

Regional Council

NOTICE IS GIVEN

that the next meeting of the **Regional Council** will be held in **Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga** on:

Thursday, 27 June 2019 commencing at 9.30 am.

Fiona McTavish
Chief Executive
19 June 2019



Regional Council

Terms of Reference

Purpose

- Enable democratic local decision-making and action by, and on behalf of, Bay of Plenty communities.
- Meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- Set the overarching strategic direction for Bay of Plenty Regional Council as an organisation.
- Hold ultimate responsibility for allocating financial resources across the Council.

Membership

All councillors are members of the Regional Council.

Quorum

In accordance with Council standing order 10.1(a), the quorum at a meeting of the Regional Council is seven members, consisting of half the number of members.

Meeting frequency

Six-weekly.

Role of Council

- Address Local Electoral Act matters and Local Government Rating Act matters.
- Oversee all matters relating to identifying and contributing to community outcomes.
- Consider and agree on matters relating to significant new activities or areas of involvement such as infrastructure which are not the responsibility of a specific committee.
- Provide regional leadership on key issues that require a collaborative approach between a number of parties.
- Develop, adopt and review Council's Policy on Significance and decision-making policy and processes.
- Develop, adopt and implement the Triennial Agreement and the Code of Conduct.
- Consider and agree on matters relating to elected members' remuneration matters.
- Appoint the Chief Executive Officer, and review their contract, performance and remuneration at least annually.
- Approve all delegations to the Chief Executive, including the authority for further delegation to staff.
- Establish committees, subcommittees, and working parties and appoint members.
- Receive and consider recommendations and matters referred to it by its committees, joint committees, subcommittees and working parties.

- Approve membership to external bodies and organisations, including Council Controlled Organisations.
- Develop, adopt and review policies for, and monitor the performance of, Council Controlled Organisations.
- Review and approve strategic matters relating to the sale, acquisition and development of property for the purposes of meeting Council's organisational requirements and implement approved Regional Council policy.
- Address strategic corporate matters including property and accommodation.
- Institute any proceedings in the High Court that are not injunctive proceedings.
- Exercise the powers and duties conferred or imposed on Council by the Public Works Act 1981.
- Consider and agree on the process to develop the Long Term Plan, Annual Plan and Annual Report.
- Adopt Council policies as required by statute (for example Regional Policy Statement and Regional Land Transport Strategy) to be decided by Council or outside of Committee delegations (for example infrastructure policy).
- Delegate to commissioners to exercise the powers, functions and duties of the Council as a consent authority under the Resource Management Act 1991 including to hear and decide a consent application.
- Monitor Council's financial and non-financial performance in-year.
- Develop, review and approve Council's Financial Strategy and funding and financial policies and frameworks.

Delegations from Council to Committees

- Full Council has a role to monitor the functioning of all committees.
- Full Council will consider matters not within the delegation of any one Council committee.
- Full Council may at any time, revoke or modify a delegation to a Council committee, either permanently, for a specified time or to address a specific matter, if it considers there is good reason to do so.
- The delegations provided to committees may be further delegated to subcommittees unless the power of further delegation is restricted by Council or by statute.

It is accepted in making these delegations that:

- The committees, in performing their delegated functions, powers or duties, may, without confirmation by the Council, exercise or perform them in a like manner and with the same effect as the Council itself could have exercised or performed them.
- The delegated powers given shall at all times be subject to their current policies and principles or directions, as given by the Council from time to time.
- The chairperson of each committee shall have the authority to exercise their discretion, as to whether or not the delegated authority of the committee be used where, in the opinion of the chairperson, circumstances warrant it.

Powers that cannot be delegated

Under Clause 32 Schedule 7 of the Local Government Act 2002, Full Council must make the following decisions:

- Make a rate.
- Make a bylaw.
- Borrow money or purchase or dispose of assets, other than in accordance with the long-term plan.
- Adopt the long-term plan, annual plan, or annual report.
- Appoint a chief executive.
- 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.
- Adopt a remuneration and employment policy.

Public Forum

1. A period of up to 15 minutes may be set aside near the beginning of the meeting to enable members of the public to make statements about any matter on the agenda of that meeting which is open to the public, but excluding any matter on which comment could prejudice any specified statutory process the council is required to follow.
2. The time allowed for each speaker will normally be up to 5 minutes but will be up to the discretion of the chair. A maximum of 3 public participants will be allowed per meeting.
3. No statements by public participants to the Council shall be allowed unless a written, electronic or oral application has been received by the Chief Executive (Governance Team) by 12.00 noon of the working day prior to the meeting and the Chair's approval has subsequently been obtained. The application shall include the following:
 - name of participant;
 - organisation represented (if any);
 - meeting at which they wish to participate; and matter on the agenda to be addressed.
4. Members of the meeting may put questions to any public participants, relevant to the matter being raised through the chair. Any questions must be asked and answered within the time period given to a public participant. The chair shall determine the number of questions.

Membership

Chairman:	D Leeder
Deputy Chairman:	J Nees
Councillors:	N Bruning, W Clark, J Cronin, S Crosby, D Love, T Marr, M McDonald, A Tahana, P Thompson, L Thurston, A von Dadelszen, K Winters
Committee Advisor:	T Nerdrum-Smith

Recommendations in reports are not to be construed as Council policy until adopted by Council.

Agenda

E te Atua nui tonu, ko mātau ēnei e inoi atu nei ki a koe, kia tau mai te māramatanga ki a mātau whakarite mō tēnei rā, arahina hoki mātau, e eke ai te ōranga tonu ki ngā āhuatanga katoa a ngā tangata ki tō mātau rohe whānui tonu. Āmine.

“Almighty God we ask that you give us wisdom in the decisions we make here today and give us guidance in working with our regional communities to promote their social, economic, environmental and cultural well-being. Amen”.

1 Opening Karakia

2 Apologies

3 Public Forum

4 Acceptance of Late Items

5 General Business

6 Confidential Business to be Transferred into the Open

7 Declarations of Conflicts of Interests

8 Previous Minutes

8.1	Regional Council Minutes - 22 November 2018	15
8.2	Regional Council Minutes - 07 March 2019	19
8.3	Regional Council Minutes - 09 May 2019	29

8.4	Regional Council Minutes - 13 June 2019	41
8.5	Civil Defence Emergency Management Group Joint Committee Minutes - 22 March 2019	55
8.6	Te Maru o Kaituna River Authority Minutes - 22 March 2019	63
9	Reports	
9.1	Chairman's Report	73
9.2	Chief Executive's Report	77
9.3	Fixing Resource Management Act Charges	83
	APPENDIX 1 - s36AAA Resource Management Act Charges Analysis 2019/20	91
	APPENDIX 2 - Resource Management Act and Building Act Charges Policy 2019/20	105
9.4	Adoption of the Annual Plan 2019-20	133
	APPENDIX 1 - Annual Plan 2019-20 - Budget Changes Register	143
	APPENDIX 2 - Amended Revenue and Finance Policy 2019-20	147
	APPENDIX 3 - Amended Funding Needs Analysis	157
	APPENDIX 4 - Amended Statement of Investment Policy and objectives - Toi Moana Fund	197
	APPENDIX 5 - Quayside Holdings SIPO High Yield Investment Fund	205
	APPENDIX 6 - Amended Liability Management Policy	219
	APPENDIX 7 - Amended Treasury Delegations Manual	227
	SUPPORTING DOCUMENT - Final Draft Annual Plan 2019/20 For Adoption (<i>this document will be distributed separately</i>)	235
9.5	Setting of Rates 2019/20	237
9.6	2019 LGNZ Remits Recommendations	253
	APPENDIX 1 - 2019 LGNZ AGM Remits Recommendations	255
9.7	Recommendation to Council from Public Transport Committee: Land Transport Management Act 2003 Delegation	263
9.8	Lake Rotoma/Rotoiti Wastewater Reticulation	265
10	Public Excluded Section	269

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
10.1 Public Excluded Regional Council Minutes - 22 November 2018	Please refer to the relevant section of the public minutes	Good reason for withholding exists under Section 48(1)(a)
10.2 Public Excluded Regional Council Minutes - 09 May 2019	Please refer to the relevant section of the public minutes	Good reason for withholding exists under Section 48(1)(a)
10.3 Public Excluded Regional Council Minutes - 13 June 2019	Please refer to the relevant section of the public minutes	Good reason for withholding exists under Section 48(1)(a)
10.4 Quayside Holdings Limited - 2019/20 Statement of Intent – Fixed start time of 10.45am	To carry out commercial activities	Good reason for withholding exists under Section 48(1)(a)
10.5 Regional Property Update	To protect the commercial position of an individual	Good reason for withholding exists under Section 48(1)(a)
10.6 Bay of Connections Leadership Group Recommendations	To protect the commercial position of an individual	Good reason for withholding exists under Section 48(1)(a)

10.1 Public Excluded Regional Council Minutes - 22 November 2018	271
10.2 Public Excluded Regional Council Minutes - 09 May 2019	273
10.3 Public Excluded Regional Council Minutes - 13 June 2019	277
10.4 Quayside Holdings Limited - 2019/20 Statement of Intent (fixed start time of 10.45am)	281
APPENDIX 1 - Final draft SOI - June 2020	285
10.5 Regional Property Update	299
APPENDIX 1 - 2019-06-27 - Appendix 1 - Project Upgrade Cost of building condition problems to date	319
APPENDIX 2 - 2019-06-27 - Appendix 2 - Project Upgrade cost mitigation measures	323
10.6 Bay of Connections Leadership Group Recommendations	327
APPENDIX 1 - Terms of Reference - Bay of Connections Leadership Group 2019	333

- 11 Confidential Business to be Transferred Into the Open**
- 12 Readmit the Public**
- 13 Consideration of Late Items**
- 14 Consideration of General Business**
- 15 Closing Karakia**

Previous Minutes

Minutes of the Regional Council Meeting held in Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga on Thursday, 22 November 2018 commencing at 9.30 a.m.

Present:

Chairman: D Leeder

Deputy Chairman: J Nees

Councillors: J Cronin, T Marr, P Thompson, D Love, N Bruning, W Clark, S Crosby, K Winters, M McDonald, Cr Thurston

In Attendance: Fiona McTavish – Chief Executive, Mat Taylor – General Manager Corporate, Helen Creagh – Acting General Manager Catchments, Namouta Poutasi – General Manager Strategy & Sciences, Sara Omundsen – General Manager Regulatory Services, Annabel Chappell – Property Manager, T Nerdrum-Smith – Committee Advisor

Apologies: Cr von Dadelszen and Cr Tahana

1 Apologies

Resolved

That the Regional Council:

- 1 Accepts the apologies from Cr von Dadelszen and Cr Tahana tendered at the meeting.**

**Leeder/Crosby
CARRIED**

2 Public Forum

Nil

3 Acceptance of Late Items

Nil

4 General Business

Nil

5 Confidential Business to be Transferred Into the Open

Nil

6 Declaration of Conflicts of Interest

Nil

7 Reports

7.1 Infrastructure Insurance Renewal

Mat Taylor – General Manager Corporate and Annabel Chappell – Property Manager presented this item.

In Response to Questions

- Changing asset replacement values and rising cost of repairs, had caused the overall premium increase.

Resolved

That the Regional Council:

- 1 Receives the report, Infrastructure Insurance Renewal;
- 2 Approves the annual renewal of Council's Infrastructure Insurance Policy at the cost of \$445,000;
- 3 Approves the additional premium (estimated at \$110,000) for the expected \$60m asset value increase once the valuations have been peer reviewed.

Winter/Cronin
CARRIED

7.2 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
Kaituna River Re-diversion Project - proposed settlement offer	To carry out commercial and industrial negotiations	Good reason for withholding exists under Section 48(1)(a)

**Leeder/Winter
CARRIED**

The meeting closed at 9.52 am

Confirmed DATE

Chairman Doug Leeder
Bay of Plenty Regional Council

Minutes of the Regional Council Meeting held in Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga on Thursday, 7 March 2019 commencing at 2.00 p.m.

Present:

Deputy Chairman: J Nees

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

In Attendance: Fiona McTavish – Chief Executive, Mat Taylor – General Manager Corporate, Namouta Poutasi – General Manager Strategy & Science, Chris Ingle – General Manager Integrated Catchments, Debbie Hyland – Finance and Corporate Planning Manager, Reuben Fraser – Consents Manager, Jane Palmer – Senior Planner, Andy Bruere – Lakes Operations Manager, Graeme Howard – Corporate Planning Lead, T Nerdrum-Smith – Committee Advisor,

Apologies: Chairman Leeder, Cr Clark, Cr McDonald

1 Karakia

A Karakia was provided by Cr Marr.

2 Apologies

Resolved

That the Regional Council:

- 1 Accepts the apologies from Chairman Leeder, Cr Clark and Cr McDonald tendered at the meeting.**

**Thurston/Love
CARRIED**

3 Public Forum

Nil

4 Acceptance of Late Items

Nil

Noted the tabled documents as listed in the minutes.

5 **General Business**

Nil

6 **Declaration of Conflicts of Interest**

Nil

7 **Reports**

7.1 **Adoption of the 'Statement of Proposal: Proposed Changes to Bay of Plenty Regional Council's Resource Management Act Charges' for Public Consultation**

PowerPoint Presentation – Reference A3144206

Chris Ingle – General Manager: Integrated Catchments, Debbie Hyland – Finance and Corporate Planning Manager, Reuben Fraser – Consents Manager and Jane Palmer – Senior Planner presented this item.

Key Points of Presentation

- Adoption of the Statement of Proposal: changes to the RMA fees and charges policy
- RMA and Building Act Charges Policy
- Data and Science Charges – background
- Proposed changes – Consent and Compliance charges.

In Response to Questions

- Direct communication as part of the consultation process would advise current consent holders of the proposed changes
- One hour of staff time, free of charge, was provided for the initial discussion with consent applicants
- More details with regards to Iwi and Hapū charges was being sought and it was accordingly not included in the 2019/20 Consultation Document
- Council refunded any unused/surplus components of the up-front deposit payable by consent applicants.

Resolved

That the Regional Council:

- 1 Receives the report, Adoption of the 'Statement of Proposal: proposed changes to Bay of Plenty Regional Council's Resource Management Act charges' for public consultation;**
- 2 Approves the proposed changes for the purposes of consultation as follows:**
 - a. Include an additional category in Tier 2 of the general resource consent application deposits as follows: 'Review of consent conditions (deposit fee is payable by the 20th of the month following service of notice by Council)'**

- b. Include an additional schedule (Schedule 3A) for charges for Monitoring under the National Environmental Standard for Plantation Forestry (NESP)
- c. Include an additional compliance monitoring category in Schedule 2A for Composting Facilities (including vermicomposting)
- d. Change the inspection frequency (to reflect associated risk) of:
 - i. Landfills - closed (Schedule 1A): from 5 yearly to 3 yearly
 - ii. Low-risk OSET consents (Schedule 1A): from 8 yearly to 10 yearly
 - iii. Dredging (Schedule 2A): from 1 yearly to 'as required'
- e. Exempt low-risk OSET consents from the annual administration charge unless an inspection has been carried out, and adjust the wording in Table 10 of the Charges Policy to provide for a general exemption from the annual administration charge for low risk activities (with an inspection frequency of 10 years or more)
- f. Introduce charging of staff time to the nearest 15 minutes, with a minimum charge of 15 minutes
- g. Introduce the second phase of the increase to the data and science charges (Schedules 1B-12B)
- h. Increase the staff charge out rates (Schedule 2) by inflation of 1.024% (BERL) and update the associated charges in Tables 2, 7 and 13 and Schedules 1A and 1B-12B accordingly;
- 3 Adopts the attached supporting information documents for the purposes of consultation on the proposed changes to some of the Resource Management Act charges;
- 4 Adopts the attached 'Statement of Proposal: proposed changes to Bay of Plenty Regional Council's Resource Management Act charges' for public consultation using the special consultative procedure under the Local Government Act, to be consulted on concurrently with the Annual Plan 2019/20;
- 5 Delegates authority to the Chief Executive to make minor editorial and formatting amendments to the Statement of Proposal and supporting information documents if required.

Love/Thurston
CARRIED

7.2 Annual Plan 2019/20 - Adoption of Consultation Document for Public Consultation

PowerPoint Presentation – Reference A3144206

Mat Taylor – General Manager Corporate, Namouta Poutasi – General Manager Strategy & Science, Chris Ingle – General Manager Integrated Catchments, Debbie Hyland – Finance and Corporate Planning Manager, Graeme Howard – Corporate Planning Lead presented this item.

Noted **tabled item 1** – Total rates by Territorial Authority and amended recommendation 5.

Key Points of Presentation

- Adoption of the Annual Plan 2019/20 Consultation Document
- Purpose
- Annual Plan 2019/20 – recap
- Development of Annual Plan 2019/20
- Changes proposed through Annual Plan 2019/20 align to our strategic framework
- 2019/20 draft budget
 - Highlights
 - Expenditure
 - Efficiencies
 - Revenue/Rates
- Total Rates by Territorial Authority - Annual Average Median Properties 1000m²
- Additional \$1.9m OpEx in Draft Budget 2019/20
- Annual Plan 2019/20 - New expenditure requests
- Waihi passenger transport service \$57k OpEx
- Ridewise – Total Mobility Solution \$27 CapEx
- Additional CapEx \$400k in 2019/20 to help manage lake levels in Lake Okareka
- Annual Plan 2019/20 – Previously approved expenditure requests
- Supporting Biodiversity in the Kaimai Mamaku ranges
 - Background
 - Budget implications
- ‘What Do You Think?’ Annual Plan 2019/20 Consultation Document - Statement of Proposal for amendment to the Revenue and Finance Policy
- Consultation Document
 - Climate change
 - Regional Safety and Rescue Services
 - Passenger transport
- Statement of Proposal (SOP) to amend the Revenue and Finance Policy (RFP)
- Community Engagement
- Two Phased Consultation
- Consultation Dates & Locations
- Annual Plan 2019/20 – Next steps
- Recommendations
- Forecast Borrowing and Debt Limit.

Andy Bruere – Lakes Operations Manager presented the request for new OpEx for works associated with managing the lake levels at Lake Ōkāreka.

Key Points – Lake Ōkāreka

- An emergency consent was in place for the temporary pipelines and Council was seeking long-term consent to continue the work of establishing pipelines for flood protection
- Intended to use the existing pipes towards the permanent infrastructure
- Access would be across private land which added to the estimated costs

- Council was undertaking erosion protection work that benefitted the local residents and property owners
- Access across private land required permission from land owners and consultation had only recently been completed
- The total budget was spread over three years, however \$400k was for immediate work and included in the 2019/20 budget
- Funding would be through borrowing with the cost of depreciation split between general and targeted rates.

Staff in Response to Questions

- Council would work with Waikato Regional Council regarding the parts of the Kaimai Mamaku ranges that fell within their authority
- The assumption was a dollar-for-dollar match of Council's investment by the Department of Conservation
- Co-funding of projects on DoC land was possible under the current Pest Control Policy when a project was classified as high priority.

Key Points – Members

- Concerned that the Lake Okareka issue had been presented at this late stage
- Queried the inclusion of \$240k OpEx in 2019/20 towards biodiversity in Kaimai Mamaku ranges as the project did not appear to have been sufficiently scoped at this stage
- Considered that the biodiversity project would not be viable unless other funding and support was secured.

Staff Follow-up

- Further clarification in consultation document regarding the accuracy of the rates increase and the 'real' impact on the various constituencies
- Further investigate possible support by Waikato Regional Council towards the Waihi bus service.

Consultation Document

Key Points – Staff

- Hardcopies of the consultation document would be publicly available in a number of locations
- Any indication of a 'preferred option' had been removed from the consultation document at the Councillors' request
- Any changes in the funding mechanism for regional safety and rescue services would not be implemented until 2020/21
- There was no commitment by Toi Ohomai at this stage towards funding of school transport: Information would be provided to Councillors in March 2019 to support decision making for the final Annual Plan
- The Statement of Proposal for the Revenue and Finance Policy meant introducing rate funding mechanisms for Regional Infrastructure Funding, if this was an appropriate option
- Community engagement would commence on 18 March 2019, with a number of events incorporating Councillors

- Councillors were encouraged to attend the 'Have Your Say' community engagement events.

Staff Follow-up

- Provide a telephone number for community feedback as part of the consultation process
- Guidance to be provided pre-May 2019 to Councillors so they have a clear understanding of the consultation topics for climate change
- The wording 'a further \$200,000 (Climate Change - pg. 125 of agenda) could be misleading and should be formulated differently
- Include links to further information regarding the four focus areas for Climate Change
- Further bus stops in Western Bay of Plenty considered a pre-requisite for supporting the rates proportions for passenger transport.

Expressed appreciation of the effort of staff in the development of the high quality draft Annual Plan 2019/20 and Consultation Document 2019/20.

Resolved

That the Regional Council:

- 1 Receives the report, Adoption of Consultation Document for the Annual Plan 2019/20 public consultation process;**
- 2 Approves additional operating expenditure of \$57,000 in the draft Annual Plan Budget 2019/20 and subsequent years, for the public transport service for Waihi Beach per the recommendation of the Public Transport Committee on 8 February 2019 (refer to Section 1.2).**
- 3 Approves additional capital expenditure of \$21,000 in the draft Annual Plan Budget 2019/20 for the Passenger Transport Activity to implement the Ridewise 2 Total Mobility System and notes that staff will seek co-investment by the New Zealand Transport Agency (refer to Section 2.2).**
- 4 Approves additional capital expenditure of \$400,000 in the draft Annual Plan Budget 2019/20 for the Rotorua Lakes Activity to undertake additional stream works and property remediation to manage high lake levels at Lake Okareka (refer to Section 2.3).**

Amended Recommendation 5:

- 5 Approves the draft Annual Plan Budget 2019/20 (Appendix 1) for the purpose of public consultation and that the draft Annual Plan Budget 2019/20 is supported by the draft budget changes register (Appendix 2).**

Confirm new expenditure per the draft Annual Plan 2019/20 budget changes register (Appendix 2) as below. Note all items have previously been approved by full Council, except where **highlighted**.

