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SocialLink Western Bay of Plenty is a registered charity based at The Kollektive in 17th Avenue, Tauranga and is one of Tauranga City Council's partners. SocialLink is the umbrella peak body for the social and community sector in the Western Bay of Plenty. Its vision is a resourced, skilled and cohesive for purpose sector enabling communities to flourish. Its purpose is to build the capability, confidence, sustainability and voice of community organisations in the Western Bay of Plenty.

As a peak organisation, SocialLink is involved in advocating for and supporting social service and community organisations to do their work on behalf of their communities of interest, as well as advocating in various ways for social justice and equity of opportunity for all people living in the WBOP.

Submission on Tauranga City Council's Long-term Plan 2024 – 34

December 2023

Thank you for the opportunity to submit on the Long Term Plan. We wish to focus on proposed increases and new user fees and charges for licence to occupy (LTO) for Council owned land, including the Historic Village. This is due to the potential impact on not-for-profit community, social service, art and recreational and sport organisations and their activities and efforts undertaken for the benefit of the Tauranga population.

1. Concern regarding proposed increases and new user fees and charges for licence to occupy (LTO) for Council owned land, including the Historic Village.

SocialLink is very concerned about the likely impact of proposed increases in new user fees and licence to occupy charges on social service, community, arts and sports not for profit organisations.

We believe if Council proceeds with the proposals there will be a significant impact on not-for-profit organisations, especially their ability to maintain and develop their services and activities that are essential to our communities' wellbeing.

Further we wish to point out that the stress and anxiety of these proposals on not-for-profit charitable organisations, often run by volunteers who are giving an enormous amount of skill, knowledge and labour to their communities, is considerable.

This proposal to raise and introduce new fees and charges for social service, community, arts and sports not for profit organisations appears to run counter to Tauranga City Councils vision to 'Lift Each Other Up' and 'Fuel Possibilities'. In particular to 'grow our communities', 'lift up those that are vulnerable' and 'foster creativity and innovation, and celebrate our arts and culture'.

Most charities have to live with uncertainty over whether they will be granted or raise enough funding to operate. It will make their life much easier and more certain if their contribution is valued and acknowledged by Council within all its departments and there is a consistent and comprehensive approach to community organisation support.

In the case of community organisations at the Historic Village that are seeing increases in rents, they are also seeing significant increases in OPEX costs commencing from January 2024, which taken together are very significant increases that Socialink understands will result in the closure of some organisations and/or reduction in the delivery of services.

Most community organisations deliver free services so would need to turn to other funding sources, for example philanthropic funders who, due to reduced investment returns, have less money to allocate. For organisations that charge member fees, such as sports clubs, the increase in fees that members would be required to pay would mean many members would no longer be able to afford the membership.

We acknowledge that Council is aware of the benefits such organisations bring and is providing 20% (HV) and 50% discounts (green spaces) and Council is trying to source forms of revenue other than from general rates. However the scale of the proposed new and increases in fees for many community organisations (as well as concurrent OPEX increases) is untenable for many community organisations. If the Historic Village is valued as much as libraries, which we believe it is, it is deserving of general rate funding, with the exception of the commercial elements of the village. This reflects the public benefit communities receive from the community groups that reside in the Historic Village.

Another proposal is to at least double the hire rates for Historic Villages venues, due to the inclusion of staff time being included as part of the hire costs. While we recognise the need to cover costs, the proposed rates will be unaffordable for many community groups and clubs to use these venues for meetings. We recommend that the venues have a rate for the venue only when Historic Village staff are not required to set up the room etc.

Recommendations

We urge the Council to withdraw the proposed fee and LTO increases and produce a new proposal, following engagement with affected organisations, taking into account the concurrent impact of increases to OPEX costs and ensuring that it does not jeopardise the delivery of social services and the use of sports fields and art venues.

A separate Hireage rate is created for Historic Village venues for the venue only, when no staff time is required to ensure affordability for community groups and clubs.

