Minutes of the Regional Council Meeting held in Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga on Thursday, 13 June 2019 commencing at 9.30 a.m.

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**Present:**

**Chairman:** D Leeder

**Deputy Chairman:** J Nees

**Councillors:** J Cronin, A Tahana, S Crosby, T Marr, L Thurston, P Thompson, D Love, N Bruning, W Clark, K Winters, A von Dadelszen, M McDonald

**In Attendance:** Fiona McTavish – Chief Executive, Mat Taylor – General Manager Corporate, Namouta Poutasi – General Manager Strategy & Science, Sarah Omundsen – General Manager Regulatory Services, Chris Ingle – General Manager Integrated Catchments; Stephanie Macdonald – Community Engagement Team Leader, Debbie Hyland – Finance and Corporate Planning Manager, Garry Maloney – Transport Policy Manager, Graeme Howard – Corporate Planning Lead, David Phizacklea – Regional Development Manager, Mark Townsend – Engineering Manager, Tone Nerdrum-Smith – Committee Advisor

**Apologies:** Cr T Marr and Cr Tahana (late arrivals during the Public Excluded section)

# Karakia

A Karakia was provided by Cr Thurston.

# Apologies

Resolved

That the Regional Council:

1. Accepts the apologies from Cr Marr and Cr Tahana (late arrivals) tendered at the meeting.

Leeder/Winter

CARRIED

# Public Forum

Nil

# Acceptance of Late Items

Nil

# General Business

Nil

# Confidential Business to be Transferred into the Open

Nil

# Declaration of Conflicts of Interest

Cr Winters – Member of the Coastguard Eastern Regional Board and Rotorua Lakes Coastguard– Refer Annual Plan 2019/20 - Safe and Resilient Communities - Regional Safety and Rescue Funding.

Cr Clark – His wife was a member of the Edgecumbe Collective- Refer Annual Plan 2019/20 - Annual Plan Funding Requests.

Cr Tahana - Trustee of Te Arawa Lakes Trust - Refer Annual Plan 2019/20 - Annual Plan Funding Requests.

# Public Excluded Section

Resolved

**Resolution to exclude the public**

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

**The general subject 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(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:**

|  |  |  |
| --- | --- | --- |
| **General Subject of Matter to be Considered** | **Reason for passing this resolution in relation to this matter** | **Grounds under Section 48(1) LGOIMA 1987 for passing this resolution** |
| **NZ Bus Contracts - Transfer of Ownership Consent** | **To protect the commercial position of an individual** | **Good reason for withholding exists under Section 48(1)(a)** |
| **Annual Plan 2019/20 –****Safe and Resilient****Communities - Funding for****Purchase of the Rangitaiki****Floodway (spillway land****area)** | **To enable Council to carry****on, without prejudice or****disadvantage, negotiations****(including commercial and****industrial negotiations)** | **Good reason for withholding exists under Section 48(1)(a)** |

Leeder/Clark

CARRIED

# Open Section - Continued

10.18 am – The meeting **adjourned**.

10.33 am – The meeting **reconvened**.

# Reports

## Annual Plan 2019/20 Overview and Financial Information

*PowerPoint Presentation – Objective Reference A3233341*

Mat Taylor – General Manager Corporate, Debbie Hyland – Finance and Corporate Planning Manager, Graeme Howard – Corporate Planning Lead and David Phizacklea – Regional Development Manager presented this item.

Fiona McTavish – Chief Executive provided an outline of the day ahead; the development of the draft Annual Plan 2019/20; and the consultation process which had differed from previous years.

Key Points

* In principle approval would be made throughout the meeting with final confirmation at the end, once implications of the decisions were known
* Total rates increase was stipulated at 7.4%, which was 0.9% above the consulted increase; this did not include the impact of Council decisions made through deliberations at this meeting.
* The main reason for the increase was the cost of passenger transport initiatives
* Targeted rates in Tauranga would increase from $157 at consultation to $168 per rating unit for public transport
* Civil Defence Emergency Management targeted rate came in addition to the public transport targeted rate
* CapEx movement of $6.7 million was largely carry-forward of capital works from the 2018-19 year
* $7m remained allocated in the 2019-20 budget for nitrogen purchase.