Key Issue	Operating Expenditure and Revenue		Description	Draft AP	Council reconfirmed 7 March (Yes/No)
	Group of Activities	Activity		2019/20	
				\$000	
Strategic	All	All	Climate change	200	Yes

Challenges					
The Way We Work	Regional Planning and Engagement	Community engagement	Community engagement - online peoples panel	50	Yes
A Healthy Environment	Integrated Catchments	Tauranga Harbour	Increase pest control in Kaimai Mamaku Ranges. BOPRC cost share.	242	Yes
	Resource Regulation and Monitoring	Resource Consents	Additional resourcing to achieve new KPIs in LTP 2018-28 (offset by cost recoveries)	495	Yes
Safe and Resilient Communities	Flood Protection and Control	Rivers and Drainage	Infrastructure insurance renewal	360	Yes
A Vibrant Region	Regional Development	Regional Infrastructure	Ōpōtiki Harbour project grant expenditure in 2021/22	-	Yes
	Transportation	Regional Passenger Transport	Mamaku Trial Public Transport Services	50	Yes
	Transportation	Western Bay Passenger Transport	Waihi Beach Trial > Permanent Passenger Transport Service (direction from PTC Friday 8 February)	57	Yes
	Transportation	Rotorua Passenger Transport	Real Time Passenger Information	66	Yes
	Transportation	Whakatāne Passenger Transport	Real Time Passenger Information	16	Yes
	Regional Planning and Engagement	Regional Planning	Western Bay of Plenty Sub-region Urban Form (via SmartGrowth)	420	Yes
		Increase in Expenditure: Council Direction			1,957
Key Issue	Capital Expenditure		Description	DAP	Council reconfirmed 7 March
	Group of Activities	Activity		2019/20	
				\$000	
A Vibrant Region	Transportation	Total Mobility	Ridewise - total mobility solution - per direction Council Workshop 1 Feb	21	Yes
A Healthy Environment	Integrated Catchments	Kaituna Catchment	Kaituna River Re-diversion.- Council Approved Council meeting 14 Feb 2019 (brought forward from 2019/20 to 2018/19)	(4,500)	Yes
	Integrated Catchments	Rotorua Lakes	Lake Ōkāreka Pipeline - additional expenditure budget request 7 March Council	401	Yes

	Resource Regulation and Monitoring	Data Services	CTD - brought forward from 2020/21 to 2018/19	-	Yes
Safe and Resilient Communities	Flood Protection and Control	Rivers and Drainage	Rangitāiki Floodway – Approved Council meeting 14 Feb 2019 (brought forward from 2019/20 to 2018/19)	(1,065)	Yes
	TOTAL CAPITAL CHANGES			(5,142)	

- 6 Notes that the draft Annual Plan Budget 2019/20 is unbalanced, mainly due to operating grants for infrastructure projects which are funded from reserves, and that an unbalanced budget is prudent.
- 7 Approves the draft total real rates revenue increase of 6.5%, which is more than the forecast 5.3% increase for Year 2 of the Long Term Plan 2018-2028, for the purpose of public consultation.
- 8 Agrees that, pursuant to section 95 2A of the Local Government Act (2002), the variances from Year 2 of the Long Term Plan 2018-2028 are not significant or material enough to require a full special consultative procedure including formal submissions and hearings.
- 9 Adopts the Annual Plan 2019/20 Consultation Document 'What Do You Think?' for public consultation (Appendix 3).
- 10 Adopts the Statement of Proposal to amend the Revenue and Financing Policy for public consultation using the special consultative procedure under the Local Government Act, to be consulted on concurrently with the Annual Plan 2019/20 (Appendix 4).
- 11 Adopts the supporting information documents for the purposes of consultation on the proposed changes to the Revenue and Finance Policy Statement of Proposal (Appendix 5 and 6).
- 12 Delegates to the Chief Executive to make any minor editorial changes and to update the financial information to the Annual Plan 2019/20 Consultation Document as necessary.

Thompson/Bruning
CARRIED

8 Consideration of General Business

Nil

9 Consideration of Late Items

Nil

The meeting closed at 3.23 pm

Confirmed DATE

Doug Leeder
Chairman Bay of Plenty Regional Council

Minutes of the Regional Council Meeting held in Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga on Thursday, 9 May 2019 commencing at 9.30 a.m.

Present:

Chairman: D Leeder

Deputy Chairman: J Nees

Councillors: J Cronin, T Marr, L Thurston, P Thompson, D Love, N Bruning, A Tahana, W Clark, S Crosby, 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; Karen Aspey – People & Capability Manager, T Nerdrum-Smith – Committee Advisor

Apologies: Cr Thompson and Cr Tahana (both for lateness)

1 **Karakia**

A karakia was provided by Cr Thurston.

2 **Apologies**

Resolved

That the Regional Council:

- 1 **Accepts the apologies from Cr Thompson and Tahana (both for lateness) tendered at the meeting.**

Leeder/Love
CARRIED

3 **Public Forum**

Nil.

4 **Acceptance of Late Items**

Resolved

That the Regional Council:

- 1 Agrees that pursuant to section 46A of the Local Government Official Information and Meetings Act 1987 the following item be considered at this meeting:

- Amendments to the BOPRC Code of Conduct

- 2 Notes the reason why this item was not on the Agenda is that a Code of Conduct complaint has been received after the agenda was published and a process decision is required prior to the next scheduled Council meeting on 27 June 2019.

Love/Von Dadelssen
CARRIED

5 General Business

Nil.

6 Confidential Business to be Transferred into the Open

Nil.

7 Declaration of Conflicts of Interest

Cr Stuart Crosby - Proposed Changes to LGNZ's Rules and Support for Road Safety Remit.

8 Previous Minutes

8.1 Regional Council Minutes - 21 March 2019

Resolved

That the Regional Council:

- 1 Confirms the Regional Council Minutes - 21 March 2019

Matters Arising

- Signage and public notifications would occur as a result of the closing of Gnarly Gorge at the Kaituna River
- Cameras would be installed to monitor Awesome Gorge
- Staff to explore the possibility to add a note on Google maps regarding the Gorge closure.

Cronin/Winters
CARRIED

8.2 Eastern Bay of Plenty Joint Committee Minutes - 05 March 2019

Resolved

That the Regional Council:

- 1 Receives the Eastern Bay of Plenty Joint Committee Minutes - 05 March 2019

Clark/Bruning
CARRIED

8.3 Regional Transport Committee Minutes - 15 March 2019

Resolved

That the Regional Council:

- 1 Receives the Regional Transport Committee Minutes - 15 March 2019

Crosby/Nees
CARRIED

8.4 Rotorua Te Arawa Lakes Strategy Group Minutes - 05 April 2019

Resolved

That the Regional Council:

- 1 Receives the Rotorua Te Arawa Lakes Strategy Group Minutes - 05 April 2019

9.36 am – Cr Thompson entered the meeting.

Matters Arising

- Stavros Michael – GM Infrastructure, Rotorua Lakes Council to be invited to present to Council on the progress of the Te Arawa Lakes reticulation schemes.

Winters/Thurston
CARRIED

8.5 Ohiwa Harbour Implementation Forum Minutes - 28 March 2019

Resolved

That the Regional Council:

- 1 Receives the Ohiwa Harbour Implementation Forum Minutes - 28 March 2019

Marr/Leeder
CARRIED

8.6 Minutes Eastern Bay Road Safety Committee 25 February 2019

Resolved

That the Regional Council:

- 1 Receives the Eastern Bay Road Safety Committee Minutes - 25 February 2019

Matters Arising

- Establish a process for providing external minutes to Elected Members, in particular for the Joint Road Safety Committees for Eastern and Western Bay

Clark/Leeder
CARRIED

9.48 am – Cr Tahana entered the meeting.

8.7 SmartGrowth Leadership Group Draft Minutes - 20 March 2019

Resolved

That the Regional Council:

- 1 Receives the SmartGrowth Leadership Group Draft Minutes - 20 March 2019

Nees/Crosby
CARRIED

9 Reports

9.1 Chairman's Report

Resolved

That the Regional Council:

- 1 Receives the report, Chairman's Report.

Leeder/Winters
CARRIED

9.2 Chief Executive's Report

The Chief Executive presented this item.

Leadership Team in Response to Questions

- More than 270 submission had been received on the 2019-20 Annual Plan, in particular on the climate change questions
- Rather than a formal Annual Plan hearings process, the more informal 'Have Your Say' consultation had been used
- Wallaby control was progressing well, using innovative techniques and thinking, and further details would be presented to the next RD&D Committee meeting
- Use of dogs in wallaby control had proven successful in the Greater Wellington area
- Staff were working with Te Arawa Lakes Trust to progress co-funding opportunities within the resource consent advice space
- Over the last two years, the number of phone calls to the pollution hotlines had steadily increased.

Items for Staff Follow-up

- Organise Councillor briefing regarding the current status of appeals against Plan Change 9
- Provide further breakdown of the nature of the calls to the pollution hotline, i.e. trending, callers (repeat or new), regional spread etc
- More benchmarking and KPIs to be included in future reports.

Resolved

That the Regional Council:

- 1 Receives the report, Chief Executive's Report.**

**Leeder/von Dadelszen
CARRIED**

9.3 Bay of Connections Reset

Tabled item 1 – Objective Reference A

Namouta Poutasi – General Manager Strategy & Sciences and David Phizacklea – Regional Development Manager presented this item.

Key Points

- A newsletter regarding the review had been sent to all key stakeholders the previous day
- The new model would work within the allocated budget and include funding of the Independent Chairperson
- The Bay of Connections Programme Manager position had been retained in anticipation of the establishment of the new model.

Key Points – Cr Nees (Review Working Party Representative)

- Recognised the differing views of the various stakeholders, however there was general support of the new model
- Tauranga City Council:
 - Independent Chairperson supported.
 - Agreed with Priority One's support of the model
- Kawerau District Council:
 - Did not support the old structure and was concerned regarding previous disconnect.
 - New model must value all players and recognise equality regardless of the stakeholder's size
 - Appointment of the 'right' people was a key issue
 - Independent Chairperson supported
- Whakatāne District Council:
 - Issues facing the entire Bay of Plenty to be addressed
 - New structure supportive towards EDAs
 - People selection was a critical consideration
 - Supportive of a refresh of the Eastern Bay Spatial Plan
- Western Bay of Plenty District Council:
 - Was critical of the value added by Bay of Connections
 - Felt uninvolved and unaware
 - Supported annual forums

- Focus should be on data analysis
- Priority One was already doing significant work in this space and it was important to avoid duplication.
- Ōpōtiki District Council:
 - Felt somewhat 'left out' and concerned that less affluent areas were not well considered
 - Infrastructure was a key factor in economic development
 - Sought Elected Member representation on the Leadership Group
 - Model should encourage and be supportive of regional views
 - Supported Independent Chairperson
 - Supported the economic development approach.
- Rotorua Lakes Council:
 - Previous model had not been relevant to Rotorua
 - Did not support timing of this review and suggested it be postponed until post-election
 - Intended to strengthen own independent economic approach
 - Supported the gathering and analysis of shared data
 - Suggested developing a prioritisation strategy.
- Summary of Comments:
 - Regional approach useful
 - Supportive of bottom-up approach and Independent Chairperson
 - Appointment process critical
 - Noted this was an interim approach, seeking to get the appropriate people appointed for the Leadership Group; then report back through a meeting with all Councils within an economic development setting in the 2019-22 triennium.

Key Points – Members

- Supported the second stage/tier with appointment of the programme manager, programme leader and business analyst
- Concerned that the scope of the review and the proposed model was too narrow
- Queried the need for an Independent Chairperson
- Concerned regarding the lack of understanding of Maori economy
- Important to create a direct link between economic development and the environment
- Transport and roading issues in the Eastern Bay would become critical if planned economic development progressed
- Critical that the Council's definition of economic development be further discussed and that the link to spatial plans be cemented
- Emphasized the importance of a close working relationship with the TLAs.

Items for Staff Follow-up

- Seek feedback on 'what is economic development' and the link to spatial planning.

Resolved

That the Regional Council:

- 1 Receives the report, Bay of Connections Reset;**
- 2 Receives the recommendations of the Bay of Connections Working Group attached as Appendix 1 to the agenda report. [Council agenda 9-5-2019](#)**
- 3 Agrees to the interim Regional Economic Development framework.**

- 4 Agrees that the Chief Executive brings back recommendations for approval by Council on the appointment of an independent chair and leadership group members under the interim framework, with assistance from the Bay of Connections Working Group as needed.
- 5 Agrees that staff engage with Councils and Economic Development Agencies and central Government Agencies on immediate areas of support for Regional Economic Development.
- 6 Notes implementation of the new Regional Economic Development framework is intended to be within the existing Long Term Plan budget for the Regional Economic Development activity.

Additional Resolutions:

- 7 Agrees that the regional sustainable economic development priorities be confirmed with BOPRC and other stakeholders.
- 8 Agrees that the Leadership Group report back their business plan to future Council meetings.
- 9 Agrees for a report back to RD&D on the linkages between regional spatial planning and sustainable economic development priorities.

Nees/von Dadszen
CARRIED

10.59 am – The meeting **adjourned**.

11.16 am – The meeting **reconvened**.

9.4 Proposed Changes to LGNZ's Rules and Support for Road Safety Remit

Tabled item 2 – SmartGrowth LGNZ Remit – Social Housing – Objective Reference A
Tabled item 3 – Greater Wellington Regional Council Remit – Objective Reference A

Yvonne Tatton – Governance Manager presented this item.

Cr Crosby declared a **conflict of interest** in any **remits** as he was a member of the LGNZ Remits Committee.

Key Points

- All remits had to be with LGNZ by Monday 13 May 2019.

Resolved

That the Regional Council:

- 1 Receives the report, Proposed Changes to LGNZ's Rules and Support for Road Safety Remit;
- 2 Supports the recommended amendments to the LGNZ rules and approves the Regional Council's delegates vote accordingly.

- 3 Supports the Whakatāne District Council's Road Safety Remit to the LGNZ AGM.
- 4 Supports in principle a State and Social Housing in New Zealand remit to the LGNZ AGM, requesting LGNZ to urgently lobby Central Government to urgently focus on the building of State and Social Housing throughout New Zealand as it is the only authority that has the Balance Sheet strength and Borrowing Capacity to undertake such a programme with the urgency we believe is essential for our nation.
- 5 Delegates authority to the Chairman and Deputy Chair to approve a letter of support for the remit once the final wording has been received.

Cronin/Thompson
CARRIED

9.5 Amendments to the Regional Transport Committee Terms of Reference

Key Points – Cr Stuart Crosby (Chairperson Regional Transport Committee)

- Provided an outline of the rationale behind the proposed amendments to the Terms of Reference
- Would encourage all Mayors to be members of the Regional Transport Committee in the next triennium
- Recognised the future appointment of an environmental advisor to the Committee.

Resolved

That the Regional Council:

- 1 Receives the report, Amendments to the Regional Transport Committee Terms of Reference.
- 2 Approves amendments to the Regional Transport Committee's terms of reference as detailed in Appendix 1 of the agenda report. [Council agenda 9-5-2019](#)

Crosby/Nees
CARRIED

9.6 Confirming Variation to Regional Public Transport Plan

Resolved

That the Regional Council:

- 1 Receives the report, Confirming Variation to Regional Public Transport Plan.
- 2 Adopts the variation to the Regional Public Transport Plan as described in this report and as included in full as Appendix One to the agenda. [Council agenda 9-5-2019](#)

Additional Resolution:

- 3 Delegates to the General Manager: Strategy & Sciences to make minor amendments to Appendix One where these are not substantive.**

**Thurston/Thompson
CARRIED**

9.7 Arotake Tuatoru 2018/19 - Performance Monitoring Report, July 2018 to March 2019

PowerPoint – Objective Reference: A3232246

Debbie Hyland – Finance and Corporate Planning Manager, Graeme Howard – Corporate Planning Lead and Andy Dixon – Accounting Team Leader presented this item.

Key Points of Presentation

- Financial Performance
- Key Variances – Operating Revenue
- Key variances – Operating Expenditure
- Key variances – Capital Expenditure
- Treasury
- KPI performance summary
- KPI performance – KPIs not on track
 - Emergency Manager
 - Transportation
- Our People and Culture
- Health and Safety.

In Response to Questions

- Council had received approximately \$3m insurance recovery following the Edgecumbe flood event
- Council's biodiversity project for Mamaku-Kaimai Ranges had been shortlisted for "Predator Free 2020".
- The 2019-20 Annual Plan deliberations could include a review of projected legal fees
- Council kept budgeted legal fees for plan changes to a minimum and any significant variances would be brought to Council for deliberations
- The Tauranga Moana funds of \$45m was scheduled to be transferred to Quayside Holdings Ltd by 1 July 2019
- Council's hovercraft had been out of action for the better part of a year and was undergoing repairs. Following the repairs and a trial period, a report on its future viability would be reported to Council for consideration
- Noted that recommendation 2 in the agenda report had been withdrawn as staff would further consider options beyond the possible prefunding of capital works through borrowing from the Local Government Funding Agency.

Resolved

That the Regional Council:

- 1 Receives the report, Arotake Tuatoru 2018/19 - Performance Monitoring Report, July 2018 to March 2019.**

**Leeder/Love
CARRIED**

10 Consideration of Late Items

10.1 Proposed Amendment to the BOPRC Code of Conduct

Yvonne Tatton – Governance Manager presented the item.

Key Points

- The current Code of Conduct did not align with LGNZ Best Practice guidelines as it did not include a complaints process
- A comprehensive review of the Code of Conduct would form part of the establishment of the new Council for the 2019-21 triennium.

Agreed Changes to the Code of Conduct

[Late Report - Proposed Amendments to the Code of Conduct](#)

Appendix 1 (Page 7)

- Under Investigation, advice and decision **amend** reference to Appendix B to Appendix **A**.

Appendix A (Page 9)

- Under Step 1: Chairman / Chief Executive receives complaint, **add** bullet point 2a “Complainant advised. Explain process if required”
- Under Step 2: Chairman and Chief Executive make preliminary assessment and bullet point 3 **delete** last part of the sentence “selected from a panel approved by Council at the start of the triennium” as this is not in place and **replace** with “approved by the Chairman, in conjunction with the Chief Executive.”
- Under Step 4: Actions where a breach is found to be material (Page 10) half way down under “preparing the report the investigator may:” (b) **change** the word “hearing” **to** “discussion”.

Complaints Procedure – Flow Diagram (Page 11)

- In text box 1 **delete** “or breach identified”.

Replace Recommendation 5 in the report to read:

“As an interim measure, delegates authority to the Chairman, in conjunction with the Chief Executive, to appoint an independent investigator where required.”

Resolved

That the Regional Council:

- 1 Receives the report, Amendments to the BOPRC Code of Conduct, and accepts it as a Late Item on the Agenda;**
- 2 Notes the reason why this item was not on the Agenda is that a Code of Conduct complaint had been received after the agenda had been published and the reason why it cannot be delayed is that a process decision is required prior to the next scheduled meeting of Regional Council on 27 June 2019.**

- 3 As an interim measure, approves the process for the determination and investigation of complaints and subsequent amendments to Part 6 (Compliance) of the BOPRC Code of Conduct, as identified in Appendix 1 and with the following amendments, to include sections on Breaches of the Code and Penalties and Actions and that they be applied immediately:

Appendix 1

- Under Investigation, advice and decision amend reference to Appendix B to Appendix A.

Appendix A

- Under Step 1: add bullet point 2a “*Complainant advised. Explain process if required*”
- Under Step 2: bullet point 3 delete last part of the sentence “*selected from a panel approved by Council at the start of the triennium*” as this is not in place and replace with “*approved by the Chairman, in conjunction with the Chief Executive.*”
- Under Step 4: under “preparing the report the investigator may:” (b) change the word “*hearing*” to “*discussion*”.

Complaints Procedure – Flow Diagram

- In text box 1 delete “*or breach identified*”.
- 4 Requests a review of the current Code of Conduct be undertaken as soon as possible to align to best practice and that this be brought back to Council for further discussion.

Amended Resolution

- 5 As an interim measure, delegates authority to the Chairman, in conjunction with the Chief Executive, to appoint an independent investigator where required.”

Nees/Thurston
CARRIED

11 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

10.1 Public Excluded Regional Council Minutes - 21 March 2019	Refer the relevant minutes	Good reason for withholding exists under Section 48(1)(a)
10.2 Public Excluded Eastern Bay of Plenty Joint Committee Minutes EBOPJC - 5 March 2019	Refer the relevant minutes	Good reason for withholding exists under Section 48(1)(a)
10.3 Public Excluded Rotorua Te Arawa Lakes Strategy Group Minutes - 05 April 2019	Refer the relevant minutes	Good reason for withholding exists under Section 48(1)(a)
10.4 Confidential Attachment 1 - Bancorp Treasury Report March 2019	To carry out commercial activities	Good reason for withholding exists under Section 48(1)(a)
10.5 Confidential Attachment 2 - Bancorp Treasury Pre-Funding Strategy Paper April 2019	To carry out commercial activities	Good reason for withholding exists under Section 48(1)(a)
10.6 Chief Executive's Six Monthly Review	To protect the privacy of persons	Good reason for withholding exists under Section 48(1)(a)

**Leeder/Thompson
CARRIED**

The meeting closed at 1.10 pm

Confirmed DATE

Doug Leeder
Chairman Bay of Plenty Regional Council

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.

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)

1 Karakia

A Karakia was provided by Cr Thurston.

2 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**

3 Public Forum

Nil

4 **Acceptance of Late Items**

Nil

5 **General Business**

Nil

6 **Confidential Business to be Transferred into the Open**

Nil

7 **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.

8 **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.

9 Reports

9.1 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 position 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

9.2 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

- 3 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

- 4 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

- 5 (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

- 6 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).
- 7 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

- 8 Agrees to extend the living wage to Council's other contracted bus services (Section 5.6).

Winters/Tahana
APPROVED in principle

- 9 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

- 10 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).
- 11 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

- 12 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

- 13 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

- 14 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).
- 15 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

- 16 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
APPROVED in principle

- 17 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 2019/20 to be spread over 2 years.
- Living wage adjustment (as per Resolution 8)

Thurston/Winters
APPROVED in principle

18 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.

9.3 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

9.4 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:**
 - a) 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.
 - b) Western Bay of Plenty District Council (development of Tahataharoa) - \$25,000 (estimated).**
 - c) Edgecumbe Collective – up to \$100,000 over two years with upto \$50,000 in 2019/20 and up to \$50,000 in 2020/21.**
 - d) 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
 - e) Lakes Water Quality Society – \$20,000.**
 - f) Tauranga Moana Iwi Partners – \$5,000**

- g) **Allocate funding of \$20,000 for co-ordination of community groups on environmental engagement for UFTI.**
- 3 **Declines funding requests from the following organisations:**
 - h) **Transit Group – \$90,000.**
 - i) **Te Arawa Lakes Trust – \$227,000.**
 - **Remainder of the TALT funding application not supported under Recommendation 2 a).**
- 4 **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

9.5 **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

9.6 **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**

9.7 **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:**
 - a. **Application charges for resource consents;**
 - b. **Annual consent charges – administration, and compliance and monitoring charges;**
 - c. **Data and science charges;**
 - d. **Staff charges; and**
 - e. **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**

9.8 **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**

9.9 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

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

Resolved

That the Regional Council:

- 8 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 DATE

Doug Leeder
Chairman Bay of Plenty Regional Council

Minutes of the Civil Defence Emergency Management Group Joint Committee Meeting held in Council Chamber, Tauranga City Council, Administration Building, 91 Willow Street, Tauranga on Friday, 22 March 2019 commencing at 10.00 a.m.

Present:

Deputy Chairman: Councillor D Love (Bay of Plenty Regional Council - BOPRC)

Appointees: Mayor J Forbes (Ōpōtiki District Council - ODC), Mayor M Campbell (Kawerau District Council - KDC), Mayor A Bonne (Whakatāne District Council - WDC), Deputy Mayor J Turner (Alternate, WDC), Deputy Mayor K Clout (Alternate, Tauranga City Council - TCC), Mayor G Webber (Western Bay of Plenty District Council - WBOPDC)

In Attendance: Clinton Naude - Director, Emergency Management Bay of Plenty (EMBOP); Russell George - Chair of Coordinating Executive Group (CEG) & Chief Executive Officer, KDC; Miriam Taris - Chief Executive, WBOPDC; Fiona McTavish - Chief Executive, BOPRC; Marty Grenfell - Chief Executive, TCC; Sarah Omundsen - CEG Operations Sub Committee & General Manager, Regulatory Services, BOPRC; Dr Sharon Kletchko - CEG Member, Lakes District Health Board; Bridget Vercoe - Ministry of Civil Defence and Emergency Management; Rachel Hyde - Principal Policy Advisor - National Security Group, Department of the Prime Minister and Cabinet; Angela Reade - CEG Member, Group Welfare Manager EMBOP; Andrea Thompson - Personal Assistant to Director EMBOP and Merinda Pansegrouw - Committee Advisor, BOPRC

Apologies: Mayor G Brownless (TCC) and Mayor S Chadwick (Rotorua Lakes Council)

The meeting was chaired by Deputy Chairperson, Councillor D Love.