2. Lack of visibility of the proposed fee and LTO changes in the Long Term Plan and Summary documents.

We are also concerned that these proposals have not been sufficiently highlighted in the Long Term Plan Consultation Document to enable Tauranga residents to consider the implications.

The proposals are mentioned in Part Seven: Other consultations: New user fees and charges, (page 62) of the main document and headlined with the question:

‘Should we introduce new user fees and charges to ensure everyone is paying their fair share?’

The Summary Document is probably the first port of call for citizens to find out what the Long Term Plan is proposing.

However the primary indication of user pays in the Summary Document is on page 14 and highlights Sports field and Boat ramps, with the sub heading ‘Should users pay to play?’

Many people within our communities are volunteers for and recipients of community organisational efforts and should have the opportunity to know in the Summary Document about proposed fee and LTO changes for these organisations.

There is no mention of proposed changes to Licence to Occupy rates for buildings owned by Council which are used by social sector, creative and community organisations.

We would suggest these LTO changes will have a bigger impact on our residents than charges for boat ramp users, which is highlighted in the Summary Document. We address these issues in more detail further on.

We are concerned that community organisations and groups may not be aware of the implications and do not have time to consider them from an operational, governing and financial perspectives.

Lack of visibility on proposed changes to fees and LTOs for the Historic Village

In the Long Term Plan and Summary documents there is no mention of the significant fee changes proposed for the Historic Village in 17th Avenue. Indeed, if you want to know more it is not until you are directed to click on a hyper link and select a document called, with the rather misleading title, ‘2024/25 Draft Fees and Charges’ that the reader eventually finds out the proposed changes on page 35 under the heading ‘Historic Village’.

The Historic Village is a destination for many people, whether they are seeking to participate in community related activities. For example the Tauranga Men’s Shed, getting support from social services such as Financial Mentors, Grey Power, Turning Point, Multicultural Tauranga, Graeme Dingle Foundation and others. Others enjoy participating in creative, art and performance initiatives at the Incubator Hub, going to community spaces for meetings

and workshops or enjoying retail and café opportunities and the general ambience of the Historic Village.

It is acknowledged that Council sent Historic Village tenants a letter about the proposed rent and OPEX increases, however there is a broader interest and impact on our communities who are very unlikely to have been able to navigate the relevant LTP information, as outlined above.

In Appendix One we have outlined the proposed changes below in our submission to try to clearly identify them and to make them visible.

SocialLink Perspective on fee and LTO increases for Community Owned Land and Buildings

The proposed charges for the Historic Village are unexpected, are unaffordable for those facing significant increases (both rent and OPEX costs) and is not in keeping with the concept and plans for the Village. The Historic Village Strategic Plan 2020 states that one of its objectives is to 'continue to support community organisations to recognise the role they play in providing valuable services to our community'. However, as mentioned earlier, the proposed increases, new charges and concurrent OPEX cost increases is very likely to result in the closure and reduction of delivery of services to the community.

Another objective of the Plan refers to applying a level of consistency to the user fees and charges to reflect the different types of community and commercial activities that operate in the village, and as result a 20% discount is provided to community groups. While community groups no doubt appreciate and need the discount, we query why the discount couldn't be consistent with the 50% discount community groups receive for using parks, reserves etc?

The proposed large increases or the introduction of new fees and charges for some of the Historic Village tenants and some sports clubs also contrasts significantly with the small or no fee increases that are proposed in the 2024/25 Draft Fees and Charges' document for 33 other services and facilities that Council provides e.g. Airport, animal services, food premises, libraries, stormwater and water supply.

Recommendation

That community groups receive a 50% discount on their rent, in line with the 50% discount community groups receive for using parks, reserves etc.

Impact for current HV community organisation tenants

There are 17 community social service and community organisations (in addition to the tenants in the art and creative arena under the umbrella of The Incubator).

