisfaction of the authorised officer. The owner or occupier must comply with such a notice.

Explanatory note: The Building Act 2024 allows Tauranga City Council to regulate fence construction. The Fencing Act 1978 addresses fence encroachment issues. The Tauranga City Plan regulates fences, walls and retaining structures adjoining walkways and the coastal marine area. Section 355 of the Local Government Act allows Tauranga City Council to require removal or lowering of fences that may obstruct traffic.

19. BUILDING AND STRUCTURES

19.1. No person may, without approval, except where otherwise provided for in the City Plan or relevant Reserve Management Plan:

(a) erect, construct, or place any building, dwelling or other structure or erection whatsoever, or any part thereof under, on, above, or across any public place;

(b) install any veranda, projecting window, balcony, wall, lamp, doorstep, cellar door, signboard, window shutter, gatepost, curtain, awning, blind or other obstruction, enclosure or projection of any kind in a position that may interfere with or cause obstruction in any public place;

(c) hang, or allow to be hung, any door or gate abutting any public place so that it may swing over or across a public place;

(d) omit or neglect to secure and maintain the foundations of any building, wall or fence, or cause or permit any encroachment by any building, wall, or fence abutting a public place, in a way that may damage or obstruct a public place;

(e) mix concrete or carry out any other work upon any public place that may damage, deface or obstruct the public place.

20. ROAD AND BUILDING IDENTIFICATION

20.1. No person shall give any name to or affix, set up, or paint any name on any street, or public place without approval.

20.2. The size of the numbers required to mark every building shall be not less than 50mm in height for residential dwellings and not less than 150 mm in height for all other buildings. The numbers shall be displayed in such a position as to be readily visible from any street fronted by that building or access way to that building.

20.3. An authorised officer has power to:

(a) alter the number of any building where it may be in Tauranga City Council's opinion necessary or advisable to do so;

(b) affix or apply a number to any premises in such manner and position as it thinks fit.

20.4. No person shall destroy, pull down, obliterate, or deface the name of any street, or the number of any building.

21. TAURANGA CITY COUNCIL FACILITIES

21.1. Rules may be displayed at the main entrance to any public place or Tauranga City Council facilities (library, public swimming pool or other Tauranga City Council facility), to regulate the use by members of the public. Every person must comply with such rules or the reasonable request of an authorised officer about conduct at these facilities.

22. APPROVAL

22.1. No person may undertake any activity for which approval (including a licence or permit) is required under this bylaw without first obtaining written approval from an authorised officer.

22.2. The form of approval required under this bylaw will be determined by an authorised officer.

22.3. Conditions may be attached to any approval and include the duration of approval.

22.4. Any approval under this bylaw attaches to the person who obtained it and is not transferable to any other person unless the approval expressly provides otherwise.

22.5. Any approval granted under this bylaw may be reviewed:

(a) to respond to noncompliance of the conditions of the approval;

(b) be consistent with changes to legislation;

(c) to address any public safety, nuisance or misuse issues arising from the exercise of the approval (for example unsafe or hazardous conditions, unreasonable obstruction, damage);

(d) if the activity is likely to interfere with any authorised works by Tauranga City Council or a network utility operator.

22.6. Tauranga City Council may take action for failure to comply with an approval. This clause applies to a person who has been granted an approval who:

(a) fails to comply with the approval, including any condition of an approval; or

(b) provided inaccurate information on any application for an approval which materially influenced the decision made on the application.

22.7. Tauranga City Council may take any one or more of the following actions against a person to whom clause 22.6 applies:

(a) issue a written warning which may be used as evidence of a bylaw breach during any subsequent consideration of an approval or enforcement action;

(b) review of the approval which may result in its amendment, suspension or cancellation.

22.8. Any approval granted under this bylaw may be suspended for a period during the staging of any special event, by giving the approval holder 10 days' notice in writing.

22.9. Approval may be suspended for the purposes of protecting the public from nuisance or for protecting, promoting or maintaining public health and safety.

Explanatory note: Tauranga City Council may charge fees for approvals and inspections under this bylaw. Authorised Officers can issue notices requiring action to fix breaches. Tauranga City Council also has powers to remove things built in breach of the bylaw and recover costs and may issue infringement fees under the Land Transport Act 1998 where applicable.

23. REMOVAL OF MATERIAL OR THINGS

23.1. In addition to the powers conferred on it by any other enactment, an authorised officer may remove or cause to be removed from any public place any material or thing using that public place in breach of the Bylaw.

23.2. Tauranga City Council may recover from the person who committed the breach of this bylaw the appropriate costs in connection with the removal of the material or thing.

24. REMOVAL OF WORKS

24.1. An authorised officer may, pursuant to section 163 of the Local Government Act, remove or alter a work or thing that has been constructed in breach of this bylaw and may recover any costs of that removal or alteration from the person who committed the breach.

ATTACHMENTS STREET USE AND PUBLIC PLACES BYLAW

The Street Use and Public Places Bylaw allows Council by resolution to determine:

(a) areas where riding or using a skateboard, scooter, roller skates or a similar device are prohibited (Prohibited Areas);

These proposed attachments are provided for information only and do not form part of the Bylaw itself.

ATTACHMENT A

Council resolution: 20 November 2018

By Council resolution under clause 10.2 of the bylaw riding or using the following wheeled recreational device:

Skateboard or Roller Skates

Are prohibited in the following areas:

Tauranga Central Area:

Prohibited on Road and Footpath:

1. Hamilton Street from Durham Street to Willow Street (inclusive).
2. Wharf Street from Durham Street to Willow Street (inclusive).
3. Spring Street from Durham Street to Willow Street(inclusive).
4. Te Manawataki o Te Papa Civic Precinct.
5. Spring Street Carpark Building.
6. Elizabeth Street Carpark Building.

Prohibited on Footpath only:

1. Wharf Street from Willow Street to the Strand (inclusive).
2. Grey Street from Elizabeth Street to Spring Street (inclusive).
3. Devonport Road from Elizabeth Street to Spring Street (inclusive).
4. The Strand from Spring Street to Harington Street (inclusive).

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Mount Maunganui Central Area:

Prohibited on Footpath only:

1. Maunganui Road from Pacific Avenue to its intersection with Tawa Street.
2. Prince Avenue from Victoria Road to Maunganui Road.

Greerton Commercial Area:

Prohibited on Road and Footpath:

1. Cameron Road from intersection with Cornwall Street to intersection with Pooles Road.
2. Chadwick Road from intersection with Mitchell Street to intersection with Hayes Avenue.
3. Greerton Road from intersection with Emmett Street to northern boundary of the Greerton Road carpark.
4. Greerton Road carpark.
5. Lincoln Terrace Walkway and Greerton Village Square and linking walkways.

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Street Use And Public Places Bylaw
Public places where clause 10.2 prohibition applies
N
Tauranga City
Harington Street
The Strand
Hamilton Street
Willow Street
Te Manawataki o Te Papa civic precinct
Wharf Street
Spring Street
Spring Street Carpark Building
Cameron Road
Durham Street
Grey Street
Devonport Road
Elizabeth Street
Elizabeth Street Carpark Building
First Avenue
Legend
Prohibited on footpath only
Prohibited on road and foothpath


Street Use And Public Places Bylaw
Public places where clause 10.2 prohibition applies
N
Tauranga City
Pacific Avenue
Prince Avenue
Victoria Road
The Mall
Salisbury Avenue
May Street
Rita Street
Marine Parade
Banks Avenue
Ngarata Avenue
Te Ngaio Road
Oceanview Road
Maunganui Road
Nikau Crescent
Ptau Road
Grove Avenue
Rata Street
Legend
Prohibited on footpath only


Street Use And Public Places Bylaw
Public places where clause 10.2 prohibition applies
N
Tauranga City
Hynds Road
Hayes Avenue
Cornwall Street
Hillstone Avenue
Chadwick Road
Lincoln Terrace
Cameron Road
Greerton Road
Pooles Road
Emmett Street
Legend
Prohibited on road and foothpath

11.8 Amendment of Stormwater Bylaw 2026 and Trade Waste Bylaw 2026

File Number: **A21308079**

Author: **Jennifer Ross, Policy Analyst**
Radleigh Cairns, Manager: Drainage Services

Authoriser: **Reneke van Soest, General Manager: Operations & Infrastructure**

Wally Potts, Head of City Waters

PURPOSE OF THE REPORT

1. To seek approval to make minor changes to include the form of infringement notices and reminder notices as schedules to the Stormwater Bylaw 2026 and the Trade Waste Bylaw 2026.

RECOMMENDATIONS

That the Council:

(a) Receives the report "Amendment of Stormwater Bylaw 2026 and Trade Waste Bylaw 2026".

(b) Agrees to the insertion of the Form of Infringement Notice and Form of Infringement Reminder Notice as schedules to the:

(i) Stormwater Bylaw 2026, and

(ii) Trade Waste Bylaw 2026.

(c) Determines that further consultation is not required because the amendments are minor, administrative, and do not give rise to any new or materially different effect from the bylaws already consulted on and adopted.

(d) Amend the Stormwater Bylaw 2026 as marked up in **Attachment One** with effect from 1 December 2026.

(e) Amend the Trade Waste Bylaw 2026 as marked up in **Attachment Two** with effect from 1 December 2026.

(f) Authorises the General Manager: Operations & Infrastructure to make any necessary minor final edits to the Stormwater Bylaw 2026 and the Trade Waste Bylaw 2026, prior to publication.

EXECUTIVE SUMMARY

2. Council adopted the Stormwater Bylaw 2026 and Trade Waste Bylaw 2026 on 2 September 2026, following consultation, with both bylaws taking effect on 1 December 2026. During implementation, officers identified that the forms for infringement notices and reminder notices had not been included in the adopted bylaws.

3. The proposed amendments insert those forms and the necessary cross-references. They do not create new offences, change infringement fees or enforcement powers, or impose additional obligations. Officers therefore consider the amendments minor and administrative and that no further consultation is required.

4. Amendment is recommended so the infringement regime can operate as intended from 1 December 2026. If the bylaws are not amended, infringement notices will not be able to be issued as intended and higher-cost enforcement alternatives may be required. The amendment has no material financial impact: drafting, legal review, publication and staff training will be met from existing budgets, with no new fee, penalty or revenue assumption.

5. If approved, the amendments will be publicly notified and will take effect with the bylaws on 1 December 2026.

BACKGROUND

6. On 2 September 2026 Council adopted the Stormwater Bylaw 2026 and the Trade Waste Bylaw 2026 to come into effect on 1 December 2026[5].

7. While provision was made for infringement offences and fees in the bylaws, notice forms were not included in the schedules of the bylaws presented for adoption. The omission was identified during detailed implementation preparation, when officers were translating the adopted infringement provisions into operational documents and procedures.

8. The form of infringement notice and form of reminder notice have been developed using the requirements set out in the Local Government (Water Services) Act 2025 and inserted as Schedule One of the Stormwater Bylaw 2026 (**Attachment One**) and Schedule Four of the Trade Waste Bylaw 2026 (**Attachment Two**).

9. The amendments to insert the form of infringement and reminder notice as a schedule to each of the bylaws and cross reference the forms in the bylaws completes the administrative requirements for using the infringement regime already provided for in the bylaws and the Local Government (Water Services) Act 2025.

STATUTORY CONTEXT

10. The bylaws are made under section 258 of the Local Government (Water Services) Act 2025.

11. Sections 269 to 277 of the Local Government (Water Services) Act 2025 establish the infringement framework, including the requirement that the bylaws provide the form of infringement notices. The forms must also be consistent with section 21 of the Summary Proceedings Act 1957 and any applicable court filing requirements.

12. Section 258(7) of the Local Government (Water Services) Act 2025 states that section 156 of the Local Government Act 2002 applies to any consultation requirements when amending these bylaws. On the basis that the bylaws already specified the infringement offences, and prescribed the infringement fees, these additional changes are “minor” for the purposes of section 156(2) of the Local Government Act 2002. They do not alter or affect an existing right or interest of any person and simply prescribe the forms of the notices in a manner that has already been prescribed by statute.

STRATEGIC ALIGNMENT

13. 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	✓

[5] Minute references – Stormwater Bylaw 2026 CO/26/0/20 and Trade Waste Bylaw 2026 CO/26/0/21

We are a vibrant city that embraces events ☐

14. As discussed in the reports to Council[6] that supported the adoption of these bylaws, both bylaws align with three of the above community outcomes and the proposed addition of the forms of notice does not alter this.

OPTIONS ANALYSIS

15. The table below sets out the advantages and disadvantages of amending the Trade Waste Bylaw 2026 and the Stormwater Bylaw 2026 to insert the forms of infringement notices and reminder notices.

Option	Advantages	Disadvantages
Amend the bylaws to include the form of notices with effect from 1 December 2026. **Recommended**	• Allows the council to enforce the bylaw as intended when infringement offences occur. • Supports efficient enforcement of bylaw provisions.	• None identified
Don't amend the bylaws.	• None identified.	• Does not allow the council to enforce the bylaw as intended when infringement offences occur • Higher cost options required to enforce bylaw provisions.

FINANCIAL CONSIDERATIONS

16. Amending the bylaws has no material financial impact, but the changes to the bylaw will support previous decisions to enable better cost recovery and enforcement of bylaw provisions through providing the necessary infringement documentation. Drafting, legal review, document control, publication and staff training can be met from existing stormwater, trade waste, legal and governance budgets.

17. No new fee, charge, penalty or revenue assumption is created by this decision.

18. Where an infringement offence does occur, the process for enforcement should be more streamlined and lower cost where the council or water services organisation can rely on the entire infringement offence process provided in the Local Government (Water Services) Act 2025.

RISKS AND LEGAL IMPLICATIONS

19. While there is always legal uncertainty when complying with a new piece of legislation, the legal risk associated with this amendment to the bylaw is generally the same as any minor bylaw amendment.

20. If the changes are not adopted prior to the 1 December 2026 effective date, the proposed infringement system will not be fully compliant with the requirements of the Local Government (Water Services) Act 2025 and infringement notices will not be able to be issued.

[6] Available in the Council Meeting Agenda at https://infocouncil.tauranga.govt.nz/Open/2026/09/CO_20260901_AGN_2917_AT.PDF

TE AO MĀORI APPROACH

21. The proposed infringement notices and reminder notices are administrative and are not impacted by the Council's Te Ao Māori approach.

CLIMATE IMPACT

22. The proposed infringement notices and reminder notices are administrative and do not have a climate impact.

CONSULTATION / ENGAGEMENT

23. Consultation was carried out earlier in 2026 on both of the bylaws in accordance with the Local Government (Water Services) Act 2025 and the Local Government Act 2002 bylaw-making process which required the use of a special consultative procedure.

SIGNIFICANCE

24. 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.

25. 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 needs of the district or region

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

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

26. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decision is of low significance as it is administrative in nature.

ENGAGEMENT

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

28. In particular, the proposed changes are minor and administrative, and may be made by a publicly notified resolution in accordance with section 258(7) of the Local Government (Water Services) Act 2025 and 156(2)(a) of the Local Government Act 2002.

NEXT STEPS

29. If Council amends the bylaws this will be publicly notified and the amended bylaws will come into effect on the previously determined date of 1 December 2026.

ATTACHMENTS

1. **Stormwater Bylaw 2026 amended with Forms of Notices - A21371184**
2. **Trade Waste Bylaw 2026 amended with Forms of Notices - A21371182**

STORMWATER BYLAW 2026

First adopted	2010	**Minute reference**	
Revisions/amendments	28 September 2015	**Minute reference**	
	2 September 2026	*Change to Local Government (Water Services) Act 2025*	*CO/26/0/20*
	[10 November 2026]	*Insert Infringement Notice Form Schedules*	*[TBC]*
Review date	This bylaw is to be reviewed 10 years after date of last review		
Relevant legislation	This bylaw is made under section 258(1)(c) of the Local Government (Water Services) Act 2025		

1. TITLE

1.1 This bylaw is the Tauranga City Council Stormwater Bylaw 2026.

2. COMMENCEMENT

2.1 This bylaw comes into force on 1 December 2026.

3. APPLICATION AND INTERPRETATION

3.1 Unless otherwise stated, this bylaw shall apply to the whole of the city.

3.2 Words which refer to the singular include the plural and the plural includes the singular.

3.3 Reference to any act, regulation or plan or provision of any act, regulation or plan includes any amendment to that act, regulation or plan or any act, regulation or plan passed in substitution for it.

3.4 Notes in italics are for information only and are not part of this bylaw.

4. PURPOSE

4.1 The purpose of this bylaw is to support the development, operation and maintenance of a public stormwater network that:

(a) aligns with Tauranga Taurikura, a city that values, protects and enhances our environment,

(b) complies with the conditions of any permanent stormwater discharge consent held by Tauranga City Council, and

(c) aligns with Tauranga Mataraunui, a city where people feel safe, connected and healthy.

4.2 This bylaw supports this purpose through:

(a) preventing or minimising the discharge of contaminants into the public stormwater network

(b) requiring the use of the public stormwater network for the drainage of stormwater only

(c) protecting the public stormwater network, including the land, structures and infrastructure associated with that network, from damage, misuse, interference and nuisance

(d) imposing requirements for activity-specific plans to:

(i) support compliance with consent conditions, and/or

(ii) include consequences for non-compliance, and/or

(iii) involve tangata whenua in the active exercising of kaitiakitanga.

5. DEFINITIONS

Term	Definition
Component	means any physical or natural element that forms part of a stormwater network or contributes to stormwater management. This includes, but is not limited to: dam, weir, overland flow path, stormwater management device, stopbank, headworks, treatment device, drainage reserve land, ecological device, erosion and scour control structure, stormwater inlet or outlet structure, stormwater pipe, drain cover, stormwater pump system
Contaminant	a contaminant includes any substance (including gases, odorous compounds, liquids, solids, and micro-organisms) or energy (excluding noise) or heat, that either by itself or in combination with the same, similar, or other substances, energy, or heat: a. When discharged into water, changes or is likely to change the physical, chemical, or biological condition of water; or b. When discharged onto or into land or into air, changes or is likely to change the physical, chemical or biological condition of the land or air onto or into which it is discharged
Discharge	means to emit, deposit, and allow to escape
Infrastructure Development Code	often referred to as the “IDC”, means the technical and procedural code that sets the standards for land and infrastructure development in Tauranga to ensure functional, safe and sustainable infrastructure
Management options	mean a process or procedure for preventing or minimising the discharge of contaminants to the public stormwater network to protect the water service provider’s infrastructural assets

Term	Definition
Occupier	means the inhabitant occupier of any property. In relation to any land (including any premises and any coastal marine area) this includes any agent, employee, or other person acting or apparently acting in the general management or control of the land, or any plant or machinery on that land
Owner	in relation to any land or premises means any person for the time being entitled to the rent of the land or premises or who would be so entitled if the land or premises were let to a tenant whether on his/her own account or as the agent of a trustee for any other person and includes any person registered and the proprietor of the land or premises
Person	Means an individual, a corporation sole, a body corporate, and an unincorporated body
Pollution Prevention Plan	means a plan approved by the water services provider which identifies actual or potential risks relating to the discharge of contaminants from a specific site or operation, and the management strategies implemented or proposed to mitigate against these risks. The plan identifies the mechanisms to reduce the potential for breaching the minimum water quality standards as specified in this bylaw or the Regional Natural Resources Plan
Private stormwater network	means all privately owned components of a stormwater network located on private land up to the point of service connection with the public stormwater network, including any pipe, gutter, catchpits, subsoil drains, treatment devices, rainwater tanks and any stormwater management device. Privately owned components of a stormwater network that does not connect to the public stormwater network are excluded.
Public stormwater network	means all components of the Tauranga City stormwater network owned by the water services provider, including any or all of the following: a. Pipes, drains, drainage channels, catch pits, manholes, lateral connections, stormwater management devices, land drainage work or treatment facility, vested in or under the control of the water service provider, which serves more than one freehold lot; Any drain, kerb, drainage channels, land drainage works or treatment facilities within a legal road reserve or other public places; andAny drain, drainage channel, land drainage work or treatment facility declared to be a public drain under section 462 of The Local Government Act 1974.
Regional Natural Resources Plan	means the relevant sections of the Bay of Plenty Regional Natural Resources Plan
Stormwater	means surface water run-off resulting from rainfall

Term	Definition
Stormwater management devices	has the same meaning as in the Tauranga City Plan with the addition of secondary flow paths. At the date of this bylaw, this means a device or facility used to reduce stormwater runoff volume, flow and/or contaminant loads prior to discharge. This includes but is not limited to: a. rain gardens and swales; b. permeable paving with below ground storage; c. rainwater tank; d. infiltration trenches; e. sand filters; f. green roofs; g. wetlands; h. ponds; i. proprietary treatment devices; j. soakholes and soakpits; and k. secondary flow paths.
Stormwater network	is as defined in the Local Government (Water Services) Act 2025. At the date of this bylaw, this means (a) the water services infrastructure and processes that are used to provide a stormwater service; and are owned by, or operated by, for, or on behalf of, a water services provider, and (b) includes any of the following that receives stormwater from, or conveys stormwater to, the infrastructure referred to in paragraph (a): an overland flow path, green water services infrastructure, a watercourse; and (c) may include overland flow paths and watercourses that cross over or beneath private land.
Unauthorised discharge	means a discharge that is not permitted by a rule in the Regional Natural Resources Plan or authorised by a resource consent.
Water Service Provider	is as defined in the Local Government (Water Services) Act 2025. At the date of this bylaw, this includes a territorial authority that has not transferred to a water organisation all of the authority's responsibility for providing water services, in relation to the water services for which the authority continues to have responsibility; or a water organisation to which a territorial authority or a regional council has transferred responsibility for providing water services, in relation to the responsibility transferred.