Opening

Two-minute silence was observed to pay respect to the victims of the Christchurch mosque shootings of Friday, 15 March 2019 and to mark one week since the attack.

1 Apologies

Resolved

That the Civil Defence Emergency Management Group Joint Committee:

- 1 Accepts the apology from Mayor Brownless tendered at the meeting.

Campbell/Bonne
CARRIED

Minute Note:

Mayor Chadwick had tendered her apology via email message at 08:45am on 22 March 2019, which was received after the conclusion of the meeting.

2 Public Forum

Nil

3 Acceptance of Late Items

Nil

4 General Business

- Bay of Plenty Regional Council Annual Plan Consultation Process for 2019/20

5 Confidential Business to be Transferred into the Open

Nil

6 Declaration of Conflicts of Interest

Nil

7 Previous Minutes

7.1 Civil Defence Emergency Management Group Joint Committee Minutes - 07 December 2018

Resolved

That the Civil Defence Emergency Management Group Joint Committee:

- 1 Confirms the Civil Defence Emergency Management Group Joint Committee Minutes of 7 December 2018 as a true and correct record.

Bonne/Forbes
CARRIED

8 Presentations

8.1 Updated from the Ministry of Civil Defence & Emergency Management – Bridget Vercoe

Members noted an apology from the Director of the Ministry of Civil Defence & Emergency Management, Sarah Stuart-Black who was unable to attend the meeting due to her current commitments in Christchurch following the 15 March 2019 Christchurch mosque shootings.

Bridget Vercoe, representative from the Ministry of Civil Defence & Emergency Management (MCDEM), provided a brief update on the recent Christchurch event from a civil defence emergency management perspective:

Key Points:

- Since a central government response was required, the National Security System / National Crisis Management Centre had been activated after the incident
- The Officials Committee for Domestic and External Security Coordination (ODESC), a committee of chief executives, chaired by the Chief Executive of the Department of the Prime Minister of the Cabinet, which managed national security in New Zealand, had also been initiated
- Acknowledged that with the majority of MCDEM senior leadership currently focussing on supporting the Christchurch process, there might be a delay in the delivery of key projects
- A two-minute silence would be held at 1.32pm today, at Christchurch's Hagley Park to commemorate the 50 people who were killed in the terrorist attack.

Item for staff follow-up:

- Extend an invitation to the Director of the Ministry of Civil Defence & Emergency Management, Sarah Stuart-Black to attend a future meeting of the Civil Defence Emergency Management Group Joint Committee.

Resolved

That the Civil Defence Emergency Management Group Joint Committee:

- 1 Receives the verbal update by Ministry of Civil Defence & Emergency Management Representative Bridget Vercoe.**

Love/Forbes
CARRIED

8.2 Principal Policy Advisor - National Security Group, Department of the Prime Minister and Cabinet, Rachel Hyde

Refer Power Point Presentation Objective ID A3165878

Principal Policy Advisor National Security Group, Department of the Prime Minister and Cabinet, Rachel Hyde provided an overview of the legislation programme and proposals relevant to the Emergency Management System Reform and amending the Civil Defence Emergency Management Act 2002:

Key Points of Presentation:

- Following the Government's response to the Technical Advisory Group (TAG) Report "Better Responses to Natural Disasters and Other Emergencies", the Department of the Prime Minister and Cabinet (DPMC) was leading a multi-year work programme that would deliver extensive change to New Zealand's emergency response system
- In line with TAG's recommendations, the programme included a package of changes to the Civil Defence Emergency Management Act 2002 which would focus on clarifying, strengthening, modernising and professionalising the emergency management system
- Key proposals were:
 - Making it clear who was responsible for what, e.g. clarifying that Mayors declared states of local emergency and required that they consider the advice of a Controller
 - Strengthening Joint Committee governance
 - Speeding up tsunami warnings
 - Enabling iwi to participate in planning for and responding to CDEM emergencies
 - Supporting implementation of Fly-in Teams
 - Protecting volunteers from liability
 - Developing regulations to support professionalisation of the workforce and setting national standards
- Next steps involved:
 - Government's legislative programme for 2019
 - Attending local government, CDEM Group and other stakeholder meetings/workshops
 - Final policy decisions from Cabinet to enable a Bill to be drafted
 - Invited comments/input from Joint Committee members
 - Confirmed that comprehensive workshops within the Bay of Plenty would follow.

Comments Raised by Members:

- In considering improving volunteers' protection from liability, it would be helpful to consult with fire and emergency services staff to ascertain their level of liability protection
- Noted with concern the number of rescindments listed in the report "Bay of Plenty Civil Defence Emergency Management Group Recovery Manager Amendments" under item 9.2 of the agenda, which had resulted in seven vacant Recovery Manager appointments across the Bay of Plenty Civil Defence Emergency Management Group. With only 53% of appointments in place, the Group would lack capacity in the instance of a significant event. Some of the causes were: (1) the challenges associated with the responsibility/capacity of being a Recovery Manager, especially after an event; being a volunteer all tasks would be additional to business as usual and (2) recovery could potentially take up to three years
- Emphasised the importance of role-clarification. Stressed the need for Mayors to be trained sufficiently at the commencement of a triennium and to have continuous access to resources to provide guidance where required
- In enabling iwi to participate in planning for and responding to CDEM emergencies, it would be worth noting/acknowledging the capacity/ability of Māori infrastructure to deliver in times of emergency
- Strategic communications/controls were crucial.

Items for Staff Follow-up

- Preparation of a report on the current level of vacant Recovery Manager appointments across the Bay of Plenty Civil Defence Emergency Management Group for submission to the Joint Committee at a future meeting

- Distribution of the presentation (*Objective ID A3165878*) to members of the Civil Defence Emergency Management Group Joint Committee
- Convene a workshop for members of the Civil Defence Emergency Management Group Joint Committee, to be facilitated by Rachel Hyde, enabling consultation/feedback on the key proposals relevant to the Emergency Management System Reform and amending the Civil Defence Emergency Management Act 2002, supported by a workshop paper circulated well in advance to enable Mayors to consult staff.

Resolved

That the Civil Defence Emergency Management Group Joint Committee:

- 1 Receives the PowerPoint Presentation by Principal Policy Advisor National Security Group, Department of the Prime Minister and Cabinet, Rachel Hyde providing an overview of the legislation programme and proposals relevant to the Emergency Management System Reform and amending the Civil Defence Emergency Management Act 2002.**

Love/Turner
CARRIED

9 Reports

9.1 Bay of Plenty Civil Defence Emergency Management (CDEM) Group Update, Director Clinton Naude

Refer Power Point Presentation Objective ID A3165875

Director, Emergency Management Bay of Plenty Clinton Naude presented the verbal report supported by a PowerPoint Presentation, outlining the following:

Key Points of Presentation:

- Bay of Plenty CDEM Group Service Delivery Review 2018
- Following the review of the Bay of Plenty CDEM Group Shared Service Agreement 2015, key recommendation would be submitted to the Joint Committee at its meeting scheduled for 21 June 2019
- Update on the Review of the Coordinated Incident Management Systems:
 - Was led by the Ministry of Civil Defence & Emergency Management
 - Formed the foundation framework of the national response for the entire New Zealand
 - Emergency Management Bay of Plenty staff engaged in this review on a national level: Rowan Wallace – Senior Emergency Management Advisor and Angela Reade – Manager Community Resilience/Group Welfare Manager
- Overview of New Zealand Fly In Teams:
 - The Ministry of Civil Defence & Emergency Management was in the process of establishing teams
 - In response to applications to serve in the teams – six staff members from the Bay of Plenty had applied (One from BOPRC and five from EMBOP)
- Nelson Fires Response
 - 15 offers of assistance from across councils
 - Multi-agency response
 - Offered excellent exposure and practical exercise/experience to staff
 - Supported by seven staff members from Bay of Plenty
- Exercise Ngatahi

- Planned Tier 2 exercise scheduled for Monday, 8 April 2019 - Group Emergency Coordination Centre and 5 Local Emergency Operations Centres would be involved – to simulate an earthquake event
- Suggested that this would be excellent exposure for Mayors to join staff
- CDEM Youth Ambassador Programme 2019
 - Held at Keswick Christian Camp, Rotorua 19 - 20 March 2019; involved 49 Year 10-12 students from 17 schools across the Bay of Plenty
 - Focused on building an increased understanding of natural hazards affecting the Bay of Plenty, including Emergency Management practices and developing a toolkit of practical actions by youth to be used to increase school and community resilience
 - Equipping youth to promote CDEM in communities.

Resolved

That the Civil Defence Emergency Management Group Joint Committee:

- 1 Receives the Bay of Plenty Civil Defence Emergency Management Group verbal update presented by Director, Emergency Management Bay of Plenty Clinton Naude.**

**Love/Forbes
CARRIED**

9.2 Bay of Plenty Civil Defence Emergency Management Group Recovery Manager Amendments

Director, Emergency Management Bay of Plenty Clinton Naude presented the report and responded to questions.

Resolved

That the Civil Defence Emergency Management Group Joint Committee:

- 1. Receives the report, Bay of Plenty Civil Defence Emergency Management Group Recovery Manager Amendments;**
- 2. Approves the rescindment of Philip King as a Local Recovery Manager for the Bay of Plenty Civil Defence Emergency Management Group, Tauranga City Council, as defined under s30 of the Civil Defence Emergency Management Act 2002;**
- 3. Approves the rescindment of Andy Bell as a Local Recovery Manager for the Bay of Plenty Civil Defence Emergency Management Group, Rotorua Lakes Council, as defined under s30 of the Civil Defence Emergency Management Act 2002; and**
- 4. Approves the rescindment of Garry Maloney as an Alternate Group Recovery Manager for the Bay of Plenty Civil Defence Emergency Management Group, as defined under s29 of the Civil Defence Emergency Management Act 2002.**

**Webber/Bonne
CARRIED**

9.3 Bay of Plenty CDEM Group Welfare Plan 2019/2024

Director, Emergency Management Bay of Plenty Clinton Naude presented the report and responded to questions.

Key Points:

- The Bay of Plenty Civil Defence Emergency Management (CDEM) Group was accountable for ensuring arrangements were in place to meet the welfare requirements of people affected by an emergency within their CDEM Group area
- The draft Bay of Plenty CDEM Group Welfare Plan 2019/2024 had been endorsed by the Bay of Plenty Coordinating Executive Group on 22 February 2019.

Resolved

That the Civil Defence Emergency Management Group Joint Committee:

- 1 Receives the report, Bay of Plenty CDEM Group Welfare Plan 2019/2024;
- 2 Adopts the Bay of Plenty CDEM Group Welfare Plan 2019/2024.

Webber/Forbes
CARRIED

10 Consideration of General Business

11 General Business

The following matter was raised for information under General Business:

- 1 Bay of Plenty Regional Council Annual Plan Consultation Process for 2019/20

Refer tabled item Objective ID A2854717

The meeting closed at 11:15 am.

Confirmed

Chairperson CDEMG, Mayor Greg Brownless

Date

Minutes of Te Maru o Kaituna River Authority Meeting held in The Council Chamber, Rotorua Lakes Council, Civic Administration Building, 1061 Haupapa Street, Rotorua on Friday, 22 March 2019 commencing at 10.30 a.m.

Present:

Chairman: Dean Flavell (Tapuika Iwi Authority Trust)

Deputy Chairman: Councillor Arapeta Tahana (Bay of Plenty Regional Council)

Appointees: Councillor Steve Morris (Tauranga City Council), Councillor Tania Tapsell (Rotorua Lakes Council), Councillor Jane Nees (Bay of Plenty Regional Council), Maria Horne (Te Komiti Nui o Ngati Whakaue), Rikihana Hancock (Te Tahuhu o Tawakeheimoa Trust)

Alternate

Appointees: Councillor Matemoana McDonald (Bay of Plenty Regional Council), Councillor Nick Chater (Lakes Community Board), Geoff Rice (Tapuika Iwi Authority Trust), Councillor John Scrimgeour (Western Bay of Plenty District Council), Rawiri Kingi (Te Pumautanga a Te Arawa Trust)

In Attendance: BOPRC: Clarke Koopu – Senior Advisor (Treaty), Pim De Monchy – Coastal Catchments Manager, Jo Watts – Senior Planner (Water Policy), Yvonne Tatton – Governance Manager, Amanda Namana – Committee Advisor, Courtney Bell – Senior Projects Officer, Melissa Cullen - Communications Advisor
WBOPDC: Matthew Leighton - Senior Policy Analyst
Other: Elva Conroy – Conroy Donald Consultants, Maru Tapsell

Apologies: Piki Thomas (Te Pumautanga o Te Arawa), Councillor Kevin Marsh (Western Bay of Plenty District Council)

1 Karakia

Rikihana Hancock opened the proceedings with a karakia.

One minute of silence was observed to commemorate those affected by the tragic events in Christchurch.

10.40 am - Cr Morris entered the meeting.

Chairperson Dean Flavell welcomed Geoff Rice as the newly appointed (alternate) member for Tapuika Iwi Authority Trust.

2 **Apologies**

Resolved

That Te Maru o Kaituna River Authority:

- 1 Accepts the apologies from Piki Thomas and Cr Kevin Marsh tendered at the meeting.

Tapsell/Morris
CARRIED

3 **Public Forum**

Nil

4 **Acceptance of Late Items**

Nil

5 **General Business**

- Update: Bay of Plenty Regional Council Annual Plan 2019 Submissions
- Update: Harbourmaster proposal

6 **Confidential Business to be transferred into the Open**

Nil

7 **Declaration of Conflicts of Interest**

Nil

8 **Previous Minutes**

8.1 **Te Maru o Kaituna River Authority Minutes - 19 October 2018**

Resolved

That Te Maru o Kaituna River Authority:

- 1 Confirms Te Maru o Kaituna River Authority Minutes - 19 October 2018

Nees/Kingi
CARRIED

- 2 Confirms the Public Excluded Te Maru o Kaituna River Authority Minutes - 19 October 2018

Nees/Hancock
CARRIED

8.2 Te Maru o Kaituna River Authority Minutes - 14 December 2018 Resolved

That Te Maru o Kaituna River Authority:

- 1 Confirms Te Maru o Kaituna River Authority Minutes - 14 December 2018

Horne/Tahana
CARRIED

8.3 Te Maru o Kaituna River Authority Minutes - 22 February 2019 Resolved

That Te Maru o Kaituna River Authority:

- 1 Confirms the Te Maru o Kaituna River Authority Minutes - 22 February 2019

Horne/Morris
CARRIED

9 Reports

9.1 Change of Membership

Resolved

That Te Maru o Kaituna River Authority:

- 1 Receives the report, Change of Membership;
- 2 Confirms the appointment of Geoff Rice onto Te Maru o Kaituna River Authority as the alternate member for Tapuika Iwi Authority Trust, replacing Dr Bryce Kihirini.

Tahana/Hancock
CARRIED

9.2 Engagement of Independent Advice for Regional Policy Statement and Regional Plan Changes

Coastal Catchments Manager Pim de Monchy and Jo Watts Senior Planner (Water Policy) presented the report, outlining the following:

Key Points

- There was less urgency around deciding this matter due to the drafting of Change 5 being delayed until at least August 2019
- The purpose of Change 5 was to recognise and provide for the Kaituna River Document in the Bay of Plenty Regional Policy Statement. Plan Change 12 had a more specific focus on implementing the National Policy Statement on Freshwater

Management in the Kaituna (and some other) catchments in addition to recognising and providing for the Kaituna River Document

- It was decided that the scope of any independent advice sought was to be narrowed to focus on Change 5 only at this stage
- The independent advisor was to work in the interests of Te Maru o Kaituna River Authority to ensure that Change 5 fully recognised and provided for the vision, objectives and desired outcomes of the Kaituna River Document
- Drafting for Change 5 could commence around September so it would be prudent to appoint an advisor before then.

10.54 am – Cr Scrimgeour **entered** the meeting.

In Response to Questions

- The cost of independent advice could differ greatly, depending on the relevant RMA and /or legal experience of the advisor engaged and the scope of their input
- Potential consensus building also needed to be considered as resolving differences of opinion between members of Te Maru o Kaituna River Authority could become costly if the advisor's scope of work was to include that
- It was suggested that to minimise costs an independent review performed at the conclusion of the drafting process would be most effective, rather than ongoing participation in the drafting stages
- It was suggested that an RMA lawyer, or a senior RMA planner, could provide the advice sought.

Points raised by Members

- Acknowledged good advice provided by staff, however for a policy change independent advice would be valuable
- Time and cost implications were important and would affect the final decision
- Noted responsibility for councillors and other members to manage potential conflicts of interest
- Once the new scope was received at the next meeting the budget for the work would be considered.

Staff Follow-up

- Staff to provide further information and options by the next meeting for a limited scope of work relating to Change 5 only at the latter stages of drafting, noting the above points
- Timing and cost information was to be included to give context to the decision
- The new scope was also to indicate whether the purpose of the consultant was for legal advice, planning advice or both.

Resolved

That Te Maru o Kaituna River Authority:

- 1 Receives the report, Engagement of Independent Advice for Regional Policy Statement and Regional Plan Changes;**
- 2 Considers whether or not to engage a suitably qualified consultant to provide independent technical and / or legal advice to Te Maru o Kaituna River Authority during Proposed Change 5 (Kaituna River) to the Regional Policy Statement and Proposed Plan Change 12 (Kaituna and Rangatāiki WMA) to the Regional Natural Resources Plan processes and relevant district plan change processes; and,**

- 3 Directs staff to prepare a scope of work for an independent advisor relating to Change 5 (Kaituna River) to the Regional Policy Statement only, for approval at the next meeting**

**Flavell/Tahana
CARRIED**

9.3 Freshwater update

Refer PowerPoint Presentation Objective ID A3161644

Senior Planner (Water Policy) Jo Watts provided a PowerPoint presentation updating members on the work being undertaken to progress the freshwater policy, including the work underway to support implementation of the National Policy Statement for Freshwater Management relevant to the Kaituna River catchment.

Key Points of Presentation

- Noted Technical science work about the health of Maketu estuary and lowland drains brought to members via the workshops
- Timeframes for plan changes were still uncertain and the process had to be flexible enough to adapt to national changes proposed for freshwater to ensure alignment with government direction
- Discussion papers were being developed for Plan Change 12 which included tangata whenua values and interests which would be checked with iwi before being distributed wider
- Outlined Environment Court appeal topics for Plan Change 9 region-wide water quantity
- Plan Change 9 would deliver improvements in water usage information as it increased metering and reporting requirements and had resulted in the development of a new groundwater accounting tool, available on Bay of Plenty Regional Council's website. Instruction was given on how to navigate the tool to check allocation status for each of the groundwater aquifers and resource consent detail for water takes
- Highlighted the issues facing the Kaituna catchment, in particular reduction in contaminants needed to improve the health of Maketū Estuary and lowland drain water quality issues
- The role of the Kaituna Freshwater Community Group role was to provide feedback and advice to Council about Plan Change 12 information. It had no decision making role. Members of the group included Te Maru o Kaituna River Authority iwi appointing authorities.

In Response to Questions

- Encouraged members to communicate information from the forum back to respective iwi and council appointing organisations to ensure everyone was aware of the information and working together
- Water quality and quantity would be addressed through the Plan Change 12 process

Points raised by Members

- GIS mapping was seen as a useful tool and providing FAQs could be helpful to those not familiar with using it
- Acknowledged the importance of having data of actual water take and the work being undertaken to resolve this.

Resolved

That Te Maru o Kaituna River Authority:

- 1 Receives the report, Freshwater update.**

**Tahana/Scrimgeour
CARRIED**

10 Public Excluded Section

Public excluded minutes from 19 October 2018 were confirmed in the open under item number 8.1.

11 Presentation: Operational Update: Kaituna River Re-diversion

Refer PowerPoint Presentation Objective ID A3160371

Coastal Catchments Manager Pim de Monchy provided a presentation to outline progress on the Kaituna River Re-diversion work and gave an update on Te Pourepo o Kaituna Wetland Creation Project work to date.

Key Points of Presentation:

- The re-diversion project was currently on budget and ahead of schedule by approximately 6 months
 - The new completion date was likely to be around Christmas 2019
 - New wetland island created had brought a number of Royal Spoonbills to the area
 - A large number of plants had been ordered for the winter, providing an opportunity for members, iwi and community to participate in planting days
- Te Pourepo o Kaituna Wetland Creation Project would contribute up to 73 hectares of new wetland to the catchment
- Design work focussed on meeting ecological and cultural aspirations.

In response to questions

- Oxbow was a term for a meandering bend in a lowland river which had been bypassed through erosion or human intervention, linking the two ends together (i.e. the name given to the former river channel)
- Areas of the new wetland to be available for recreational hunting were still to be decided due to proximity to the motorway and potential boat activity.

12 Consideration of General Business

12.1 Bay of Plenty Regional Council Annual Plan 2019 Submissions

Refer Tabled Item Objective ID A3164264

Coastal Catchments Manager Pim de Monchy supplied an update on the Bay of Plenty Regional Council's Annual Plan consultations.

12.2 Harbourmaster update

Coastal Catchments Manager Pim de Monchy provided a short verbal update on a proposal to close a section of the upper Kaituna river to navigation for safety purposes.

The meeting closed at 12.26 pm

Confirmed 3 May 2019

Dean Flavell
Chairperson – Te Maru o Kaituna River Authority

Reports

Receives Only – No Decisions



Report To: Regional Council

Meeting Date: 27 June 2019

Report From: Douglas Leeder, Council Chairman

Chairman's Report

Executive Summary

Since the preparation of the previous Chairman's Report (for the 9 May 2019 Council meeting) I have attended and participated in a number of meetings and engagements as Chairman on behalf of the Bay of Plenty Regional Council.

This report sets out those meetings and engagements and highlights key matters of interest that I wish to bring to Councillors' attention.

Recommendations

That the Regional Council:

- 1 Receives the report, Chairman's Report.**

1 Purpose

The purpose of this report is to update Council on meetings and engagements I have attended and participated in as Chairman and to highlight key matters that will be of interest to Councillors.

The following section summarises these meetings and engagements. I will provide further detail at the meeting in response to any questions you may have.

2 Meetings and Engagements

Date	Meeting/Engagement	Comment
30 April	Project Rerewhakaaitu AGM - <i>Rerewhakaaitu</i>	Presented on matters likely to affect farmers in the Bay of Plenty and Rotorua Lakes Catchments.
1 May	Ngāti Rongo site visit – <i>Eastern Bay</i>	Attended.

Date	Meeting/Engagement	Comment
	Have Your Say Event – <i>Tauranga</i>	Attended.
10 May	Meeting with Ross I'Anson, Acting Director Regional Relationships, Central North Island, New Zealand Transport Agency – <i>Tauranga</i>	Attended.
	Meeting with Mark Cairns, Chief Executive Port of Tauranga Limited – <i>Tauranga</i>	Discussed the Upper North Island Value Chain Strategy.
	Public Transport Committee Meeting – <i>Tauranga</i>	Attended.
14 May	Meeting with Whakatāne District Council Mayor Tony Bonne and Chief Executive Stephanie O'Sullivan – <i>Whakatāne</i>	Discussed topical items in the area.
15 May	Essential Freshwater Regional Sector Advisor Group Meeting – <i>Wellington</i>	Attended.
17 May	National Council – <i>Wellington</i>	Attended.
21 May	Taioho-Taiao Youth Jam Welcome – <i>Rotorua</i>	Introduction to the 3 day event which included a series of workshops and activities for students providing the opportunity to learn about the causes, impacts and actions we can take to both mitigate and adapt Climate Change.
22 May	Bay of Plenty Federated Farmers Conference AGM – <i>Edgecumbe</i>	Attended.
24 May	Regional Transport Committee Meeting – <i>Tauranga</i>	Attended.
27 May	Eastern Bay Mayors, Chair and Chief Executives Meeting – <i>Whakatāne</i>	Attended.
28 May	Te Kāhu Wai Maori Hui – <i>Wellington</i>	Attended on behalf of the Regional Sector with Waikato Regional Council Chief Executive, Vaughan Payne. Discussed Essential Freshwater Reforms.