Socialink has already heard that several community and social service tenants have indicated they could not afford to stay at the Historic Village.

Other comments from Historic Village tenants include:

‘It’s a big increase [per sq metre]. We have been tenants in the village for nearly 15 years but would be unable to continue at the proposed new prices.’

‘Will have a significant impact on some [tenants].’

‘[The increases] will be huge for us. Ironically our funding is reducing next year, and every dollar spent on rent and OPEX is money that is not spent on supporting people experiencing financial hardship.’

‘The Historic Village was highlighted as a safe and welcoming space for potential clients who were often really nervous about engaging and connecting with services and is a reason organisations stayed in spite of lack of parking.’

We understand several Historic Village organisations are putting in submissions of their own and/or with The Incubator.

Socialink endorses and supports points raised in several submissions about these proposals.

We endorse and support the **Tauranga Men’s Shed** submission which succinctly outlines the personal and community value it provides on many levels over many years.

The submission noted its current rent and OPEX costs would increase by nearly 300% - going from approximately \$23,600 to nearly \$70,000 per annum. This is enormous and unaffordable.

The Tauranga Men’s Shed makes the point that for such a community facility, assessing rentals at a commercial valuation is flawed and the proposals contradict the Historic Village Strategic Plan with its goal, as mentioned earlier, of

“Continuing to support community organisations to recognise the role they play in providing valuable services to our community”.

Their submission goes on to say:

Further, the LTP is in apparent conflict with the Local Government (Community Well-being) Amendment Act 2019 where Section 10, the amended Purpose of local government stipulates Councils should *“promote the social, economic, environmental, and cultural well-being of communities in the present and for the future”.*

In sum, the proposals relating to the Historic Village if accepted, may well result in an exodus of community groups, activities and services from the Village.

What will be some of the consequences for our community?

- Some organisations may cease operating – The Tauranga Men’s Shed has signalled if the LTP is implemented it will result in its demise.
- The Incubator would need to wind down the main barn and stands to lose 75 of their residential tenants who contribute to the vibrancy and creativity of the Village
- Community organisations will have to find alternative premises, with no guarantee of being able to find or afford new premises and incurring expenses in doing so.
- Reducing services is another option some are contemplating which means the most affected will be the vulnerable and poor who will lose out on the support and connection offered.
- Tauranga loses out on having a richer, more diverse and special community service, retail and creative hub of major community value.

Broader implications for community wellbeing

Further to these points, Socialink endorses and refers the Council to the submission from **Peter McKinlay** who also refers to compliance with the Local Government Act, including Sections 10, 11 and 14 and submits there is no evidence that Council has considered its statutory role and purpose in relation to the proposal for new user fees and charges,

As he notes there are significant community wellbeing and public health benefits from local government fulfilling their statutory roles in enabling and supporting community efforts to provide for and serve their communities.

Conclusion

Socialink understands the need for Council to balance paying for the operational and capital costs of the Historic Village and sports fields and that users pay their fair share while also recognising the significant public benefit of the Village and sports that contribute to the social wellbeing of Tauranga residents. We believe the correct balance has not been struck in the proposals. In the case of the Historic village it has also not recognised the concurrent significant increase in OPEX costs to commence from January 2024.

The lack of early engagement with the affected organisations and the lack of transparency, evidenced in the lack of visibility of the proposals in the LTP documentation, has compounded the issue.

The value and benefit community organisations bring to the population of Tauranga is considerable. These include the direct services they provide to people, social contact and cohesion, the vibrancy they add to life, the learning, the opportunities for creativity, sport and recreation. In a word they fuel possibility and lift up everyone with the role of local government being to enable and empower these organisations, not to put impediments in their way.

Socialink wishes to speak to our submission.

