Welcome
from the Mayor and Chief Executive

This past year has been somewhat of a turning point for your Council and your city. More people have continued to move into Tauranga – making us officially the fifth largest city in New Zealand – but also more businesses and more economic activity, helping our employment growth rate exceed our population growth including very positive growth in knowledge-intensive employment.

We have continued to put a lot of our effort into managing continued rapid population growth, but also into other projects and initiatives that come from having more people living here. There is more and more happening in Tauranga. Things like the high profile, original Paradox street art festival, city amenity like the tidal steps on our waterfront and new cycle and walkways through Kopurererua Valley, different innovation forums coming to the city, and new retail and commercial developments.

This past year we put increasing focus on the outcomes we deliver for our city, and what our community may want. When back in late 2014 we discovered black mould and other issues in our administration building, we first started looking for solutions to our accommodation problem. Then upon further examination and in-depth discussions with the community, we decided that we needed to more broadly consider the civic and cultural facilities that we could provide residents and visitors. We recognised the opportunity to revitalise our city centre and encourage more private and public investment in the city. This required a bold decision.

As a result our Heart of the City programme now encompasses the development of a new civic administration building with surrounding open space, and the development of business cases for a central city museum, a new library and a performance venue. This is supported by future planning for the waterfront and inner city streetscape to create an appropriate urban environment for an increasing residential population, along with education opportunities (the future inner city tertiary campus) and increased commercial and retail activity in the CBD.

It’s about delivering great outcomes for the city and the community – not only council services and infrastructure for a growing number of people. This is part of achieving our aspiration for Tauranga to be an internationally competitive city that provides a higher standard of living for all.

This aspiration requires that we put a greater focus on economic, social, cultural and environmental wellbeing, transport and urban form. To achieve this, we changed the way we work here at Council. We set up new committees each tasked with progressing a specific strategic focus area: city transformation, transport, environment, community and culture, economic development and investment, along with audit, finance, risk and monitoring. This will help keep up with the pace of change, place our city on the world map and make sure we address the big issues that could influence our future.

One of these issues, in the immediate future, is being able to pay for the infrastructure we need to provide to cater for our growth. This is a challenge at current demand levels, which was heightened this past year by a requirement for high growth councils like Tauranga to constantly have zoned (10 years) and serviced (3 years) land available for development. This requires even more substantial investment in planning and infrastructure, which needs to be maintained within financially prudent debt levels and without overburdening our existing ratepayers.

We successfully applied for a share of the Government’s Housing Infrastructure Fund (HIF), a contestable $1 billion fund to assist high growth councils advance infrastructure projects that are required to increase housing supply. We are in the process of securing a $230m interest-free loan which will help towards the completion of 35,000 homes across greenfield and brownfield areas of Tauranga – a real success, showing the commitment of government to supporting our city. In addition, the process initiated constructive dialogue amongst central government and high growth councils about the funding of growth and other issues, setting a good basis for future collaboration.
Tauranga City Council ended the year in sound financial shape. Our expenditure has increased to meet demand, but revenue is also up. Due to the reviewed timing of several capital projects and high levels of revenue from development contributions, our net debt position and debt-to-revenue ratio are both favourable.

On the ground, we continued to deliver substantial projects to keep the city running smoothly and provide for our growth. This included getting the Southern Pipeline wastewater main project to its last phase of construction where it will be drilled 35m under the harbour. Once connected the pipeline will give the city’s wastewater network some much-needed capacity which will reduce the risk of sewerage overflows into the harbour.

We initiated detailed planning for the Waiari water supply scheme, a new water supply plant and associated infrastructure required to provide capacity to deliver drinking water as new growth areas come on stream. We completed major stormwater works in the Mount Maunganui industrial area, installing large transmission mains under the port.

We delivered new roads like Te Okuroa Drive to support residential and commercial growth in our newer suburbs, upgraded others to help people move around the city safely, and added a new level to the Elizabeth Street car parking building. We know that city growth puts more demand on roads and parking facilities, and Tauranga is now the most car-reliant city in New Zealand. We have a lot of work ahead in collaboration with the Bay of Plenty Regional Council, Western Bay of Plenty District Council and the NZ Transport Agency to plan a resilient and sustainable transport network for the future.