Date	Meeting/Engagement	Comment
29 May	Bay of Plenty New Zealand Transport Agency Workshop – <i>Tauranga</i>	Update on the progress of the delivery of the 2018-21 National Land Transport Programme, and funding for our region.
4 June	Eastern Bay of Plenty Joint Committee – <i>Whakatāne</i>	Attended.
5 June	Essential Freshwater Joint Advisory Group Hui – <i>Wellington</i>	Attended.
6 June	Upper North Island Supply Chain Strategy Working Party meeting– <i>Tauranga</i>	A meeting following Council's submission on the proposal to develop an Upper North Island Supply Chain Strategy.
	National Sustainability Showcase 2019 – <i>Hamilton</i>	Celebrating the Regional Supreme Winners of the Ballance Farm Environment Awards and announcing the National Winners of the Gordon Stephenson Trophy for 2019.
7 June	Rural and Provincial Meeting – <i>Wellington</i>	Presented on Essential Freshwater Reforms.
	Auditor-General Local Government Advisory Group Meeting – <i>Wellington</i>	Attended.
12 June	Western Bay of Plenty District Council and Tauranga City Council Mayors' and Bay of Plenty Regional Council Chair Breakfast – <i>Tauranga</i>	Attended.
13 June	Partner Function: Tauranga City Council – <i>Tauranga</i>	Attended Tauranga City Council's event which included an audience with Lance Burdett, who spoke about <i>Challenging Life's Challenges</i> .
14 June	Rotorua Te Arawa Lakes Strategy Group Meeting – <i>Rotorua</i>	Attended.
17 June	Essential Freshwater Regional Sector Advisor Group Meeting – <i>Wellington</i>	Attended.

Doug Leeder
Chairman

for Council

13 June 2019

Receives Only – No Decisions



Report To: Regional Council

Meeting Date: 27 June 2019

Report From: Fiona McTavish, Chief Executive

Chief Executive's Report

Executive Summary

This report provides Council with an update on progressing council's strategic challenges and identifies the related Council papers in the agenda.

Recommendations

That the Regional Council:

- 1 Receives the report, Chief Executive's Report.**

1 Purpose

The purpose of this report is to provide Council with a regular update on progressing council strategic challenges as well as identifying the related Council papers in this agenda. The strategic challenges have been updated to reflect Council direction and there is also specific complaints trend information as requested at the last council meeting.

2 Strategic Issues Update

Strategic Challenge	Update
Climate Change – Implications for our Natural Resources, our Communities and	At its meeting of 25 June 2019 the RDD Committee considered the Draft Climate Change Action Plan and the basis for Council making a submission on the Climate Change Response (Zero Carbon) Bill.

Strategic Challenge	Update
our Role	<p>Council also considered feedback on the issue of climate change through the Draft Annual Plan process and requested a further late RDD paper based on these deliberations.</p> <p>Staff continue to attend forums to enhance their understanding of both climate change mitigation and adaptation. Recent forums include Rotorua Lakes Council's climate change planning workshop on 5 June 2019 and a Deep South presentation "Community Development for Adaptation" 19 June 2019.</p> <p>This year's Taiohi Taiao Youth Jam, run by Community Engagement, focussed on climate change. More than 50 students from 13 schools participated. The event was supported by Project Blue, NIWA, Te Arawa's Para kore Advisor, Emergency Management Bay of Plenty, TCC, WBOPDC, RLC, and WDC.</p>
Natural Resource - Limitations and Implications	<p>The focus for this past month has been supporting the Chairman to provide support into the Ministerial Regional Advisory Group for the Essential Freshwater Programme.</p> <p>A BOPRC staff member has been involved as one of three regional council staff representatives to provide advice on behalf of the regional sector.</p> <p>It is expected that this Essential Freshwater Programme will be released by the Minister for the Environment in the next few weeks.</p>
Transport Planning and Urban and Sub-Regional Growth	<p>The Regional Transport Committee has considered how it could add further value to its role and recommended to Council changes to its terms of reference relating to monitoring the Regional Land Transport Plan (RLTP) and regional transport advocacy (which Council has agreed). The Committee also resolved to seek a person to advise it on matters relating to environmental sustainability. It has completed Phase 1 of a regional passenger and freight rail investigation and begun a review of RLTP measures and targets.</p> <p>Phase 2 of the Urban Form and Transport Initiative (UFTI) for the western Bay of Plenty is due for completion at the end of July. Phase 2 will see delivery of a foundation report for approval by the SmartGrowth Leadership Group in July 2019. The Foundation Report is to outline the rationale for why change is required to improve the current housing and transport system settings in the western Bay of Plenty sub region. Research and an Interim Report with analysis and testing of scenarios will be completed by the end of October 2019.</p>
Māori Engagement – Complex Landscape	<p>There are a number of significant events unfolding within the region that will affect Council's relationship with Māori. These</p>

Strategic Challenge	Update
	<p>are summarised below:</p> <p><i>Overlapping areas of interest:</i> There are two hearings underway before the Tribunal concerning the overlapping areas of interest concerning the settlements for Pare-Hauraki, Tauranga Moana, and Marutūahu (Auckland). The interest in this Urgent Enquiry is nation-wide to the extent that other iwi and hapu finding themselves in a similar position in regard to their status as mana whenua are making submissions.</p> <p>For Council, the resolution of the issues as a result of the Pare-Hauraki settlement are critical. At best the Tribunal may request iwi to apply the provision under the Pare-Hauraki Deed of Settlement to undertake a tikanga based process. It would be difficult for the Tribunal to make recommendations concerning “mana whenua” status.</p> <p><i>Motiti Island (WAI 2521):</i> on 1 May 2019, the Crown made its opening submissions to the Tribunal Hearing recently held in Tauranga. The catalyst for the claim was the Tauranga Moana Framework (TMF) as part of the wider Tauranga Moana settlement. The potential effect of the TMF raised concerns by the tangata whenua on the Island which initiated a more thorough investigation into who are the tangata whenua.</p> <p><i>District Enquiry (Whakatohea);</i> on 4 June the Tribunal announced that it will undertake an Enquiry into the potential ramifications of the Whakatohea settlement, particularly in regard to the rights and interests of hapū and the extent to which the Crown has not considered overlapping claims made by neighbouring iwi.</p> <p><i>Recommendations on WAI 2358 (Freshwater):</i> the Tribunal held its final stage 2 hearing in November 2018. Recommendations are not expected until mid-year but this may extend. Further updates will be provided once the Tribunal has completed its investigation.</p> <p><i>Treaty settlements;</i> Many of the issues of significance are being dealt with by the Tribunal, as mentioned above. Current settlements under negotiation include; Whakatohea, Ngāti Rangitahi and Te Whānau ā Apanui. All have implications for Council in terms of new co-governing entities.</p> <p><i>Resource Consents:</i> As a result of gravel extraction issues, Maori Policy and the Consents team are now working on solutions to address the way in which council works with iwi.</p>
Regional Development – the Role that Council Plays	The new structure for Bay of Connections 2.0 agreed at the April Council meeting is being put in place. Expressions of interest in the governance Leadership Group and independent chair closed on 14 June 2019 and recommended appointments will be

Strategic Challenge	Update
	<p>presented to Council for consideration.</p> <p>Regional priorities work is ongoing and the linkages between spatial planning and regional economic development are intended to be reported to the August Regional Direction and Delivery Committee.</p>
Finances – Managing in a Strategic and Sustainable Manner	<p>Council has completed its annual plan deliberations and required further efficiency savings in the next year as well as maintaining funding to implement new central government direction such as in Essential Freshwater. Staff will complete detailed business planning once the Annual Plan is adopted at this meeting.</p>
Strategic Opportunity	Update
Development of Partnerships with Government, Iwi, and Industry to Deliver on our Outcomes	<p>In addition to comments above, over the last month a key focus is preparing for the first Council Mark process for BOPRC which will provide a baseline for future improvements.</p>

3 Regulatory Services Snapshot

3.1 Consents

- We have received 660 applications this year and have processed 86% internally. 58 of these applications were returned, and 4 withdrawn.
- 132 of the applications we have received relate to Lake structures, and 27 for water takes that have previously been unconsented.
- 321 of the 660 new applications have been approved so far, 240 of which were within timeframes. Only 7 discounts (2.2%) have been issued so far this year, which is well within the 5% KPI target.
- A total of 491 applications have been approved this year (this includes applications lodged prior to the new financial year).

3.2 Compliance

- We have received 2959 service requests (including calls to the pollution hotline) so far this year, a 21% increase on last year so far. 69% of these calls were related to air quality which is down from 76% in March.
- 121 urgent calls have been received since 1 July 2018, and all were responded to within 12 working hours.
- 67 Abatement Notices have been served since 1 July 2018, and 23 Infringement Notices have been issued.
- We have received 93% positive feedback from our complainant response since 1 July 2018.

- 101 Compliance monitoring inspections were undertaken last month, with 0% significant non-compliance, 16% low risk non-compliance and 5% moderate non-compliance identified.

At the last Council meeting, Councillors requested trend and issue monitoring around the service requests we receive, as well as information on repeat calls. Staff are currently working on a live dashboard report that Councillors will be able to access at any time to see this information.

In the meantime, Figure 1 shows the monthly complaints received since 2014/15 which shows numbers steadily increasing each year and seasonal peaks in the summer period.

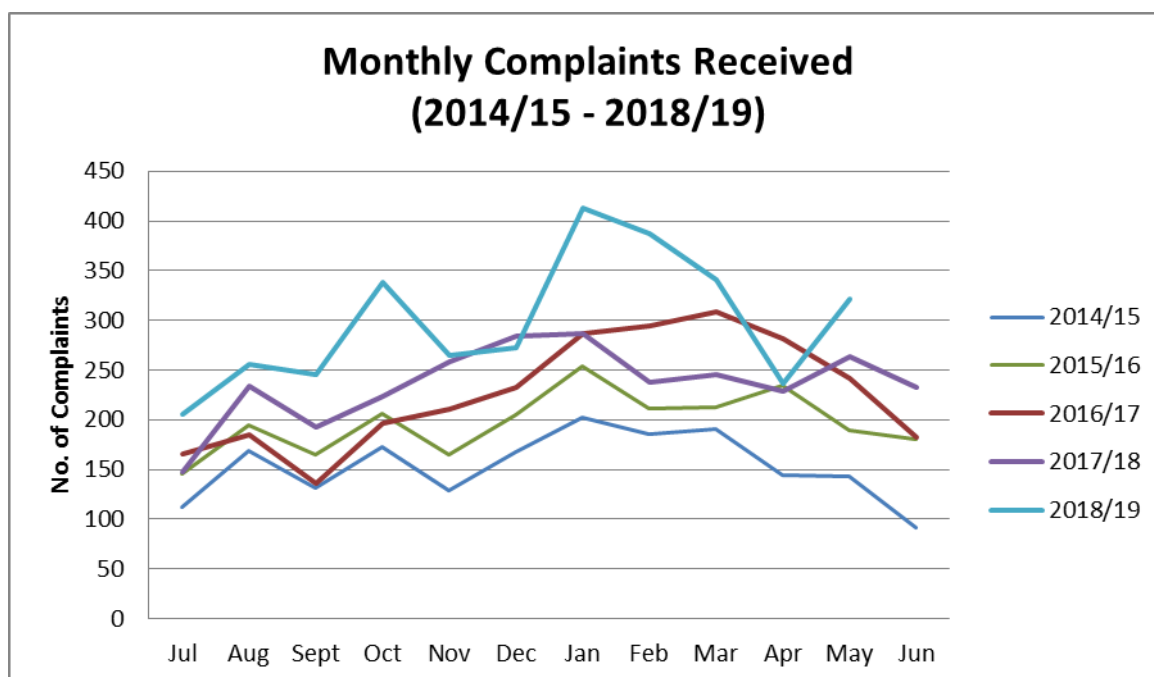


Figure 1 Monthly Complaints Received (2014/15 – 2018/19)

Table 1 shows the breakdown of calls received for different issues across the region. By far, the highest number of calls we receive relate to air quality concerns in the Tauranga area.

District	Air Quality	Coastal	OSET	Water and Land	Total
Region Wide	1	0	0	0	1
Ōpōtiki District	0	0	0	5	5
Whakatāne District	17	2	0	15	34
Rotorua Lakes	17	1	2	15	35
WBOP District	27	1	0	24	52
Tauranga City	160	4	2	28	194
Total	222	8	4	87	321
% Total	69	2	1	27	

Table 1 Breakdown of Calls by Issue, Bay of Plenty Region

In terms of repeat calls, we received 321 complaints in May this year. 112 complaints were from 32 individuals. One person made 17 calls and one person made 13 calls - both related to odour issues in the Mount Maunganui Industrial area.

Fiona McTavish
Chief Executive

17 June 2019

Report To: Regional Council

Meeting Date: 27 June 2019

Report From: Sarah Omundsen, General Manager, Regulatory Services

Fixing Resource Management Act charges

Executive Summary

This report recommends that Council fix the Resource Management Act 1991 charges to be included in the Councils Resource Management Act and Building Act Charges Policy 2019/20 (the 'Charges Policy').

Council consulted on the proposed changes to Resource Management Act charges following the Local Government 2002 special consultative procedure which included letters sent to all consent holders to advise them of the proposed changes. Six submissions were received on the proposed amendments to the charges which were considered along with the associated staff recommendations at the Council's deliberations meeting on 13 June 2019.

The section 36AAA analysis (appendix one) concludes that the Council's Resource Management Act charges are appropriate to recover the reasonable costs incurred by the Council in respect of the activities to which the charges relate.

A final version of the Resource Management Act and Building Act Charges Policy 2019/20 is attached as appendix two, incorporating the changes to the charges. Once the charges have been fixed, all charges (including the RMA charges) will be effective from 1 July 2019 and will be publicly available in hardcopy and on the Regional Council's website.

Recommendations

That the Regional Council:

- 1 Receives the report, Fixing Resource Management Act charges;**
- 2 Notes that Council has followed the Local Government Act 2002 special consultative procedure in preparing and consulting on the proposed changes to its Resource Management Act charges and that the Council has considered the feedback received;**
- 3 Adopts the section 36AAA analysis (Appendix 1: S36AAA Resource Management Act charges analysis 2019/20) and confirms that, having regard to section 36AAA (and in particular section 36AAA(3)) of the Resource Management Act 1991, the charges set out below and in the appendix are appropriate to recover the**

reasonable costs incurred by the Council in respect of the activities to which the charges relate;

- 4 Fixes the Resource Management Act charges set out below and in the Resource Management Act and Building Act Charges Policy 2019/20 (Appendix 2), to come into effect on 1 July 2019;**
- 5 Fixes the charges in relation to resource consents as follows:**
 - a. the general consent application deposit to be set in three tiers;**
 - Tier 1 - \$795**
 - Certificate of compliance**
 - Re-consenting existing unchanged lake structures**
 - Lapsing period extensions**
 - Tier 2 - \$1,810**
 - Onsite effluent discharge (septic tanks)**
 - Discharge farm dairy effluent**
 - Remediation of contaminated land**
 - Multiple bores (more than three)**
 - Changes to or cancellation of consent conditions**
 - Review of consent conditions**
 - Transfer of consent to another site or another person at another site**
 - Tier 3 - \$2,765**
 - All other consent categories**
 - b. the 'OSET approval inspection' fee remains at \$50 (incl. GST);**
 - c. the change to the fee for 'land use consent to construct between 1 to 3 geotechnical freshwater bores or domestic geothermal bores' to be \$485 (incl. GST) which incorporates both consent and compliance staff time;**
 - d. the change to the fee for 'transfer of a consent to another person at the same site where a complete application is submitted' to be \$170 (incl. GST);**
 - e. the change to the deposit for 'limited notified applications which proceed to a hearing' to be \$5,120 (incl. GST) ;**
 - f. the change to the deposit 'publicly notified applications which proceed to a hearing' to be \$12,240 (incl. GST);**
 - g. the change to the deposit for standard preparation of a plan change or policy document to \$5,120 (incl. GST)**
 - h. the change to the deposit for complex plan or policy statement changes or new plan requests to be \$51,200 (incl. GST);**
 - i. the charge for the 'issue of a notice stating that an activity is a permitted marginal and temporary activity' remains on an actual and reasonable basis, with the first hour being free;**

- j. that ‘applications to reduce the allocated rate of a surface water take consent or allocated annual volume of groundwater take consent’ and ‘applications for activities listed in regional plans that have zero fee’ remain at a zero fee;
 - k. the recovery of costs associated with an objection to be charged on an actual and reasonable basis. The Council may ask the hearings commissioner(s) to make a recommendation as to whether these costs should be remitted;
- 6 Fixes the following in relation to the administration charge:**
- a. a \$5 increase in the administration charge to \$140 (incl. GST);
 - b. that the following consent categories are exempt from the annual administration charge:
 - i. Long term consents with an inspection frequency of 10 years or more unless an inspection has been carried out.
 - ii. ‘Consequential’ consents such as the discharge permit in an activity that involves a diversion and discharge, or the discharge permit in an activity that involves taking and discharging water (e.g. to heat a pool). To qualify, the ‘consequential’ consent must occur as a natural consequence of the primary activity and have no significant environmental effect compared to the primary consent;
- 7 Fixes the following in relation to the compliance monitoring charges:**
- a. the compliance monitoring fixed fees as listed in Schedule 1A of the Charges Policy (see appendix);
 - b. the introduction of an additional category into Schedule 2A – Consents subject to variable compliance monitoring charges for ‘Composting Facilities (including vermicomposting)’;
 - c. The introduction of ‘Charges for monitoring under the National Environmental Standards for Plantation Forestry’ as listed in Schedule 3A.
 - d. actual and reasonable compliance monitoring charges for additional monitoring of water takes in over-allocated catchments;
 - e. actual and reasonable charges for additional time spent processing compliance monitoring returns, over and above the fixed fee charged;
- 8 Fixes the following in relation to the Data and Science charges:**
- a. phase two of the increase to the data and science charges (changes are to be phased in over two years);
 - b. the Annual Charges listed in Schedules 1B to 12B.
- 9 Fixes the following in relation to staff time and travel costs:**
- a. the revised charges for staff as listed in Schedule A of the Charges Policy;
 - b. no change to the standard travel time policy, with each site visit attracting a charge of 0.5 hours of staff time plus 50km at the applicable IRD mileage rate;

- 10 Directs the Resource Management Act charges to be included with the Council's other charges in a document to be called the Resource Management Act and Building Act Charges Policy 2019/20 (included as appendix two);**
- 11 Confirms that the decision has a low level of significance;**
- 12 Delegates authority to the Chief Executive to make minor editorial and formatting amendments to the Charges Policy if required.**

1 Introduction

Consultation on changes to the Resource Management Act charges was conducted following the Local Government Act 2002 special consultative procedure which included letters sent to all consent holders to advise them of the proposed changes. Six submissions were received on the proposed changes.

Submissions on the proposed charges and the associated staff recommendations were considered at the Council's deliberations meeting of 13 June 2019. The Council considered the submissions and in deliberation directed staff to prepare the charges for adoption as proposed.

2 Adoption of the section 36AAA analysis

When fixing charges under the Resource Management Act 1991 (RMA), a local authority must also have regard to the following criteria listed under section s36AAA(3) of the RMA:

- Person(s) should only be required to pay a charge to the extent they obtained the benefit of the local authority's actions distinct from the community as a whole; or
- Person(s) should only be required to pay a charge where they created need for the local authority's actions;
- Person(s) should only be required to pay a charge in relation to monitoring where it relates to that person(s) activities or the likely benefit to that person(s) exceeds that to the community as a whole.

Analysis of the charges against these criteria was conducted as part of the revision to the RMA charges. Analysis of the charges recommended to be adopted is now formalised as appendix one.

3 Proposed Changes to the RMA Charges

The key changes proposed were organised under six topics in the Statement of Proposal and are summarised as follows:

Proposed Change	Description of Change
Application charges for resource consents	Include an additional category in Tier 2 of the general resource consent application deposits as follows: 'Review of consent conditions (deposit fee is payable by the 20th of the month following service of notice by Council)'.
Annual consent charges: administration charges	Exempt low-risk OSET consents from the annual administration charge, unless an inspection has been carried out. Adjust wording accordingly.
Annual consent charges: compliance monitoring charges including:	<p>Include Schedule 3A for charges for monitoring under the National Environmental Standard for Plantation Forestry.</p> <p>Include an additional Compliance monitoring category in Schedule 2A for Composting Facilities (including vermicomposting).</p> <p>Change the inspection frequency (to reflect associated risk) of:</p> <ul style="list-style-type: none"> (i) Landfills - closed (Schedule 1A): from 5 yearly to 3 yearly. (ii) Low-risk OSET consents (Schedule 1A): from 8 yearly to 10 yearly. (iii) Dredging (Schedule 2A): from 1 yearly to 'as required'.
Annual consent charges: data and science charges	Introduce the second phase of the increase to the data and science charges (Schedules 1B-12B).
Staff charges	Introduce charging of staff time to the nearest 15 minutes, with a minimum charge of 15 minutes.
General	<p>Increase the staff charge out rates by inflation of 1.024% (BERL), rounded to the nearest \$5, and update the associated charges in Tables 2, 7 and 13 and Schedule 1A accordingly.</p> <p>Note: staff were directed to continue the existing exemptions to the consent application charges, zero fee activities and annual compliance charges. These exemptions were included in the supporting information documents for consultation</p>

4 Fixing of the Resource Management Act charges

The changes to Resource Management Act charges were discussed in detail at the Council workshops prior to adoption of the material for consultation on the charges at the Council meeting on 7 March February 2019. The proposed charges are supported by a robust calculation basis and better reflect the recovery of costs incurred by Council, and are in line with the phased approach to fees and charges agreed by Council through the Long Term Plan 2018-2028 following a comprehensive review of the Charges Policy.

No changes to the Building Act Charges were proposed.

A total of six submissions were received on the proposed amendments to the charges. Submissions on the proposed charges and the associated staff recommendations were considered at the Council's deliberations meeting of 13 June 2019. The Council considered the submissions, staff analysis and available options then after deliberation directed staff to prepare the charges for adoption as proposed.

Council is required to fix the Resource Management Act charges and it is recommended that the updated charges, together with the Building Act charges, be recorded together in a document called the Resource Management Act and Building Act Charges Policy 2019/20. All charges (including the RMA charges) will be effective from 1 July 2019. The Charges Policy is attached as Appendix 2.

5 Financial Implications

The recommendations of this report create no additional financial implications to the 'draft for adoption' LTP 2018-2028.

6 Implications for Māori

Māori are both consent holders/applicants and Kaitiaki. As consent holders or applicants they would be charged in the same way as other members of the community. Resource Management Act charges support effective monitoring of our natural resources which is of significant interest to Māori. We will continue to look for ways to improve our engagement with Māori, particularly with regard to consultation around consenting issues. This includes the provisions under 'Mana Whakahono a Rohe' and advice and support via Council's Kotahitanga Strategic Engagement team.

7 Council's Accountability Framework

7.1 Community Outcomes

This proposal directly contributes to the new community outcomes 'A healthy environment', 'Freshwater for life' and 'Safe and resilient communities' in the Council's Long Term Plan 2018-2028.

7.2 Long Term Plan Alignment

The work to review the Charges Policy was planned under the Resource Consents, Regulatory Compliance, Science and Data Activities in the Long Term Plan 2018-2028.