These definitions apply unless the context requires otherwise.

6. PROTECTING WATER QUALITY

6.1 A person must prevent the discharge of contaminants, either directly or indirectly, into any part of the stormwater network unless the discharge;

(a) Is permitted by a rule in the Regional Natural Resources Plan or a relevant national standard; or

(b) Is authorised by a resource consent.

6.2 A person must take all reasonable steps to store, handle, transport and use materials in a way that protects the public stormwater network from the unauthorised discharge of contaminants.

6.3 Any person who becomes aware of, or suspects, an unauthorised discharge or imminent unauthorised discharge of contaminants into the public stormwater network must notify the water service provider as soon as reasonably practicable.

7. SAFE AND EFFICIENT NETWORK DEVELOPMENT AND CONNECTIONS

7.1 The water service provider may specify standards and controls for the stormwater network by issuing guidelines or through inclusion in the Infrastructure Development Code for:

(a) The maintenance and construction of works that may affect the public stormwater network;

(b) The operation of both private and public stormwater networks.

For guidance, refer to Chapter DS-5 (Stormwater Design Standards) of the Infrastructure Development Code for further details and relevant restrictions.

7.2 Any stormwater network components that are vested in the water service provider must:

(a) be of a type, design, location and performance that enables the water service provider to comply with any permanent stormwater discharge consent held by Tauranga City Council or the water service provider; and

(b) comply with the Infrastructure Development Code on the date they are vested in the water service provider, unless a valid departure agreement has been made with the water service provider. The water service provider may inspect any stormwater network components to ensure compliance with the Infrastructure Development Code prior to the components being vested in the water service provider.

For guidance, refer to Chapter GEN-6 (Departures) of the Infrastructure Development Code for further details and relevant restrictions.

7.3 A person must obtain written approval from the water service provider before:

(a) making any new connection to the public stormwater network; or

(b) undertaking work to:

i. make substantial or structural changes to premises that would affect the flow rate through an existing connection to the public stormwater network

(for example, where a substantial area of ground soakage will be sealed), or

ii. construct stormwater network components to be vested in the water service provider, or

iii. alter or modify any part of the public stormwater network, including connections between private stormwater networks and the public stormwater network.

7.4 In accordance with s150 of the Local Government (Water Services) Act 2025, the approval process referred to in clause 7.3 to regulate connections to the public stormwater network requires the following three steps:

(a) the applicant must provide sufficient information in a form agreed by the water service provider to enable the water service provider to understand the proposed activity and be satisfied as to whether or not the stormwater network has capacity for the proposed activity; and

(b) the applicant must provide detailed engineering plans to the water service provider to enable the water service provider to be satisfied that the proposed activity can be implemented; and

(c) the applicant must provide the water service provider with access to the completed works and supporting documentation to enable the water service provider to undertake inspections that must satisfy the water service provider as to whether the work has been completed to an acceptable standard and in accordance with the approvals granted under steps (a) and (b).

8. TREATMENT OR WORKS TO BE UNDERTAKEN

8.1 The water service provider may require the owner or occupier to implement management options, treatment or works that comply with the Infrastructure Development Code in order to prevent the unauthorised discharge of contaminants into the public stormwater network or otherwise protect the network from damage or alteration.

8.2 Any management options, treatment or works shall be implemented in a reasonable timeframe stipulated by the water service provider and shall be undertaken and / or maintained at the owner or occupier's expense.

8.3 The water service provider may recover from the owner or occupier the costs, including the costs associated with additional inspections and monitoring of discharges from a property into the public stormwater network, when:

(a) the owner or occupier does not implement the management options, treatment or works required by the water service provider in the timeframe stipulated by the water service provider, and

(b) the lack of implementation is suspected in the unauthorised discharge of contaminants to the public stormwater network.

9. INSPECTIONS AND MONITORING DISCHARGES

9.1 The water service provider may inspect, and monitor discharges from, private and public stormwater networks in order to ensure compliance with this bylaw.

10. POLLUTION PREVENTION PLANS

10.1 Where a site is deemed to be a high risk facility under Schedule 4 of the Regional Natural Resources Plan and discharges directly or indirectly to the public stormwater network, the occupier of the site may be required to prepare a Pollution Prevention Plan and submit the plan to the water service provider for approval.

10.2 The Pollution Prevention Plan must include:

(a) A suitably scaled drawing showing the site layout, boundaries, all private stormwater and wastewater drainage including the point of connection to the public stormwater networks, relevant buildings and outdoor spaces (including their use); and

(b) A site assessment identifying all actual and potential sources of stormwater pollution; and

(c) Methods in place to control contamination of the public stormwater network; and

(d) Methods and timeframes proposed to control contamination of the public stormwater network; and

(e) A description of the maintenance procedures in place and proposed; and

(f) Spill prevention and spill response procedures.

If another plan has been prepared which addresses these issues, it may be used in place of a Pollution Prevention Plan.

10.3 Within three months of being requested to do so, the occupier must provide a Pollution Prevention Plan to the water service provider for review and approval. Failure to provide a Pollution Prevention Plan within the three months of the request is a breach of this bylaw and may result in additional site inspections by the water service provider at the cost of the occupier and/or other enforcement action.

10.4 Once the Pollution Prevention Plan has been approved by the water service provider, the occupier must comply with all provisions, including timeframes specified, of the Pollution Prevention Plan.

10.5 The occupier must review the Pollution Prevention Plan every three years and provide it to the water service provider for review and approval.

10.6 Notwithstanding Clause 10.4, the water service provider may require that any Pollution Prevention Plan be revised where there have been significant changes in the facility concerned or its operational procedures.

11. NETWORK PROTECTION

11.1 A person must not cause, or allow to be caused, any damage to any component of the public stormwater network.

11.2 A person must not modify, interfere with or remove component of the public stormwater network without the prior approval of the water service provider.

11.3 Any person who knows of damage to the public stormwater network must report it to the water service provider immediately.

11.4 Network proximity:

(a) In accordance with section 307 of the Local Government (Water Services) Act 2025, any building work over or near the public stormwater network requires approval from the water service provider; and

(b) Where building work is within the proximate distances from the public stormwater network specified in Infrastructure Development Code, it must comply with the Infrastructure Development Code to protect the public stormwater network. Any variation from the Infrastructure Development Code for a structure on, over, or in proximity to the public stormwater network must be approved by the water service provider.

For guidance, refer to T553 and T554 of T500 Stormwater in Chapter SD-1 (Standard Drawings) and Chapter GEN-6 (Departures) of the Infrastructure Development Code for further details and relevant restrictions.

12. OFFENCES AND BREACHES

12.1 Every person breaches this bylaw and commits an offence who:

(a) Does, or allows anything to be done, which is contrary to this bylaw or any part of it; or

(b) Fails to do, or allows anything to remain undone, which ought to be done by that person within the time and in the manner required by this bylaw or any part of it; or

(c) Does anything which this bylaw prohibits; or

(d) Fails to comply with any notice given to that person under this bylaw or any part of it or any condition of a licence granted by the water service provider; or

(e) Obstructs or hinders any water service provider officer or other water service provider appointed person in performing any duty or in exercising any power under this bylaw

12.2 For the purposes of section 269 of the Local Government (Water Services) Act 2025, the following offences are identified as infringement offences:

(a) Carrying out building work over or near stormwater infrastructure without approval (s307).

(b) Negligently disposing of or discharging materials or substances into stormwater network (s320).

(c) Connecting to or disconnecting from, or discharging materials or substances into, stormwater network without authorisation (s322).

(d) Carrying out work on or in relation to the stormwater network without authorisation (s324).

(e) Breach of duty causing serious risk (s326).

(f) Failure to comply with water services bylaw relating to equipment or device causing specified serious risk (s327).

(g) Failure to notify of notifiable risk/hazard causing serious risk (s328).

(h) Breach of bylaw relating to undertaking specified classes of work near, under, or above stormwater network (s330).

(i) Failure to comply with direction given by compliance officer (s331).

(j) Failure to comply with compliance order or court order (s332).

13. FEES

13.1 The water service provider may, in accordance with section 258~~150~~ of the Local Government (Water Services) Act ~~2002~~ 2025~~(modified as necessary)~~ prescribe fees or charges payable for any certificate, licence, approval, permit or consent form or inspection made by the water service provider under this bylaw.

13.2 The fee for each infringement offence listed in clause 12.2 is $1000 for an individual and $3000 for a body corporate.

14. NOTICES AND ORDERS

14.1 The water service provider may give notice to any person in breach of this bylaw to carry out any remedial action in order to comply with the bylaw and every such notice shall state the time within which the remedial action is to be carried out, and may be extended from time to time.

14.2 The ~~chief executive of the~~ water service provider may serve a compliance order or infringement notice in accordance with ~~section 297 of~~ the Local Government (Water Services) Act 2025. For the purposes of sections 269(c)-(e) of the Local Government (Water Services) Act 2025, infringement notices and reminder notices must be in the form set out in Schedule One of this Bylaw.

15. PENALTIES

15.1 Subject to anything to the contrary, every person who commits an offence against this bylaw shall be subject to the penalties set out in the Local Government (Water Services) Act 2025.

15.2 The water service provider, or an authorised agent appointed by it, may remove or alter any work or thing that is or has been constructed in breach of this bylaw.

15.3 The water service provider may recover the costs of removing or altering the work or thing that is in breach of this bylaw from the person who committed the breach. This does not relieve that person of liability for the breach.

16. DISPENSING POWERS

16.1 The water service provider may waive full compliance with any provision of this bylaw in a case where the water service provider is of the opinion that full compliance would needlessly cause harm, loss or inconvenience to any person or business without any corresponding benefit to the community. The water service provider may in its discretion impose conditions of any such waiver.

EXPLANATORY NOTE

Consistency with principles of responsible regulation

Tauranga City Council provided the following documents relating to its review of this secondary legislation, and its process for developing it, for consistency with the principles of responsible regulation under the Regulatory Standards Act 2025:

- *a consistency accountability statement on 2 September 2026.*
- *a summary of underpinning analysis on 2 September 2026.*

Copies of these documents can be found at www.tauranga.govt.nz/council/policies-and-bylaws

Tauranga City Council considers that a statement from the maker under section 14(1)(b) of the Regulatory Standards Act 2025 is not required for this secondary legislation.

SCHEDULE ONE – FORM OF INFRINGEMENT NOTICE AND REMINDER NOTICE

Form of Infringement Notice

Issued under the authority of section 272 of the Local Government (Water Services) Act 2025

Notice number:
Date issued:

Enforcement authority:
[Tauranga City Council/Water Service Provider]
[address and contact details of enforcement authority]

To: [Full legal name]
[Address]
[other identifying details if known, eg NZBN or date of birth]

You are alleged to have committed an infringement offence against the Local Government (Water Services) Act 2025 and Stormwater Bylaw 2026, as follows:

Details of alleged infringement offence

Section of Local Government (Water Services) Act 2025 and Stormwater Bylaw 2026 contravened: Under clause 12.2 of the Bylaw, and s 266 of the Local Government (Water Services) Act 2025, namely section *[select applicable section – 307/320/322/324/326/327/328/330/331/332].*
Nature of infringement:
Location:
Date:
Approximate time:
The infringement fee for this offence is $1000.00/3000.00 *[delete whichever is not applicable]*

Payment of infringement fee

The infringement fee is payable to [Tauranga City Council/Water Service Provider] within 28 days after service, being not later than [*insert date 28 days after notice is delivered personally or served by post*]
The infringement fee is payable to [Tauranga City Council/Water Service Provider]:

- by cash/eftpos/credit card at [Tauranga City Council/Water Service Provider physical address]; or
- online at [provide link to online payment portal (if any)].

The contact details of [Tauranga City Council/Water Service Provider] are as noted above.

You must provide reference to this infringement notice number, or present the notice, when making payment.
Compliance Officer Identification and Identity Card number:

[*insert full name and identify card number, ensuring that the officer has the required delegated authority*]

The Compliance Officer is acting under an appointment of authority issued by [Tauranga City Council/Water Service Provider], pursuant to section 278 of the Local Government (Water Services) Act 2025, authorising the Officer to carry out all of the functions and powers as a Compliance Officer under the Local Government (Water Services) Act 2025.

Signature of Compliance Officer:
[*Insert*]

Queries or other correspondence related to the offence must be directed to the Compliance Officer above. Please include in all written correspondence the date of the alleged infringement offence, the infringement notice number, and your name and address for replies.

IMPORTANT: PLEASE READ ATTACHED SUMMARY OF RIGHTS

SUMMARY OF RIGHTS

Note: If, after reading this summary, you do not understand anything in it, you should consult a lawyer immediately.

Please also note that in any proceedings for an infringement offence for which an infringement notice has been issued:

a) it is a defence if you prove that the infringement fee for the offence has been paid to the enforcement authority using one of the methods specified in this notice before or within 28 days after service of a reminder notice on you in respect of the offence, but

b) it is not a defence that the infringement fee for the offence has been paid otherwise than as referred to in paragraph (a).

Payment

1. If you pay the infringement fee within 28 days after the service of this notice, no further action will be taken against you in respect of this infringement offence. Payments should be made to [Tauranga City Council/Water Service Provider] at the address shown on the front of this notice.
   Note: If, under section 21(3A) or (3C)(a) of the Summary Proceedings Act 1957, you enter or have entered into a time to pay arrangement with [Tauranga City Council/Water Service Provider] in respect of an infringement fee payable by you, paragraphs 3 and 4 below do not apply and you are not entitled either to request a hearing to deny liability or to ask the Court to consider any submissions (as to penalty or otherwise) in respect of the infringement.

Further Action

2. If you wish to raise any matter relating to circumstances of the alleged offence, you should do so by writing to [Tauranga City Council/Water Service Provider] at the address shown on the front of this notice within 28 days after the service of a reminder notice in respect of this offence.

3. If you deny liability and wish to request a hearing in the District Court in respect of the alleged offence, you must, within 28 days after the service of a reminder notice in respect of this offence, write to [Tauranga City Council/Water Service Provider] at the address shown on the front page of this notice requesting a Court hearing in respect of the offence. [Tauranga City Council/Water Service Provider] will then, if it decides to commence court proceedings in respect of the offence, serve you with a notice of hearing setting out the place and time at which the matter will be heard by the Court.

   Note: If the Court finds you guilty of the offence, costs will be imposed in addition to any penalty.

4. If you admit liability in respect of the alleged offence but wish to have the Court consider submissions as to penalty or otherwise, you must, within 28 days after the service of a reminder notice, deliver a written request for a hearing to [Tauranga City Council/Water Service Provider] at the address shown on the front page of this notice. The request must also admit liability in respect of the offence **and** set out the submissions that you would wish the Court to consider. [Tauranga City Council/Water Service Provider] will then, if it decides to commence court proceedings in respect of the offence, file your letter with the Court. There is no provision for an oral hearing before the Court if you follow this course of action.

Note: The Court may impose a penalty that is higher than the infringement fee and costs will be imposed in addition to any penalty.

Nonpayment of Fee

5. If you do not pay the infringement fee and do not deliver a letter requesting a hearing within 28 days after the service of this notice, you will be served with a reminder notice (unless [Tauranga City Council/Water Service Provider] decides otherwise).

6. If you do not pay the infringement fee and do not deliver a letter requesting a hearing in respect of the alleged infringement offence within 28 days after the service of the reminder notice, you will become liable to pay **costs in addition to the infringement fee** (unless [Tauranga City Council/Water Service Provider] decides not to commence court proceedings against you).

Defence

7. You will have a complete defence against proceedings relating to the alleged offence if the infringement fee is paid to [Tauranga City Council/Water Service Provider] at the address shown on the front page of this notice within 28 days after the date of service of a reminder notice in respect of the offence. Late payment or payment made to any other address will not constitute a defence to proceedings in respect of the alleged offence.

Queries/correspondence

8. When writing or making payment of an infringement fee, please indicate—

   (a) the date of the infringement offence; **and**

   (b) the infringement notice number; **and**

   (c) the identifying number of each alleged offence and the course of action you are taking in respect of it (if this notice sets out more than 1 offence and you are not paying all the infringement fees for all the alleged offences); **and**

   (d) your full address for replies (if you are not paying all the infringement fees for all the alleged offences).

Full details of your rights and obligations are set out in section 21 of the Summary Proceedings Act 1957.

Note: all payments, all queries, and all correspondence regarding this infringement must be directed to [Tauranga City Council/Water Service Provider] at the address shown.

Form of Infringement Reminder Notice

Issued under the authority of sections 272 and 276 of the Local Government (Water Services) Act 2025

Reminder Notice number:
Date issued:

Enforcement authority:
[Tauranga City Council/Water Service Provider]
[address and contact details of enforcement authority]

To: [Full legal name]
[Address]
[other identifying details if known, eg NZBN or date of birth]

You are alleged to have committed an infringement offence against the Local Government (Water Services) Act 2025 and/or the Stormwater Bylaw 2026, as follows.

Details of alleged infringement offence

Section of Local Government (Water Services) Act 2025 and Stormwater Bylaw 2026 contravened: Under clause 12.2 of the Bylaw, and s 266 of the Local Government (Water Services) Act 2025, namely section *[select applicable section – 307/320/322/324/326/327/328/330/331/332].*
Nature of infringement:
Location:
Date:
Approximate time:
Officer who issued infringement notice:

Service details (to be provided for filing in court)

Infringement notice served by personal service/by prepaid post/electronically (where the person does not have a known place of residence or business in New Zealand)* on:
[date]
Reminder notice served by personal service/by prepaid post/electronically (where the person does not have a known place of residence or business in New Zealand)* on: [date]
At: [address]
*Select one.

Infringement fee

The infringement fee for this offence is $1000.00/3000.00*[delete whichever is not applicable]*
Amount of infringement fee unpaid is $[amount]
Other fees [specify (if any)]: $[amount]
Total payable: $[amount]
Other penalties [specify (if any)]

Payment of infringement fee

The infringement fee was payable to [Tauranga City Council/Water Service Provider] within 28 days from [date notice was served]. The last day for payment is [date].

The infringement fee remains payable to [Tauranga City Council/Water Service Provider]:

- by cash/eftpos/credit card at [Tauranga City Council/Water Service Provider physical address]; or
- online at [provide link to online payment portal (if any)].