Key Points – Members

* Suggested that tertiary providers should contribute towards transport services and that any budget allocations should be subject to such contribution
* Important to consider the environmental impact of staff travelling between the various offices, in particular Whakatāne and Tauranga
* Suggested that formal hearings should form part of future Annual Plan/Long Term Plan consultation processes
* Noted that some communities, e.g. Murupara, would not be able to access tertiary education unless transport was provided
* Sought that carry-forwards, e.g. for capital projects, be clearly identified in the Annual Plan 2019/20.

Resolved

That the Regional Council:

1. Receives the report, Annual Plan 2019/20 Overview and financial information;
2. Agrees to the recommended two-step process for decision-making whereby Council make ‘in principle’ decisions on all the recommendations in the deliberations papers, as papers are considered. Council then reviews the
‘in principle’ decisions and confirms or amends them, at the end of the deliberations meeting.
3. Notes the overall financial positon set out in this report.
4. Notes that the updated draft Annual Plan 2019/20 budget set out in this report. This includes a total rates revenue increase of 7.4%, 0.9% more than the 6.5% forecast in the Consultation Document and that this is before consideration of deliberation issues and staff recommendations.
5. Approves in principle the budget changes since public consultation; this includes additional operating expenditure of $2.2 million and capital expenditure of $6.7 million in 2019/20 as set out in this report.
6. Notes the proposed treasury management activities for 2019/20 will be reviewed by the Audit and Risk Committee on 13 June 2019 and recommended for Council approval on 27 June 2019 as part of the adoption of the Annual Plan 2019/20.
7. Reviews the recommendations within each of the deliberations papers and the summary of the financial implications in this report.
8. *To be considered at the end of the meeting: Gives direction on the options proposed for the use of reserves as discussed in this report and the overall funding approach for the Annual Plan 2019/20.*
9. Approves in principle the amendments to the Revenue and Financing Policy to be adopted as part of the Annual Plan 2019/20.
10. Approves in principle the Minor Rivers and Drainage targeted rates set out in Section 7 of this report.
11. Notes that at the Annual Plan 2019/20 adoption meeting on 27 June 2019, Council will be required to resolve that it is financially prudent to continue to set an unbalanced budget which means that operating expenditure is higher than operating revenue. The Council is contributing to third party infrastructure projects and as part of the Long Term Plan 2018-2028, Council resolved that it was financially prudent to set an unbalanced budget as the infrastructure grants are better funded from reserves rather than rates increases.

**Thompson/Thurston**

**CARRIED**

## Annual Plan 2019/20 - A Vibrant Region - Transport

Mat Taylor – General Manager Corporate, Namouta Poutasi – General Manager Strategy & Science, David Phizacklea – Regional Development Manager, Garry Maloney – Transport Policy Manager and Debbie Hyland – Finance and Corporate Planning Manager presented this item.

*PowerPoint Presentation – Objective Reference A3233341*

Key Points

* Tertiary education providers were reluctant to commit contribution to public transport services
* Central Government had allocated funding to investigate the viability of providing a community service card for public transport commuters
* Free school travel provided an important social service, however did not significantly improve traffic congestion
* Bus operators had not indicated any clear direction with regards to incorporating living wage conditions in their contracts.

Key Points – Members

* Concerned that the delivery of a “Frequent, Reliable and Direct Blueprint Service” as a core principle did not align with the actual situation
* If providing free bus service for students did not make a recognisable difference to congestion, then this should be considered in the context of providing a social benefit
* Considered that Council’s consultation had been comprehensive and that the issues presented to the community for consideration had been extensively debated in advance by Elected Members
* Emphasized the importance of a strategic review of the Public Transport Blueprint and the requirement to allocate sufficient resources for an effective review
* Demonstrable consideration of modal shift was an expectation of Central Government
* Queried whether a free school trial for Tauranga could be postponed until the outcome of the Phase 3 public transport review and the data from the current Welcome Bay free trial was available
* Queried the possibility of Council seeking support towards its free school bus trial, as it aligned with the wishes of Central Government
* There was currently no direct service from the Kennedy Road end of The Lakes, Pyes Pa to the Crossing shopping centre in Tauriko and feedback from the local community indicated a need for such service to be provided. This should be incorporated as an option in the Phase 3 review.