Current Budget Implications

The work relating to the charges set under the Charges Policy is being undertaken within the budgets for the Resource Consents, Regulatory Compliance, Science and Data activities in year one of Long Term Plan 2018-2028.

Future Budget Implications

Future work on Resource Management Act and Building Act charges is provided for in Council's Long Term Plan 2018-2028. Budgets proposed as part of Annual Plan 2019/20 have taken the proposed charges into account.

Jane Palmer
Policy Analyst

for General Manager, Regulatory Services

18 June 2019

APPENDIX 1

s36AAA Resource Management Act Charges Analysis 2019/20

S36AAA Resource Management Act charges analysis

Purpose

This S36AAA analysis is required for the Bay of Plenty Regional Council's (Council) RMA charges. The Resource Management Act 1991 and Building Act 2004 form the foundation of the majority of our work. The Resource Management Act and Building Act Charges Policy ("Council Charges Policy") sets out our charges under these Acts.

The sole purpose of an RMA charge is to recover the reasonable costs incurred by the Council in respect of the activity to which the charge relates.

When fixing charges the Council must also have regard to the following criteria (RMA s36AAA(3)):

- Person(s) should only be required to pay a charge to the extent they obtained the benefit of the local authority's actions distinct from the community as a whole; or
- Person(s) should only be required to pay a charge where they created need for the local authority's actions;
- Person(s) should only be required to pay a charge in relation to monitoring where it relates to that person(s) activities or the likely benefit to that person(s) exceeds that to the community as a whole.

The application of these requirements can be subjective and Council must use judgement.

The following tables detail each of the main classes of charges and our analysis against the above criteria.

How to read the analysis

RMA s36AAA/References	Considerations
Type of charge	Type/name of charge
Section of the policy	The part of the policy these charges can be found in.
Statutory basis for charge	Applicable section of the RMA.
The basis of the charge	Details on the basis of the charge.
Assessment of benefits obtained by person(s)	S36AAA(3)(a) The benefit of the local authority's actions to which the charge relates is obtained by those person as distinct from the community of the local authority as a whole. Consent applicants or holders benefit directly from the work.
Assessment of whether need for work relates from actions of person(s)	S36AAA(3)(b) The need for the local authority's actions to which the charge relates from the actions of those persons. Consent applicants or holders occasion the work (the council needs to do the work because of the actions of consent applicants or holders).
Assessment of monitoring functions (where applicable)	S36AAA(3)(c) Where the charge is in respect of the local authority's monitoring functions under section 35(2)(a) (which relates to monitoring the state of the whole or part of the environment),- i. To the extent the monitoring relates to the likely effects on the environment of those person's activities; or ii. To the extent that the likely benefit to those persons of the monitoring exceeds the likely benefit of the monitoring to the community of the local authority as a whole.
Approximate recoveries from charges	Estimated percentage of costs to be recovered from charges.

Application charges

RMA s36AAA/References	Considerations
Type of charge	General resource consent application deposits
Section of the policy	2.1.2 Application charges for non-notified resource consents
Statutory basis for charge	S36(1)(b) charges payable by applicants for resource consents, for the carrying out by the local authority for any 1 or more of its functions in relation to the receiving, processing and granting of resource consents (including certificates of compliance and existing use certificates)
The basis of the charge	<p>Pre-application activities – we have a policy of funding the first hour of pre-application advice as we believe that it saves applicants time and money in the long run.</p> <p>General resource consent application deposits - We have set deposit charges payable in advance with the balance of charges being charged/refunded in arrears at the completion of the consent process. They have been set in three tiers based on the type of consent application. We have based our tiers on the estimated average hours to process those consent types and believe that this provides consent applicants with a realistic expectation of the charge.</p>
Assessment of benefits obtained by person(s)	<p>Consent applicants benefit from the work Council undertakes directly. They will benefit from having the consent application considered and will particularly benefit if the application is approved e.g. processing and approving a consent enables development to proceed.</p> <p>Consent applicant receives 100 percent of the benefit.</p>
Assessment of whether need for work relates from actions of person(s)	The activities in the consent application process are predominantly caused by consent applicants. Council is required to do the work as a result of the consent being applied for.
Approximate recoveries from charges	80%-100% range

RMA s36AAA/References	Considerations
Type of charge	Fixed consent application fees
Section of the policy	2.1.2 Application charges for non-notified resource consents – Table 2
Statutory basis for charge	S36(1)(b) charges payable by applicants for resource consents, for the carrying out by the local authority for any 1 or more of its functions in relation to the receiving, processing and granting of resource consents (including certificates of compliance and existing use certificates)
The basis of the charge	For consent applications which are generally routine we apply fixed application fees. Our fees are based on the estimated staff time to process each type of these consent applications.
Assessment of benefits obtained by person(s)	Consent applicants benefit from the work Council undertakes directly. They will benefit from having the consent application considered and will particularly benefit if the application is approved e.g. processing and approving a consent enables development to proceed. Consent applicant receives 100 percent of the benefit.
Assessment of whether need for work relates from actions of person(s)	The activities in the consent application process are predominantly caused by consent applicants. Council is required to do the work as a result of the consent being applied for.
Approximate recoveries from charges	80%-100% range

RMA s36AAA/References	Considerations
Type of charge	Charges for limited and publicly notified resource consents
Section of the policy	2.1.3 Charges for limited and publicly notified resource consents
Statutory basis for charge	S36(1)(b) charges payable by applicants for resource consents, for the carrying out by the local authority for any 1 or more of its functions in relation to the receiving, processing and granting of resource consents (including certificates of compliance and existing use certificates)
The basis of the charge	<p>We charge actual and reasonable costs for processing limited or publicly notified resource consents.</p> <p>When an application is notified and proceeds to a hearing, a further charge is payable (this is payable when we proceed to a hearing as it is only then that further costs are incurred).</p> <p>These costs vary considerably and depend on a number of factors such as how well the applicant has consulted, how well the application is prepared, the number of submissions received and how difficult the issues are to resolve.</p>
Assessment of benefits obtained by person(s)	<p>Consent applicants benefit from the work Council undertakes directly. They will benefit from having the consent application considered and will particularly benefit if the application is approved e.g. processing and approving a consent enables development to proceed.</p> <p>Submitters may receive benefit from having the ability to have their say.</p>
Assessment of whether need for work relates from actions of person(s)	The activities in the consent application process are predominantly caused by consent applicants. Council is required to do the work as a result of the consent being applied for.
Approximate recoveries from charges	80%-100% range

RMA s36AAA/References	Considerations
Type of charge	Charges for permitted marginal or temporary activities
Section of the policy	2.1.5 Charges for permitted marginal or temporary activities
Statutory basis for charge	S87BB Activities meeting certain requirements are permitted activities. S36(1)(ae) charges payable by persons proposing to undertake an activity, for the carrying out by a local authority of its functions in relation to issuing a notice under S87BA or 87BB stating whether the activity is a permitted activity.
The basis of the charge	We charge actual and reasonable costs for processing a request to issue a notice stating whether an activity is a permitted marginal or temporary activity with the first hour being provided free. The actual costs of will vary depending on the nature and complexity of the request.
Assessment of benefits obtained by person(s)	The applicant benefits from the work Council undertakes directly. They will benefit from having the request considered and will particularly benefit if the notice is issued stating that an activity is a permitted marginal or temporary activity. Applicant receives 100 percent of the benefit.
Assessment of whether need for work relates from actions of person(s)	The activities in the process are predominantly caused by the applicant. Council is required to do the work as a result of the notice being applied for.
Approximate recoveries from charges	80%-100% range

RMA s36AAA/References		Considerations
Type of charge	Charges for objections	
Section of the policy	2.3 Charges for objections	
Statutory basis for charge	S36(1)(af) charges payable by a person making an objection under section 357A(1)(f) or (g), if the person requests under 357AB that the objection be considered by a hearings commissioner, for the cost of the objection being considered and decided in accordance with the request.	
The basis of the charge	Costs may be recovered on an actual and reasonable basis. To ensure a fair process for the objector, Council may ask the commissioner(s) to make a recommendation as to whether it would be appropriate to remit (i.e. not charge) any of these costs.	
Assessment of benefits obtained by person(s)	There is some uncertainty about who benefits from objections. In some cases the objector may benefit and in some cases it may be for the public good. It is important to ensure people can exercise their right to object to decisions made by Council without being unduly discouraged or penalised, and without encouraging or incentivising a situation where vexatious objectors require us to hire commissioners unnecessarily.	
Assessment of whether need for work relates from actions of person(s)	The objector creates the need.	
Approximate recoveries from charges	0%-100% range	

Annual charges

RMA s36AAA/References		Considerations
Type of charge		Administration charge
Section of the policy		2.4.1 Administration charge
Statutory basis for charge		S36(1)(c) charges payable by holders of resource consents, for the carrying out by the local authority of its functions in relation to the administration, monitoring and supervision of resource consents (including certificates of compliance and existing use certificates), and for the carrying out of its resource management functions under section 35.
The basis of the charge		The administration charge is designed to cover activities such as consent computer database maintenance, consent file system maintenance, correspondence to consent holders, dealing with generic enquires. We have therefore based our administration charge on the costs of our co-ordinator team and our duty person. Council have elected to fund approximately 30% of our administration work through administration charges - we felt that while recovering 100% of these costs was allowed the resulting amount did not satisfy the principal of reasonableness and fairness.
Assessment of benefits obtained by person(s)		Consent applicants or holders benefit from this charge, however there is a public good element as well in keeping these records.
Assessment of whether need for work relates from actions of person(s)		Consent applicants or holders occasion a proportion of the administration work required – Council is required to keep databases, systems and correspond with consent holders as a result of their actions.
Approximate recoveries from charges		30% approximately

RMA s36AAA/References	Considerations
Type of charge	Compliance monitoring charges
Section of the policy	2.4.2 Compliance monitoring charges
Statutory basis for charge	<ul style="list-style-type: none"> • S36(1)(c) charges payable by holders of resource consents, for the carrying out by the local authority of its functions in relation to the administration, monitoring and supervision of resource consents (including certificates of compliance and existing use certificates), and for the carrying out of its resource management functions under section 35. • S36(1)(cc) charges payable by a person who carries out a permitted activity, for the monitoring of that activity, if the local authority is empowered to charge for the monitoring in accordance with section 43A(8). • S36(3) Fixed charges • S36(6) Variable charges
The basis of the charge	<p>Fixed fee compliance monitoring charges - Some compliance monitoring activities are routine, involving a simple site inspection, auditing any monitoring information and occur anywhere from annually to every ten years. In these cases, we estimate the time involved to complete the inspection and charge annually in advance. This approach may also be applied for more “passive” activities or resource uses, where a lower annual fee is preferable to a higher one-off charge.</p> <p>All other consents – more complex/variable consents are charged the actual and reasonable costs of carrying out their compliance monitoring programme.</p> <p>Permitted activities – a specific schedule of charges will apply to recover the actual and reasonable costs of monitoring permitted activities where it is provided for under a National Environmental Standard</p> <p>Non-compliance – the cost of dealing with any non-compliance, regardless of its fee regime, is recovered through actual and reasonable additional charges charged in arrears.</p> <p>All consents holders only pay the cost of compliance monitoring associated with their consent</p>
Assessment of benefits obtained by person(s)	<p>Compliance monitoring helps to both verify that consent holders are meeting the conditions of their consents, and ensure that any non-compliances are identified and actioned. There is an element of public good by encouraging and ensuring compliance, as consent conditions are put in place to protect the environment and the community from potential adverse effects arising from the resource use or development activity authorised by the consent.</p> <p>However, as the need for this type of monitoring only arises because of consent holders’ activities, and the benefits of holding the consent accrue entirely to consent holders, we consider it appropriate for consent holders to bear the reasonable cost of this monitoring.</p>
Assessment of whether need for work relates from actions of person(s)	<p>The compliance monitoring activity is driven by resource use and/or discharges to the environment which require resource consents to proceed. The need for compliance monitoring is therefore occasioned by the consent holder.</p> <p>Non-compliance is caused solely by consent holder activity.</p> <p>Monitoring of permitted activities under a National Environmental Standard is driven by the specific activity taking place and is therefore occasioned by the person(s) carrying out the activity. The activities to which this pertains are explicitly outlined within the respective National Environmental Standard.</p>

RMA s36AAA/References	Considerations
Type of charge	Compliance monitoring charges
Approximate recoveries from charges	80%-100% range

Final Draft for Adoption

RMA s36AAA/References		Considerations
Type of charge	Data and science charge	
Section of the policy	2.4.3 Data and science charge	
Statutory basis for charge	<p>S36(1)(c) charges payable by holders of resource consents, for the carrying out by the local authority of its functions in relation to the administration, monitoring and supervision of resource consents (including certificates of compliance and existing use certificates), and for the carrying out of its resource management functions under section 35.</p> <p>S36AAA(3)(c) in a case where the charge is in respect of the local authority's monitoring functions under section 35(2)(a) (which relates to monitoring the state of the whole or part of the environment),-</p> <ul style="list-style-type: none"> i. To the extent that the monitoring relates to the likely effects on the environment of those person's activities; or ii. To the extent that the likely benefit to those persons of the monitoring exceeds the likely benefit of the monitoring to the community of the local authority as a whole. 	
The basis of the charge	<p>The charge paid by consent holders is related to the effects of their activity on the environment. Consent holders only pay for a part of the monitoring. The regional community pays for the rest as it also benefits from the information gained.</p> <p>All Data and Science projects undertaken by Council were costed and assessed in terms of their relevance to consent holders</p>	
Assessment of benefits obtained by person(s)	<p>Data and science monitoring activities are undertaken to gather information about resources to ensure they are managed on a sustainable basis. The information is used to determine the nature and state of a resource, to enable us to grant resource consents with confidence, and to check whether the management tools for resources in regional plans are working properly. A large amount of information is made publicly available.</p> <p>Both the consent holder and the regional community benefit from the monitoring undertaken.</p> <p>The consent holder benefits through the protection of resources through management, early warning of changes in resources, and information and data to aid business planning, exercising of their consent and the re-consenting process.</p>	
Assessment of whether need for work relates from actions of person(s)	<p>Consent holders and the regional community.</p> <p>Where consents are in place, Council needs to understand and monitor resources to ensure consent conditions are set appropriately (e.g. water allocation limits) and to safeguard future access to resources. This requirement (and the associated charge) applies regardless of whether a consent holder fully exercises their consent e.g. the monitoring still has to take place even if a consent holder chooses not to take any or all of their consented water allocation.</p>	
Assessment of monitoring functions	<p>As there is a public good aspect to Data and Science Charges, Council will consider whether an activity has a zero, low, medium or high benefit to consent holders; or the extent it is occasioned by consent holder activity for each of the type of costs.</p>	
Approximate recoveries from charges	0%-30% dependent on the project	

APPENDIX 2

Resource Management Act and Building Act Charges Policy 2019/20

1 Introduction

This policy, known as the 'Changes Policy' sets out the Resource Management Act (RMA) and Building Act charges, that apply from 1 July 2019. Authority to set these charges falls under section 36 of the RMA and section 243 of the Building Act.

2 Resource Management Act charges

Under the RMA, the Bay of Plenty Regional Council (Council) is responsible for managing the use of a wide range of natural resources including air quality, geothermal energy, groundwater and surface water. In order to carry out this function we are required to undertake a significant level of activity including:

- Processing and administration (e.g. in regard to regional plans and resource consents)
- Monitoring and supervision of resource consents
- Monitoring of natural resources.

The RMA gives Council the power to recover the 'reasonable' costs associated with these functions using charges made under section 36. The RMA charges covered by this policy include:

- Application charges
- Discount on administrative charges
- Charges for objections
- Annual consent charges
- Travel charges

2.1 Application charges

The charges in the following tables relate to applications for new resource consents, transfers or renewals of consents, certificates of compliance and the preparation or change to a policy statement or plan. The majority of these charges are deposits, with any

additional costs charged on an actual and reasonable basis. An estimate of these additional costs can be provided on request.

2.1.1 Applications for resource consents

Resource consents are processed as either non-notified, limited notified or publicly notified. The majority of resource consents are processed as non-notified. Council charges consent applicants for any costs incurred when processing resource consent applications. Charges include the costs of technical assessment, RMA assessment, peer review work and administration costs.

We charge the actual and reasonable costs for processing a consent application, apart from a limited number of applications which are subject to a fixed fee (Table 2). Actual and reasonable costs include, but are not limited to:

- Staff time spent processing a resource consent at the staff charge out rates detailed in Schedule A (page 12)
- Contractor's or consultant's time based on the charge out rate of the contractor or consultant engaged to do the work
- Disbursements which may include travel costs, expert advice, photocopying and hearing costs

Before Council begins to process an application, we require the deposit (Table 1) or fixed application fee (Table 2) to be paid in full.

Please note that application charges apply even if your consent application is declined or you withdraw your application.

Our Duty Consents Officer can help you make an informed decision and, if required, offer advice about your application. The first hour is free and will save you time and money in the long run. After the first hour, we will charge you for the service. We will advise you before we start charging.

2.1.2 Application charges for non-notified resource consents

Resource consent applications are processed as “non-notified” if their effects are minor and anyone who might be affected by the activity agrees to the consent being granted and notification is not precluded. The application deposits are outlined in Table 1. Where consent processing costs exceed the deposit an additional charge for actual and reasonable costs will be made.

Table 1: General resource consent application deposits

Consent type	Deposit (incl. GST)
Tier 1 •Certificates of compliance •Re-consenting existing unchanged lake structures •Lapsing period extensions	\$775
Tier 2 •Onsite effluent discharge (septic tanks) •Discharge farm daily effluent •Remediation of contaminated land •Multiple bores (more than three) ⁽¹⁾ •Changes to or cancellation of consent conditions •Review of consent conditions (deposit fee is payable by the 20th of the month following service of notice by Council) •Transfer of consent to another site or another person at another site	\$1,770
Tier 3 •All other consent categories	\$2,700

A limited number of consents are subject to a fixed application fee with no additional costs payable, as detailed in Table 2.

1 Consent applications for one, two or three bores are subject to a fixed fee (Table 2)

Table 2: Fixed consent application fees

Consent type	Fixed charge (incl. GST)
OSET approval inspection fee	\$50
Land use consent to construct between 1 to 3 geotechnical, freshwater bores or domestic geothermal bores (includes compliance monitoring charges)	\$485
Transfer of consent to another person at the same site where a complete application is submitted. ⁽²⁾	\$170

2.1.3 Charges for limited and publicly notified resource consents

When an application is notified and proceeds to a hearing, a further charge is payable as detailed in Table 3.

Table 3: Limited notified or publicly notified resource consent deposits

Resource consent process	Deposit (incl. GST)
Limited notified applications which proceed to a hearing	\$5,000
Publicly notified applications which proceed to a hearing	\$10,000

Costs for hearing committee members and commissioners will be recovered from applicants at their set charge-out rate. Disbursements will be charged on an actual and reasonable basis.

2.1.4 Application charges for the preparation of or change to a plan or policy statement

Applicants will pay a deposit in advance for any requests for a change to an existing regional plan or policy statement, or for the preparation of any new plan or policy

statement. If a change to an existing regional plan or policy statement, or new plan request is deemed complex, a deposit of \$50,000 will be payable at the discretion of the General Manager Strategy.

Table 4: Deposit for the preparation of or change to a plan or policy statement

	Deposit (incl. GST)
Standard deposit	\$5,000
Deposit for complex plan or policy statement changes or new plan requests	\$50,000

Where costs exceed the deposit, an additional charge for actual and reasonable costs will be made. Actual and reasonable costs include, but are not limited to:

- Staff time spent at the staff charge out rates detailed in Schedule A
- Contractor's or consultant's time based on the charge out rate of the contractor or consultant engaged to do the work
- Disbursements which may include travel costs, expert advice, photocopying and hearing costs

2.1.5 Charges for permitted marginal or temporary activities

The cost for processing a request to issue a notice stating whether an activity is a permitted marginal or temporary activity will be charged based on actual staff time spent on an actual and reasonable basis, with the first hour being provided free of charge. Staff charge-out rates are detailed in Schedule A (page 12).

Table 5: Permitted marginal or temporary activity charges

	Charge (incl. GST)
Issuing a notice stating whether an activity is a permitted marginal or temporary activity	Actual and reasonable cost with the first hour free

² Where an incomplete application for a 'transfer of consent to another person at the same site' results in more than 1.5 hours of staff time being required to process the transfer, actual and reasonable costs will be charged to the transferee for the additional time required to process the incomplete application.

2.1.6 Exemptions from application charges and zero fee activities

The exemptions in Table 6 are in accordance with decisions adopted by Council at its meeting on 27 June 2019.

Table 6: Exemptions and zero fee activities

Consent category	Charge (incl. GST)
Activities listed in regional plans that have zero fee	\$0
Application to reduce the allocated rate of a surface water take consent or allocated annual volume of groundwater take consent which reduces the environmental effect of that take	\$0

2.2 Discount on administrative charges

The Resource Management (Discount on Administrative Charges) Regulations 2010, commonly called the 'Discount Regulations', sets a default discount policy for resource consents that are not processed within statutory timeframes. Council's policy is to adhere to the Discount Regulations.

The Discount Regulations set out a discount of 1% of the total administrative charges for every working day an application remains unprocessed beyond the statutory timeframes specified in the RMA, up to a maximum of 50% (i.e. 50 working days).

The Discount Regulations apply to the processing of most resource consent applications or applications to change consent conditions. They do not apply to the following:

- Applications for extensions to consent lapsing periods
- Local authority initiated consent reviews
- Certificates of compliance
- When an applicant withdraws a resource consent application
- If the application is to replace an existing consent and is granted prior to the existing consent expiring

2.3 Charges for objections

If a person who has lodged an objection requests that the objection be considered by a hearings commissioner, Council may recover charges associated with the objections being considered and decided in accordance with that request. Those costs will be recovered on an actual and reasonable basis. Council may ask the commissioner(s) to make a recommendation as to whether it would be appropriate to remit (i.e. not charge) any of these costs.

2.4 Annual consent charges

The annual consent charge payable by the consent holder in relation to each current resource consent is made up of:

- Administration charge
- Compliance/supervision charge (referred to as 'compliance monitoring charge')
- Data and science charge



The administration charge covers routine administration costs such as consent computer database and file system maintenance, compiling and monitoring accounts, correspondence to consent holders (e.g. around expiring consents) and general administration and enquiries.

For those consents where compliance monitoring is charged on an actual and reasonable basis, the monitoring charges will be invoiced according to the frequency of inspections (e.g. consents inspected more than once during the year will receive monitoring invoices during the year in addition to the annual consent charge).

2.4.1 Administration charge

Table 7: Administration charge

	Fixed charge (incl. GST)
Standard charge	\$140
Multiple consents: additional charge per consent holder where separate invoicing and correspondence is required	\$120

2.4.2 Compliance monitoring charges

Compliance monitoring charges are based on the actual and reasonable costs of carrying out compliance monitoring of consents. Fixed and variable charges are made up of the staff time to carry out an inspection (if required), audit any monitoring information provided by consent holders, follow up any non-compliance and report back to consent holders (if required).

Actual and reasonable costs include, but are not limited to:

- Staff time spent processing a resource consent at the staff charge out rates detailed in Schedule A (page 12)
- Contractor's or consultant's time based on the charge out rate of the contractor or consultant engaged to do the work
- Disbursements which may include travel costs, expert advice, photocopying and hearing costs

It is Council policy that the majority of costs of compliance monitoring should be recovered from consent holders.