The contact details of [Tauranga City Council/Water Service Provider] are as noted above.

Please present this notice or reference the notice number above with your payment.

Compliance Officer Identification and Identity Card number:

[*insert full name and identify card number, ensuring that the officer has the required delegated authority*]

The Compliance Officer is acting under an appointment of authority issued by [Tauranga City Council/Water Service Provider], pursuant to section 278 of the Local Government (Water Services) Act 2025, authorising the Officer to carry out all of the functions and powers as a Compliance Officer under the Local Government (Water Services) Act 2025.

Signature of Compliance Officer:
[*Insert*]

Queries or other correspondence related to the offence must be directed to the Compliance Officer above. Please include in all written correspondence the date of the alleged infringement offence, the infringement notice number, and your name and address for replies.

IMPORTANT: PLEASE READ ATTACHED SUMMARY OF RIGHTS

SUMMARY OF RIGHTS

Note: If, after reading this summary, you do not understand anything in it, you should consult a lawyer immediately.

Please also note that in any proceedings for an infringement offence for which an infringement notice has been issued:

a) it is a defence if you prove that the infringement fee for the offence has been paid to the enforcement authority using one of the methods specified in this notice before or within 28 days after service of a reminder notice on you in respect of the offence, but

b) it is not a defence that the infringement fee for the offence has been paid otherwise than as referred to in paragraph (a).

Payment

1. You have not paid the infringement fee described on the front page, or asked for a hearing, within 28 days after you were served with the infringement notice. That is why you have been served with this reminder notice.

   Note: If, under Section 21(3A) or (3C)(a) of the Summary Proceedings Act 1957, you enter or have entered into a time to pay arrangement with [Tauranga City Council/Water Service Provider] in respect of an infringement fee payable by you, paragraphs 3 and 4 below do not apply and you are not entitled either to request a hearing to deny liability or to ask the Court to consider any submissions (as to penalty or otherwise) in respect of the infringement.

Further Action

2. If you wish to raise any matter relating to circumstances of the alleged offence, you should do so by writing to [Tauranga City Council/Water Service Provider] at the address shown on the front of this notice within 28 days after the service of this reminder notice.

3. If you deny liability and wish to request a hearing in the District Court in respect of the alleged offence, you must, within 28 days after the service of this notice, write to [Tauranga City Council/Water Service Provider] at the address shown on the front page of this notice requesting a Court hearing in respect of the offence. [Tauranga City Council/Water Service Provider] will then, if it decides to commence Court proceedings in respect of the offence, serve you with a notice of hearing setting out the place and time at which the matter will be heard by the Court.

   Note: If the Court finds you guilty of the offence, costs will be imposed in addition to any penalty.

4. If you admit liability in respect of the alleged offence but wish to have the Court consider submissions as to penalty or otherwise, you must, within 28 days after service of this notice, deliver a written request for a hearing to [Tauranga City Council/Water Service Provider] at the address shown on the front page of this notice. The request must also admit liability and set out the submissions you wish the Court to consider. [Tauranga City Council/Water Service Provider] will then, if it decides to commence Court proceedings in respect of the offence, file your letter with the Court. There is no provision for an oral hearing before the Court if you follow this course of action.

   Note: The Court may impose a penalty that is higher than the infringement fee and costs will be imposed in addition to any penalty.

Nonpayment of Fee

5. You will become liable to pay **costs in addition to the infringement fee** if:

   a. you do not pay the infringement fee within 28 days after you are served with this reminder notice; and

   b. you do not deliver a letter requesting a hearing to [Tauranga City Council/Water Service Provider] within 28 days after you are served with this reminder notice; and

c. [Tauranga City Council/Water Service Provider] decides to bring court proceedings against you.

6. If you pay all the infringement fees for all the alleged offences described in the infringement notice in a lump sum, please provide a note of:

a. the infringement notice number; and

b. the date of each infringement offence; and

c. the identifying number of each offence.

7. If you do not pay all the infringement fees for all the alleged offences described in the infringement notice in a lump sum, please provide a note of:

a. the offences you are paying fees for; and

b. the offences you are not paying fees for; and

c. what you are doing about the offences you are not paying fees for; and

d. your full address for replies.

Defence

8. You will have a complete defence against proceedings relating to the alleged offence if the infringement fee is paid to the [Tauranga City Council/Water Service Provider] at the address shown on the front page of this notice within 28 days after the date of service of this notice. Late payment or payment made to any other address will not constitute a defence to proceedings in respect of the alleged offence.

Queries / Correspondence

9. When writing or making payment of an infringement fee, please indicate:

a. the date of the infringement offence; and

b. the infringement notice number; and

c. the identifying number of each alleged offence and the course of action you are taking in respect of it (if this notice sets out more than one offence and you are not paying all the infringement fees for all the alleged offences); and

d. your full address for replies (if you are not paying all the infringement fees for all the alleged offences).

Full details of your rights and obligations are set out in section 21 of the Summary Proceedings Act 1957.

NOTE: All payments, all queries, and all correspondence regarding this infringement must be directed to [Tauranga City Council/Water Service Provider] at the address shown.

TRADE WASTE BYLAW 2026

First adopted	22 November 2004	**Minute reference**	*M04/105.3*
Revisions/amendments	31 July 2008	**Minute reference**	*M08/76.5*
	7 May 2019		*M19/25.8*
	2 September 2026	*Change to Local Government (Water Services) Act 2025*	*CO/26/0/21*
	[10 November 2026]	*Insert Infringement Notice Form Schedules*	*[TBC]*
Review date	This bylaw is to be reviewed 10 years after date of last review		
Relevant legislation	This bylaw was made under section 258(1)(b) of the Local Government (Water Services) Act 2025		

1. TITLE

1.1 This bylaw is the Tauranga City Council Trade Waste Bylaw 2026.

2. COMMENCEMENT

2.1 This bylaw comes into force on 1 December 2026.

3. APPLICATION AND INTERPRETATION

3.1 Unless otherwise stated, this Bylaw shall apply to the whole of the city.

3.2 This Bylaw applies to all Trade Premises within Tauranga City where Trade Wastes are discharged or sourced or are likely to be discharged to the Wastewater System, including Tankered Waste intended for discharge to the Wastewater System.

3.3 Words which refer to the singular include the plural and the plural includes the singular.

3.4 Reference to any act, regulation or plan or provision of any act, regulation or plan includes any amendment to that act, regulation or plan or any act, regulation or plan passed in substitution for it.

3.5 Notes in italics are explanatory or for information only and are not part of this Bylaw. These notes may be added, amended or deleted at any time without amending this Bylaw.

4. PURPOSE

4.1 The purpose of this Bylaw is to control and monitor Trade Waste discharges in a way that supports the operation and maintenance of a wastewater system that:

(a) aligns with Tauranga Taurikura, a city that values, protects and enhances our environment;

(b) aligns with Tauranga Mataraunui, a city where people feel safe, connected and healthy;

(c) complies with the Resource Management Act 1991 particularly in respect to Tauranga City Council's or the Water Service Provider's resource consents relating to the disposal of treated Wastewater, biosolids and discharges to air.

4.2 This Bylaw supports this purpose through:

(a) classifying Trade Waste to manage different Trade Waste characteristics;

(b) setting load and flow requirements to manage long-term, intermittent, or temporary discharges of Trade Waste to the Wastewater System at levels that enable compliance with Tauranga City Council's or the Water Service Provider's wastewater discharge resource consents;

(c) establishing requirements for pre-treatment of Trade Waste prior to discharge into the Wastewater System;

(d) providing for the sampling and monitoring of Trade Waste discharges;

(e) providing a basis for permitting discharges from Trade Premises;

(f) recovering costs associated with Trade Waste conveyance, treatment and disposal;

(g) protecting the wastewater system from damage, misuse and interference;

(h) encouraging correct storage of materials in order to protect the wastewater system from contamination; and

(i) promoting Trade Waste minimisation, the use of cleaner production processes, and waste management (including sludges).

Term	Definition
Allowed Discharges	means Trade Waste discharges that: (a) comply with all the physical and chemical characteristics set out in Schedule One and does not exceed a maximum volume of Trade Waste of $1m^3$/day; and (b) are deemed by the Water Service Provider to be low risk and a pre-treatment device is not required.
Approved	approved in writing by the Water Service Provider, either by resolution of the governing body of the Water Service Provider or by any Compliance Officer of the Water Service Provider.
Bylaw	refers to the Tauranga City Council Trade Waste Bylaw 2026.

Term	Definition
Compliance Officer	any person appointed by the Water Service Provider to administer and enforce this Bylaw in accordance with section 278 of the Local Government (Water Services) Act 2025.
Condensing Water or Cooling Water	means any water used in any trade, industry or commercial process or operation in such a manner that it does not take up matter into a solution or suspension.
Conditional Discharges	means Trade Waste discharges that: (a) are Temporary Discharges and are not Allowed Discharges or Controlled Discharges; or (b) do not comply with one or more of the physical and chemical characteristics set out in Schedule One; or (c) exceed a maximum volume of Trade Waste of $3m^3$/day; or (d) are deemed by the Water Service Provider to be high risk and a pre-treatment device or system is required; or (e) are Tankered Waste; or (f) contain Persistent Organic Pollutants.
Controlled Discharges	means Trade Waste discharges that: (a) comply with all the physical and chemical characteristics set out in Schedule One; and (b) exceed a maximum volume of $1m^3$/day but do not exceed a maximum volume of $3m^3$/day; and (c) are deemed by the Water Service Provider to be medium risk and a pre-treatment device is required.
Discharger	any Person, including a Permit holder, who discharges Trade Waste into the Wastewater System.
Domestic Wastewater	Wastewater (with or without matter in solution or suspension therein) of a domestic nature lawfully discharged from premises used solely for residential purposes.
Flow Meter	a meter with specifications that are approved by the Water Service Provider for the measurement of the rate or quantity of discharge of Trade Waste from a premises.
Maximum Concentration	means the instantaneous peak concentration that may be discharged at any instant in time.
Permit	means a permit issued by the Water Service Provider in accordance with this Bylaw.
Person	means an individual, a corporation sole, a body corporate, and an unincorporated body, and includes the Crown and any successor of a Person.

Term	Definition
Persistent Organic Pollutants	includes polyfluoroalkyl and perfluoroalkyl substances (PFAS), perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA)
Prohibited Discharge	means Trade Waste discharges that has, or is likely to have, any of the physical or chemical characteristics set out in Schedule Two.
Stormwater	surface water run-off resulting from rainfall.
Tankered Waste	means water or other liquid, including waste matter in solution or suspension, which is conveyed by vehicle for disposal, but does not include Domestic Wastewater that is discharged directly from houses, caravans, buses or similar vehicles.
Temporary Discharge	means any discharge of an intermittent or short duration. Such discharges include the short-term discharge of an unusual waste from Trade Premises subject to an existing Permit.
Trade Premises	means any land or premises used, or intended to be used, for an industrial, commercial, or trade purpose, or for storing, transferring, treating, or discharging Trade Waste.
Trade Waste	means any waste that is discharged in the course of an industrial, commercial, or trade process or operation, or a related process or operation and is discharged, or should be discharged, in a Wastewater System but does not include any class of waste or material that has been specified to not be trade waste by a Trade Waste Discharge Plan.
Trade Waste Discharge Plan	Means a plan made by a Water Service Provider under section 185 of the Local Government (Water Services) Act 2025 (if any).
Wastewater	means Domestic Wastewater and Trade Waste.
Wastewater System	means the system for collection, treatment and disposal of Wastewater including all sewers, pumping stations, storage tanks, Wastewater treatment plants, outfalls and other related structures operated by the Water Service Provider.
Water Service Provider	is as defined in the Local Government (Water Services) Act 2025. At the date of this Bylaw, this includes a territorial authority that has not transferred to a water organisation all of the authority's responsibility for providing water services, in relation to the water services for which the authority continues to have responsibility; or a water organisation to which a territorial authority or a regional council has transferred responsibility for providing water services, in relation to the responsibility transferred.

These definitions apply unless the context requires otherwise.

5. CLASSIFICATION AND RESTRICTION OF DISCHARGES

5.1 Trade Waste discharges shall be classified as:

(a) Allowed Discharges; or

(b) Controlled Discharges; or

(c) Conditional discharges; or

(d) Prohibited Discharges.

5.2 No Person may make a Controlled discharge, or a Conditional discharge to the Wastewater System without a Permit. A Permit is not required to make an Allowed discharge.

5.3 No Person shall, except in accordance with the provisions of this Bylaw and any Permit:

(a) discharge or allow to be discharged, any Trade Waste to the Wastewater System;

(b) discharge, or allow to be discharged, any Prohibited Discharge into the Wastewater System;

(c) add or permit the addition of potable, non-potable, Condensing Water or Cooling Water to any Trade Waste which discharges into the Wastewater System unless specific approval is given in a Permit;

(d) discharge, or allow to be discharged, waste matter in solution or suspension, which is conveyed by vehicle for disposal, including septic tank wastes, directly into the Wastewater System;

(e) add or permit the addition of Stormwater to any Trade Waste which discharges into the Wastewater System unless specific approval is given in a Permit; or

(f) dispose of solid waste which has been processed through a refuse or garbage grinder or macerator into the Wastewater System unless specific approval is given in a Permit.

5.4 The occupier of Trade Premises is responsible for the discharge of any Trade Waste from those Trade Premises (whether or not the occupier is the Discharger) and for compliance with this Bylaw in respect to those Trade Premises.

5.5 The nature and level of any allowed discharge characteristic set out in Schedule One may be added, removed or varied by publicly notified Water Service Provider resolution.

5.6 The Water Service Provider will give at least 20 working days' notice prior to any amendments to Schedules One or Two. Where possible, this notice will be given in writing to Dischargers.

5.7 Obtaining a Permit for any Trade Waste discharge under this Bylaw does not relieve the Person discharging or allowing the discharge, from any obligations to:

(a) obtain any other permit, consent or permission for the discharge under any other statutory requirements; or

(b) comply with other legislation, such as the Hazardous Substances and New Organisms Act 1996 and the Resource Management Act 1991.

6. APPLICATIONS FOR TRADE WASTE PERMITS

6.1 Any Person may apply to the Water Service Provider to:

(a) grant a Permit for (either continuously, intermittently, or temporarily) Controlled Discharges or Conditional Discharges into the Wastewater System; or

(b) transfer a Permit for Conditional Discharges in accordance with clause 11.2; or

(c) vary the characteristics specified by a Permit; or

(d) vary the conditions of a Permit; or

(e) vary the method or means of pre-treatment for discharge under a Permit; or

(f) waive compliance in accordance with clause 6.4 or 21.1.

6.2 Applications under clause 6.1 must be in the form, and contain the information, required by the Water Service Provider and accompanied by the prescribed fee for the category of Permit applied for.

6.3 Where the Trade Premises produce Trade Waste from more than one area, separate descriptions of the Trade Waste and the areas concerned shall be included in any application and the Water Service Provider may require separate applications for each point of Trade Waste discharge according to the different categories or conditions for the characteristics of the discharges. This applies whether or not the separate areas of the Trade Premises are part of a single or separate trade process.

6.4 A Person may apply to the Water Service Provider to waive compliance with the requirement to obtain a Permit under this Bylaw on the basis that due to the nature, volume or other circumstances, it would needlessly affect the operation of a business or cause inconvenience to a Person, without any corresponding reduction of impact on the operation of the Wastewater System. Any waiver of the requirement to obtain a Permit is at the absolute discretion of the Water Service Provider in accordance with clause 21.1.

6.5 In any application process for a Permit, the Water Service Provider reserves the right to deal with the owner, as well as the occupier of the relevant Trade Premises.

7. CONSIDERATION OF APPLICATIONS, GRANTS OF PERMITS AND REVIEWS

7.1 Within 20 working days (or as extended if warranted by exceptional circumstances by the Water Service Provider) of receipt of a complete application complying with this Bylaw the Water Service Provider shall, after considering the matters in Part One of Schedule Three do any one or more of the following:

(a) advise the applicant on the classification of the proposed discharge and request for any additional information to process the application;

(b) grant the applicant a Permit, or a variation of a Permit, and inform the applicant of the decision and the conditions imposed on the discharge;

(c) approve the transfer of a Permit for Conditional Discharges;

(d) decline the application and notify the applicant of the decision giving a statement of the reasons for refusal;

(e) waive compliance and inform the applicant of the decision and any conditions imposed.

7.2 Where the Water Service Provider:

(a) notifies an applicant that an application is incomplete, or

(b) requests additional information from the applicant,

the 20 working day period in clause 7.1 will be paused until the additional information or complete application is received by the Water Service Provider.

7.3 Permits may specify different requirements and conditions for different classifications of Trade Waste discharges and for different Trade Premises. A Permit may be granted subject to any requirements, conditions and limits that the Water Service Provider deems necessary to protect the Wastewater System or enable them to meet reporting obligations, including (without limitation) the conditions in Part Two of Schedule Three.

7.4 A Person whose application for a Permit is declined may apply to the Water Service Provider for an internal review of that decision. The Person applying for review and the Water Service Provider must follow the review process in accordance with the requirements of sections 191 to 194 of the Local Government (Water Services) Act 2025.

8. DURATION AND RENEWAL OF PERMITS

8.1 Permits for Controlled Discharges will be:

(a) issued for a period of one year; and

(b) subject to compliance with the terms of the Permit, including payment of fees, automatically renewed for one year at a time.

8.2 Permits for Conditional Discharges may be issued for a period of one or three years, as determined by the Water Service Provider.

8.3 The holder of a Conditional Discharge Permit may apply to renew a Permit.

8.4 An application for renewal of a Conditional Discharge Permit must be submitted to the Water Service Provider at least eight weeks before the expiry of the existing Permit.

8.5 Subject to clauses 10 and 11, a Permit holder, who has submitted an application for renewal in accordance with clause 8.4, may continue to discharge Trade Waste in accordance with the conditions of their existing Permit until:

(a) The Water Service Provider issues a renewed Permit; or

(b) The Water Service Provider declines to renew the Permit.

8.6 Where an application for a renewed Permit has not been made in accordance with clause 8.4, the Water Service Provider may require the Discharger to cease discharging Trade Waste at the expiry of the existing Permit until any new Permit is issued.

9. TECHNICAL REVIEW AND VARIATION OF PERMIT

9.1 At any time during the term of a Permit, the Water Service Provider may, after consultation with the Permit holder, by written notice reclassify the discharge and/or vary any condition of a Permit, having regard to issues such as:

(a) changes in the quantity, nature and characteristics of the discharges;

(b) changes in the Wastewater System;

(c) changes in circumstances that result in condition(s) becoming inappropriate or unnecessary;

(d) any apparent or actual breach of Permit conditions or any breach of this Bylaw;

(e) changes in the Water Service Provider's environmental policies or outcomes;

(f) changes in resource consents for the Wastewater System;

(g) changes in the legal requirements imposed on the Water Service Provider under any contract, statute or otherwise;

(h) changes to the Trade Waste Discharge Plan;

(i) new information becomes available.

9.2 A Permit holder may apply to vary any condition of a Permit at any time during the term of the Permit by submitting an application to the Water Service Provider in accordance with clause 7.1(c).

10. SUSPENSION OF DISCHARGES OR CANCELLATION OF PERMITS ON NOTICE

10.1 A Permit holder and a Discharger must:

(a) comply with all conditions of any relevant Permit; and

(b) to the extent that the discharge is authorised as an Allowed Discharge, ensure that the characteristics of the Allowed Discharge are satisfied; and

(c) promptly pay all fees or charges under this Bylaw which they are liable to pay.

10.2 If a Permit holder or Discharger fails to comply with clause 10.1(a), (b) or (c), the Water Service Provider may serve notice on that Person requiring them to comply within 20 working days or such longer period as the Water Service Provider in its discretion considers appropriate.