Resolved

That the Regional Council:

1. Receives the report, Annual Plan 2019/20 - A Vibrant Region – Transport.
2. Refers consideration of public transport funding principle to the Public Transport Committee

Public Transport Financial Position - Tauranga Business As Usual Decisions 2018/19

1. Notes Tauranga Urban Network business as usual decisions made in 2018/19 and approves flow on implications of $900,000 of additional budgeted operating expenditure and $532,000 of additional targeted rates revenue be included in the updated draft Annual Plan Budget 2019/20 for deliberations (Section 3).

Public Transport Financial Position - Rotorua Business As Usual Decisions 2018/19

1. Notes Rotorua business as usual decisions made in 2018/19 and approves flow on implications of $368,000 of additional budgeted operating expenditure and $178,000 of additional targeted rates revenue be included in the updated draft Annual Plan Budget 2019/20 for rest and meal breaks for drivers required by the Employment Relations Amendment Act 2018 and other amendments (Section 4).

Nees/Love

APPROVED in principle

Annual Plan Deliberations 2019/20 - Region-Wide Decisions

1. (a) Agrees to fund the introduction in 2020 of new tertiary and commuter services for a one year trial as consulted at an estimated net cost to Council of $356,000 subject to confirmed funding from the tertiary providers of 50% of net cost and agrees this is funded through targeted rates $174,000 in 2019/20 and $182,000 in 2020/21 (Section 5.1).

5 (b) Agrees that Murupara to Rotorua service be exempt from the requirement to 50% contribution by the tertiary provider.

Nees/Thurston

APPROVED in principle

1. Directs staff to pursue a cost sharing agreement with the tertiary providers and apply to NZTA’s targeted enhanced financial assistance rate for the new tertiary services trial in 2020 (Section 5.1).
2. Agrees to fund a 12 month trial across the region in 2019/20 to enable free SuperGold Card holder travel on Council-contracted bus services from 9:00 am onwards on weekdays and to terminate the trial early in some or the entire region if uptake is such that it will require the provision of additional buses. The estimated net revenue foregone to Council is $78,000 in 2019/20 and agrees that this is funded through targeted rates (Section 5.2).

Thurston/Thompson

APPROVED in principle

1. Agrees to extend the living wage to Council’s other contracted bus services (Section 5.6).

Winters/Tahana

APPROVED in principle

1. Notes that the rest and meal breaks for drivers required by the Employment Relations Amendment Act 2018 will add additional costs when fully implemented in April 2020 and the updated draft Annual Plan Budget 2019/20 includes a best estimate of the financial implications.

Nees/Love

APPROVED in principle

Annual Plan Deliberations 2019/20 - Tauranga/Western Bay of Plenty Sub-region Decisions

1. Agrees to a one year trial of fare-free bus travel for Tauranga school students in 2020 to help reduce congestion at an estimated net cost to Council of $1.8 million (excluding confirmed funding from the NZTA) and agrees this is funded through targeted rates of $852,000 in 2019/20 and $926,000 in 2020/21 (Section 5.2).
2. Directs staff to pursue the business case in accordance with NZTA requirements to seek funding for the one year trial of fare free bus travel for Tauranga school students in 2020 (Section 5.2).

Thompson/Thurston

APPROVED in principle

1. Agrees to change the operating days for the Kawerau to Tauranga bus service to Tuesday and Thursday and in the next Annual Plan consult on establishing a new Kawerau passenger transport targeted rate to put in place the additional services requested (Section 5.7).

Clark/Marr

APPROVED in principle

1. Notes that one of the principles underpinning the Tauranga Phase 3 review is to deliver a network within, or largely within, existing budgets, but should that work identify the need for significant increased funding, Council will consider that as part of preparing the Annual Plan 2020/21 (Section 5.8).