Table 8: Compliance monitoring charges

Compliance monitoring charge	Charge (incl. GST)
Fixed fee compliance monitoring charges ⁽³⁾	Schedule 1A
Charges for monitoring under the National Environmental Standards for Plantation Forestry	Schedule 3A
All other consents not listed in Schedule 1A	Actual and reasonable
Second and subsequent inspections as necessitated by previous non-compliance	Actual and reasonable
Auditing information required by consent conditions or participation in peer review panels	Actual and reasonable
Fixed administration fee relating to late submission of records and monitoring reports	\$235

2.4.3 Data and science charge

The data and science charge is a fixed annual fee which covers a portion (an average of 20%) of the Council's costs of carrying out regional and impact monitoring and specific investigations into the state of the environment. These monitoring requirements are driven, in part, by the consents process and consent holders: Council needs to understand and monitor resources to ensure consent conditions are set appropriately (e.g. water allocation limits) and to safeguard future access to resources. This requirement (and the associated charge) applies regardless of whether a consent holder fully exercises their consent e.g. the monitoring still has to take place even if a consent holder chooses not to take any or all of their consented water allocation.

Table 9: Data and science charge

Data and science charge	
All applicable consents	Schedules 1B to 12B

³ Where the time spent processing monitoring exceeds the standard time covered by the fixed charge in Schedule 1A (which is based on staff charge out rates in Schedule A), any additional time will be charged on an actual and reasonable basis.

2.4.4 Exemptions from annual charges

The exemptions in Table 10 are in accordance with decisions adopted by Council at its meeting on 27 June 2019.

Table 10: Exemptions from annual consent charges

Consent category	Exempt from
Long term consents with an inspection frequency of 10 years or more unless an inspection has been carried out (in which case the consent holder is charged as per Schedule 1A or 2A)	Administration charge
“Consequential” consents such as the discharge permit in an activity that involves a diversion and discharge, or the discharge permit in an activity that involves taking and discharging water (e.g. to heat a pool). To qualify, the “consequential” consent must occur as a natural consequence of the primary activity and have no significant environmental effect compared to the primary consent.	Administration charge

2.5 Travel charges

Site visits for resource consent applications and compliance monitoring, regardless of location, will be charged a standard rate of half an hour of staff time (at the staff charge out rates detailed in Schedule A, page 12) for travel time and 50km at the applicable IRD mileage rate.

3 Building Act charges

Under the Building Act 2004, Bay of Plenty Regional Council (BOPRC) is responsible for functions relating to dams. For efficiency and cost reduction reasons, BOPRC has transferred the following building consent authority functions for dams to the Waikato Regional Council ⁽⁴⁾:

- Processing of building consents
- Inspection processes
- Issuing dam code compliance certificates
- Issuing compliance schedules

Please contact Waikato Regional Council or see its website www.waikatoregion.govt.nz/damsafety for relevant up-to-date fees and charges for these areas.

Section 243 of the Building Act 2004 enables BOPRC to recover costs through imposing fees or charges for the functions not delegated to Waikato Regional Council. The charges have been set using the principle that the full cost of the service provided is to be recovered. Any costs in addition to charges specified in Table 11 will be on an actual and reasonable basis.

Table 11: Building Act charges

Activity	Deposit (incl. GST)
Administration cost for Register of Dams	
Dam potential impact classification	\$240
Dam safety assurance programme	\$240
Annual dam compliance certificate	\$240
Review	
Review of potential impact classifications submitted by dam owners	Actual and reasonable costs
Review of dam safety assurance programme	Actual and reasonable costs
Building consent for dams	
Project Information Memorandum (PIM)	\$155
Certificate of acceptance	
Dam valued up to \$20,000	\$585
Dam valued between \$20,000 and \$100,000	\$2,345
Dam valued over \$100,000	\$4,690
Compliance and other functions	
Standard labour cost and extra cost of expert advice	Actual and reasonable costs

4 Memorandum with Waikato Regional Council (WRC) dated 6 March 2009 (WRC document no. 1329516), updated with Memorandum with WRC dated 1 June 2015 (WRC document no. 3165770)

4 Miscellaneous administrative charges

Under sections 36(1)(e), 36(1)(f) and 36(1)(g) of the RMA and section 13 of the Local Government Official Information and Meetings Act 1987, Council is able to charge for the provision of information in respect of plans and resource consents, the supply of documents and any kind of charge authorised by regulations.

Table 12: Miscellaneous administrative charges

Charge (incl. GST)	
Information requests	
Administration fee	Actual and reasonable costs with first hour free
Photocopying	
A4 (black and white)	6c per page
A3 (black and white)	10c per page
A4 (colour)	50c per page
A3 (colour)	75c per page

5 Enforcement

The cost of issuing an abatement notice will be charged to the holder of the consent, even if the notice itself is issued to a representative of the consent holder (e.g. farm manager, contractor, etc.). This charge is for generating and issuing the notice and does not include any additional costs associated with non-compliance, which will be charged on an actual and reasonable basis. Actual and reasonable costs include, but are not limited to:

- Staff time to carry out the inspection and prepare reports etc. at the staff charge out rates detailed in Schedule A
- Associated disbursements such as travel costs, sampling and testing costs and specialist advice

Table 13: Enforcement charges

	Fixed charge (incl. GST)
Issue of an abatement notice	\$225

6 General matters

- (a) Charges will be payable on the 20th of the month following the month the invoice was issued e.g. invoices issued in September will be due on 20th October.
- (b) Where charges are deposits, applicants will be charged all actual and reasonable costs above the deposit.
- (c) Actual and reasonable costs include, but are not limited to staff time (see Schedule A, page 12), travel costs, advertising, peer review, meeting and hearing costs, commissioner charges, disbursements and costs of consultants.
- (d) Where the deposit fee exceeds the processing costs by \$25 or more, the difference will be refunded to the applicant.
- (e) In accordance with section 36AAB(2) of the RMA and section 243(2) of the Building Act, Council may decline to perform the action to which the charge relates until the charge has been paid in full, with the exception of those noted in section 36AAB(3) of the RMA.
- (f) Where a consent application is withdrawn, any actual and reasonable costs incurred will be charged.
- (g) If an activity is consented during the year which is not accommodated on the existing compliance monitoring and data and science schedules (schedules 1A – 12B), an interim charge will be invoiced based on the actual and reasonable costs to Council of carrying out the monitoring of the consent.
- (h) When a consent is issued part way through the financial year, the compliance monitoring and data and science charges will be on a pro-rata basis, but in all cases the full annual administration charge will first be payable.
- (i) Where a consent is varied during the financial year to which this policy applies, any change in compliance monitoring and data and science charges will apply on a pro-rata basis from when the variation is approved.
- (j) When a consent expires or is surrendered or lawfully terminated during the year and the activity ceases, then in any case the full annual administration charge will apply and the remainder of the annual consent charge will be on a pro-rata basis having regard to the compliance and data and science monitoring that has been undertaken.
- (k) Where a consent expires or is surrendered or lawfully terminated during the course of a year but the activity continues and is subject to a renewal process, then the full annual consent charge shall apply.
- (l) Council may remit any charge referred to in this Charges Policy, in part or in full, on a case by case basis, and solely at Council's discretion (see section 36(5) of the RMA).
- (m) Council will recover the actual and reasonable costs of investigating and reporting substantiated complaints relating to consented activities.
- (n) Provisions pertaining to private plan changes under the RMA apply and the charging or provision of payment does not infer approval or acceptance of any plan change request.
- (o) Holders of consents to take and/or discharge geothermal water and or contaminants will be invoiced separately for actual and reasonable costs of monitoring of temperature and flow, where such monitoring is required to be carried out by the consent holder, but is not carried out by the consent holder.

7 Worked examples

The following are examples of annual charges (GST inclusive) for a range of consented activities. Note that actual charges will be determined on a case by case basis.

Small cooling water discharge to a river

Administration charge						
\$140	+	Compliance monitoring charge		+	Data and science charge	
		\$195			\$220	
		Schedule 1A			Schedule 1B	
		Category – ID			Step 3	
		Min				Total annual consent charge
						\$555

Small sewage discharge, land treatment, annual inspection

Administration charge						
\$140	+	Compliance monitoring charge		+	Data and science charge	
		\$635			\$510	
		Schedule 1A			Schedule 2B	
		Category – STP Min			Step 3	
						Total annual consent charge
						\$1,285

Small to medium stormwater discharges, flood pumping schemes without contaminants to surface water

Administration charge						
\$140	+	Compliance monitoring charge		+	Data and science charge	
		Actual and reasonable costs for inspections			\$320	
		Schedule 2A			Schedule 4B	
		Category – SW			Step 2	
						Total annual consent charge
						\$460 + A&R

Water take for irrigation, large impact

Administration charge						
\$140	+	Compliance monitoring charge		+	Data and science charge	
		Actual and reasonable costs for inspections			\$21,710	
		Schedule 2A			Schedule 7B	
		Category – Irr large			Step 7	
						Total annual consent charge
						\$21,850 + A&R

8 Schedules

Note: all charges in the following schedules are GST inclusive.

- Schedule A Charges for staff and consultants
- Schedules 1A and 2A Compliance monitoring charges
- Schedules 1B to 12B Data and science charges

Schedule A - Charges for staff, consultants/contractors (GST inclusive)

Group	Hourly rate (incl. GST)
Administration/Coordinator	\$115
Officers/Planners	\$160
Senior Officers/Planners	
Engineers/Scientist/Regulatory Project Officer (RPO)	
External contracted Compliance Monitoring Officer (externally contracted)	
Maritime Officer	\$185
Team Leaders/Senior RPO/Works Engineer/Senior Maritime Officer	
Senior Engineer/Senior Scientist/Harbourmaster	
Pou Ngaio (Technical/Cultural RMA Specialist)	
Managers/Regional Harbourmaster	\$265
Consultants/Contractors	As charged by consultant/contractor
Regional Council staff mileage	Current applicable IRD rate

Note: Some positions may not be listed. In such cases the charge will be calculated from actual time multiplied by the most appropriate charge out rate listed above.

Compliance monitoring charges

Schedule 1A – Consents subject to fixed fee compliance monitoring charges

Compliance category	Tool	Inspection frequency	Comments	Annual charge (incl. GST)
Air Discharge - small industry	Air min	3 yearly	Small operations with a low risk when managed well for example sandblasters, spray painters, etc.	\$240
Air Discharge - medium industry	Air med	1 yearly	Medium sized sites with a potential to result in moderate environmental impacts if not managed well. May require more significant reporting (e.g. monthly)	\$1,110
Dairy Sheds - low risk	DairyLR	3 yearly	PI systems: Adequate pond storage (lined in Rotorua lakes), appropriate irrigator technology for soil types and slopes, good compliance history	\$100
Dairy Sheds - moderate risk	DairyMR	2 yearly	All disposal systems that don't meet DairyLR or DairyHR criteria, but have good compliance history and systems that can be managed in a way that ensures compliance	\$160
Dairy Sheds - high risk	DairyHR	1 yearly	Any consent authorising a discharge to surface waters, or other High Risk dairy systems that don't meet DairyLR or DairyMR criteria	\$320
Industrial Discharges - small	ID Min	3 yearly	Small sites with small discharges and a low risk when managed well	\$190

Compliance category	Code	Inspection frequency	Comments	Annual charge (incl. GST)
Industrial Discharges - medium	ID Med	1 yearly	Medium sites with potential to result in moderate effects if not managed well	\$950
Landfills - closed	Landfill min	5 yearly	Closed landfills and managed cleanfill sites	\$180
OSET - low risk	OSET LR	8 yearly	All septic tanks and AWTS that are not within the OSET HR category. Inspected at time of installation and then on an 8 yearly basis	\$90
Piggeries	Pig	2 yearly	Low risk when managed correctly	\$170
Wastewater Plants - small	STP Min	1 yearly	A small scale sewage treatment plant, not an OSET HR or OSET LR system, and up to 50m ³ /day	\$635
Transfer Stations	Transfer	1 yearly	Operational Transfer Stations	\$475
Timber Treatment Plant	TTP	1 yearly	Timber treatment plants which generally have tight environmental controls with a significant amount of reporting. Risk is high if uncontrolled discharges occur	\$720
Minor Dams	Dams	10 yearly	Small dams (e.g. farm dams). Does not include hydro-electric scheme dams	\$400
Geothermal Abstraction - excluding Rotorua field	GeoO	3 yearly	All geothermal abstractors who are not large commercial operators, and are located outside of the Rotorua Geothermal field	\$345
Geothermal Abstraction - Rotorua field only	GeoR	3 yearly	All geothermal abstractors who are not large commercial operators, and are located inside of the Rotorua Geothermal field. Cost of undertaking temp and flow charged at A+R if not done by consent holder	\$200

Compliance category	Code	Inspection frequency	Comments	Annual charge (incl. GST)
Industrial Abstraction - minor	Ind Min	5 yearly	As most of these water takes will fall under the NER ⁽⁵⁾ , inspections can be reduced as records will be good indicator of compliance. Generally inspect the industrial takes at the same time as the industrial discharge consents are inspected	\$165
Hort/Agr Abstraction (6) ->5L/s	Irri large	5 yearly	Larger takes covered by NER so require meter and verification. LTP target aims for reduced non-compliance	\$180
Hort/Agr Abstraction (6) -<5L/s	Irri small	3 yearly	Small takes that do not generally require metering and verification, so require more frequent inspection	\$120
Municipal Abstraction - minor	MA Min	5 yearly	These water takes will generally fall under the NER, and as such records will be good indicator of compliance	\$175
Geothermal Abstractors (Warm Water Bores Tga)	Warm	3 yearly	All warm water abstractors in the Western Bay area who are not Industrial or Municipal abstractors	\$200

5 Resource Management (Measurement and Reporting of Water Takes) Regulations 2010

6 Inspection frequency is likely to be higher in over-allocated catchments: any additional monitoring work required that is not covered by the annual charge (which is based on the specific inspection frequency) will be charged on an actual and reasonable basis

Schedule 2A - Consents subject to variable compliance monitoring charges

Compliance category ⁽⁷⁾	Code	Inspection frequency	Comments
Air Discharge - large industry	Air Maj	3 monthly	In addition to regular visits, these require very frequent review of compliance returns, technical reports, etc. throughout year.
Aquaculture	Aqua	1 yearly	Aquaculture monitoring
Bore Installations	Bore Ins	As required	Administration only. Generally no site visit undertaken
Coastal structures	Struct	10 yearly	Inspected during construction (A+R) then reduced inspection frequency
Composting Facilities (including vermicomposting)	Compost	3 Yearly	Composting and vermicomposting facilities; careful management required to mitigate odour and stormwater contamination issues.
Comprehensive Catchment Stormwater	CCSW	1 yearly	Regular review of returns and reports
Dewater	Dewater	As required	Short term consents usually associated with earthworks, so inspected during earthworks site visit
Other Disturbance	Disturb	1 yearly	Inspected during works
Diversions	Div	As required	Inspected as per earthworks during construction, then not at all
Dredging	Dredge	As required	Inspected during works
Earthworks	EW	As required	An estimated annual monitoring time has been allocated for this category, as only a portion of all consents are "active" at any one time. Inspections are usually once every month, but can increase or decrease depending on site risk
Forestry	Forest	As required	An estimated annual monitoring time has been allocated for this category, as only a portion of all consents are "active" at any one time. Inspections are once every 2 months, but can increase or decrease depending on site risk

Geothermal Abstractors (Large scale industrial)	Geol	6 monthly	Complex sites, Peer Review Panels, Community Liaison Groups, etc.
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⁷ Where an activity is consented but does not fall into one of these categories, inspection will be scheduled according to the risk associated with the activity.

Compliance category ⁽⁷⁾	Code	Inspection frequency	Comments
Hydro Dams	Hydro	1 yearly	Large hydro schemes are generally well managed however impact of non-compliance can be very significant
Industrial Discharges - major	ID Maj	3 monthly	These require very frequent review of compliance returns, technical reports, etc. throughout year
Industrial Abstraction - major	Ind Maj	As required or 5 yearly	As most of these water takes will fall under the NER, inspections can be reduced as records will be good indicator of compliance. Generally inspect the industrial takes at the same time as the industrial discharge consents are inspected
Lake structures	Lake Struct	10 yearly	Inspected during construction (A+R) then reduced inspection frequency. Mainly accessed by boat
Landfills - Open	Landfill Maj	6 monthly	Open landfills and managed cleanfill sites
Mangroves	Mangrove	1 yearly	Inspected as and when required when removal is taking place
Municipal Abstraction - major	MA Maj	As required or 5 yearly	These water takes will fall under the NER, and as such records will be good indicator of compliance
OSET - high risk	OSET HR	1 yearly	All septic tanks and AWTs within 200m of Rotorua Lakes, or within Maintenance Zones as shown in OSET Plan, or where the system receives more than 2m ³ /day, or where there has been a poor history of compliance
Production land - high risk	ProdLand - high	Annual	A consent for land use, subject to the management of nutrient loss from that activity. Risk is determined through the consent process and stipulated within the resource consent.
Production land - medium risk	ProdLand - med	2 yearly	
Production land - low risk	ProdLand - low	5 yearly	

Compliance category ⁽⁷⁾	Code	Inspection frequency	Comments
Quarries - large commercial	Quarry Lge	6 monthly	Large commercial quarries
Quarries (small)	Quarry Sml	3 yearly	Example: Forestry, farm quarry
Reclamations	Rec	As required	Inspected as per earthworks during construction, then not at all
Disturb, excavate foreshore or seabed	Sand	5 yearly	Inspected during works
Wastewater Plants - large	STP Maj	6 monthly	Not an OSET HR or OSET LR system, and greater than 50m ³ /day
Shingle extraction	Shingle	1 yearly	Inspected during extraction - irregular basis
Spray herbicides, etc.	Spray	As required	Inspected on an infrequent basis depending on whether the activity is taking place
Stream structures	Stream	10 yearly	Inspected during construction (A+R) then reduced inspection frequency
Stormwater	SW	As required	Variety of low risk consents. Generally only monitored at installation, unless issues arise
Water takes (over-allocated catchments)		As required	Additional monitoring work required in over-allocated catchments

Schedule 3A - Charges for monitoring under the National Environmental Standards for Plantation Forestry - variable compliance monitoring charges

Compliance category ⁽⁷⁾	Code	Inspection frequency	Comments
Permitted forestry	NESPF	As required	<p>Monitoring of forestry activity which is being undertaken as a permitted activity under the following regulations of the NESPF:</p> <p>(a) at the commencement and for the duration of, earthworks undertaken in accordance with regulation 24;</p> <p>(b) during pre-works, construction, and ongoing use and maintenance/removal of river crossings constructed and utilized in accordance with regulation 37;</p> <p>(c) at the commencement, and for the duration of, quarrying undertaken in accordance with regulation 51;</p> <p>(d) at the commencement and for the duration of, harvesting undertaken in accordance with regulation 63(2).</p> <p>As a default, inspections during these activities will occur once every 2 months; however, that frequency may increase or decrease, at the compliance officer's discretion, depending on the nature of the activity being undertaken, compliance levels and/or risks associated with the site.</p>

Schedule 1B - Water management

Consents to discharge industrial or process related water and/or contaminants

Step	Examples	Annual charge (incl. GST)
1	Negligible individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Small volume, often intermittent.	\$80
2	Minor individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Small volume, low concentration waste. May not be continuous.	\$110
3	Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Regular discharge. Contains contaminants. Volume <20 m ³ /day.	\$220
4	Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Range of contaminants. Volume <50 m ³ /day, regular. Discharge to surface water. No impact on other users. For land discharge volume up to 150 m ³ /day increase in contaminant concentration.	\$560
5	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Noticeable effect on resource, other users. Regular discharge volume <100 m ³ /day. Noticeable effect on resource, other users. Regular discharge volume <100 m ³ /day. Range of contaminants. For land discharge volume up to 250 m ³ /day and increase in contaminant concentration.	\$2,320
6	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Significant potential effect on resource, but does not exclude other users. Volume <1,000 m ³ /day. Range of contaminants. For land discharge volume up to 2,000 m ³ /day and increase in contaminant concentration.	\$4,410

Step	Examples	Annual charge (incl. GST)
7	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Significant potential effect on resource, but does not exclude other users. Volume <10,000 m ³ /day. Range of contaminants. For land discharge, volume up to 20,000 m ³ /day and increase in contaminant concentrations.	\$11,020
8	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Significant potential effect on resource, but does not exclude other users. Volume <20,000 m ³ /day. Contaminants discharge to receiving waters, utilises significant portion of assimilative capacity of receiving water. Likely to exclude other significant users.	\$22,030
9	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Significant effect on resource, other users. Volume exceeds 20,000m ³ /day. Contaminants discharge to receiving waters, utilises substantial proportion of assimilative capacity of receiving water. Likely to exclude other significant users.	\$34,670
10	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Very High Impact; as a result of individual discharge or combined effect with other discharges. Substantial effect on resource or other users. Substantial range of contaminants. Can exclude other significant users.	\$46,240
11	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Severe impact. The individual discharge has a substantial effect on resources and other users. Substantial range of contaminants. Excludes other significant users. May alter habitat and impact ecosystem.	\$88,110

Schedule 2B - Water management

Consents to discharge sewage related water and/or contaminants

Step	Examples	Annual charge (incl. GST)
1	Negligible individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. No offsite impacts. Small scale on site disposal. Individual household, up to 2m ³ /day.	\$170
2	Minor individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. No offsite impacts. Small scale on site disposal. Up to 30m ³ /day.	\$260
3	Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Limited offsite impacts. Small scale communal system. Land based system 30-50m ³ /day.	\$510
4	Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Potential offsite impacts. Small communal system. 50-100m ³ /day. For land based 50-200 m ³ /day.	\$1,530
5	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Potential and occasional offsite impacts. Significant community. Up to 2,000m ³ /day. For land discharge up to 4,000 m ³ /day. No trade wastes.	\$5,130
6	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Moderate impact. Small town treatment system. Potential effect on resource, but does not exclude other users. Limited trade wastes.	\$12,820

Step	Examples	Annual charge (incl. GST)
7	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Moderate impact. Medium scale treatment system. Identifiable effects on resource, but does not exclude other users. Trade wastes.	\$25,610
8	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Moderate to high impact. Identifiable effects on resource, can exclude other users. Significant trade wastes.	\$53,850

Schedule 3B - Water management

Consents to discharge agricultural related water and/or contaminants

Step	Examples	Annual charge (incl. GST)
1	Negligible individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. No offsite impacts. Land discharge <20 m ³ /day.	\$210
2	Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Discharge to surface water and land discharge >20 m ³ /day. Potential effect on resource, but does not exclude other users.	\$240
3	Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Small to moderate impact. Some impact on resource, minimal impact on other users.	\$950
4	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Moderate impact. Utilises significant amount of receiving water capacity. May impact on other users. <50 m ³ /day.	\$3,550
5	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Moderate to high impact. Utilises substantial amount of receiving water capacity. Excludes other users.	\$5,910

Schedule 4B - Water management

Consents to discharge stormwater, quarrying, dredging, leachate and miscellaneous related water and/or contaminants

Step	Examples	Annual charge (incl. GST)
1	Negligible individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. No offsite effects. Land based disposal only.	\$160
2	Minor individual impact but cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Low concentration of limited contaminants. Intermittent discharge. Insignificant impact on resource.	\$320
3	Individual and cumulative impacts require monitoring. Monitoring of receiving water classification standards where relevant. Small impact. Low concentration of limited contaminants. Intermittent to regular discharge.	\$470
4	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Moderate impact. Minor effect on resource. Does not exclude other users. Low to medium concentration of limited contaminants. Intermittent to regular discharge.	\$1,160
5	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Moderate to significant impact. Has impact on resource and may affect other users. Increase in concentration and number of contaminants discharged.	\$3,880
6	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Monitoring of receiving water classification standards where relevant. Significant impact. Has impact on resource, can exclude other users. Can have impact on biota and alters habitat. May contain toxic substances.	\$11,610
7	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major receiving water impact monitoring investigation annually. Report prepared. Monitoring of receiving water classification standards where relevant. Major impact. Has impact on resource, can exclude other users. Has impact on biota and alters habitat.	\$24,440