Liz Davies

General Manager

APPENDIX 1

Proposed changes to fees and LTO rates

The Council has outlined a proposed introduction of fee increases as follows

- *New fees for use of Council owned sports grounds by senior and adult teams and clubs using sports fields at an initial \$225+GST per hour, per field/wicket, per season for training only, increasing to include games in second and third years. (Exempts youth and junior teams).*
- *Increases in fees and charges for the use of council land for a lease or licence to occupy by community organisations which will include a 50% subsidy on the reserve land valuation of \$6.05 +GST per m² per annum for bare land and \$66 per m² (+Opex) per annum for buildings. The same rate applies to community groups using buildings or land on Reserve or Council owned fee simple land.*
- *User Fees and Charges Administration charge for community and commercial land users added for variations, assignment, new agreements or renewals. The proposed administration fee for a community organisation is \$500.*

The relevant proposed fees for use of council land that will affect community organisations are outlined in the document '2024/25 Draft Fees and Charges' are extracted below (pg 63 and 64).

Use of Council Land

Casual or One-off Use	Current 2023/24	Proposed 2024/25
Community Group using land with no facilities	No charge	No charge
Community Group using facility such as carpark	Recovery of costs incurred	Recovery of costs incurred

Longer-term use	Current 2023/24	Proposed 2024/25
Lease or Licence Administration fee - Community⁷	N/A	\$500.00
TCC owned building lease or licence per m² - Community use only⁸	N/A	\$66.00 per m² per year
TCC owned buildings – operational expenditure⁹	N/A	\$57.50 per m² per year
Community Ground Lease¹⁰ per m²	N/A	50% of reserve rental valuation (\$6.95 per m² per year for 24/25)

⁷ Legal fees are additional, valuations to be done every three years to determine market rate.

⁸ Interior fit out painting and maintenance is the tenant's responsibility. Exterior building maintenance is council's responsibility (no change to 2023/24). No discount is applicable for the tenant to maintain the interior.

⁹ Rates are additional.

¹⁰ Tenant funded and maintained building. Lease area is calculated as any area with public restricted access. All lease grounds maintenance funded by tenant, with an annual inspection by council.

The Historic Village proposed fee changes

The Historic Village has its own set of proposed fee changes.

Indoor Venue Hire Rates	Current 2023/24			Proposed 2024/25		
	Per hour	Half Day	Full day	Per hour	Half Day	Full day
Village Hall	\$125.00	\$280.00	\$550.00	N/A	\$560.00	\$1,120.00
Village Cinema	\$80.00	\$180.00	\$360.00	N/A	\$430.00	\$850.00
Balcony Room	\$140.00	\$310.00	\$620.00	N/A	\$610.00	\$1,219.00
Durham Barracks	N/A	N/A	N/A	N/A	\$396.00	\$575.00
Schoolhouse	\$45.00	\$95.00	\$190.00	N/A	\$310.00	\$615.00
Chapel	\$55.00	\$120.00	\$290.00	N/A	\$340.00	\$680.00
Chapel Amphitheatre	\$55.00	\$117.00	\$235.00	N/A	\$340.00	\$680.00

Historic Village Licence to Occupy (LTO) Rates	Current 2023/24			Proposed 2024/25		
	Rate Band 1	Rate Band 2	Rate Band 3	Rate Band 1	Rate Band 2	Rate Band 3
Rates Per Square Meter Per Annum						
Retail	\$175 - \$200	\$170 - \$190	\$165 - \$185	\$230.00	\$207.00	\$201.25
Office	\$150 - \$170	\$135 - \$150	\$120 - \$140	\$195.50	\$172.50	\$161.00
Warehouse	\$135 - \$155	\$120 - \$140	\$110 - \$125	\$166.75	\$149.50	\$135.13
Venue (leased)	\$135 - \$155	\$120 - \$140	N/A	\$166.67	\$149.50	N/A

Rate 1 = High quality space located in high traffic area
Rate 2 = Mid quality space located in moderate traffic area
Rate 3 = Low quality space located in low traffic area
Registered Charitable Organisations receive a 20% discount on LTO rates