Leeder/von Dadelszen

APPROVED in principle

Annual Plan Deliberations 2019/20 - Rotorua Decisions

1. Defers making a decision on introducing a new public transport service around Rotorua’s CBD pending the review of the Rotorua public transport network (Section 5.4).
2. Defers making a decision on introducing a new public transport service around Lake Rotorua pending the review of the Rotorua public transport network (Section 5.5).

Thurston/Winters

APPROVED in principle

Targeted Rates Reserve

1. Gives direction on the options proposed for the use of the Passenger Transport Targeted Rates Reserve for Tauranga 100%, Western Bay of Plenty 50% and Whakatāne Districts 100% based on 30 June 2019 estimates.

Nees/von Dadelszen

APRROVED in principle

1. Gives direction on the options proposed for the forecast deficit in the Passenger Transport Targeted Rates Reserves for Rotorua Urban based on 30 June 2019 estimates as follows:
* Recovery of 100% of forecast deficit as at 30 June 2019 in 2019/20to be spread over 2 years.
* Living wage adjustment (as per Resolution 8)

Thurston/Winters

APPROVED in principle

1. Confirms that the decision has a medium level of significance as determined by the Council’s Significance and Engagement Policy. Council has identified and assessed different options and considered community views as part of making the decision, in proportion to the level of significance.

Nees/Love

**APPROVED in principle**

12.30 pm – The meeting **adjourned**.

1.00 pm – The meeting **reconvened** and it was noted that Cr Love had **withdrawn** from the meeting.

## Annual Plan 2019/20 - A Vibrant Region - Regional Economic Development and General Submissions

*PowerPoint Presentation – Objective Reference A3233341*

Resolved

That the Regional Council:

1. Receives the report, Annual Plan 2019/20 - A Vibrant Region - Regional Economic Development and General submissions;
2. Notes that $420,000 included in the draft Annual Plan 2019/20 budget for the Urban Form and Transport Initiative and no amendment is recommended to this budget allocation.
3. Requests an independent review of the integration of SmartGrowth and UFTI in the 2019-20 year.
4. Notes the updates in the paper and the specific points raised through the Annual Plan submissions outlined in this paper.

**Leeder/Nees**

**CARRIED**

## Annual Plan 2019/20 - Annual Plan Funding Requests

Cr Tahana **declared in interest** in Te Arawa Lakes Trust as a Trustee and **abstained** from the vote of this part of the resolution.

Cr Clark **declared an interest** in the Edgecumbe Collective and **abstained** from the vote of this part of the resolution.

Namouta Poutasi – General Manager Strategy & Science, Mat Taylor – General Manager Corporate, Debbie Hyland – Finance and Corporate Planning Manager, David Phizacklea – Regional Development Manager, Graeme Howard – Corporate Planning Lead and Stephanie Macdonald – Community Engagement Team Leader presented this item.

Key Points

* The allocation of funding for the Te Arawa Lakes Biosecurity Coordinator represented a continuation of the existing funding
* Maori Economic Development Advisor – $25,000 was a continuance of existing funding.

Key Points – Members

* Worked through each funding request and the recommendations within the agenda report
* Wai Warriors was an environmental youth education programme, and included learnings around catfish.

Items for Staff Follow-up

* Provide information regarding the overall support, including non-financial/in-kind support, provided to Te Arawa Lakes Trust.