10.3 If a Permit holder or Discharger served with a notice under clause 10.2 does not comply within the time specified in the notice, then the Water Service Provider may suspend or cancel the Permit and/or right to discharge either wholly or in part. For the avoidance of doubt, this includes suspension or cancellation of the right to make what would otherwise be an Allowed Discharge.

10.4 The Water Service Provider may suspend or cancel any Permit or right to discharge either wholly or in part, on 20 working days' notice, if any other circumstances arise which, in the opinion of the Water Service Provider, render it necessary in the public interest to suspend or cancel the Permit or right to discharge.

10.5 The Water Service Provider may immediately suspend or cancel any Permit or right to discharge, either wholly or in part, by giving to the Permit holder or Discharger written notice of that suspension or cancellation, if:

(a) the Permit holder or Discharger fails to maintain effective control of their discharges or makes a Prohibited Discharge other than in accordance with a Permit; or

(b) the continuance of the discharge is, in the opinion of the Water Service Provider, endangering, or is likely to endanger, the health or safety of any person, damages or is likely to cause damage to the Wastewater System, causes, or is likely to cause, adverse effects on the environment; or

(c) the continuance of the discharge may, in the opinion of the Water Service Provider, result in a breach of a Wastewater System resource consent; or

(d) in the opinion of the Water Service Provider the continuance of the discharge puts at risk the ability of the Wastewater System to comply with any resource consent conditions and/or requires additional treatment measures to be taken or costs to be incurred in order to avoid a breach of any such resource consent; or

(e) the Water Service Provider is lawfully directed to cancel or otherwise terminate the Permit.

10.6 If the Water Service Provider has the power under this clause to cancel or suspend a Permit or right to discharge either on notice or immediately then it may exercise whichever option it considers appropriate in the circumstances of the case.

10.7 The Water Service Provider may elect to follow the notice process set out in clauses 10.2-10.5, and/or to serve a compliance order in accordance with section 297 of the Local Government (Water Services) Act 2025, whichever option is available or it considers appropriate in the circumstances of the case.

10.8 Following an application for the variation of a Permit in accordance with clause 6.1, the Water Service Provider may in its discretion reinstate any right to discharge or grant a further Permit to any Person whose Permit or right has been suspended or cancelled under clauses 10.3, 10.4 or 10.5, and with or without such conditions as it considers appropriate. In deciding whether to act under this clause the Water Service Provider may take into account any relevant matters including the steps taken by the Person to ensure that the circumstances giving rise to the suspension or cancellation will not be continued or repeated.

10.9 Nothing in this clause:

(a) limits the power of the chief executive of the Water Service Provider to serve a compliance order, in accordance with section 297 of the Local Government (Water Services) Act 2025; or

(b) relieves a Person of liability for any breach of this Bylaw which they may have apart from this clause.

11. TRANSFER OR TERMINATION OF RIGHTS AND RESPONSIBILITIES

11.1 Permits for Controlled Discharges are not transferable. Where the Person who is the Discharger from Trade Premises changes, the new Discharger must apply for a new Permit for Controlled Discharges.

11.2 A Permit holder or Discharger must obtain approval from the Water Service Provider prior to:

(a) transferring their rights and responsibilities provided for under this Bylaw, and under a Permit for Conditional Discharges, to any other Person;

(b) allowing a point of discharge to serve another Trade Premises, or the private drain to that point to extend by pipe or any other means to serve another Trade Premises; or

(c) in particular, and not in limitation of the above, allow Wastewater from any other Person to be discharged at their point of discharge.

11.3 Water service provider will not unreasonably withhold approval to the renewal or transfer of a Permit for Conditional Discharges on change of ownership or occupation of the relevant Trade Premises if the characteristics of the Trade Waste remain unchanged.

11.4 A Discharger shall give at least 48 hours' notice in writing to Water Service Provider of any requirement for disconnection of the discharge connection and/or termination of the Permit, except where demolition or relaying of the discharge drain is required, in which case the notice shall be at least seven working days. The Discharger shall notify Water Service Provider of the new address details for final invoicing.

11.5 On permanent disconnection and/or termination the Discharger may at Water Service Provider's discretion be liable for Trade Waste charges to the end of the current charging period.

11.6 When a Permit holder ceases to occupy Trade Premises from which Trade Wastes are discharged, any Permit granted to that Permit holder in respect of those Trade Premises shall terminate but without relieving the Person discharging from any obligations existing at the date of termination.

12. MANAGEMENT OF HAZARDOUS MATERIALS

12.1 No Person shall store, transport, handle or use, or cause to be stored, transported, handled or used any of the materials described in clause 12.3 in a manner that may cause the material to enter the Wastewater System.

12.2 All Persons on Trade Premises must take all reasonable steps to prevent the entry of any of the materials described in 12.3 into the Wastewater System, including accidental entry as a result of leakage, spillage or other mishap.

12.3 The materials referred to in clauses 12.1 and 12.2 are products or wastes that:

(a) contain corrosive, toxic, biocidal, radioactive, flammable or explosive materials; or

(b) are likely to generate toxic, flammable, explosive or corrosive materials in quantities that are likely to be hazardous when mixed with the wastewater stream; or

(c) are likely to endanger the health and safety of any Person or be harmful to the Wastewater System or the environment.

13. TANKERED AND OTHER DISCHARGES

13.1 No Tankered Waste may be discharged directly into the Wastewater System.

13.2 Any Person transporting Tankered Waste must:

(a) comply with this Bylaw and the current New Zealand Trade and Industrial Waste Forum's Liquid and Hazardous Wastes Code of Practice;

(b) ensure the tanker is thoroughly washed (in an appropriate facility that protects the wastewater network and environment) between tanker loads of varying waste categories to prevent cross-contamination;

(c) where the Tankered Waste is discharged in Tauranga, ensure the Tankered Waste is discharged at a commercial waste treatment facility approved for Tankered Waste disposal by the Water Service Provider.

13.3 Any treatment facility receiving Tankered Waste and discharging into the Wastewater System must have a current Permit for Conditional Discharges.

13.4 No water used during the repair or construction of water mains maybe discharged into the Wastewater System without prior written approval from the Water Service Provider.

13.5 Any water used during the repair or construction of water mains shall be de-chlorinated to the level of being an Allowed Discharge prior to being discharged into the Wastewater System, if approved under clause 13.4.

13.6 Owners and operators of swimming pools may discharge pool water into the Wastewater System at the rate of an Allowed Discharge, once it is de-chlorinated to the level of being an Allowed Discharge. Otherwise a Permit or the prior written approval of the Water Service Provider is required for the discharge.

14. TREATMENT OF TRADE WASTE AND MASS LIMITS

14.1 The Water Service Provider may grant a Permit subject to the provision of appropriate pre-treatment systems. Such pre-treatment systems must be provided, operated and maintained by the Discharger at their expense.

14.2 Dischargers must:

(a) fit grease traps or interceptors, and may be required by the Water Service Provider to fit permanent non-removable commercial sink screens, in all food premises or any premises where any fat, grease, or oil or solids are likely to be discharged or could be present in the Trade Waste discharge and comply with the provisions of their Permit in respect of the sizing, cleaning and maintenance of the traps or interceptors.

(b) fit interceptor traps to Wastewater discharges from Trade Premises where oils, grit or other pollutants are likely to be present.

(c) refer to Part Three of Schedule Three for details of typical pre-treatment requirements for Trade Premises.

14.3 All dental premises must install suitable amalgam traps on all spittoons and on sink wastes used for washing dentistry equipment.

14.4 A Permit may impose controls on Trade Waste discharges by specifying mass limits for any characteristic of the Trade Waste. Any characteristic of a discharge with a mass limit imposed must also have a daily Maximum Concentration not exceeding the value tabled in Schedule One, unless the Water Service Provider has approved otherwise.

14.5 When setting mass limit allocations for a particular characteristic the Water Service Provider will consider:

(a) the operational requirements of and risk to the Wastewater System, and risks to occupational health and safety, public health, and the ultimate receiving environment;

(b) whether or not the levels proposed pose a threat to the potential, planned or actual beneficial reuse of Biosolids or sewage sludge;

(c) conditions in the Wastewater System near the Trade Waste discharge point and elsewhere in the Wastewater System;

(d) the extent to which the available wastewater treatment plant capacity was used in the last year and is expected to be used in the forthcoming year;

(e) whether or not the applicant uses cleaner production techniques within a period satisfactory to the Water Service Provider;

(f) whether or not there is any net benefit to be gained by the increase of one characteristic concurrently with the decrease of another to justify any increased application for wastewater treatment plant capacity;

(g) any requirements on the Water Service Provider to reduce the pollutant discharge of the Wastewater System;

(h) how great a proportion the mass flow of a characteristic of the discharge will be of the total mass flow of that characteristic in the Wastewater System;

(i) the total mass of the characteristic allowable in the Wastewater System, and the proportion (if any) to be reserved for future allocations, and

(j) whether or not there is an interaction with other characteristics which increases or decreases the effect of either characteristic on the Wastewater System, treatment process, or receiving water (or land).

15. SAMPLING, TESTING AND MONITORING

15.1 The Water Service Provider may sample, analyse and monitor Trade Waste discharges, and/or may require that discharges be sampled, analysed and monitored by the Discharger to determine:

(a) if discharges comply with the provisions of this Bylaw, or any conditions of a Permit; and/or

(b) if discharges are classified as Allowed Discharges, Controlled Discharges, Conditional Discharges, or Prohibited Discharges; and/or

(c) what fees or charges are applicable, if any.

15.2 Where the Water Service Provider requires metering to measure the flow rate and volume of Trade Waste discharges, the Discharger will:

(a) be responsible for the supply, installation, maintenance and reading of a Flow Meter. The Flow Meter shall be approved by the Water Service Provider but shall remain the property of the Discharger;

(b) make records of flow and/or volume available at any time reasonably requested by the Water Service Provider and shall submit the records to the Water Service

Provider at prescribed intervals, in a format and by the method approved by the Water Service Provider; and

(c) install the Flow Meters in accordance with the manufacturer's instructions, in a location that is readily accessible for reading and maintenance, to the satisfaction of the Water Service Provider.

15.3 Where no Flow Meter or similar apparatus is warranted, or a Flow Meter is out of repair or ceases to register, or where in the opinion of the Water Service Provider the Flow Meter has been tampered with, the Water Service Provider may require that a percentage of the water supplied to the Trade Premises, or other such basis as seems reasonable, be used for estimating the rate or quantity of flow of Trade Waste discharges.

15.4 Wastewater quality shall be determined by either:

(a) Measuring the concentration of its characteristics alone; or

(b) Measuring both the mass and the concentration of its characteristics.

15.5 A Compliance Officer may enter any premises believed to be discharging Trade Waste, as provided in section 282 of the Local Government (Water Services) Act 2025, in order to determine any characteristics of any actual or potential discharge by:

(a) Taking readings and measurements;

(b) Carrying out an inspection;

(c) Observing any occurrence of accidental discharge and clean-up; and/or

(d) Taking samples for testing, of any solid, liquid, or gaseous material or any combination or mixture of such materials being discharged.

15.6 Sampling, testing and monitoring will be undertaken by the Water Service Provider or Discharger in accordance with standard industry practice, including using an IANZ accredited laboratory for testing and analysis when reasonably required by the Water Service Provider.

16. TRANSITIONAL PROVISIONS

16.1 Every existing Trade Waste consent, permission, agreement granted under a previous Tauranga City Council Trade Waste Bylaw shall continue in force as if it were made or a Permit under this Bylaw until it reaches the expiry or renewal date specified in that existing consent, permission or agreement, provided that no consent shall run beyond three years of when this Bylaw comes into effect.

16.2 Where a discharge was permitted under clause 6.1(a) of the Trade Waste Bylaw 2019 but may require a permit under this Bylaw, a permit application must be received by the Water Service Provider no later than one year after the date this Bylaw is adopted.

16.3 This Bylaw is implied into and forms any part of any permission, consent or agreement continued by clause 16.1. Where there are inconsistencies between the terms of any permission, consent or agreement and the terms implied by this Bylaw, this Bylaw will prevail.

16.4 Any application for a consent to discharge Trade Waste made under the Tauranga City Council Trade Waste Bylaw 2019 for which a consent has not yet been granted at the

time of this new Bylaw coming into force will be deemed to be an application made under clause 6.1 of this Bylaw.

17. ACCIDENTS, OFFENCES AND BREACHES

17.1 In the event of any accident occurring that may alter the discharges into the Wastewater System from a Trade Premises:

(a) the Discharger must inform the Water Service Provider immediately on discovery of that accident, including spills or process mishaps, where it may cause breach of this Bylaw, even if the breach will be temporary;

(b) where a Permit for Controlled Discharges or Conditional Discharges applies, the Water Service Provider may initiate a review or cancellation of the Permit;

(c) where the Trade Premises usually produces Allowed Discharges, the Water Service Provider may require that the Discharger apply for a Permit.

17.2 Every Person breaches this Bylaw and commits an offence who:

(a) does, or allows anything to be done, which is contrary to this Bylaw or any part of it; or

(b) fails to do, or allows anything to remain undone, which ought to be done by that Person within the time and in the manner required by this Bylaw or any part of it; or

(c) does anything which this Bylaw prohibits; or

(d) fails to comply with any notice given to that Person under this Bylaw or any part of it or any condition of a Permit granted by the Water Service Provider; or

(e) obstructs or hinders any Compliance Officer or other Water Service Provider appointed Person in performing any duty or in exercising any power under this Bylaw.

17.3 The chief executive of the Water Service Provider, or their delegate, may:

(a) serve a compliance order on any Person to ensure compliance with this Bylaw or prevent, reduce or eliminate serious risks in accordance with section 297 of the Local Government (Water Services) Act 2025; and

(b) take remedial action in accordance with sections 302 and 303 of the the Local Government (Water Services) Act 2025.

17.4 For the purposes of section 269 of the Local Government (Water Services) Act 2025, the following offences are identified as infringement offences:

(a) Negligently disposing of or discharging materials or substances into wastewater network (s313).

(b) Connecting to or disconnecting from or discharging into the wastewater network without authorisation (s314).

(c) Discharging Trade Waste to the Wastewater System without a Permit (s317).

(d) Breach of Trade Waste Permit (s318).

(e) Failure to comply with water services bylaw relating to equipment or device causing specified serious risk (s327).

(f) Failure to comply with direction given by compliance officer (s331).

(g) Failure to comply with compliance order or court order (s332).

(h) Tampering with a Flow Meter or water meter (s333).

18. FEES AND CHARGES

18.1 The Water Service Provider may, in accordance with sections 187, 190 or 258 of the Local Government (Water Services) Act 2025, prescribe fees or charges payable for any service, certificate, authority, licence, approval, permit or consent from or inspection made by the Water Service Provider under this Bylaw.

18.2 In accordance with section 304 of the Local Government (Water Services) Act 2025, the Water Service Provider may recover the reasonable costs of any remedial action taken under clause 17.3(b).

18.3 The fee for each infringement offence listed in clause 17.4 is $1000 for an individual and $3000 for a body corporate.

19. NOTICES AND ORDERS

19.1 A Compliance Officer may give notice to any Person in breach of this Bylaw to carry out any remedial action in order to comply with the Bylaw and every such notice shall state the time within which the remedial action is to be carried out, and may be extended from time to time.

19.2 The Water Service Provider will issue any compliance orders and infringement notices in accordance with the requirements of the Local Government (Water Services) Act 2025. For the purposes of sections 269(c)-(e) of the Local Government (Water Services) Act 2025, infringement notices and reminder notices must be in the form set out in Schedule Four of this Bylaw.

20. PENALTIES

20.1 Subject to anything to the contrary, every Person who commits an offence against this Bylaw shall be subject to the penalties set out in Part 5 of the Local Government (Water Services) Act 2025.

20.2 The Water Service Provider or an authorised agent appointed by it, may remove or alter any work or thing that is or has been constructed in breach of this Bylaw.

20.3 The Water Service Provider may recover the costs of removing or altering the work or thing that is in breach of this Bylaw from the Person who committed the breach. This does not relieve that Person of liability for the breach.

21. DISPENSING POWERS

The Water Service Provider may waive full compliance with any provision of this Bylaw in a case where the Water Service Provider is of the opinion that full compliance would needlessly cause harm, loss or inconvenience to any Person or business without any corresponding benefit to the community. The Water Service Provider may in its discretion impose conditions of any such waiver.

EXPLANATORY NOTE

Consistency with principles of responsible regulation

Tauranga City Council provided the following documents relating to its review of this secondary legislation, and its process for developing it, for consistency with the principles of responsible regulation under the Regulatory Standards Act 2025:

- *a consistency accountability statement on 2 September 2026.*
- *a summary of underpinning analysis on 2 September 2026.*

Copies of these documents can be found at www.tauranga.govt.nz/council/policies-and-bylaws
Tauranga City Council considers that a statement from the maker under section 14(1)(b) of the Regulatory Standards Act 2025 is not required for this secondary legislation.

SCHEDULE ONE – CHARACTERISTICS OF ACCEPTABLE TRADE WASTE DISCHARGES

1. PHYSICAL CHARACTERISTICS OF ACCEPTABLE TRADE WASTE DISCHARGES

1.1 Volume and flow rate:

(a) the volume discharged in any 24 hour period shall not exceed:

(i) $1m^3$ for Allowed Discharges; or

(ii) $3m^3$ for Controlled Discharges;

(b) the maximum instantaneous flow rate shall not exceed 2.0 litres per second;

(c) the maximum flow rate over any 15 minute period shall not exceed 0.3 litres per second.

1.2 In accordance with clause 5.3(e), the discharge of Stormwater from any source into the Wastewater System is prohibited unless specific approval is given in a Permit.

1.3 The temperature shall not exceed 40^0c.

1.4 Solids

(a) Non-faecal gross solids shall have a maximum dimension which shall not exceed 15 mm;

(b) The suspended solids concentration shall not exceed $2000g/m^3$ at any time;

(c) The settleable solids content shall not exceed 50ml/l;

(d) Fibrous, woven, or sheet film or any other materials which may adversely interfere with the free flow of wastewater in the wastewater system shall not be present.

1.5 Oil and grease

(a) There shall be no free or floating layer of fat, oil or grease;

(b) There must be no discharge of fats, oils or greases containing substances that will become viscose between 0°c and 65°c;

(c) A Trade Waste discharge containing fats, oils or greases must not exceed $200g/m^3$.

1.6 There shall be no free layer (whether floating of settled) of solvents or organic liquids.

1.7 Radioactivity levels shall not exceed guidelines by the office of radiation safety code of practice csp1: use of unsealed radioactive material.

1.8 No waste shall have colour or colouring substance that causes the discharge to be coloured to the extent that it impairs wastewater treatment processes or compromises the treated wastewater consent to discharge held by the Water Service Provider.