Schedule 5B - Water management

Consents to discharge warm water/geothermal fluid into the ground

Step	Examples	Annual charge (incl. GST)
1	Negligible individual impact but cumulative impacts require monitoring. No foreign contamination.	\$40
2	Reinjection (Rotorua Geothermal Field), small volume <25 m ³ /day. Regular discharge.	0
3	Soakage (Rotorua Geothermal Field), small volume <25 m ³ /day. Regular discharge. Minor individual impact but cumulative impacts may require monitoring. Minor impact. No foreign contamination.	\$70
4	Reinjection (Rotorua Geothermal Field), volume <250 m ³ /day. Regular discharge.	\$0
5	Soakage (Rotorua Geothermal Field). Regular discharge. Volume <250 m ³ /day. Individual and cumulative impacts require monitoring. Small impact. No foreign contamination.	\$180
6	Reinjection (Rotorua Geothermal Field), volume <500 m ³ /day. Regular discharge.	\$0
7	Soakage (Rotorua Geothermal Field). Regular discharge. Volume <500 m ³ /day. Individual and cumulative impacts require monitoring. Small to moderate impact. No foreign contamination.	\$730
8	Reinjection (Rotorua Geothermal Field), volume <2,000 m ³ /day. Regular discharge.	\$0
9	Soakage (Rotorua Geothermal Field). Regular discharge. Volume <2,000 m ³ /day. Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate impact. No foreign contamination. Has potential to affect resource or other users.	\$1,830
10	Discharge to reinjection. Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate impact. No foreign contamination. May affect resource and other users. Regular discharge. Volume <5,000 m ³ /day.	\$3,670
11	Discharge to reinjection. Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. High impact. No foreign contamination. Resource affected. Can exclude other users. Volume >5,000 m ³ /day.	\$9,160

Schedule 6B - Water management

Consents to take surface water

Step	Examples	Annual charge (incl. GST)
1	Negligible individual impact but cumulative impacts require monitoring. Includes environmental protection or enhancement activities. Plentiful resource 0-250 m ³ /day. Frost protection - up to 1,000 m ³ /day.	\$100
2	Minor individual impact but cumulative impacts require monitoring. Includes environmental protection or enhancement activities. No significant impact on other users. Plentiful resource 250-500 m ³ /day. Frost protection - up to 2,000 m ³ /day.	\$200
3	Individual and cumulative impacts require monitoring. Small impact. Some impact on flow, particularly in combination with other users. Not detrimental to in-stream values. 500-1,000 m ³ /day. Frost protection - up to 3,000 m ³ /day.	\$370
4	Individual and cumulative impacts require monitoring. Small to moderate impact. Impact on flow may exclude other users. 1,000-2,000 m ³ /day (municipal and industrial takes). Up to 5,000 m ³ /day (irrigators). Frost protection - >3,000 m ³ /day.	\$1,460
5	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate impact. Impact on flow may exclude other users. May be detrimental to in-stream values. Up to 10,000 m ³ /day.	\$3,770
6	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate to large impact. Significant abstraction. Can have impacts on the resource and other users. Up to 30,000 m ³ /day.	\$11,280
7	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. High impact. Significant water abstraction. Has significant impact on resource. Up to 50,000 m ³ /day.	\$18,800

Step	Examples	Annual charge (incl. GST)
8	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. High impact. Significant water abstraction. Has significant impact on resource. Up to 100,000 m ³ /day.	\$37,590
9	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Substantial impact. Has significant impact on water availability and capacity to receive discharges. Utilises large proportion of stream flow >10% of Q5. Potential to exclude other users. Up to 200,000 m ³ /day.	\$75,170

Note: these charges vary depending on the volume of water permitted to be taken under the consent and apply regardless of whether the allocation is being used.

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Schedule 7B - Water management

Consents to take groundwater excluding geothermal

Step	Examples	Annual charge (incl. GST)
1	Negligible individual impact but cumulative impacts require monitoring. Plentiful resource. Up to 250 m ³ /day. Frost protection - up to 1,000 m ³ /day.	\$200
2	Minor individual impact but cumulative impacts require monitoring. No significant impact on other users. Plentiful resource. Up to 500 m ³ /day. Frost protection - up to 2,000 m ³ /day.	\$390
3	Individual and cumulative impacts require monitoring. Small impact. Resource may be limited. Can impact other users. Up to 1,000 m ³ /day. Frost protection - up to 3,000 m ³ /day.	\$700
4	Individual and cumulative impacts require monitoring. Moderate impact. Resource may be limited. Can impact resource and other users. Up to 2,000 m ³ /day (municipal and industrial takes). Up to 5,000 m ³ /day (irrigators). Frost protection - >3,000 m ³ /day.	\$2,800
5	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate impact. Other users potentially affected. Resource may be impacted. Up to 5,000 m ³ /day (municipal and industrial takes). Up to 7,500 m ³ /day (irrigators).	\$3,940
6	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate to large impact. Other users affected or excluded. Resource impacted. Up to 10,000 m ³ /day.	\$7,240
7	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Large impact. Other users affected or excluded. Resource impacted. Up to 30,000 m ³ /day.	\$21,710

Step	Examples	Annual charge (incl. GST)
8	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Major impact. Localised effect on complex resource. Can limit or exclude other users. Up to 50,000 m ³ /day.	\$36,210

Note: these charges vary depending on the volume of water permitted to be taken under the consent and apply regardless of whether the allocation is being used

Schedule 8B - Water management

Consents to take geothermal fluid and geothermal heat/energy

Step	Examples	Annual charge (incl. GST)
1	Negligible individual impact but cumulative impacts require monitoring. Geothermal fluid <5 m ³ /day. Warm water bores (Tauranga Field) <25 m ³ /day.	\$50
2	Minor individual impact but cumulative impacts require monitoring. No significant impact on other users. Geothermal fluid <25 m ³ /day. Down-hole heat exchangers < 5 kw. Warm water bores (Tauranga Field) <100 m ³ /day.	\$80
3	Individual and cumulative impacts require monitoring. Small impact. Resource may be limited. Can impact other users. Geothermal fluid < 50 m ³ /day. Down-hole heat exchangers >5 kw. Warm water bores (Tauranga Field) >100 m ³ /day.	\$120
4	Individual and cumulative impacts require monitoring. Moderate impact. Resource may be limited. Can impact resource and other users. Geothermal fluid <150 m ³ /day.	\$670
5	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate impact. Other users potentially affected. Resource may be impacted. Geothermal fluid <350 m ³ /day.	\$1,990
6	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate to large impact. Other users affected or excluded. Resource impacted. Geothermal fluid <2,000 m ³ /day.	\$4,060
7	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Large impact. Other users affected or excluded. Resource impacted. Geothermal fluid up to 20,000 m ³ /day.	\$9,900
8	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Major impact. Localised effect on complex resource. Can limit or exclude other users. Geothermal fluid >20,000 m ³ /day.	\$23,770

Schedule 9B - Water management

Consents to dam and/or divert

Step	Examples	Annual charge (incl. GST)
1	Negligible individual impact but cumulative impacts require monitoring. Intermittent flood control, permanent stream diversions and realignments. Environmental protection or enhancement activities. Dams:- less than 1.5 m. Diversions:- mean stream flow less than 0.5 m ³ /sec.	\$100
2	Minor individual impact but cumulative impacts require monitoring. No significant impact on resource. No impact on in-stream values. Permanent stream diversions and realignments. Environmental protection or enhancement activities. Dams:- less than 3 m. Diversions:- mean stream flow less than 1 m ³ /sec.	\$150
3	Individual and cumulative impacts require monitoring. Small impact. Potential effect on resource. Some impact on in-stream values on a more sensitive stream/river. Permanent stream diversions and realignments. Dams:- less than 3 m. Diversions:- mean stream flow less than 2 m ³ /sec.	\$290
4	Individual and cumulative impacts require monitoring. Small impact. Effect on resource. Some impact on in-stream values. Permanent stream diversions and realignments. Dams:- less than 5 m. Diversions:- mean stream flow less than 10 m ³ /sec. Diversion of water (power schemes) less than 10% of mean flow of river system.	\$850
5	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Small to moderate impact. Significant effect on resource. Impact in-stream values. Ecosystem impacts. Minimal compensation flow. Dams:- less than 10 m. Diversions:- (a) Permanent stream diversions and realignments - mean stream flow less than 20 m ³ /sec. (b) Diversion of water (power scheme) less than 20% of mean flow of river system.	\$2,280
6	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Moderate impact. Impacts flow regime of part of catchment. Significant impact on stream ecosystem and in-stream values. Limits and may exclude other users. Diversion of water (power schemes) less than 30% of mean flow of river system.	\$6,570

Step	Examples	Annual charge (incl. GST)
7	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity may require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Large impact. Other users affected or excluded. Resource impacted. Geothermal fluid up to 20,000 m ³ /day.	\$11,390
8	Individual and cumulative impacts require monitoring. Impacts of consent holder's activity require specific monitoring techniques. Major resource impact monitoring investigation annually. Report prepared. Large impact. Impacts flow regime of part of catchment. Substantial impact on stream ecosystem and in-stream values. Likely to exclude other users. Diversion of water (power schemes) greater than 50% of mean flow of river system.	\$19,930

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Schedule 10B - Air management

Consents to discharge contaminants into air

Step	Examples	Annual charge (incl. GST)
1	Small landfills.	\$80
2	Sand blasters, small incinerators. Predominantly former Class "B" processes. Medium/large sewage plant air discharges.	\$360
2a	Spray painters. Small/medium sewage plant air discharges.	\$80
3	Hot dip galvanising. Asphalt manufacture.	\$360
4	Rendering plants.	\$970
5	A range of chemical processes. Larger boiler plant.	\$2,400
6	A range of chemical processes with higher risk of offsite effects.	\$7,190
7	Fertiliser Manufacturing Plant.	\$14,380
8	Major pulp and paper mill.	\$28,750
9	Activities on port land.	Actual and reasonable charges

*Actual and reasonable costs include, but are not limited to; staff time at the staff charge-out rates detailed in Schedule A, sampling and testing costs and any specialist advice needed.

Schedule 11B - Coastal management

Coastal consents (other than takes and discharges)

Step	Examples	Annual charge (incl. GST)
1	No charge as there is no specific regional/impact monitoring programme associated with this category of consents.	\$0
2	Aquaculture – marine farms <10 hectare consented area.	\$135
3	Aquaculture – marine farms >10 hectare consented area.	\$1,350

Note: The Data and Science charges for marine farms apply from the time the consent is exercised (ie once marine farm equipment is installed in the water) and are based on the area consented.

Schedule 12B - Land use management

Land use consents

Step	Examples	Annual charge (incl. GST)
1	Minor earthworks not covered by Steps 2-6 (e.g. installation of structures such as culverts and jetties).	\$0
2	Earthworks and forestry operations <1 hectare (total land area covered under the consent).	\$250
3	Earthworks and forestry operations 1-10 hectares (total land area covered under the consent).	\$750
4	Earthworks and forestry operations >10 hectares (total land area covered under the consent).	\$1,460
5	Quarries <2 hectare (total land area allowed to be worked under the consent).	\$300
6	Quarries >2 hectare (total land area allowed to be worked under the consent).	\$470

Note: earthworks include those associated with land development, tracks, roads, forestry, vegetation clearance and rehabilitation works. It does not include consents for installation of structures (e.g. culverts and jetties).

Report To: Regional Council

Meeting Date: 27 June 2019

Report From: Mat Taylor, General Manager, Corporate Performance

Adoption of the Annual Plan 2019-20

Executive Summary

This report seeks Council's adoption of the Annual Plan 2019/20 (AP 2019/20) under section 95 (1) of the Local Government Act (2002). Council has now completed the process of developing the AP 2019/20, and the statutory deadline to adopt the AP 2019/20 is on or before 30 June 2019. The proposed AP 2019/20 is a supporting document to this report and will follow under separate cover. A consolidated list of budget changes from year two of the Long Term Plan 2018-2028 (LTP 2018-2028) is enclosed (Appendix 1).

Council gave final direction for the AP 2019/20 at its meetings on 13 June 2019. These decisions incorporated updated information provided by staff and submissions received from the public through the special consultative procedure of the Local Government Act (2002). The proposed AP 2019/20 and other documents for adoption are based on the decisions made by Council at deliberations held on 13 June 2019.

The AP 2019/20 budget has been revised to incorporate Council direction from the deliberations meeting on 13 June, and better information and budgeted expenditure carried forward from 2018/19 to 2019/20. A summary of the key budget figures for the AP 2019/20 is included in this report. The budget includes an average total rates increase of 8.4% for 2019/20, 1.9% *more than* the 6.5% proposed through consultation. The general rates increase is 2.8% and this is 1% *lower than* the level in the Consultation Document and consistent with year two of the Long Term Plan 2018-2028. Targeted rates increases are higher than the level in the Consultation Document, in particular for Passenger Transport.

The AP 2019/20 budget includes a forecast deficit of \$6.3 million and this is \$3.5 million higher deficit than proposed through consultation. The budget is unbalanced, as forecast in the LTP 2018-2028, primarily due to the use of reserves to fund third party infrastructure grants and the use of targeted rates reserves to help lower rates increases. Council is required to approve the unbalanced budget is financially prudent.

This report recommends that amendments to the Revenue and Financing Policy, and Funding Needs Analysis (Appendix 2 and 3) are adopted to enable targeted rate funding of Regional Safety and Rescue Services organisations through the Community Engagement Activity and also to enable targeted rating for potential future funding of third party infrastructure through the Regional Infrastructure Activity. These changes were consulted on using the special consultative procedure in parallel with the AP 2019/20 consultation.

This report also includes arrangements for Council's external treasury programme which

have been recommended for approval by the Audit and Risk Committee. This includes:

- Forecast borrowings of \$190 million as at 30 June 2020 and associated transactions for 2019/20.
- Investment of the Toi Moana Fund of \$45 million in Quaysides High Yield Investment Fund. The amended Statement of Investment Policy and Objectives (SIPO) – Toi Moana Fund for adoption is enclosed (Appendix 4). Also enclosed for information is Quayside's SIPO High Yield Investment Fund (Appendix 5).
- Minor changes to the Treasury Policy - Liability Management Policy (Appendix 6) and the Treasury Delegations (Appendix 7).

Staff will reply to submitters advising them of Council's final decisions during July 2019, including individualised letters to key stakeholders.

Recommendations

That the Regional Council:

- 1 Receives the report, Adoption of the Annual Plan 2019-20;**
- 2 Notes that Council has undertaken a Special Consultative Procedure for amendments to the Revenue and Financing Policy.**
- 3 Adopts the updated Revenue and Financing Policy, and Funding Needs Analysis (Appendix 2 and Appendix 3) to come into effect 1 July 2019.**
- 4 Approves that the Treasury Policy - Liability Management Policy (Appendix 6) is amended to increase the level of capital pre-funding from 12 months to 18-24 months.**
- 5 Amends the Treasury Delegations (Appendix 7) so that the Daily Transaction limits apply separately to borrowing, investing, and hedging transactions and notes this will enable the Chief Executive to borrow up to \$40 million, hedge \$40 million of interest rate risk and invest \$40 million in the same day.**
- 6 Notes that Council has undertaken a Special Consultative Procedure for Annual Plan 2019/20.**
- 7 Approves \$30 million of new borrowings from the Local Government Funding Agency to pre-fund 2020/21 capital expenditure to reduce funding risk. This is expected to achieve a positive net return of approximately \$300,000 in 2019/20.**
- 8 Approves \$20 million of new borrowings from the Local Government Funding Agency for the capital expenditure programme to 30 June 2020, and that this includes timing changes in flood insurance and other capital revenue recoveries.**
- 9 Approves that the \$50 million of new borrowing noted above and refinancing of \$20 million of existing debt, is to be transacted through the July 2019 Local Government Funding Agency tender. Funds will be invested in a mix of term deposits with maturities aligned to forecast cash-flows.**
- 10 Approves the updated Statement of Investment Policy and Objectives – Toi Moana Fund (Appendix 4).**

- 11 Notes Quayside's Statement of Investment Policy and Objectives High Yield Investment Fund (Appendix 5).**
- 12 Approves that \$45 million is to be deposited into the Quayside's High Yield Investment Fund, for Quayside to manage the Toi Moana Fund on behalf of Council.**
- 13 Notes the list of budget changes from year two of Long Term Plan 2018-2028 included in the Annual Plan 2019/20 (Appendix 1).**
- 14 Resolves that having had regard to the matters in section 100 (2) of the Local Government Act (2002) it is financially prudent for the Annual Plan 2019/20 to have an unbalanced budget (operating revenue is at a lower level than operating expenditure).**
- 15 Adopts Annual Plan 2019/20 (supporting document) to come into effect 1 July 2019.**
- 16 Delegates to the Chief Executive authority to make minor editorial changes to the Annual Plan 2019/20 and supporting documentation before publishing for reasons of consistency or minor correction.**
- 17 Notes that all submitters will received a letter outlining Council's decisions in relation to the topics they provided feedback on, during July 2019 and that**
 - a. Submitters will receive a standardised response for each of the consultation topics.**
 - b. Staff will provide responses to all other submitters in accordance with direction given by Council**

1 Development of the Annual Plan 2019/20

The Annual Plan 2019/20 (AP 2019/20) presents the budget for the second year of the Long Term Plan 2018-2028 (LTP 2018-2028) updated to include any changes from what Council set out in its plan.

On 7 March, Council adopted its AP 2019/20 Consultation Document 'What Do You Think?' as well as two Statements of Proposal, one relating to proposed changes to Bay of Plenty Regional Council's Resource Management Act charges, and the second, to amend Bay of Plenty Regional Council's Revenue and Finance Policy.

The Consultation Documents were developed following Council workshops in October and November 2018, and February 2019, and by the direction provided at the Council meeting on 13 December 2018.

The consultation period for the Annual Plan 2019/20 ran from 18 March to 6 May 2019. During this time a total of 317 submissions and 12 funding requests were received.

Council deliberated on 13 June 2019 to consider and gave direction based on submissions that were received and updated staff advice. This direction considered practicable options for the consultation topics and other issues which were raised through submissions. This direction has been incorporated into the proposed AP 2019/20 for adoption (supporting document).

Council has now completed the process of developing the AP 2019/20, and the statutory deadline to adopt the AP 2019/20 is on or before 30 June 2019.

2 Annual Plan 2019/20 Budget

The AP 2019/20 Consultation Document presented the draft budget for the second year of the LTP, updated for changes. These changes included increased resources in 2019/20 to enable Council to deliver more in the way of collaboration to support sustainable urban development and sustainable transport options particularly in the western Bay of Plenty; improved consents processing capacity and environmental monitoring; and protection for our native wildlife from unwanted pests.

The AP 2019/20 budget has been revised to incorporate Council decisions from the deliberations meeting on 13 June, as well as business as usual decision making and better information. A full list of the resolutions from the deliberations meeting is enclosed with this agenda. The key changes following deliberations include increased funding in 2019/20 as follows:

- A one year trial in 2020 of additional public transport services to improve access to tertiary education across the bay of Plenty region,
- A one year trial in 2020 of fare-free bus travel for Tauranga school students to reduce congestion.
- Rangitāiki Floodway Upgrade Project.

A summary of the updated AP 2019/20 budget is set out Table 1 below. A full list of budget changes from year two of the LTP 2018-2028 is enclosed (Appendix 1). The following tables and figures show the progress in preparing the overall budget for Annual Plan 2019/20. These figures are inclusive of all decisions made through deliberations.

Table 1 Annual Plan 2019/20 Budget

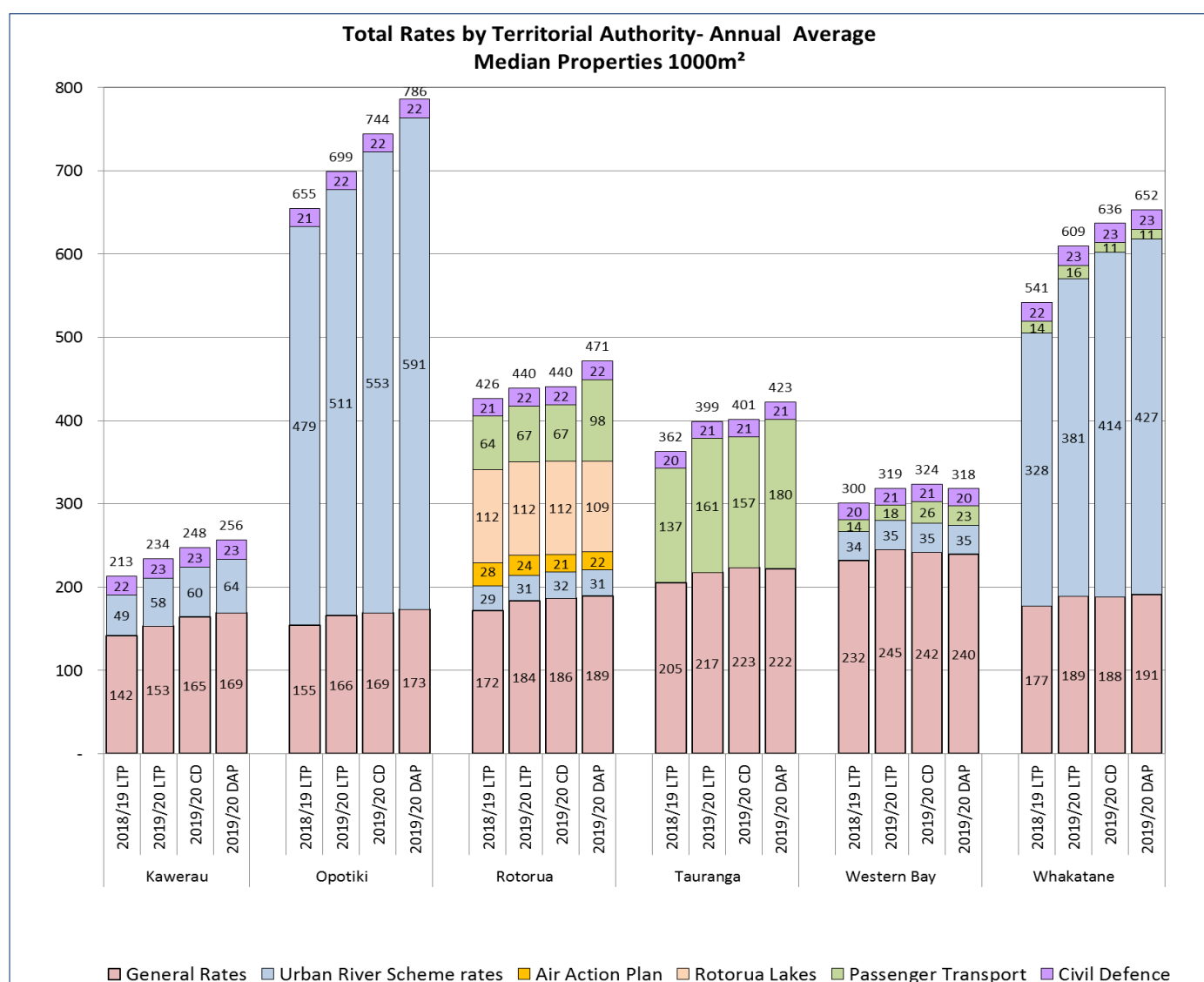
Operating Budget	LTP Year 2 2019/20	Annual Plan Consultation 2019/20	Annual Plan 2019/20	Variance AP 2019/20 to LTP YR 2
	\$000	\$000	\$000	\$000
Operating Revenue	131,538	132,534	134,111	2,573
Operating Expenditure	134,648	135,479	140,487	5,839
Operating Deficit	3,110	2,945	6,376	3,266

Capital Budget	LTP Year 2 2019/20	Annual Plan Consultation 2019/20	Annual Plan 2019/20	Variance AP 2019/20 to LTP YR 2
	\$000	\$000	\$000	\$000
Capital Expenditure	52,406	47,264	59,354	6,948
Capital Revenue	5,134	5,134	9,022	3,888
Borrowings	47,272	42,130	50,332	3,060

Table 2 Annual Plan 2019/20 Rates Forecast

Rates Forecast	LTP Year 2 2019/20	Annual Plan Consultation 2019/20	Annual Plan 2019/20	Variance AP 2019/20 to LTP YR 2
	\$000	\$000	\$000	\$000
General Rates increase	2.8%	3.8%	2.8%	0.0%
Targeted Rates increase	7.9%	9.3%	14.3%	6.4%
Total Rates increase	5.3%	6.5%	8.4%	3.1%

Figure 1 Annual Plan 2019/20 Rates Forecast by Territorial Authority Annual Average Medium Properties 1,000 m2. Figures include GST.



