

From the Mayor and Chief Executive

Tauranga City's growth and development during the 2010/11 year was again influenced by the impacts of the global financial crisis and the ongoing stress this placed on the local and national economy.

Growth has continued to slow, bringing with it a reduction in development contributions and the need to make savings, reduce debt and defer capital projects.

The Council has worked hard to create a balance of investment and expenditure across all activities and services while retaining focus on the 'essentials' such as water supply, transportation, rubbish, drainage, and parks. This has been a significant challenge for the new Council who were sworn in following the election in September 2010.

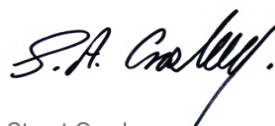
Despite the economic environment Council has continued to acknowledge the need to maintain the planning and some key infrastructure projects that will enable development and growth of the city in the future.

Council's key achievements over the last 12 months include:

- Construction of TECT Arena at Baypark. A special acknowledgement must go to TECT (Tauranga Energy Consumers Trust) for its significant funding contribution towards this new indoor sports and recreation facility for the City.
- The Southern Pipeline. There were some construction delays experienced due to pipe supply issues as a result of the Christchurch earthquakes.
- The \$75 million retail bond issue was fully subscribed
- Completion of the 4.5km Pyes Pa Bypass linking State Highways 29 and 36.
- Ten Days in Tauranga. This project saw Tauranga host 40 Christchurch families for Ten Days.

The environment has brought its own challenges for the Council over the last 12 months with severe weather events causing significant damage to walking tracks and reserve land on Mauao and also to the Beach Street walkway. The repair work required as a result of the slips and wash out damage has taken months and a substantial amount of funds. On a more positive note, the investment in stormwater infrastructure and overland stormwater paths in previous years paid off with less damage in areas that had been badly affected in similar events in the past.

The ongoing fiscal challenges have resulted in Council taking a restrained approach to the 2011 – 2012 Annual Plan. This approach will also influence the decision making around the Ten Year Plan for the 2012 - 2022 period.



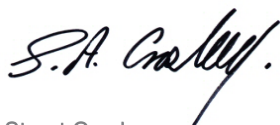
Stuart Crosby
Mayor



Ken Paterson
Chief Executive

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.



Stuart Crosby
Mayor



Ken Paterson
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 11 October 2011 in Compliance with S.98 of the Local Government Act 2002.