2. CHEMICAL CHARACTERISTICS AND MASS LIMITS OF ACCEPTABLE TRADE WASTE DISCHARGES

2.1 The ph shall be between 6.0 and 10.0 at all times unless otherwise approved in writing by Water Service Provider.

2.2 The chemical oxygen demand shall not exceed a total mass of 7.5kg/day.

Acceptable Discharge Characteristics Table 1 – General chemical characteristics		
Characteristic	**Maximum concentration (g/m^3)**	**Mass limit (kg/day)**
MBAS (Methylene blue active substances)	500	0.5
Ammonia (measured as N) – free ammonia – ammonium salts	 50 200	 0.25 0.6
Kjeldahl nitrogen	150	1.0
Total phosphorus (as P)	50	0.25
Sulphate (measured as SO_4)	500	2.5
Sulphite (measured as SO_2)	15	0.075
Sulphide – as H_2S on acidification	5	0.025
Chlorine (measured as Cl_2) – free chlorine – hypochlorite	 3 30	 0.015 0.15
Dissolved aluminium	100	0.5
Dissolved iron	100	0.5
Boron (as B)	25	0.125
Bromine (as Br_2)	5	0.025
Fluoride (as F)	30	0.03
Cyanide – weak acid dissociable (as CN)	1	0.005

Acceptable Discharge Characteristics Table 2 – Heavy metals		
Metal	**Maximum concentration (g/m3)**	**Mass limit (kg/day)**
Antimony	5	0.025
Arsenic	5	0.005
Barium	5	0.025
Beryllium	0.005	0.000025
Cadmium	0.5	0.0025
Chromium	5	0.025
Cobalt	5	0.025
Copper	5	0.025
Lead	5	0.025
Manganese	5	0.025
Mercury	0.005	0.000025
Molybdenum	5	0.025
Nickel	5	0.025
Selenium	5	0.025
Silver	2	0.01
Thallium	5	0.025
Tin	5	0.025
Zinc	5	0.025

Acceptable Discharge Characteristics Table 3 – Organic compounds and pesticides		
Compound	**Maximum concentration (g/m3)**	**Mass limit (kg/day)**
Formaldehyde (as HCHO)	50	0.05
Phenolic compounds (as phenols) excluding chlorinated phenols	50	0.05
Chlorinated phenols	0.02	0.00002
Petroleum hydrocarbons	30	0.15
Halogenated aliphatic compounds	1	0.001
Monocyclic aromatic hydrocarbons	5	0.005
Polycyclic (or polynuclear) aromatic hydrocarbons (PAHs)	0.05	0.00005
Halogenated aromatic hydrocarbons (HAHs)	0.002	0.000002
Polychlorinated biphenyls (PCBs)	0.002	0.000002
Polybrominated biphenyls (PBBs)	0.002 each	0.000002
Pesticides (general) (includes insecticides, herbicides, fungicides and excludes organophosphate, organochlorine and any pesticides not registered for use in New Zealand)	0.2 in total	0.0002 total
Organophosphate pesticides	0.1	0.0001

Acceptable Liquid Pharmaceutical Waste Table 4 – Monthly liquid pharmaceutical waste discharge must not exceed the following volumes and concentrations of active ingredients	
Volume Limit	**Active Concentration**
10 litres	125mg / 5ml
5 litres	250mg / 5 ml
3 litres	Above 250mg / 5ml

If any of the limits in Tables 1 - 3 are different to the active concentration limits in Table 4, the lower limit becomes the allowed discharge.

SCHEDULE TWO – CHARACTERISTICS OF PROHIBITED DISCHARGES

1. PROHIBITED DISCHARGES

1.1 Any discharge has prohibited characteristics if it has any solid, liquid or gaseous matter or any combination or mixture of such matters which by itself or themselves or in combination with any other matter will immediately or in the course of time:

(a) interfere with the free flow of Wastewater in the Wastewater System;

(b) damage any part of the Wastewater System;

(c) in any way, directly or indirectly, cause the quality of the treated Wastewater or residual biosolids to be such that there is a breach of the conditions of a Permit issued under the Resource Management Act 1991, or water right, permit or other governing legislation, or commercial arrangement;

(d) prejudice the occupational health and safety risks faced by Wastewater workers;

(e) after treatment be toxic to fish, animals or plant life in the receiving waters;

(f) cause malodorous gases or substances to form which are of a nature or sufficient quantity to create a public nuisance; or

(g) have a colour or colouring substance that causes the discharge from any Wastewater treatment plant to receiving waters to be coloured.

1.2 A discharge has a prohibited characteristic if it has any amount of:

(a) harmful solids, including dry solid wastes and materials which combine with water to form a cemented mass;

(b) liquid, solid or gas which could be flammable or explosive in the wastes, including oil, fuel, solvents (except as allowed for in Schedule One), calcium carbide, and any other material which is capable of giving rise to fire or explosion hazards either spontaneously or in combination with wastewater;

(c) asbestos;

(d) tin (as tributyl and other organotin compounds);

(e) any organochlorine pesticides;

(f) waste that contains or is likely to contain material from a genetically modified organism that is not in accordance with an approval under the Hazardous Substances and New Organisms Act 1996. The material concerned may be from premises where the genetic modification of any organism is conducted or where a genetically modified organism is processed;

(g) any health care waste prohibited for discharge to a Wastewater system by New Zealand Standard (NZS) 4304 including cytotoxic waste, or any pathological or histological waste; or

(h) radioactivity levels in excess of the guidelines set by the Office of Radiation Safety.

SCHEDULE THREE – PERMIT CONSIDERATION CRITERIA AND CONDITIONS

1. PART ONE - Consideration Criteria

In considering any application under clause 6.1 and in imposing any conditions in a Permit, the Water Service Provider shall take into consideration the quality, volume, and rate of discharge of the Trade Waste from the Trade Premises or tanker and may take into consideration:

(a) the health and safety of Water Service Provider staff, agents and the public;

(b) the limits and/or maximum values for characteristics of Trade Waste as specified in Schedule One of this Bylaw;

(c) the extent to which the Trade Wastes may react with other Trade Wastes or Domestic Wastewater discharges to produce an undesirable effect, e.g. settlement of solids, production of odours, accelerated corrosion and deterioration of the wastewater system etc.;

(d) the flows and velocities in the Wastewater System and the material or construction of the Wastewater System;

(e) the capacity of the Wastewater System, or the part of the Wastewater System that will receive the discharges;

(f) the nature of any Wastewater treatment process, the degree to which the Trade Wastes are capable of being treated in the Wastewater System and any impacts on the Wastewater System;

(g) the timing and balancing of flows into the Wastewater System;

(h) any statutory requirements relating to the discharge of raw or treated wastewater to receiving waters, the disposal of sewage sludges, beneficial use of biosolids, and any discharge to air (including the necessity for compliance with any resource consent, discharge permit or water classification);

(i) the effect of the Trade Wastes discharge on the ultimate receiving environment;

(j) the conditions on resource consents for the Wastewater System and the residuals from it;

(k) the possibility of unscheduled, unexpected or accidental events and the degree of risk these could cause to humans, the Wastewater System and the environment;

(l) consideration for other existing or future discharges;

(m) amenability of the Trade Waste to pre-treatment;

(n) the provision of suitable pre-treatment facilities on the premises and the potential for its future use;

(o) cleaner production techniques and waste minimisation practices;

(p) requirements and limitations related to sewage sludge disposal and reuse;

(q) control of Stormwater;

(r) the applicant's discharge management plan;

(s) Tankered Waste being discharged at an approved location;

(t) where Persistent Organic Pollutants are present, the quantity in relation to the levels recommended by Taumata Arowai, the Environmental Protection Authority, or the Ministry for the Environment, and the guidance available from these organisations.

(u) the availability of alternative collection and disposal systems for putrescible wastes;

(v) any social or cultural impacts; and

(w) any views or preferences of persons likely to be affected by, or have an interest in the Trade Waste discharge or its effects identified through consultation or engagement.

2. PART TWO - Conditions of Permits

Any Permit to discharge Trade Waste may be granted subject to any conditions the Water Service Provider considers appropriate, including but not limited to:

(a) the Wastewater System, or part of the Wastewater System, to which the discharge will be made;

(b) the maximum daily volume of the discharge, the maximum rate of discharge, and the duration of maximum discharge;

(c) the maximum limit or permissible range of any specified characteristics of the discharge, including concentrations and/or mass limits determined in accordance with clause 14;

(d) the period or periods of the day during which the discharge, or a particular concentration, or volume of discharge may be made;

(e) the degree of acidity, or alkalinity of the discharge at the time of discharge;

(f) the temperature of the Trade Waste at the time of discharge;

(g) the provision and maintenance by, or for the Permit holder (at the Permit holder's expense) of screens, grease traps, silt traps or other pre-treatment works to control Trade Waste discharge characteristics to the permitted levels;

(h) the provision and maintenance (at the Permit holder's expense) of inspection chambers, manholes or other apparatus or devices to provide reasonable access to drains for sampling and inspection;

(i) the provision and maintenance of a sampling, analysis and testing programme and flow measurement requirements (at the Permit holder's expense);

(j) the method or methods to be used for the measuring of flow rates and/or volume and taking samples of the discharge for use in determining the amount of any Trade Waste charges applicable to that discharge;

(k) the provision and maintenance (at the Permit holder's expense) of Flow Meters or devices as may be required to measure the volume or flow rate of any Trade Waste

being discharged from the premises, and for the testing and certification of such meters;

(l) the provision and maintenance (at the Permit holder's expense) of such services, (whether electricity, water or compressed air or otherwise), which may be required, in order to operate Flow Meters and similar devices;

(m) the provision of all flow and/or volume records and results of analyses (including pre-treatment by-products e.g. sewage sludge disposal) by the Permit holder to the Water Service Provider, at the times and in a manner and format approved by the Water Service Provider;

(n) the provision and implementation of a Trade Waste discharge management plan by the Permit holder;

(o) risk assessment of damage to the environment due to an accidental discharge of a chemical or other contaminant;

(p) appropriate systems for waste minimisation and management;

(q) provision for cleaner production techniques;

(r) provision for third party treatment, carriage, discharge or disposal of by-products of pre-treatment of Trade Waste (including sewage sludge disposal);

(s) where the discharges includes Tankered Waste:

- compliance with the current New Zealand Trade and Industrial Forum's Liquid and Hazardous Wastes Code of Practice
- documentation of tracking of Tankered Waste from source to disposal
- non-contamination protocols where a tanker may transport either Domestic Wastewater or Trade Waste
- pre-testing of Tankered Waste to determine its character
- specialist advice on pre-treatment or acceptance may be required
- whether or not the facility may accept Tankered Waste containing hydro excavation wastewater.

(t) where the discharges include Persistent Organic Pollutants, a plan agreed with the Water Service Provider to remove and/or reduce those Persistent Organic Pollutants from the discharge;

(u) requirement to provide a bond or insurance in favour of the Water Service Provider where failure to comply with the Permit could result in damage to the Wastewater System, its treatment plants, or could result in the Water Service Provider being in breach of any statutory obligation;

(v) provision for remote monitoring and/or control of discharges; and

(w) provision for Water Service Provider's monitoring and non-compliance costs to be recovered.

3. PART THREE – Typical Pre-Treatment

Grease traps or grease interceptors

1. Grease traps or interceptors must:

   a) have a functional capacity of no less than 750 litres;

   b) be sized according to the greatest volume as specified in Table 1 contained in Schedule One;

   c) be cleaned out at least once every six months or more frequently as specified in Permit conditions. The frequency with which grease traps or interceptors are required to be cleaned out may be determined through a visual inspection and/or sample testing from the device outlet by the Water Service Provider.

2. Shared grease traps or interceptors, such as those operated by a body corporate or food court, must be sized appropriate to the total inputs. This must be no less than a functional capacity of 750 litres for each connected Premises.

3. A Permit holder whose Trade Premises has existing grease traps or interceptors with a functional capacity of less than 750 litres must provide evidence of adequate cleaning and maintenance of the existing grease traps or interceptors to the Water Service Provider's satisfaction.

Alternative Grease Removal Systems

4. Alternative grease removal systems must be:

   (a) operated in accordance with the manufacturer's instructions;

   (b) serviced and/or cleaned out by a contractor approved by Water Service Provider as specified in Permit conditions;

   (c) sized according to manufacturer's recommendation; and

   (d) may only be used with Water Service Provider's approval.

5. The frequency with which alternative grease removal systems are required to be serviced and/or cleaned out may vary. This will be determined by the Water Service Provider after a visual inspection and/or sample testing from the device outlet.

6. Alternative grease removal systems which do not meet the requirements contained in this Bylaw must be replaced at the Permit holder's expense.

Lint Traps

7. Lint traps may be required for discharges from Trade Premises where lint is likely to be present, for example, laundromats.

SCHEDULE FOUR – FORM OF INFRINGEMENT NOTICE AND REMINDER NOTICE

Form of Infringement Notice

Issued under the authority of section 272 of the Local Government (Water Services) Act 2025

Notice number:
Date issued:

Enforcement authority:
[Tauranga City Council/Water Service Provider]
[address and contact details of enforcement authority]

To: [Full legal name]
[Address]
[other identifying details if known, eg NZBN or date of birth]

You are alleged to have committed an infringement offence against the Local Government (Water Services) Act 2025 and Trade Waste Bylaw 2026, as follows:

Details of alleged infringement offence

Section of Local Government (Water Services) Act 2025 and Trade Waste Bylaw 2026 contravened: Under clause 17.4 of the Bylaw, and s 266 of the Local Government (Water Services) Act 2025, namely section *[select applicable section – 313/314/317/318/327/331/332/333].*
Nature of infringement:
Location:
Date:
Approximate time:
The infringement fee for this offence is $1000.00/3000.00 *[delete whichever is not applicable]*

Payment of infringement fee

The infringement fee is payable to [Tauranga City Council/Water Service Provider] within 28 days after service, being not later than [*insert date 28 days after notice is delivered personally or served by post*]
The infringement fee is payable to [Tauranga City Council/Water Service Provider]:

- by cash/eftpos/credit card at [Tauranga City Council/Water Service Provider physical address]; or
- online at [provide link to online payment portal (if any)].

The contact details of [Tauranga City Council/Water Service Provider] are as noted above.

You must provide reference to this infringement notice number, or present the notice, when making payment.

Compliance Officer Identification and Identity Card number:

[*insert full name and identify card number, ensuring that the officer has the required delegated authority*]

The Compliance Officer is acting under an appointment of authority issued by [Tauranga City Council/Water Service Provider], pursuant to section 278 of the Local Government (Water Services) Act 2025, authorising the Officer to carry out all of the functions and powers as a Compliance Officer under the Local Government (Water Services) Act 2025.

Signature of Compliance Officer:
[*Insert*]

Queries or other correspondence related to the offence must be directed to the Compliance Officer above. Please include in all written correspondence the date of the alleged infringement offence, the infringement notice number, and your name and address for replies.

IMPORTANT: PLEASE READ ATTACHED SUMMARY OF RIGHTS

SUMMARY OF RIGHTS

Note: If, after reading this summary, you do not understand anything in it, you should consult a lawyer immediately.

Please also note that in any proceedings for an infringement offence for which an infringement notice has been issued:

a) it is a defence if you prove that the infringement fee for the offence has been paid to the enforcement authority using one of the methods specified in this notice before or within 28 days after service of a reminder notice on you in respect of the offence, but

b) it is not a defence that the infringement fee for the offence has been paid otherwise than as referred to in paragraph (a).

Payment

1. If you pay the infringement fee within 28 days after the service of this notice, no further action will be taken against you in respect of this infringement offence. Payments should be made to [Tauranga City Council/Water Service Provider] at the address shown on the front of this notice.
   Note: If, under section 21(3A) or (3C)(a) of the Summary Proceedings Act 1957, you enter or have entered into a time to pay arrangement with [Tauranga City Council/Water Service Provider] in respect of an infringement fee payable by you, paragraphs 3 and 4 below do not apply and you are not entitled either to request a hearing to deny liability or to ask the Court to consider any submissions (as to penalty or otherwise) in respect of the infringement.

Further Action

2. If you wish to raise any matter relating to circumstances of the alleged offence, you should do so by writing to [Tauranga City Council/Water Service Provider] at the address shown on the front of this notice within 28 days after the service of a reminder notice in respect of this offence.

3. If you deny liability and wish to request a hearing in the District Court in respect of the alleged offence, you must, within 28 days after the service of a reminder notice in respect of this offence, write to [Tauranga City Council/Water Service Provider] at the address shown on the front page of this notice requesting a Court hearing in respect of the offence. [Tauranga City Council/Water Service Provider] will then, if it decides to commence court proceedings in respect of the offence, serve you with a notice of hearing setting out the place and time at which the matter will be heard by the Court.

   Note: If the Court finds you guilty of the offence, costs will be imposed in addition to any penalty.

4. If you admit liability in respect of the alleged offence but wish to have the Court consider submissions as to penalty or otherwise, you must, within 28 days after the service of a reminder notice, deliver a written request for a hearing to [Tauranga City Council/Water Service Provider] at the address shown on the front page of this notice. The request must also admit liability in respect of the offence **and** set out the submissions that you would wish the Court to consider. [Tauranga City Council/Water Service Provider] will then, if it decides to commence court proceedings in respect of the offence, file your letter with the Court. There is no provision for an oral hearing before the Court if you follow this course of action.

Note: The Court may impose a penalty that is higher than the infringement fee and costs will be imposed in addition to any penalty.

Nonpayment of Fee

5. If you do not pay the infringement fee and do not deliver a letter requesting a hearing within 28 days after the service of this notice, you will be served with a reminder notice (unless [Tauranga City Council/Water Service Provider] decides otherwise).

6. If you do not pay the infringement fee and do not deliver a letter requesting a hearing in respect of the alleged infringement offence within 28 days after the service of the reminder notice, you will become liable to pay **costs in addition to the infringement fee** (unless [Tauranga City Council/Water Service Provider] decides not to commence court proceedings against you).

Defence

7. You will have a complete defence against proceedings relating to the alleged offence if the infringement fee is paid to [Tauranga City Council/Water Service Provider] at the address shown on the front page of this notice within 28 days after the date of service of a reminder notice in respect of the offence. Late payment or payment made to any other address will not constitute a defence to proceedings in respect of the alleged offence.

Queries/correspondence

8. When writing or making payment of an infringement fee, please indicate—

   (a) the date of the infringement offence; **and**

   (b) the infringement notice number; **and**

   (c) the identifying number of each alleged offence and the course of action you are taking in respect of it (if this notice sets out more than 1 offence and you are not paying all the infringement fees for all the alleged offences); **and**

   (d) your full address for replies (if you are not paying all the infringement fees for all the alleged offences).

Full details of your rights and obligations are set out in section 21 of the Summary Proceedings Act 1957.

Note: all payments, all queries, and all correspondence regarding this infringement must be directed to [Tauranga City Council/Water Service Provider] at the address shown.

Form of Infringement Reminder Notice

Issued under the authority of sections 272 and 276 of the Local Government (Water Services) Act 2025

Reminder Notice number:
Date issued:

Enforcement authority:
[Tauranga City Council/Water Service Provider]
[address and contact details of enforcement authority]

To: [Full legal name]
[Address]
[other identifying details if known, eg NZBN or date of birth]

You are alleged to have committed an infringement offence against the Local Government (Water Services) Act 2025 and/or the Trade Waste Bylaw 2026, as follows.

Details of alleged infringement offence

Section of Local Government (Water Services) Act 2025 and Trade Waste Bylaw 2026 contravened: Under clause 17.4 of the Bylaw, and s 266 of the Local Government (Water Services) Act 2025, namely section *[select applicable section – 313/314/317/318/327/331/332/333].*
Nature of infringement:
Location:
Date:
Approximate time:
Officer who issued infringement notice:

Service details (to be provided for filing in court)

Infringement notice served by personal service/by prepaid post/electronically (where the person does not have a known place of residence or business in New Zealand)* on:
[date]
Reminder notice served by personal service/by prepaid post/electronically (where the person does not have a known place of residence or business in New Zealand)* on: [date]
At: [address]
*Select one.

Infringement fee

The infringement fee for this offence is $1000.00/3000.00*[delete whichever is not applicable]*
Amount of infringement fee unpaid is $[amount]
Other fees [specify (if any)]: $[amount]
Total payable: $[amount]
Other penalties [specify (if any)]

Payment of infringement fee

The infringement fee was payable to [Tauranga City Council/Water Service Provider] within 28 days from [date notice was served]. The last day for payment is [date].

The infringement fee remains payable to [Tauranga City Council/Water Service Provider]:

- by cash/eftpos/credit card at [Tauranga City Council/Water Service Provider physical address]; or
- online at [provide link to online payment portal (if any)].

The contact details of [Tauranga City Council/Water Service Provider] are as noted above.

Please present this notice or reference the notice number above with your payment.

Compliance Officer Identification and Identity Card number:

[*insert full name and identify card number, ensuring that the officer has the required delegated authority*]

The Compliance Officer is acting under an appointment of authority issued by [Tauranga City Council/Water Service Provider], pursuant to section 278 of the Local Government (Water Services) Act 2025, authorising the Officer to carry out all of the functions and powers as a Compliance Officer under the Local Government (Water Services) Act 2025.