Resolved

That the Regional Council:

1. Receives the report, Annual Plan 2019/20 - Annual Plan Funding Requests;
2. Agrees to include the following non-infrastructure funding requests within existing budgets:
3. **Te Arawa Lakes Trust $170,000 for:**
* **Investigation of an Environmental Service Hub for hapū/Iwi – $60,000**
* **Wai Warriors Programme – $10,000.**
* **Biosecurity Coordinators – $100,000.**
1. **Western Bay of Plenty District Council (development of Tahataharoa) - $25,000 (estimated).**
2. **Edgecumbe Collective – up to $100,000 over two years with upto$50,000 in 2019/20 and up to $50,000 in 2020/21.**
3. **Priority One – $60,000:**
* **Maori Economic Development Advisor – $25,000.**
* **Innovate Tauranga Project – $25,000.**
* **Passenger Ferry Services feasibility study – $10,000.**
* **Tauranga Moana Biosecurity Capital – $10,000**
* **Western Bay Museum – $10,000**
* **Water Safety New Zealand – $20,000**
1. **Lakes Water Quality Society – $20,000.**
2. **Tauranga Moana Iwi Partners – $5,000**
3. **Allocate funding of $20,000 for co-ordination of community groups on environmental engagement for UFTI.**
4. Declines funding requests from the following organisations:
5. **Transit Group – $90,000.**
6. **Te Arawa Lakes Trust – $227,000.**
* **Remainder of the TALT funding application not supported under Recommendation 2 a).**
1. Directs staff to provide a report for Elected Members’ consideration of the request for Infrastructure Funding to purchased land on Matakana Island for the purposes of a Regional Park at a future meeting.

**Thompson/Crosby**

**APPROVED** **in principle**

## Annual Plan 2019/20 - Safe and Resilient Communities - Regional Safety and Rescue Funding

*PowerPoint Presentation – Objective Reference A3233341*

Cr Winters **declared an interest** in this item as a Member of the Coastguard Eastern Regional Board and Rotorua Lakes Coastguard and **abstained** from the vote of this part of the resolution.

Resolved

That the Regional Council:

1. Receives the report, Annual Plan 2019/20 - Safe and Resilient Communities - Regional Safety and Rescue Funding;
2. Directs staff to work with key stakeholders, in particular territorial authorities and safety and rescue service providers, with the intention of implementing centralised funding approach for Regional Safety and Rescue funding (Option 3) though the next Annual Plan or Long Term Plan; and
3. Notes that there are no financial implications for the Annual Plan 2019/20; however, additional staff time is required to develop and implement a policy.

**Thurston//Crosby**

**CARRIED**

## Annual Plan 2019/20 - Safe and Resilient Communities: Flood Protection and Control

*PowerPoint Presentation – Objective Reference A3263782, including videos and modelling simulations*

Mark Townsend – Engineering Manager presented this item.

Key Points

* The engineering solution was challenging to align with the preferred long term management of the river/waterways
* The proposed solution would increase the height of the stop bank by more than 1m in some areas.

Items for Staff Follow-up

* Provide information to Elected Members regarding the total debt on the Rangitāiki River Scheme following the decisions made today.

Resolved

That the Regional Council:

1. Receives the report, Annual Plan 2019/20 - Safe and Resilient Communities: Flood Protection and Control.
2. Approves additional capital expenditure of $4.34 million in the Annual Plan 2019/20 for the Rangitaiki Floodway Project and that this is to be funded through borrowings. This comprises of the budget provision to complete Stage 5, begin Stage 7 and to scope/cost Stage 6.
3. Notes that Stage 7 work for Rangitaiki Floodway will begin prior to Stage 6 to support overall programme progress.
4. Approves additional capital expenditure $250,000 in the Annual Plan 2019/20 for the Te Rahu Pump Station pipe renewal.
5. Notes that capital expenditure carried forward from 2018/19 to 2019/20 of $204,000 for the Canal 109 culvert renewal is included in the updated draft Annual Plan 2019/20 budget.
6. Approves additional capital expenditure of $116,000 in the Annual Plan 2019/20 for Canal 109 culvert renewal.
7. Approves additional capital expenditure of $300,000 in the Annual Plan 2019/20 for project closure work for the Kopeopeo Canal Remediation Project.
8. Approves bringing forward into the Annual Plan 2019/20 $200,000 capital expenditure for bioremediation for the Kopeopeo Canal Remediation Project and this will reduce programme estimates for bioremediation in years 2020/21 $150,000 and 2022/23 $50,000.
9. Approves additional operating expenditure budget for internal loan repayments and interest costs as set out in the financial implications section of this report.
10. Notes the re-phasing of Long Term Plan funding between river schemes for the April 2017 Flood Repair Project as set out in this report.