Alongside building the hard infrastructure needed for our growing city, we delivered projects that gave residents a new sense of culture and place, and made us love our city even more. The Paradox street art festival was one of those things – 12 weeks of events and installations that got the city buzzing and left us with some spectacular murals to hold on to. The revamped waterfront with tidal steps, pier and bombing platform was another. It was fantastic seeing the community take ownership of their new place right away.

Also of note: we have been given an innovation award recognising the work we have done to understand tsunami risk for Tauranga. We now know where the water would reach in a worst case scenario, and can plan for safe areas accordingly. We have built the first evacuation high ground in Australasia, with another to be delivered next year. We will continue to work with our community to increase our resilience to the hazards that come with living by the sea.

On the subject of resilience, the past year tested ours: while we got off relatively easy, the April cyclones trialled the city’s stormwater management capacity, showing good performance overall but also indicating our susceptibility to a predicted rise in the water table. The slips on Mauao were another result of the rain which destroyed...
parts of the mountain’s iconic walkway. This highlighted the importance of maintaining a risk reserve to help fund unforeseen events that threaten what is important to our city. Collaboration with Tangata Whenua on the rebuild of the Mauao base track will ensure that we find the right solution to preserve the mountain’s historical and ecological values. Mauao is one of our most valued treasures, somewhere we all go for fun, for inspiration, for exercise or the best view in the Bay of Plenty. This was one of those important decisions, about investing in the right things that build a great city and happy, healthy communities.

We will have many more big decisions to make next year, with our community. The Long Term Plan process, our main strategic planning and budgeting exercise is only months away. We look forward to working with you to build the future of Tauranga, and deliver an internationally competitive city that provides a higher standard of living for all.

Greg Brownless  
Mayor

Garry Poole  
Chief Executive
About the Annual Report

WHAT IS AN ANNUAL REPORT?
Every year we produce an Annual Report. This tells you how we performed against what was set through our Long Term Plan and Annual Plan, what key decisions we made, how we performed financially and if we met our levels of service measures. This Annual Report covers the period 1 July 2016 to 30 June 2017, which is the second year of our current Long Term Plan. This is our key accountability document, and lets you know if we are doing what we said we would.

In between Annual Reports, we produce quarterly reports to regularly track our progress against targets and budgets.

WHAT IS A LONG TERM PLAN?
Every three years we develop a Long Term Plan (LTP). This sets our direction, budgets and work plans for the following ten years. The current LTP covers the period 2015-2025, and was finalised in June 2015 following substantial input from our community. The LTP is our lead document and provides detail on all our activities. It sets out Council’s financial strategy, provides the rationale for delivery of our activities, and details our performance measures. This should be the first port of call if you require additional information.

HOW DO ANNUAL PLANS FIT IN?
In the two years between adopting an LTP, we develop Annual Plans. The Annual Plans give you an update on what we agreed in the LTP, highlighting the changes to our budgets and work plans for the coming year. If any significant or material changes are proposed in the Annual Plan, we consult with the community before making any decisions. This process allows us to make sure that our budgets and work plans are flexible enough to respond to the needs of our community and the demands of growth.

Variations to the LTP are made through the Annual Plan process. More significant changes require an ‘amendment to the LTP’, which is an extensive process that includes additional consultation and an audit of the amendment.

Council Planning and Reporting Cycle

All of these documents are available on our website www.tauranga.govt.nz in the ‘Council documents’ section.
Statement of Compliance

The Council of Tauranga City Council hereby confirms that all statutory requirements in relation to the annual report, as outlined in the Local Government Act 2002, have been complied with.

Greg Brownless
Mayor

Garry Poole
Chief Executive

The Annual Report and the Audited Financial Statements of Tauranga City Council together with the report of the Audit office were adopted by Council on 2 October 2017 in Compliance with S.98 of the Local Government Act 2002.