Signature of Compliance Officer:
[*Insert*]

Queries or other correspondence related to the offence must be directed to the Compliance Officer above. Please include in all written correspondence the date of the alleged infringement offence, the infringement notice number, and your name and address for replies.

IMPORTANT: PLEASE READ ATTACHED SUMMARY OF RIGHTS

SUMMARY OF RIGHTS

Note: If, after reading this summary, you do not understand anything in it, you should consult a lawyer immediately.

Please also note that in any proceedings for an infringement offence for which an infringement notice has been issued:

a) it is a defence if you prove that the infringement fee for the offence has been paid to the enforcement authority using one of the methods specified in this notice before or within 28 days after service of a reminder notice on you in respect of the offence, but

b) it is not a defence that the infringement fee for the offence has been paid otherwise than as referred to in paragraph (a).

Payment

1. You have not paid the infringement fee described on the front page, or asked for a hearing, within 28 days after you were served with the infringement notice. That is why you have been served with this reminder notice.

   Note: If, under Section 21(3A) or (3C)(a) of the Summary Proceedings Act 1957, you enter or have entered into a time to pay arrangement with [Tauranga City Council/Water Service Provider] in respect of an infringement fee payable by you, paragraphs 3 and 4 below do not apply and you are not entitled either to request a hearing to deny liability or to ask the Court to consider any submissions (as to penalty or otherwise) in respect of the infringement.

Further Action

2. If you wish to raise any matter relating to circumstances of the alleged offence, you should do so by writing to [Tauranga City Council/Water Service Provider] at the address shown on the front of this notice within 28 days after the service of this reminder notice.

3. If you deny liability and wish to request a hearing in the District Court in respect of the alleged offence, you must, within 28 days after the service of this notice, write to [Tauranga City Council/Water Service Provider] at the address shown on the front page of this notice requesting a Court hearing in respect of the offence. [Tauranga City Council/Water Service Provider] will then, if it decides to commence Court proceedings in respect of the offence, serve you with a notice of hearing setting out the place and time at which the matter will be heard by the Court.

   Note: If the Court finds you guilty of the offence, costs will be imposed in addition to any penalty.

4. If you admit liability in respect of the alleged offence but wish to have the Court consider submissions as to penalty or otherwise, you must, within 28 days after service of this notice, deliver a written request for a hearing to [Tauranga City Council/Water Service Provider] at the address shown on the front page of this notice. The request must also admit liability and set out the submissions you wish the Court to consider. [Tauranga City Council/Water Service Provider] will then, if it decides to commence Court proceedings in respect of the offence, file your letter with the Court. There is no provision for an oral hearing before the Court if you follow this course of action.

   Note: The Court may impose a penalty that is higher than the infringement fee and costs will be imposed in addition to any penalty.

Nonpayment of Fee

5. You will become liable to pay **costs in addition to the infringement fee** if:

   a. you do not pay the infringement fee within 28 days after you are served with this reminder notice; and

   b. you do not deliver a letter requesting a hearing to [Tauranga City Council/Water Service Provider] within 28 days after you are served with this reminder notice; and

c. [Tauranga City Council/Water Service Provider] decides to bring court proceedings against you.

6. If you pay all the infringement fees for all the alleged offences described in the infringement notice in a lump sum, please provide a note of:

a. the infringement notice number; and

b. the date of each infringement offence; and

c. the identifying number of each offence.

7. If you do not pay all the infringement fees for all the alleged offences described in the infringement notice in a lump sum, please provide a note of:

a. the offences you are paying fees for; and

b. the offences you are not paying fees for; and

c. what you are doing about the offences you are not paying fees for; and

d. your full address for replies.

Defence

8. You will have a complete defence against proceedings relating to the alleged offence if the infringement fee is paid to the [Tauranga City Council/Water Service Provider] at the address shown on the front page of this notice within 28 days after the date of service of this notice. Late payment or payment made to any other address will not constitute a defence to proceedings in respect of the alleged offence.

Queries / Correspondence

9. When writing or making payment of an infringement fee, please indicate:

a. the date of the infringement offence; and

b. the infringement notice number; and

c. the identifying number of each alleged offence and the course of action you are taking in respect of it (if this notice sets out more than one offence and you are not paying all the infringement fees for all the alleged offences); and

d. your full address for replies (if you are not paying all the infringement fees for all the alleged offences).

Full details of your rights and obligations are set out in section 21 of the Summary Proceedings Act 1957.

NOTE: All payments, all queries, and all correspondence regarding this infringement must be directed to [Tauranga City Council/Water Service Provider] at the address shown.

11.9 Transport Resolutions Report No.63

File Number: **A21386838**

Author: **Caroline Irvin, Governance Advisor**

Authoriser: **Caroline Irvin, Governance Advisor**

BACKGROUND

1. The report accompanying this agenda item, ‘Transport Resolutions Report No.63’, will be circulated separately prior to the meeting.

11.10 Temporary Road Closure Report for Events 2026-2027

File Number: **A21386885**

Author: **Caroline Irvin, Governance Advisor**

Authoriser: **Caroline Irvin, Governance Advisor**

BACKGROUND

1. The report accompanying this agenda item, 'Temporary Road Closure Report for Events 2026-2027', will be circulated separately prior to the meeting.

11.11 International Air Travel - Hamburg Triathlon

File Number: **A21208403**

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

Authoriser: **Sarah Omundsen, General Manager: Regulatory and Community Services**

PURPOSE OF THE REPORT

1. To seek Council approval for international air travel for the Mayor (and potentially Elected Members) attending the World Triathlon Championship Finals in Hamburg, Germany, as part of Tauranga's preparations to host the event in 2028.

RECOMMENDATIONS

That the Council:

(a) Receives the report "International Air Travel - Hamburg Triathlon".

(b) Authorises international air travel for Mayor Mahé Drysdale (and either Cr Kevin Schuler or Cr Hemi Rolleston) to attend the World Triathlon Championship Finals and official host city handover in Hamburg, Germany from 8-12 September 2027 (with travel anticipated between 5-15 September 2027 – exact dates TBC).

(c) Notes that the wider Tauranga delegation is proposed to include:

(i) Gareth Wallis, Head of Community Hubs, Arts, Heritage and Events

(ii) Michelle Stevens, Event Development Manager

(iii) Oscar Nathan, Tourism Bay of Plenty (funded separately through Tourism Bay of Plenty/Tourism New Zealand).

(d) Notes the estimated travel cost per Council-funded delegate is approximately $7,480, comprising flights, accommodation, meals and incidental expenses.

(e) Notes costs associated with Council representatives will be met from existing Triathlon 2028 event budgets.

EXECUTIVE SUMMARY

2. Tauranga has been confirmed as the host city for the 2028 World Triathlon Championship Finals. Attendance at the 2027 event in Hamburg is an important milestone in the transition between host cities and forms part of Tauranga's preparations for hosting the championship in 2028.

3. The proposed delegation will participate in the official handover from Hamburg to Tauranga and engage with World Triathlon representatives, international federations, sponsors, and key stakeholders.

4. Attendance in Hamburg will also support:

(a) destination promotion and international marketing;

(b) stakeholder relationship management;

(c) operational learning and planning;

(d) cultural representation of Tauranga; and

(e) support for Triathlon New Zealand and the Triathlon 2028 programme.

5. A Council resolution is required under the Elected Members Expenses and Resources Policy to approve international air travel funded by Council.

BACKGROUND

6. Tauranga will host the World Triathlon Championship Finals in 2028. The 2027 event in Hamburg represents the final championship before Tauranga assumes host city responsibilities.

7. The official handover ceremony is a significant international occasion, providing Tauranga with the opportunity to formally receive host city status and commence promotion of the 2028 event to a global audience.

8. Attendance by a Tauranga delegation will enable:

   (a) participation in the official host city handover;

   (b) direct engagement with World Triathlon leadership;

   (c) relationship building with international federations and event stakeholders;

   (d) promotion of Tauranga as a world-class event destination;

   (e) observation of event delivery, infrastructure and operational practices; and

   (f) support of Triathlon New Zealand-hosted stakeholder functions.

9. The proposed delegation includes:

   (a) Mayor Mahé Drysdale

   (b) either Cr Kevin Schuler or Cr Hemi Rolleston

   (c) Gareth Wallis, Head of Community Hubs, Arts, Heritage and Events

   (d) Michelle Stevens, Event Development Manager

   (e) Oscar Nathan, Tourism Bay of Plenty.

10. Cr Schuler and Cr Rolleston are both members of the Tri '28 Steering Group and attended the 2025 World Triathlon Championship Finals in Wollongong, Australia. One elected member is proposed to accompany the Mayor, and assist with cultural and civic representation activities.

STATUTORY CONTEXT

11. Clause 5.1.2 of the Elected Members Expenses and Resources Policy requires all international air travel funded by Council to be authorised by a resolution of Council.

STRATEGIC ALIGNMENT

12. 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	✓

13. Hosting and promoting the World Triathlon Championship Finals supports Tauranga's position as a premier international events destination and is expected to deliver economic, tourism, and community benefits to the city.

OPTIONS ANALYSIS

14. The Council has the option of authorising the international travel or not authorising the international travel.

Advantages of authorising the travel include:

- facilitating the official handover of the event to Tauranga;
- strengthening relationships with World Triathlon and international stakeholders;
- increasing international awareness of Tauranga as the 2028 host city;
- gaining operational and commercial insights from Hamburg's event delivery; and
- supporting stakeholder engagement and destination promotion activities.

Disadvantages of authorising the travel include:

- travel and accommodation costs; and
- greenhouse gas emissions associated with international travel.

FINANCIAL CONSIDERATIONS

15. Estimated costs per traveller are approximately $7,480 and include:
    (a) Return international airfares: approximately $4,000-$5,600.
    (b) Accommodation: approximately $1,200-$1,400.
    (c) Meals and incidentals: up to $480.
    (d) Transport and other travel-related expenses as required.
16. Final costs will be confirmed once travel bookings are available, noting airlines generally release flight schedules 11-12 months before travel.
17. Travel costs for Council representatives are anticipated to be met from the approved World Triathlon 2028 event budget.
18. Oscar Nathan's travel costs are expected to be funded through Tourism Bay of Plenty and Tourism New Zealand.

RISKS AND LEGAL IMPLICATIONS

19. Participation in the handover and stakeholder programme supports delivery of Council's commitments associated with hosting the World Triathlon Championship Finals in 2028.
20. There are no identified legal implications associated with approving the proposed international travel.

TE AO MĀORI APPROACH

21. Cultural representation forms an important component of the proposed delegation. The participation of an elected member in a kaikōrero role will support appropriate cultural protocols and enable Tauranga to showcase its unique identity on the international stage.
22. The delegation provides an opportunity to demonstrate manaakitanga and strengthen international relationships through the sharing of Tauranga's cultural identity.

CLIMATE IMPACT

23. International air travel associated with the delegation will result in greenhouse gas emissions.
24. However, attendance in Hamburg is considered strategically important given the significance of the official host city handover, stakeholder engagement opportunities and operational learning outcomes that cannot be fully replicated remotely.

25. The proposed delegation has been limited to those with governance, operational, destination marketing, and relationship management responsibilities relevant to the successful delivery of the 2028 event.

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 needs 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.

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

ENGAGEMENT

29. 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

30. Subject to Council approval, travel arrangements will be finalised, and the delegation will attend the World Triathlon Championship Finals and host city handover activities in Hamburg, Germany in September 2027.

ATTACHMENTS

Nil

11.12 Action Schedule Status Updates - November 2026

File Number: **A21095634**

Author: **Caroline Irvin, Governance Advisor**

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

PURPOSE OF THE REPORT

1. This report provides a status update on actions requested during previous Council meetings.

RECOMMENDATIONS

That the Council:

(a) Receives the report "Action Schedule Status Updates - November 2026".

BACKGROUND

2. This is a recurring report provided to every second Council meeting. The next report will be to the 23 February 2027 meeting.
3. The attached update includes all open actions and actions completed since the last report on 1 September 2026.
4. Once reported, completed actions are archived and made available to Elected Members in their Stellar library.[7]

DISCUSSION

5. A summary of outstanding and recently closed actions, as at 23 October 2026, is provided in the following table:

Status of actions	No. actions
Closed (completed since the last report)	18
Pending (waiting on something)	2
In progress	14
To be actioned	5
Total actions included in this report	**39**

ATTACHMENTS

1. Actions from Council Meetings as at 23 October 2026 - A21384721

[7] Stellar pathway for completed Council actions: *Council and Committees (Agendas and Minutes -> Council -> Actions Requested by Council -> 'Closed actions from Council'.*

Meeting Date	Agenda Ref.	Report Name	Action required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
20 Oct 2026	11.7	Te Awanui Māori ward poll date	The Mayor requested that no appointments be made, and that no further work be progressed in relation to the Māori ward poll, until after the general election.		To be actioned		Christine Jones
20 Oct 2026	11.11	TECT Park sub-regional parks agreement	That the Council works collaboratively with Western Bay of Plenty District Council to develop and strengthen the relationship required to support future collaboration. This would		To be actioned		Reneke van Soest
20 Oct 2026	13.3	Cyber Programme Business Case	That the Chief Executive ensures trade-offs associated with additional funding requests are identified and discussed with elected members at an early stage, rather than late in the		To be actioned		Craig Rice
20 Oct 2026	13.5	Te Manawataki o Te Papa Limited - Director appointment	That Council considers whether transport is delivered by Te Manawataki o Te Papa Limited in the future.		To be actioned		Christine Jones
22 Sept 2026	11.5	Consultation on Options for a New Governance and Delivery Model for Tauranga Airport	That staff make the working group agendas and minutes publicly available where possible, noting redactions may be required.	**Update 28 October 2026:** A working group has been established. The inaugural meeting is yet to be scheduled.	In progress		Craig Rice
22 Sept 2026	13.1	Consultation on Possible Future Governance and Delivery Options of Community Assets	That staff make the working group agendas and minutes publicly available where possible, noting redactions may be required.	**Update 28 October 2026:** A working group has been established. The inaugural meeting is yet to be scheduled.	In progress		Craig Rice
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Improvement Programme in general**: that staff provide target delivery dates, rather than general timeframes, or include both, so it is clear when actions will be delivered.	Draft delivery timeframes have been developed. Further work is required to plan and size actions, allocate resources and determine appropriate target delivery dates. **September 2026:** The OIP presented to Council on 22 September for each action provides delivery dates. This will need further refinement once the Director has been appointed and resources are allocated to progress the OIP. In the interim those short term actions which can move forward are being progressed.	In progress		Christine Jones

Meeting Date	Agenda Ref.	Report Name	Action required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Improvement Programme in general**: that staff separate Executive and SLG responsibilities in the tracker and include a narrative statement noting that accountability will sit with an individual, without naming individuals in the OIP or tracker.	Draft tracker has been developed. Each Workstream Plan identifies responsible GM owner, and key 3rd tier person. Further work required for some actions to idenitify responsible person. This will occur prior to the final recommended programme being presented to Council for approval. **September 2026:** The 22 September report to Council included the OIP. That document identifies a responsible GM owner and lead person for each of the actions. This continues to be refined, but the tracker clearly defines the responsibility.	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Improvement Programme in general**: set out the purpose of each OIP workstream, including what each workstream is seeking to achieve and what good looks like.	Organisational Response Programme presented to 22 September Council meeting. Each workstream plan has clear purpose and objectives	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Improvement Programme in general**: that staff hold a workshop, survey, or similar process for elected members to identify and document systemic organisational issues and concerns.	Included as an action in the Organisational Response Programme Cultural workstream. Suggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Improvement Programme in general**: that staff include the current work on Ngā Poutiriao terms of reference, administration, membership, roles and responsibilities in the Programme.	Included as an action in the Organisational Response Programme Cultural workstream. Suggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Cultural Considerations**: that staff identify how psychological safety will be supported across the organisation so people feel safe to escalate risks, and how the organisation will know that risks are being escalated.	Included as an action in the Organisational Response Programme workstream Plan. Susggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Cultural Considerations**: that staff provide training and equip staff to identify, assess, record and escalate risks, rather than only improving governance oversight arrangements.	Included as an action in the Organisational Response Programme workstream Plan. Susggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones

Meeting Date	Agenda Ref.	Report Name	Action required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Cultural Considerations**: that staff establish a baseline by surveying the organisation to understand views on safety and risk, including whether staff feel supported, and identify how this will be measured over time.	Included as an action in the Organisational Response Programme workstream Plan. Susggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Cultural Considerations**: that staff include strengthening risk assessment capability, staff training, risk register processes, and governance oversight to ensure significant risks are identified and escalated appropriately.	Included as an action in the Organisational Response Programme workstream Plan. Susggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Cultural Considerations**: that staff consider whether the current organisation Pulse survey needs to be amended to better capture safety, risk and support matters on an ongoing basis.	Included as an action in the Organisational Response Programme workstream Plan. Susggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Cultural Considerations**: that staff include questions on how governance impacts culture as part of any relevant survey.	Included as an action in the Organisational Response Programme workstream Plan. Susggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Cultural Considerations**: that staff include feedback on organisational and leadership performance, including how staff perceive Council's role in fostering culture and innovation.	Included as an action in the Organisational Response Programme workstream Plan. Susggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Transparency and administration**: that staff review the EM request process to improve elected members' access to information and support.	Included as an action in the Organisational Response Programme workstream Plan. Susggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones

Meeting Date	Agenda Ref.	Report Name	Action required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Transparency and administration**: review all cancelled agendas from the last five years to confirm whether agenda reports or other items in any committees were not transferred to a subsequent agenda.	Included as an action in the Organisational Response Programme workstream Plan. Susggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Transparency and administration:** that staff improve consistency in the way committee action schedules are managed.	Included as an action in the Organisational Response Programme workstream Plan. Susggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.2	Organisational Response to Landslide Event and External Review Report by Hon Paul Davison KSO KC	**Transparency and administration**: that staff oidentify how agendas and minutes for co-governance committees can be made available online to support accountability and transparency.	Included as an action in the Organisational Response Programme workstream Plan. Susggest treat as closed in this tracker. It will be part of the ORP tracker that gets reported to PSG and A&R Committee.	Closed	22 Sept 2026	Christine Jones
1 Sept 2026	11.8	Draft 2027 Council and Committee Meetings Schedule	That staff engage with Ngā Poutiriao ō Mauao regarding the proposed 2027 meeting schedule and confirm whether the planned frequency is appropriate.	**October 2026:** Report prepared for Nga Poutiriao o Mauao and Mauao Trust joint meeting on 22 October 2026 to consider meeting frequency, and proposed dates for 2027 calendar year.	In progress		Christine Jones
1 Sept 2026	11.8	Draft 2027 Council and Committee Meetings Schedule	That a review of elected member committee allocations/workloads be undertaken, particularly in light of increased Audit and Risk meetings and proposed Ngā Poutiriao o Mauao meetings, to ensure workload balance across councillors.	Review of committee allocations undertaken - to be peer reviewed before sending to the Mayor for consideration.	In progress		Christine Jones
1 Sept 2026	11.11	Deliberations and Adoption Report for Trade Waste Bylaw Review 2026	That staff investigate any opportunities to coordinate trade waste, environmental health, and other regulatory inspections so businesses can be visited once where practicable, reducing disruption and improving efficiency.	**Update here Inc Date**	To be actioned		Reneke van Soest