**Bruning/Thompson**

**APPROVED in principle**

## Annual Plan 2019/20 - A Healthy Environment: Proposed Changes to Charges under the Resource Management Act and Building Act Charges Policy 2019/20

*PowerPoint Presentation – Objective Reference A3233341*

Sarah Omundsen – General Manager Regulatory Services presented this item.

Key Points – Members

* Important to adopt a pragmatic approach when charging resource consent customers, e.g. no charging until a certain threshold had been reached.

Resolved

That the Regional Council:

1. Receives the report, Annual Plan 2019/20 - A Healthy Environment: Proposed Changes to Charges under the Resource Management Act and Building Act Charges Policy 2019/20 and notes consideration of the submissions associated with the same;
2. Approves the recommendations made by staff as outlined in Table 1 to amend the Resource Management Act and Building Act Charges Policy 2019/20 by including the proposed:
	1. Application charges for resource consents;
	2. Annual consent charges – administration, and compliance and monitoring charges;
	3. Data and science charges;
	4. Staff charges; and
	5. General charges.
3. Direct staff to incorporate the changes into the Resource Management Act and Building Act Charges Policy 2019/20 and prepare for adoption.

**Nees/Crosby**

**APPROVED in principle**

## Annual Plan 2019/20 - A Healthy Environment - Update and Summary of Submissions

*PowerPoint Presentation – Objective Reference A3233341*

Key Points – Members

* Kaimai Mamaku pest control was operated as a joint initiative that could be a model for other areas in the region
* Concerned regarding the unhealthy state of Department of Conservation land in many areas, e.g. the East Cape, and there was a role for Council to support the community in addressing these concerns.

Items for Staff Follow-up

* Add the words ‘cost effective’ to ‘ground pest control’ in the Kaimai Mamaku Ranges.

Resolved

That the Regional Council:

1. Receives the report, Annual Plan 2019/20 - A Healthy Environment - Update and summary of submissions;
2. Notes the updates in the paper and the specific points raised through the Annual Plan submissions outlined in this paper.

**Cronin/Leeder**

**CARRIED**

## Annual Plan 2019/20 - Strategic Challenges: Climate Change

*PowerPoint Presentation – Objective Reference A3233341*

Namouta Poutasi – General Manager Strategy & Science presented this item.

Key Points

* A strategy for next steps was in place and a report would be brought to RD&D Committee meeting on 25 June 2019
* There was a total allocation of $400k in the 2019-20 budget for climate change.

Key Points – Members

* A climate change declaration had to be supported by a robust programme, e.g. like what had been done by Nelson City Council
* Recognised that the word ‘crisis’ in the context of climate change had been overused and somewhat tainted.

Resolved

That the Regional Council:

1. Receives the report, Annual Plan 2019/20 Deliberations - Strategic Challenges: Climate Change.
2. Notes that the results of community consultation on the Draft Annual Plan 2019/20 show a preference for Council to include climate change in decision making.
3. Notes that no change is recommended to the $200,000 included within the Draft Annual Plan for the climate change function in 2019/20 and note the indicative budget allocation (see Section 5).
4. Requests staff to provide a late paper to the RD&D Committee meeting on 25 June 2019 on the merits, or otherwise, of providing a declaration on climate change, and on the potential establishment of a climate change fund.

**Nees/Thompson**

**CARRIED**

## Annual Plan 2019/20 Overview and Financial Information - *Continued*

Resolved

That the Regional Council:

1. Confirms the approval in principle resolutions passed during the meeting, including the use of reserves as discussed in the agenda report and the overall funding approach for the Annual Plan 2019/20, and directs staff to incorporate these in the draft Annual Plan 2019/20, which is due to be adopted on the 27 June 2019.

**Leeder/Nees**

**CARRIED**

**The meeting closed at 3.04 pm**



Confirmed 27 June 2019 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Doug Leeder

Chairman Bay of Plenty Regional Council