Meeting Date	Agenda Ref.	Report Name	Action required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
1 Sept 2026	11.14	Status Updates on actions from prior Council meetings	That staff review the action entry for 16 December 2025, item 11.5 in terms of the name and correct action.	**Update October 2026:** The live stream recording of the meeting was reviewed. The report was on the Memorial Park Aquatic Centre Steering Group and Project Timeline. It started on a discussion on how people got appointed to the Memorial Park Aquatic Centre Steering Group. Cr Crowther requested a public website listing of all the Council Steering Groups for transparency. That resulted in the action which has been reported regularly to Council - with a schedule provided to 24 February 2026 for direction as to next steps to be provided by EM's.	Closed	1 Oct 2026	Christine Jones
21 Jul 2026	11.3	Te Manawataki o Te Papa Limited – Director Recruitment	That staff follow up on tangata whenua involvement on the Te Manawataki o Te Papa Limited Board.	**Update 10 Aug 2026:** his is an action for follow-up by Marty Grenfell and Kim Wallace, Te Manawataki o Te Papa Limited Chair. It's likely that staff will present a paper to the Council at the end of the 2026 calendar year to seek approval for a vacancy for a director/tangata whenua representative on this board. Recruitment would be deferred to the 2027 annual board recruitment process. **Update Sept 2026:** Mayor Mahe, Kim Wallace and Gareth Green will meet with the Otamataha Trust on scope and name of TMoTP. Post that a paper will be presented to Council on TW representation on the board.	In progress		Christine Jones
21 Jul 2026	11.3	Te Manawataki o Te Papa Limited – Director Recruitment	That staff organise a briefing workshop with the Te Manawataki o Te Papa Limited Board to clarify accountability for each of the major projects that have been assigned to the organisation.	**Update 10 Aug 2026:** This is an action for follow-up by Marty Grenfell with Kim Wallace, Te Manawataki o Te Papa Limited Chair. Kim to have this accountability conversation on the agenda as part of the CCO's next meeting with the elected members. **Update September 2026:** Meeting held with 24 August 2026.	Closed	30 Sept 2026	Christine Jones
23 Jun 2026	11.9	International Air Travel - Sister City Delegation	That delegates report back on the trade, business and investment leads that are generated from the visit/trip.	**Update 10 Aug 2026:** All attendees are currently on the trip and will be asked to provide a report on their return. Mayor, Deputy Mayor and Cr Taylor to report back to Council upon return from business trip. **Update Sept 2026:** Report completed and will be included in November Council meeting agenda.	In progress	30 Sept 2026	Christine Jones
2 Jun 2026	11.2	Draft Annual Plan 2026/27 at June 2026	That staff report back in relation to the 2026-27 capital programme, a workshop is set to review value for money achievements and opportunities of 3 (or so) infrastructure projects over $20m (excluding TMoTP and PEI) with the intention of making capital savings for 2026-27 without reducing delivery or scope.	**Update 4 Aug 2026:** Reneke spoke with the acting Mayor and EM's and the content for the workshop has been updated as follows: the workshop will cover: Process currently followed for steering and governing projects, including project management framework and stage gates How this process differs for NZTA-co-funded projects We will pick any three large-ish, uncommitted projects and show how we've gone through the process. This is vaguer than the $20mln but the intent is the same. As the original intent included VFM/innovation, we will make sure that the projects chosen have some examples **Update here Inc Date**	In progress		Reneke van Soest

Meeting Date	Agenda Ref.	Report Name	Action required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
26 May 2026	13.1 PX	Open Agenda - Interim Mitigation Options to Reduce Impact on Adams Ave	That staff advise Elected Members the cost of leasing the containers placed at Mauao.	NOTE this item was not on the open agenda but was taken into the public excluded section of the meeting for discussion - this action was requested in PX but perhaps does not need to stay in PX **Update here Inc Date**	In progress		Charlie Rahiri
21 Apr 2026	11.5	CCOs Bay Venues & TBOP Funding requests	That staff, while considering how the airport activity funding can be utilised, consider how support for Mount Maunganui can be funded.	**Update 25 May 2026:** This in an ongoing piece of work that is underway. **Update 27 October 2026:** This action will be included in the Council Report under Agenda Reference 11.5 in December.	In progress		Craig Rice
21 Apr 2026	11.5	CCOs Bay Venues & TBOP Funding requests	That staff consider the management of the digital visitor kiosk situated in Wharf st and whether it could be managed by Tourism Bay of Plenty.	Tourism Bay of Plenty (TBOP) are currently exploring options with a technician from TenFour Group to assess how this could be achieved. Feedback is awaited. The Wharf Street digital kiosk is now operational again following the identification of a fault, with TenFour having replaced several components. This is currently underway, asset ownership of this type is currently under discussion at a staff level. **Update 29 September 2026:** This is currently in discussion with Tourism Bay of Plenty.	In progress		Reneke van Soest
24 Mar 2026	11.4	LWDW - Financial Implications	That as part of the LTP development, the CEO brings a paper to Council prior to December 2026 with a proposal to fund and mitigate the stranded overheads estimated at $9-$10 million recognising that rates capping is on its way.	**Update 30 April 2026:** Internal project team underway led by Gareth Green. **Update 3 Aug 2026:** This is ongoing with discussions with the Water Organisation regarding the cost of shared services. **Update 28 October 2026:** Initital LTP financials provided to 29 October workshop show assumptions for shared service revenue and resulting stranded overhead that is allocated to remaining activities. This will be worked through as part of service level agreements and the LTP budgets.	In progress		Craig Rice
10 Feb 2026	11.1 Supplementary Agenda	Draft Annual Plan 26/27	That Staff look at OPEX savings before any levels of service changes	**Update 30 April 2026:** Opex and funding adjustments included in 24 March paper with decision to not budget further savings but to request the CE to find further cost reduction during the year of $4.6m **Update 27 October 2026:** This was undertaken in finalising the 2026/27 Annual Plan.	Closed	27 October 2026	Craig Rice
16 Dec 2025	11.5	Memorial Park Aquatic Centre Steering Group & timeline	Publish a list of working groups and steering groups and name the elected members on each group	Schedule provided at 24 Feb 2026 Forward Agenda meeting. Agreed that Elected Members will discuss and then provide direction to staff as to next steps. **Update October 2026:** Matter being addressed by Mayor Office and included in agenda for Mayor and Councillors meeting week of 12 October.	Pending	22 Oct 2026	Christine Jones

Meeting Date	Agenda Ref.	Report Name	Action required	Status Update (incl anticipated / actual completion date)	Status Summary	Date Closed	GM / CE Responsible
16 Sept 2025	11.3	Mount Parking Management Plan - Consultation Summary and Options	Staff to contact staff from Bay of Plenty Regional Council raising the idea of a hop-on-hop-off bus in the Mount Maunganui area for who it might be considered by discussed at the Joint Transport Committee.	On hold - Awaiting first 2026 meeting of Joint Transport Committee.(20 February 2026) TCC and BOPRC are looking at options to have this included in the upcoming bus network review.08.09.26 The Mount parking plan paper for Council has been moved to Feb 2027 **Update 29 September 2026:** The Mount parking Plan paper will be presented to Council in Feb 2027.	Pending		Reneke van Soest
28 Apr 2025	11.10	Haumaru (Cameron Road Courts) Ownership and Operation	A further report to be provided for Council to consider a wider context and whether Council should own and lease properties or whether these should be managed by one of the CCOs.	Asset ownership workshop was scheduled for 16 October, but postponed due to unavailability of Mayor, some Councillors, and CE. Replacement date to be confirmed. The Leasing team are awaiting the outcome of this workshop before deciding the appropriate course of action in relation to Haumaru Courts Leases. Where ownership of the asset sits will determine if Leases are required (if TCC Owned) or Not Required (If BVL Owned). If TCC owned then we will either need to have a new Lease drawn up with BVL or add this asset to the pre agreed BVL Asset Management Agreement. If the asset is owned by BVL then we do not need to have a lease drawn up as they will self manage the property – they however would need to have a lease drawn up with the Emergency Management Centre for use of the Mezzanine. At this stage it is understood that ownership of the property currently sits with TCC. **Update 20 May 2026:** This is being woven into a broader piece of work around aligning assets to delivery models. Workshops being scheduled with Exec and EMs during SAugust or September 2026. **Update 29 June 2026:** The previous update from 20 May still stands. A meeting with the Mayor has been scheduled to take place on Wed, 1 July 2026. **Update 7 August 2026:** After a discussion with the mayor and briefing was held in early August. Staff will now bring a Council paper on September 22 proposing to consult with the community whether BVL should be re-patriated back to TCC. **Update 27 October 2026:** This action will be included in Agenda Reference 11.5 at a December Council meeting.	In progress		Craig Rice
5 Aug 2025	11.1	Status update on actions from Council meetings	That staff provide information from other Councils as to how they track ownership of community assets in relation to Bay Venues	Original breifing postponed, and paper that was prepared has been parked. **Update 30 April 2026:** New report to Council being prepared. **Update 7 August 2026:** After a discussion with the mayor and briefing was held in early August that covered this action in part. Staff will not bring a Council paper on September 22 proposing to consult with the community whether BVL should be re-patriated back to TCC. **Update 27 October 2026:** This action will be folded into Agenda Reference 13.1 at a December Council meeting.	In progress		Craig Rice

11.13 Options for non-Elected Member voting rights and quorum changes

File Number: **A21373706**

Author: **Sarah Holmes, Team Leader: Governance & CCO Support Services**
Fiona Nalder, Principal Strategic Advisor

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

PURPOSE OF THE REPORT

1. To seek Elected Member direction as to whether Tauranga City Council should apply for exceptions to allow specified non-Elected Members to retain voting rights on Council Committees and governance bodies following legislative changes that take effect from 19 March 2027.

RECOMMENDATIONS

That the Council:

(a) Receives the report "Options for non-Elected Member voting rights and quorum changes".

(b) Delegates the approval of exception applications to the Mayor.

Audit and Risk Committee

(a) Notes the tabled feedback from the Independent Chair and Tangata Whenua representatives.

(b) Applies for an exception for the Independent Chair.

OR

(c) Does not apply for an exception for the Independent Chair.

AND

(d) Applies for an exception for the Tangata Whenua representative.

OR

(e) Does not apply for an exception for the Tangata Whenua representative.

City Delivery Committee and City Future Committee

(a) Notes the tabled feedback from the Tangata Whenua representatives.

(b) Applies for an exception for the Tangata Whenua representative.

OR

(c) Does not apply for an exception for the Tangata Whenua representative.

Tangata Whenua / Tauranga City Council Committee

(a) Notes the tabled feedback from the Tangata Whenua representatives.

(b) Applies for an exception for the seven Tangata Whenua representatives.

OR

(c) Does not apply for an exception for the seven Tangata Whenua representatives.

Regulatory Hearings Panel

(d) Notes the tabled feedback from the members of Regulatory Hearings Panel.

(e) Applies for an exception for the members of Regulatory Hearings Panel, noting there are no Elected Members on the Panel.

OR

(f) Does not apply for an exception for the Panel members, noting there are no Elected Members on the Panel.

Wastewater Management Review Committee

(g) Notes the tabled legal advice (public excluded Attachment 3) regarding the status of the Wastewater Management Review Committee, which will remain in public excluded due to legal privilege.

(h) Notes the tabled feedback from the Tangata Whenua representatives.

(i) Applies for an exception for the four Tangata Whenua representatives.

OR

(j) Does not apply for an exception for the four Tangata Whenua representatives.

SmartGrowth Leadership Group

(k) Notes the tabled feedback from SmartGrowth members (non-Tauranga City Council).

(l) Applies, as the administrative body, for exceptions for the following SmartGrowth members: the Independent Chair, four Tangata Whenua representatives, and three Ministers of the Crown.

OR

(m) Does not apply, as the administrative body, for exceptions for the following SmartGrowth members: the Independent Chair, four Tangata Whenua representatives, and three Ministers of the Crown.

Tāheke – Bay Waters Joint Committee

(a) Notes the tabled feedback from Tāheke – Bay Waters Joint Committee members (non-Tauranga City Council).

(b) Applies, as the administrative body, for exceptions for the three Tangata Whenua representatives.

OR

(c) Does not apply, as the administrative body, for exceptions for the three Tangata Whenua representatives.

EXECUTIVE SUMMARY

2. This report seeks Council direction on whether to apply for exceptions allowing specified non-Elected Members to retain voting rights and count towards quorum on affected committees and governance bodies.

3. Under the Local Government (System Improvements) Amendment Act 2026, these rights cease from 19 March 2027 unless an automatic exception or approved exception applies. Applications must reach the Minister of Local Government by 18 November 2026.

4. Nine bodies are identified as affected: Audit and Risk Committee, City Future Committee, City Delivery Committee, Tangata Whenua / Tauranga City Council Committee, Wastewater Management Review Committee, SmartGrowth Leadership Group, Tāheke – Bay Waters Joint Committee, and Regulatory Hearings Panel.

5. Other bodies are expected to be excluded through statutory or Treaty settlement provisions, or remain unaffected because of their membership, existing voting arrangements or advisory status.

6. Council has the choice of seeking:
    - no exceptions.
    - targeted exceptions where strong grounds exist
    - exceptions for all impacted bodies.
7. The report presents choices for each body rather than a preferred staff recommendation. Applications require a supporting Council resolution, justification, governance information and an explanation of how democratic legitimacy and public accountability would be maintained. The Minister expects exceptions to be granted rarely.
8. There is limited information regarding exception criteria. Relevant grounds may include specialist expertise, independent assurance, statutory requirements, quasi-judicial functions and regional governance arrangements. Legal advice on the Wastewater Management Review Committee remains pending and is to be tabled as a public excluded attachment.
9. Without approved exceptions, affected bodies will need to review voting, quorum and governance arrangements before implementation.
10. Key risks include reduced influence of specialist expertise and impacts on established relationships and Tangata Whenua participation. Although assessed as low significance overall, the decisions have greater significance for Tangata Whenua.
11. Time constraints have prevented meaningful engagement with affected non-Elected Members. Following Council decisions, any approved applications will be submitted by the statutory deadline. The report does not address remuneration or propose changes to remuneration arrangements.

BACKGROUND

12. The Local Government (System Improvements) Amendment Act 2026 (the Act) introduces restrictions on voting rights for non-Elected Members appointed to local authority committees and subordinate decision-making bodies. From 18 March 2027, non-Elected Members will no longer be entitled to vote or be counted for quorum purposes unless an exclusion applies automatically or an exception is granted by the Minister (refer to Attachment 1).
13. Exception applications must be lodged by 18 November 2026. This report seeks Elected Member direction as to whether Tauranga City Council (Council) should apply for exceptions.
14. The legislative changes are intended to reinforce the principle that decision-making powers should rest with elected representatives while recognising that there may be circumstances where specialist expertise, statutory requirements, or other governance considerations justify continued voting rights for non-Elected Members.
15. As this report addresses governance matters, the recommendations are structured as options (rather than as staff recommendations).

EXCLUDED FROM RESTRICTIONS

16. Several bodies are already excluded from the new restrictions and do not require an exception application. The legislation provides that the restrictions do not apply to specified committees established by another enactment, or by a Treaty settlement. The following bodies are expected to fall outside the new requirements:
    - Civil Defence Emergency Management (CDEM) committees, established under the Emergency Management Act 2026.
    - Regional Transport Committees, established under the Land Transport Management Act 2003.
    - District Licensing Committees, established under the Sale and Supply of Alcohol Act 2012.

- Te Maru o Kaituna, which is established through Treaty settlement legislation and therefore falls within the Treaty settlement exclusion.
- Ngā Poutiriao o Mauao, established as an administration board under the Reserves Act 1977.

17. These bodies would continue to operate under their existing legislative frameworks.

UNIMPACTED BY THE LEGISLATION

18. The following bodies are unimpacted the by the legislation as they either consist of Elected Members only, have voting rights restricted to Elected Members already, or are advisory (i.e. do not make decisions nor provide recommendations to Council).

- Council
- Western Bay of Plenty Transport Committee
- Mayoral Forum
- Waiari Kaitiaki Advisory Group (advisory only, meeting procedures to be tightened to ensure compliance)
- Matapihi Southern Pipeline (advisory only, meeting procedures to be tightened to ensure compliance)
- Taumata Kahawai (advisory only, Terms of Reference and meeting procedures to be tightened to ensure compliance)

IMPACTED AND REQUIRE COUNCIL CONSIDERATION

19. The following bodies include non-Elected Members with voting rights and are affected by the Act.

- Audit and Risk Committee (Independent Chair and Tangata Whenua representative)
- City Future Committee (Tangata Whenua representative)
- City Delivery Committee (Tangata Whenua representative)
- Tangata Whenua / Tauranga City Council Committee (7x Tangata Whenua representatives)
- Wastewater Management Review Committee (4x Tangata Whenua representatives) – legal advice regarding the status of the Wastewater Management Review Committee is being sought and will be tabled as a public excluded attachment (late item)
- SmartGrowth Leadership Group (Independent chair, 4x Tangata Whenua representatives, 3x Ministers of the Crown)
- Tāheke – Bay Waters Joint Committee (3x Tangata Whenua representatives). This Committee has recommendary powers only, no decision making authority.
- Regulatory Hearings Panel (all members are unelected)

20. Attachment 2 provides a table with further information on all the groups above, both impacted and unimpacted (only those excluded are not addressed).

21. The recommendations of this report address impacted bodies only.

GROUNDS FOR EXCEPTION

22. Council must apply for exceptions in writing to the Minister of Local Government by 18 November 2026. Applications must include:

- A copy of the Council resolution supporting the exception.

- Information on the role of the committee/body and the proposed role of non-Elected Members.
- Information as to why the exception is being sought.
- Information on how Council would manage if an exception was not granted, and how, if an exception was granted, democratic legitimacy and public accountability would be maintained.
- Information on how the exception fits within the broader statutory framework, including any comparable precedents.

23. No specific exception criteria have been provided. Instead, councils have been advised to provide clear and specific justification for why an exception is necessary and/or desirable. Relevant considerations may include:

- Specialist expertise that is fundamental to the body's decision-making role.
- Independent governance and assurance functions that reflect recognised best practice.
- Statutory or resource consent requirements.
- Quasi-judicial decision-making functions.
- Regional or inter-agency governance arrangements where non-elected members have a significant governance role.

RISKS AND LEGAL IMPLICATIONS

24. The Act requires exceptions to be formally applied for by Council in writing to the Minister of Local Government. The Governor-General, on the recommendation of the Minister of Local Government, has the power to grant exceptions where the Minister is satisfied these are necessary or desirable.

25. If Council does not apply for exceptions, or applies for exceptions but they are not granted, then non-Elected Members will no longer have voting rights on Council Committees or governance groups from 18 March 2027.

26. The Minister for Local Government has advised that his expectation is that exceptions will only be granted rarely. On this basis, Council may only choose to apply for exceptions where there appears to be a strong case for an exception. However, if Council chooses not to apply for exceptions, or chooses only to apply for certain exceptions, then relationships with some groups or individuals may be negatively affected.

TE AO MĀORI APPROACH

27. Council approved the appointment of Tangata Whenua representatives, with voting rights, to Council's Standing Committees in December 2024.

28. Council often consults with, or requires input into decisions from, Tangata Whenua. The decision to appoint Tangata Whenua representatives to provide a voice at the table during the decision-making process was viewed as beneficial for Council's decision-making processes, and as one avenue for ensuring Tangata Whenua perspectives are heard and considered.

29. The presence of Tangata Whenua representatives on Standing Committees is aligned with the goals in Council's Te Ao Māori approach, particularly:

- Whaia te Tika - doing the right thing for our community and each other
- Whanaungatanga - working together in partnership, relationships and network support systems
- Manaakitanga - listening to show we care and promoting and enabling fuller participation for Māori to contribute to decision-making processes.

OPTIONS ANALYSIS

30. This is a high-level options analysis, with the options for each body provided in the recommendations.

Option 1: Do not seek any exceptions

31. Council would make no exception applications, resulting in all affected non-Elected Members to become non-voting members from 19 March 2027. Affected committees would need to review governance arrangements and decision-making processes prior to this date.

32. Key risk – the benefits and influence of specialist expertise are weakened, due to the removal of voting rights.

Advantages	Disadvantages
• Simplest approach administratively. • Fully aligns with the legislative intent. • No exception application process required.	• Loss of voting rights for members appointed because of their specialist expertise. • Potential impacts on committee effectiveness. • Terms of reference and quorum provisions may require amendment. • Non-Elected Members may feel less valued (relationship risk).

Option 2: Seek targeted exceptions where strong grounds exist

33. Council would seek exceptions only where there is a compelling governance, statutory, or operational rationale. This approach is still likely to require changes to existing governance arrangements, including amendments to terms of reference and voting provisions.

34. Key risk: the benefits and influence of specialist expertise may still be weakened, due to the removal of voting rights for some groups. Exceptions are not granted.

Advantages	**Disadvantages**
• Focuses on the strongest exception cases. • More closely aligns with the purpose of the legislative framework. • Retains expertise where loss would materially affect governance outcomes. • Simplest approach administratively. • Fully aligns with the legislative intent. • No exception application process required.	• Some governance bodies may still lose non-elected voting rights. • Different arrangements across committees may create some inconsistency. • Some non-Elected Members may feel less valued (relationship risk).

Option 3: Seek exceptions for all impacted bodies

35. Council would seek exceptions for all governance bodies currently including voting non-elected members. If exception applications are unsuccessful, this approach will still require changes to existing governance arrangements, including amendments to terms of reference and voting provisions.

36. Key risk: Exceptions are not granted.

Advantages	Disadvantages
• Preserves existing governance arrangements wherever possible. • Minimises structural changes to committees. • Retains current voting arrangements. • Preserves established relationships. • Focuses on the strongest exception cases. • More closely aligns with the purpose of the legislative framework. • Retains expertise where loss would materially affect governance outcomes. • Simplest approach administratively. • Fully aligns with the legislative intent. • No exception application process required.	• Some applications may have limited justification. • Reduced likelihood of approval for weaker cases. • Less aligned with the policy intent of the legislation.

COUNCIL OFFICER ASSESSMENT

37. Council staff have, within the context of the legislation and the direction given by the Minister, considered which exception applications may be more likely to be approved. This assessment does not reflect the value provided by non-Elected Members.

38. There is a risk that changes to participation and voting arrangements may affect established relationships with partner organisations and Tangata Whenua, requiring further engagement and governance review to ensure effective and compliant decision-making arrangements are maintained.

39. There is limited information regarding the criteria which should be met for an exception to be approved. The intent of the legislation is to limit voting rights to elected members, and the Minister has advised that he expects approved exceptions to be rare (refer Attachment 1).

Potentially strong exception cases

40. Audit & Risk Committee – Council may be successful in acquiring an exception for the independent chair, based on specialist knowledge and expertise relating to risk.

41. Wastewater Management Review Committee

42. Regulatory Hearings Panel

43. SmartGrowth Leadership Group

STATUTORY CONTEXT

44. This report seeks Council direction in response to the Local Government (System Improvements) Amendment Act 2026 (the Act), which introduces restrictions on voting rights for non-Elected Members appointed to local authority committees and subordinate decision-making bodies.

STRATEGIC ALIGNMENT

45. This report primarily contributes to the promotion or achievement of the following strategic community outcomes:

	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	☐

46. Non-Elected Members with voting rights have been selected to increase inclusivity, ensuring that Tangata Whenua voices are heard as part of decision-making processes, and to assist in ensuring a well-planned city, by allowing Council to benefit from expert advice and input (such as the independent Chair of the Audit and Risk Committee).

FINANCIAL CONSIDERATIONS

47. Not applicable – this report does not address remuneration.

CLIMATE IMPACT

48. Not applicable – this report addresses administrative and governance processes in response to government legislation.

CONSULTATION / ENGAGEMENT

49. Due to the constrained timeframe (the need to formally apply for exceptions by 18 November 2026), there has been limited engagement with the non-Elected Members of committees and governance groups impacted by this legislation.

SIGNIFICANCE

50. 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.

51. 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 needs of the district or region

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

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

52. In accordance with the considerations above, criteria and thresholds in the policy, it is considered that the decisions is of low significance. These decisions are considered to be of low significance as they impact on individuals, involve minimal budget and have low overall impact on Council being able to perform its role.

53. However, it is acknowledged that from Tangata Whenua perspective the legislative changes imposed by the Act, and Council's decision of whether to apply for exceptions for Tangata Whenua representatives on Committees, will have a higher significance.

ENGAGEMENT

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

decision. If time allowed, Council officers would recommend undertaking targeted consultation with the non-Elected Members of Committees and governance groups.

NEXT STEPS

55. Following Council decisions, exceptions will be formally applied for in writing to the Minister of Local Government by 18 November 2026.

ATTACHMENTS

1. **Attachment 1 - Non-elected member voting - Letter from the Minister of Local Government - A21380131**
2. **Attachment 2 - Affected Tauranga City Council Bodies - A21380158**

Hon Simon Watts

Minister for Building and Construction
Minister of Climate Change
Minister of Local Government
Minister of Revenue
Minister for Auckland

29 SEP 2026

Mayors and regional council chairs
By email

Dear Mayors and Chairs

Voting at council committee meetings

On 18 September 2026, the Local Government (System Improvements) Amendment Act 2026 received Royal assent. The Act reserves voting rights on council committees, joint committees, subcommittees, and other subordinate decision-making bodies ("specified committees") for elected members only.

As I have stated previously, the purpose of this change is to strengthen democratic accountability. Councils may continue to appoint non-elected members to specified committees to provide expertise, stakeholder perspectives, or community representation. However, unless an exception applies, non-elected members must not vote and are not counted toward the quorum of the meeting.

Your council must comply with the Act from 18 March 2027. The purpose of this transition period is to ensure you have enough time to change the structure of or delegations to your council's specified committees, if required.

The Act also provides for certain exceptions. These include committees or appointments that are required under or for the purposes of another enactment and arrangements required to give effect to Treaty settlements.

Additionally, the Act provides for the Governor-General, on the recommendation of the Minister of Local Government, to grant exceptions where the Minister is satisfied these are necessary or desirable. Exceptions may be time-limited or indefinite, and with or without conditions.

My expectations are that exceptions will be granted rarely. The Government's policy is that non-elected members should generally be non-voting. Councils seeking an exception will therefore need to demonstrate a clear and specific justification that supports the statutory test that the exception is necessary or desirable.

The next page of this letter contains information on how requests for exceptions will be considered.

Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand | +64 4 817 6814 | s.watts@ministers.govt.nz

If your council considers that an exception may be required, I encourage you to submit a request in writing to the Minister of Local Government by 18 November 2026 enclosing:

- A copy of a resolution from your council in support of the exception.
- Information about the issue the exception would address, why existing governance arrangements would not adequately address the issue, and how the council would manage the issue without an exception.
- Information about the role of the committee, the proposed role of non-elected members, and the steps that would be taken to maintain democratic legitimacy and public accountability.
- Information about how the exception fits within the broader statutory framework, including any comparable precedents.

Requests regarding a joint committee should ideally have the support of all councils who are members of the joint committee.

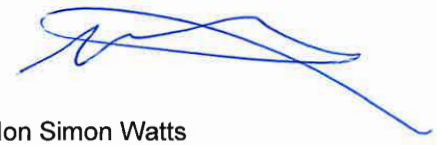
Requests should contain sufficient information for the Minister to recommend the exception to the Governor-General.

Officials at the Ministry for Cities, Environment, Regions and Transport (MCERT) will assess any requests received and provide advice to the Minister of Local Government after the election. It is my intention that decisions will be made and communicated early next year, and exceptions will come into force at the end of the transition period.

If you require more information:

- Visit the MCERT website at www.mcert.govt.nz/our-work/local-government/local-government-system-improvements/.
- Contact your MCERT Local Government Partnership Director.

Yours sincerely



Hon Simon Watts
Minister of Local Government

POTENTIALLY AFFECTED TAURANGA CITY COUNCIL BODIES

Committee/group	Impact on voting	Impact on quorum	Information for potential exception application

Audit & Risk Committee	Independent chair
	
	Tangata Whenua rep
		Minimal	• **Why exception sought:**
			  ○ The independent chair provides specialist expertise in audit, governance, risk management, health and safety oversight, internal controls, financial reporting and external audit relationships. Independent chairs are recognised best practice in local government audit and risk governance.
			  ○ The Tangata Whenua representative contributes a governance perspective but is not critical to the committee's statutory function.
			• **If not granted / accountability:** The committee could continue with an elected member chair and non-voting independent chair, however this would reduce the independence and governance assurance currently provided. Democratic legitimacy is maintained because elected members remain the majority of committee membership and all committee decisions are subject to Council oversight.
			• **Statutory framework / precedent:** Independent audit and risk chairs are widely used across New Zealand local government and

Committee/group	Impact on voting	Impact on quorum	Information for potential exception application
			align with Office of the Auditor-General governance guidance and established governance practice.
City Future Committee	Tangata Whenua rep	**Minimal**	• **Why exception sought:** Limited basis for an exception. The Tangata Whenua representative contributes specialist cultural knowledge and strategic perspectives. • **If not granted / accountability:** The committee can continue effectively with the representative retaining speaking rights but becoming non-voting. Democratic legitimacy remains primarily with elected members. • **Statutory framework / precedent:** Consistent with the legislative policy that advisory expertise can be retained without voting rights.
City Delivery Committee	Tangata Whenua rep	**Minimal**	• **Why exception sought:** Limited basis for an exception. The Tangata Whenua representative contributes valuable community and cultural perspectives to project delivery and performance monitoring. • **If not granted / accountability:** Committee functions can continue largely unchanged with participation rights retained but no voting rights. Democratic accountability rests with elected members.

Committee/group	Impact on voting	Impact on quorum	Information for potential exception application
			• **Statutory framework / precedent:** Consistent with the intent of the legislation that stakeholder representation may continue without decision-making authority.
TWW/TCC – only has recommendatory powers but this is apparently covered by the Act	Seven (of 12) members including independent chair	**Major** – current approach of half is not possible because 'counting' members are only 5 of the 12.	• **Why an exception is sought:** The committee was established to provide a formal partnership forum between Tauranga City Council and Tangata Whenua. The ability of Tangata Whenua representatives to participate as full voting members reflects the committee's shared governance model and supports meaningful participation in matters affecting Māori interests, aspirations, and outcomes. The committee's effectiveness is dependent on a balanced membership model that recognises both Council and Tangata Whenua perspectives. • **If an exception is not granted / accountability:** The committee could continue to operate with Tangata Whenua representatives participating in discussions and providing advice, but without voting rights. This would alter the current partnership model and may affect perceptions of shared ownership and influence over committee recommendations. Democratic legitimacy would continue to be

Committee/group	Impact on voting	Impact on quorum	Information for potential exception application
			maintained through the elected members appointed to the committee and through the fact that any recommendations requiring formal Council decisions remain subject to Council approval. • **Fit within the broader statutory framework and comparable precedents:** The committee reflects Council's commitments to partnership and engagement with Tangata Whenua and aligns with broader local government practice of providing formal governance mechanisms for Māori participation in decision-making. Similar arrangements exist across New Zealand local government, particularly where councils have established standing committees or advisory bodies to support relationships with Mana Whenua and Māori communities.
Wastewater management review	Four (of eight) members	**Major** – current approach of half requires all TCC members to be present.	• **Why exception sought:** The committee was established under conditions of Coastal Permit #62878 and has a specific role monitoring wastewater operations, permit compliance and environmental mitigation. Tangata Whenua representatives are integral to the committee structure established through the consent conditions, with equal representation between Council and Iwi representatives.

Committee/group	Impact on voting	Impact on quorum	Information for potential exception application
			• **If not granted / accountability:** The committee could continue in an advisory capacity but its existing governance and decision-making framework would be substantially altered. Democratic accountability remains through Council as consent holder and through reporting to both Council and Bay of Plenty Regional Council. • **Statutory framework / precedent:** The committee exists to fulfil functions associated with resource consent conditions and environmental monitoring. The current membership and decision-making arrangements recognise Tangata Whenua interests in wastewater management and environmental effects.
SmartGrowth Leadership Group	Independent chair Four Tangata Whenua members Three ministers of the crown (other members from NZTA, P1, Te Whatu	**Major** – currently 11 voting members (from a maximum of 17). New maximum will be just nine voting members.	• **Why exception sought:** Voting membership by Tangata Whenua representatives, Ministers of the Crown and the independent chair reflects the collaborative governance arrangements underpinning strategic spatial planning across the western Bay of Plenty sub-region. Their participation is fundamental to achieving integrated cross-agency decision making.

Committee/group	Impact on voting	Impact on quorum	Information for potential exception application
	Ora, TSP are already non-voting)		• **If not granted / accountability:** The group would remain operational but would lose much of its collaborative governance character and quorum arrangements would require revision. Democratic accountability is maintained because constituent councils retain responsibility for implementing SmartGrowth outcomes through their own decision-making processes. • **Statutory framework / precedent:** SmartGrowth has operated for many years as a regional partnership model involving multiple councils, Tangata Whenua and central government agencies. Comparable regional growth and spatial planning arrangements rely on shared governance structures rather than solely elected-member decision making.
Tāheke – Bay Waters Joint Committee	Three Tangata Whenua members	**Minimal** – currently says at least two from TCC. WBoP, and TW.	• **Why exception sought:** Tangata Whenua representation supports partnership-based decision making between the shareholder Councils and Tangata Whenua and contributes specialist cultural knowledge and strategic perspectives. • **If not granted / accountability:** The committee can continue with the Tangata Whenua

Committee/group	Impact on voting	Impact on quorum	Information for potential exception application
			representatives retaining speaking rights but becoming non-voting. However, quorum and voting provisions would require significant amendment. Democratic legitimacy would continue through final decisions remaining with Tauranga City Council and Western Bay of Plenty District Council. • **Statutory framework / precedent:** The committee has recommendatory powers only and all formal shareholder decisions remain with the Councils.
Regulatory Hearings Panel	All members are unelected	**Major** – no voting members	• **Why exception sought:** The Panel is comprised entirely of appointed independent hearing commissioners with specialist regulatory, governance and quasi-judicial expertise. Without an exception, the Panel would cease to be able to exercise its delegated decision-making functions. • **If not granted / accountability:** Council would need to redesign its entire regulatory hearings framework and appoint elected members to hearing panels or establish alternative hearing arrangements. Public accountability is maintained through legislative appeal rights, requirements for procedural fairness, public

Committee/group	Impact on voting	Impact on quorum	Information for potential exception application
			hearings processes and Council oversight of panel appointments. • **Statutory framework / precedent:** Independent commissioners are widely used throughout New Zealand local government to undertake specialist hearing and adjudicative functions requiring expertise and independence from political decision-making.
Council	No impacts	**No impacts**	
WBoP Transport Committee	No impacts (non-elected members already non-voting)	**No impacts**	
Mayoral Forum	No impacts	**No impacts**	
Waiari KAG – only advisory	n/a		
Matapihi Southern Pipeline – only advisory	n/a		
Taumata Kahawai – only advisory	n/a		

11.14 Draft Terms of Reference - Chief Executive Review and Performance Subcommittee

File Number: **A21374057**

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

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

PURPOSE OF THE REPORT

1. To present the draft Terms of Reference for the Chief Executive Review and Performance Subcommittee for Council consideration and adoption.

RECOMMENDATIONS

That the Council:

(a) Receives the report "Draft Terms of Reference - Chief Executive Review and Performance Subcommittee".

(b) Approves the Terms of Reference for the Chief Executive Review and Performance Subcommittee as per attachment 1, with the following amendments:

-

(c) Delegates to the Chief Executive Review and Performance Subcommittee the powers and responsibilities set out in the adopted Terms of Reference.

DISCUSSION

2. At its meeting on 20 October 2026, Council established a Chief Executive Recruitment Subcommittee to oversee the recruitment process for the appointment of a permanent Chief Executive.
3. Since that time, consideration has been given to broadening the role of the subcommittee to encompass ongoing Chief Executive employment and performance-related matters.
4. The proposed Terms of Reference amend the name of the Subcommittee and provide clarity regarding the Subcommittee's purpose, membership, responsibilities and delegated authority.
5. In addition to overseeing the recruitment process, the Terms of Reference provide for the Subcommittee to support Council in developing performance expectations and key performance indicators for the Chief Executive and to monitor and report to Council on progress against those measures.
6. Adoption of the Terms of Reference will provide a clear governance framework for the Subcommittee and assist Council in meeting its responsibilities as employer of the Chief Executive.

NEXT STEPS

7. Subject to Council approval, the Terms of Reference will take effect immediately and be incorporated into Council's governance structure and delegation's framework.
8. The Subcommittee will commence operating in accordance with the adopted Terms of Reference and report to Council as required.

ATTACHMENTS

1. **Draft Terms of Reference - Chief Executive Review and Performance Subcommittee - A21374095**

Terms of Reference
Chief Executive Review and Performance Subcommittee

Membership

Chair	Mayor Mahé Drysdale
Members	Deputy Mayor Jen Scoular Cr Steve Morris Cr Marten Rozeboom
Quorum	Three members
Meeting frequency	As required

Role

- The role of the Chief Executive Review and Performance Subcommittee (the Subcommittee) is to assist Council in fulfilling its responsibilities as employer of the Chief Executive and to oversee the recruitment, appointment-related processes, employment arrangements and performance monitoring delegated to it by Council.

Delegations

The Subcommittee has authority to:

Recruitment and Appointment Process

- Select and appoint an executive search partner within the budget approved by Council.
- Work with the executive search partner in the development and delivery of the recruitment process.
- Finalise the position description, candidate brief and selection criteria following consideration of elected member input and advice from the appointed executive search partner.
- Approve advertising, search and assessment methodologies.
- Oversee the recruitment process.
- Review candidate longlists and determine shortlisted candidates.
- Oversee candidate assessment processes.
- Recommend final candidates to Council for interview.
- Approve recruitment-related expenditure within the budget approved by Council.
- Provide confidential progress updates to Council.
- Conduct due diligence and reference checking processes and report outcomes to Council.

Interim Chief Executive Employment

- Approve remuneration and other material employment terms for the Interim Chief Executive as delegated by Council.
- Monitor progress against Council-approved priorities and key performance indicators for the Interim Chief Executive.
- Meet regularly with the Interim Chief Executive to discuss performance, priorities and organisational matters.
- Report to Council on progress against agreed priorities and performance expectations.

DRAFT

Permanent Chief Executive Performance Monitoring

- Develop proposed performance objectives, key performance indicators and success measures for the permanent Chief Executive for Council approval.
- Monitor performance against Council-approved objectives and key performance indicators.
- Meet with the Chief Executive as required to discuss performance, strategic priorities and organisational outcomes.
- Report to Council on the Chief Executive's performance against agreed objectives and key performance indicators.
- Make recommendations to Council regarding any amendments to performance objectives and key performance indicators.

Power to Recommend

The Subcommittee may make recommendations to Council on:

- Appointment of the permanent Chief Executive.
- The term of appointment of the permanent Chief Executive.
- Remuneration and employment conditions of the permanent Chief Executive.
- Chief Executive performance expectations and key performance indicators.
- Any other Chief Executive employment matters.

Matters Reserved to Council

Council retains responsibility for:

- The final selection and appointment of the permanent Chief Executive.
- Approval of the term of appointment of the permanent Chief Executive.
- Approval of remuneration and material employment conditions of the permanent Chief Executive.
- Approval of the permanent Chief Executive’s performance objectives and key performance indicators.
- Consideration of performance reports and any consequential decisions arising from those reports.
- Any matter that cannot be delegated under legislation.

Review

- The Subcommittee will continue until such time as Council resolves to disestablish it.

DRAFT

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 - Public Excluded Minutes of the Extraordinary Council meeting held on 12 October 2026	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
13.2 - Public Excluded Minutes of the Council meeting held on 20 October 2026	s6(b) - The making available of the information would be likely to endanger the safety of any person 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)(i) - The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret 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)(d) - The withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public s7(2)(f)(ii) - The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege	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

	s7(2)(h) - The withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities 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) 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	

14 CLOSING KARAKIA