2.1 Use of reserves

Targeted Rate reserves

Council's approach is to apply reserve balances to reduce targeted rates where the reserve balance is forecast to be available; and to transition to increased targeted rates in stages as far as possible, to smooth out year-on-year increases.

Staff have forecast revenue and expenditure for 2018/19 and identified anticipated available balances in the Passenger Transport Targeted Rates Reserve for Tauranga City, Western Bay of Plenty and Whakatāne Districts that could be applied to reduce the forecast rates increases.

At the deliberation meeting, Council gave direction to apply the forecast surplus of the Tauranga, Western Bay of Plenty and Whakatāne Districts Passenger Transport Targeted Rates Reserves to reduce the rates requirement.

Equalisation reserve

The Equalisation Reserve is used by Council to record surpluses from all general funded activities. The Equalisation Reserve can be used to fund one-off operating expenditure and to 'spread' the general rates impact across several years of the LTP 2018-2028.

Council gave direction at the Annual Plan 2019/20 deliberations meeting to consider the level of the Equalisation Reserve at the same time as considering the Annual Report 2018/19, and potentially as a contingency for climate change work and legislative change that may increase requirements on Council through 2019/20.

2.2 Unbalanced budget

The AP 2019/20 has an unbalanced budget (operating revenue is expected to be less than operating expenditure). This is consistent with financial decisions taken through the development of the LTP 2018-2028 which resulted in an unbalanced budget in years one, two, three and four.

Council have considered the requirements under LGA section 100 (2). The unbalanced budget is primarily due to Council's previous commitment to contribute to third party infrastructure projects through funding previously set aside in the Infrastructure Fund Reserve and moving forward, from its Regional Fund Reserve.

Using these established reserves is considered a prudent use of funds instead of increasing rates. Council is also using available targeted rates reserves in Passenger Transport to lower rates increases in 2019/20.

Council is required to formally resolve to set an unbalanced budget pursuant to section 100 (2) of the Local Government Act (2002) and that this financial position is financially prudent.

3 Revenue and Financing Policy amendments

At the meeting on 7 March 2019, Council adopted a Statement of Proposal (SOP) to amend the Revenue and Financing Policy for public consultation using the special

consultative procedure under the Local Government Act. This SOP was consulted on concurrently with the AP 2019/20.

The proposal to amend the Revenue and Financing Policy was to enable targeted rate funding of Regional Safety and Rescue Services organisations through the Community Engagement Activity and also to enable targeted rating for potential future funding of third party infrastructure through the Regional Infrastructure Activity.

Consultation did not propose to set a targeted rate for either of these purposes in 2019/20, only to amend the Revenue and Financing Policy. This will give Council the option to consult on setting a new targeted rate in the future.

Zero submissions were received directly on the SOP. However, one submitter Western Bay of Plenty District Council raised a query in relation to the SOP through their submission on the Annual Plan 2019/20. Council considered the proposed changes outlined in the SOP through their deliberations on the 13 June and directed staff to update the Revenue and Finance Policy, and Funding Needs Analysis in line with the SOP for adoption at this meeting.

The updated Revenue and Financing Policy and Funding Needs Analysis are attached (Appendix 2 and Appendix 3).

4 Treasury

Staff have developed Council's proposed treasury management approach 2019/2020 based on independent advice from Bancorp and PwC on the medium-term outlook.

The treasury management activities proposed by staff for AP 2019/20 were reviewed by the Audit and Risk Committee on 12 June 2019 and are recommended for Council approval.

Borrowings

Council commenced borrowing in 2018/19 to fund its LTP Plan 2018-2028 capital works programme. The capital budgets in the first three years of the LTP 2018-2028 are significantly higher than the long term average predominantly due to the flood recovery and the buildings upgrade projects.

The Audit and Risk Committee reviewed the proposed treasury strategy for 2019/20 and agreed with staff recommendations to new borrowings in 2019/20 of \$30 million to prefund capital expenditure relating to year three of the LTP 2018-2028, and \$20 million to manage forecast capital expenditure cash-flows which have been updated. This is due to timing changes in insurance receipts and other capital revenue recoveries through to 30 June 2020.

This updated borrowing would increase Council's gross borrowings from \$140 million to \$190 million as at 30 June 2020. This includes \$50 million of on-lending to Quayside. The forecasted profile of borrowings achieves a weighted average borrowing rate of 1.88%, which is subject to changes in floating interest rates.

Investments - Toi Moana Fund

Council is looking to diversify its earning potential whilst maintaining its investment capital. The Toi Moana Fund of \$45m was established in the LTP 2018-2028 with

Quayside as the proposed manager. Council approved a Statement of Investment Policy and Objectives (SIPO) for the Toi Moana Fund at the June 2018 meeting, which was to be reviewed after 12 months. It was intended to provide a 5% annual yield, and requires the funds to be held for an investment period of five years.

During 2018/19 staff have been working with legal and tax advisors to put in place the arrangements for Quayside to manage the Toi Moana Fund on behalf of Council. 'Local Authorities' were added to Schedule 29A of the Income Tax Act 2017 in March 2019 as part of the 2018/19 tax remedial bill. The amendment now means that local authorities can hold 100% of a Portfolio Investment Entity (PIE) entity, enabling Council to investment the entire \$45 million Toi Moana Fund in to a Quayside PIE.

Quayside has established a new PIE for the Toi Moana Fund called the High Yield Investment Fund, which represents the most tax efficient solution for the Council Group. Quayside has prepared a SIPO for the High Yield Investment Fund and this has been approved by the Quayside board of directors in June 2019. Staff confirm that this meets the requirements of the Council's Toi Moana SIPO.

The updated SIPO - Toi Moana Fund for adoption, is enclosed (Appendix 4) along with Quayside's SIPO High Yield Investment Fund (Appendix 5). The Audit and Risk Committee have recommended Council approve the deposit of \$45 million into Quaysides High Yield Investment Fund in July 2019.

Audit New Zealand are reviewing the accounting arrangements and will agree how Council should reflect this in its financial statements. The 5% annual yield will be transacted as a sale of units in the PIE and shown as revenue, however, any capital gain or loss on the \$45 million investment will not flow through to Council's financial statements. This reflects the low risk of capital loss.

Treasury Policy and Treasury Delegations – amendments

Two minor policy amendments are requested as part of the adoption of the AP 2019/20. The first of these is to allow in the Treasury Policy – Liability Management Policy for 18-24 months of capital pre-funding and this is to reflect changes to the S&P credit rating methodology and current Council practice.

Secondly, an amendment to the Treasury Delegations daily transaction limits is proposed to help clarify that the daily transaction limit applies separately to borrowing, hedging and investing as the combination of these lower overall risk.

The amended Liability Management Policy and Treasury Delegations for adoption are attached (Appendix 6 and Appendix 7).

5 Responses to submitters

A two tier approach for responding to submitters is intended. This builds on the approach used through the LTP 2018-2028. All submitters will receive a response to their submission which provides information on key decisions made through the Annual Plan 2019/20 deliberations, plus a link to the new Annual Plan 2019/20. In addition, key stakeholders will receive a customised response to their submission. Based on the LTP 2018-2028 submissions, this is expected to total approximately 20-30 submitters. Responses to submitters are due to be sent by the end of July 2019.

6 Post adoption

Following adoption of the AP 2019/20, staff will make any required minor editorial corrections. The AP 2019/20 will be made publically available, including on the Bay of Plenty Regional Council website in early July 2019.

Printed copies will be available from mid-July and will be distributed to key stakeholders and organisations.

7 Council's Accountability Framework

7.1 Community Outcomes

This paper directly contributes to all Community Outcomes in the Council's LTP 2018-2028.

7.2 Long Term Plan Alignment

This work is planned under the Finance and Corporate Planning Activity in the LTP 2018-2028.

Debbie Hyland
Finance and Corporate Planning Manager

for General Manager, Corporate

18 June 2019

APPENDIX 1

Annual Plan 2019-20 - Budget Changes Register

Bay Of Plenty Regional Council
Annual Plan 2019/20
Budget Changes to Year 2 of the Long Term Plan 2018-2028 as at 27 June 2019

OPERATING BUDGET						
Key Issue	Group of Activities	Activity	Description	Class	Annual Plan	
					2019/20	
					\$000	
						TOTAL
<u>Operating Expenditure - Carried Forward From 2018/19 to 2019/20</u>						
A Vibrant Region	Regional Development	Regional Infrastructure	Regional infrastructure grants carried forward from 2018/19 to 2019/20	Grant	3,520	3,520
<u>Operating Expenditure - In-Year Adjustments</u>						
Safe and Resilient Communities	Flood Protection and Control	Rivers and Drainage	Higher infrastructure insurance renewal	Other Expenses	377	
	Flood Protection and Control	Minor Rivers and Drainage Schemes	Lower contract costs	Contract	(523)	
	All Activities	Various	Lower net employee expenses	Employees	(44)	
	All Activities	Various	Higher depreciation	Depreciation	82	
	All Activities	Various	Other adjustments	Contract	(125)	
The Way We Work	All Activities	Various	Lower consultant costs	Consultants	(502)	
	Corporate Services	Finance and Corporate Planning	Treasury - lower interest costs	Finance Costs	(712)	
	Corporate	ICT	Lower telephony costs	Other Expenses	(192)	
	Corporate	Property	Higher property costs due to changes in timing of Tauranga building upgrade and assumption of leasing the Whakatāne building	Administration	312	(1,327)
	<u>Council Approved - Additional Operating Expenditure in 2019/20</u>					
Strategic Challenges	All	All	Climate change	Consultants	200	
The Way We Work	Regional Planning and Engagement	Community engagement	Community engagement - online peoples panel	Consultants	50	
A Healthy Environment	Integrated Catchments	Tauranga Harbour	Increase pest control in Kaimai Mamaku Ranges. BOPRC cost share.	Contract	242	
	Resource Regulation and Monitoring	Resource Consents	Additional resourcing to achieve new KPIs in LTP 2018-28 (offset by cost recoveries)	Contract	495	
A Vibrant Region	Regional Planning and Engagement	Regional Planning	Western Bay of Plenty Sub-region Urban Form (via Smartgrowth) and engagement	Grant	420	
	Transportation	Regional Passenger Transport	Mamaku Trial Public Transport Services	Net Cost	50	
	Transportation	Western Bay Passenger Transport	Waihi Beach Trial > Permanent Passenger Transport Service (direction from PTC Friday 8 February)	Net Cost	57	
	Transportation	Rotorua/Whakatāne Passenger Transport	Real Time Passenger Information	Other Expenses	82	
	Transportation	Rotorua Passenger Transport	Adjustment for rest and meal break legislation	Contract	372	
	Transportation	Tauranga Passenger Transport	Adjustment for rest and meal break legislation, urban service level variations, school bus services	Contract	732	
	Transportation	Rotorua/Whakatāne/Western Bay/Tauranga Passenger Transport	Trial Tertiary Student Transport Services	Contract	274	
	Transportation	Whakatāne/Rotorua Passenger Transport	Murupara to Rotorua Trial Commuter Bus Service	Contract	80	
	Transportation	Tauranga Passenger Transport	Tauranga city-wide school bus fare free initiative - additional buses	Contract	326	
	Transportation	Western Bay/Rotorua/Whakatāne Passenger Transport	Living wage to other parts of region	Contract	265	3,646
TOTAL INCREASE IN OPERATING EXPENDITURE						5,839
	Funded by	Revenue	External Interest Received		105	
			Internal Interest Received		54	
			Operating Grants and Subsidies		525	
			Other Revenue		42	
			Fees and Charges		(255)	471
		Targeted Rates			1,843	
		General Rates			259	2,102
		Infrastructure Reserve			3,506	
		Reserve Funds			(240)	3,266
TOTAL INCREASE / (DECREASE) OPERATING FUNDING						5,839

Bay Of Plenty Regional Council
 Annual Plan 2019/20
 Budget Changes to Year 2 of the Long Term Plan 2018-2028 as at 27 June 2019

CAPITAL BUDGET						
Key Issue	Group of Activities	Activity	Description	Class	Annual Plan	
					2019/20	
					\$000	
						TOTAL
Capital Expenditure - Carried forward from 2018/19 (or brought forward from future years) to 2019/20						
The Way We Work	Corporate	ICT	Information Communication and Technology projects budget carried forward 2018/2019.		632	
	Corporate	Corporate Property	Project Upgrade budget carried forward 2018/2019		2,800	
A Vibrant Region	Transportation	Passenger Transport	Passenger Transport capital projects carried forward 2018/19 includes regional integrated ticketing \$1.3 million, and the remainder for real time information and CCTV.		1,905	
A Healthy Environment	Integrated Catchments	Kaituna Catchment	Kaituna River Re-diversion.- Council Meeting 14 Feb - brought forward to 2018/19		(4,500)	
	Flood Protection and Control	Rivers and Drainage	Rangitāiki Floodway - February 2019 Council- brought forward to 2018/19		(1,065)	
Safe and Resilient Communities	Flood Protection and Control	Rivers and Drainage	Rivers and drainage schemes and flood recovery net movement of budget carried forward 2018/2019 and adjustments in 2020/2021.		755	
	Flood Protection and Control	Non Scheme	Kopeopeo Canal Remediation Project budget carried forward 2018/2019.		620	
	Flood Protection and Control	Non Scheme	Kopeopeo Canal Remediation - Bioremediation - brought forward		200	1,347
Council Approved - Additional Capital Expenditure						
A Vibrant Region	Transportation	Total Mobility	Ridewise - Total Mobility Solution - per direction Council Workshop 1 Feb		21	
	Transportation	Tauranga Passenger Transport	Tauranga City-wide School Bus Fare Free initiative - Additional ticketing machines		175	
A Healthy Environment	Integrated Catchments	Rotorua Lakes	Lake Ōkāreka Pipeline - per request 7 March Council		401	
Safe and Resilient Communities	Flood Protection and Control	Whakatāne Tauranga	Te Rahu Road Pump		250	
	Flood Protection and Control	Rangitāiki Drainage	Culvert 109		116	
	Flood Protection and Control	Rangitāiki Tarawera	Rangitāiki Floodway Stage 7		2,437	
	Flood Protection and Control	Rangitāiki Tarawera	RangitāikiFloodway Stage 5		700	
	Flood Protection and Control	Rangitāiki Tarawera	Rangitāiki Floodway Spillway Land Purchase		1,200	
	Flood Protection and Control	Non Scheme	Kopeopeo Canal Remediation - Containment		300	5,601
TOTAL INCREASE (DECREASE) IN CAPITAL EXPENDITURE						6,948
Funded by						
		Capital Grants/Revenue/Recoveries			3,888	
		Loans			3,060	6,948
TOTAL INCREASE / (DECREASE) CAPITAL FUNDING						6,948

APPENDIX 2

Amended Revenue and Finance Policy 2019-20

Revenue and Financing Policy

Kaupapahere Whai Moni me te Pūtea

Purpose

To present Bay of Plenty Regional Council's (Council) policies for financing its planned groups of activities, including proposed funding sources.

Under sections 102 and 103 of the Local Government Act 2002 (the Act), Council must adopt a Revenue and Financing Policy.

Introduction

Section 101(1) of the Local Government Act requires us to manage our revenue, expenses, assets, liabilities, investments and general financial dealings prudently, and in a manner that promotes the current and future interests of the community.

This Policy describes how Council will use revenue and financing sources to fund its activities. Tables then set out a summary of our funding sources for operating and capital expenditure by activity. Our comprehensive section 101(3) analysis is separately documented in the Funding Needs Analysis.

We have assessed the sources of revenue and finance for each activity using the following criteria as set out by the Act:

- Community outcomes the activity primarily contributes to
- Distribution of benefits between the community as a whole, any identifiable part of the community and individuals
- The period in or over which benefits are expected to occur
- The extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake the activity
- The costs and benefits, including consequences for transparency and accountability, of funding the Activity distinctly from other Activities
- The overall impact of any allocation of liability for revenue needs in the community

Section 103(2) of the Act allows us to fund our activities from:

- General rates

- i. including choice of valuation system
- ii. differential rating
- iii. Uniform Annual General Charges (UAGC)

- Targeted rates
- Lump sum contributions
- Fees and charges
- Interest and dividends from investment
- Borrowings
- Proceeds from asset sales
- Development contributions
- Financial contributions under the Resource Management Act 1991
- Grants and Subsidies
- Any other source

General funds as referred to throughout this document is a combination of investment income (interest and dividends) and general rates (including UAGC) and general reserves.

The following sections outline the main funding sources that are available for operating and capital expenditure. Consideration of our Financial Principles has led to an indicative order of preference for the funding sources.

Funding sources for operating expenditure

Operating expenditure is the day to day spending that maintains the services delivered by Council. This includes contributions to the wear and tear on assets used (depreciation), interest charged on borrowing (both internal and external) for capital projects and corporate services overheads.

Some activities may be best funded from user fees and charges such as bus fares, others with targeted rates such as the drainage scheme maintenance and others from the general rate such as regional planning.

After consideration of the legislative analysis and Financial Principles, the following are the preferred order of funding sources for operating expenditure:

- Grants, subsidies, sponsorship and other sources of revenue
- Fees and charges where benefit can be assigned to individuals
- Financial contributions (not currently used)
- Targeted rates where benefit can be assigned geographically or to itemise specific rates requirements
- Investment income (interest and dividends)
- General rates including UAGC
- Reserves
- Borrowing

This order of preference has been used as part of the proposed funding model for each activity.

Grants and subsidies

Council receives grants and subsidies from other organisations, including Central Government agencies and local authorities, to help fund some of its activities. Grants and contributions are used to fund specific activities and projects for national or local benefit. The main Government subsidies Council receives are from the New Zealand Transport Agency for passenger transport services and the Ministry for the Environment for the Rotorua Lakes activity.

Other sources

Other operating revenue includes:

- Charges to land owners for contributing to land management activities on their property
- Rent from Council owned properties leased to third parties
- Contributions from the New Zealand Transport Agency, local authorities and gravel-extraction revenue for flood protection activities
- Management fees for administrative support to Council controlled organisations

Fees and charges

Fees and charges are charged directly to users of a service or facility for the private benefit they receive.

The concept of user-pays is consistent with the 'benefit/contributor principle', where the users pay for private benefit from the service. It is also consistent with the principle that those causing the need to undertake the activity (exacerbators) pay for work required as a consequence.

User charges are applied where it is not practical for Council to establish a targeted rate on individual consumers to recover the cost of the service. Where user charges are impractical or ineffective, we may set a range of fees and charges to partly fund the private good component of an activity that delivers tangible private benefits.

Under Section 36 of the Resource Management Act 1991, Council can set administrative fees and charges for a range of matters.

These matters are set out in our Section 36 Resource Management Act and Building Act Charges Policy. Under section 150 of the Local Government Act 2002 the Council can set fees or charges for matters provided for in bylaws. Fees must be prescribed either in the bylaw, or following consultation in a manner that gives effect to the requirements of section 82 of the Local Government Act 2002.

Council's Regional Navigation Safety Bylaw (clause 5.6) contains provision for charges to be made for mooring licenses, commercial operating licenses and Port charges.

Council also collects the revenue directly from ticketing for bus travel under its bus contract (from 1 July 2009) and other regional bus services. This system allows Council the flexibility to charge user fees or to offer more benefits to users of public transport.

In addition, local authorities are empowered to set fees for any service (not covered by other legislation) as one of the consequences of the general power of competence provided in section 12 of the LGA.

Financial contributions

Section 108(2)(a) of the Resource Management Act 1991 authorises Council to include, as a resource consent condition, a financial contribution for purposes as stated in a regional plan.

For more details see Council's Policy on Development Contributions and Financial Contributions.

Targeted rates

Targeted rates are used to fund discrete activities.

Council has set one or more targeted rates to fund a single activity, or a single targeted rate to fund multiple sub-activities within an Activity. Targeted rates may be set on a uniform basis for all rateable land on which the rate is set, or differentially for different categories of rateable land identified in the funding impact statement.

Investment income (interest and dividends)

Council has a range of investments which return interest and dividends. Our major cash investments include day-to-day surplus funds, funds from the sale of Port of Tauranga Limited (POTL) shares in 1991 to Quayside Holdings Limited (Quayside) and the issue of

the Perpetual Preference Shares in Quayside during 2007/08. Term investments include a 100 percent shareholding in Quayside (a Council-Controlled Organisation) and a range of day-to-day reserve investments (see the section on Council Controlled Organisations for more detail).

These investments are corporate income sources that do not directly relate to a specific activity, and form a component of 'general funds'. General funds are made up of investment income and regional general rates. To ensure investment income benefits are shared by all ratepayers, we will continue to use our investment income to reduce general rates. Without the investment income off-set, revenue required from general rates would have to increase significantly to fund current levels of service.

Council has decided that the use of special dividend proceeds from the POTL (through Quayside) will be considered year by year. If used to offset operating expenditure it will be distributed through general funds.

General rates

General rates are set at a uniform rate in the dollar of rateable value for all rateable land within the Bay of Plenty. Council has adopted the land value system for calculating its general rate. Because rating re-valuations occur across the region in different years, this rate is set on an equalised land-value basis.

The benefits of most of our activities are evenly distributed across the region. Council has adopted a land value system for the general rate as our activities, which are part-funded by the general rate, deliver benefits more closely aligned with land values than capital values. For example, the integrated and sustainable management of natural and physical resources is more likely to have a long-term impact on land resources and land values than on the capital improvements associated with that land.

Uniform Annual General Charge

Council sets a UAGC as a fixed amount per rating unit.

The impact of a UAGC is to set a component of rates as a fixed charge per rating unit, and to separate this charge from the valuation base used to calculate the general rate.

The Local Government (Rating) Act 2002 limits rates set on a uniform basis, including the UAGC, to 30%.

Because we believe that more than 30% of our total rate revenue could be levied through a fixed value targeted rate and UAGC, due to the nature of our activities having an even distribution of public good benefits, we have set our UAGC at the maximum permissible under the Act. Council has considered the affordability of rates when making this decision.

Reserves

Council has a number of cash funded reserve funds and some of these reserves funds are available to meet operating costs. Surplus funds from previous years (in the form of reserves) may be used to fund expenditure. Council generally uses these funds for the purpose that the reserve was created. Establishing and using these reserves is agreed through the Long Term Plan and Annual Plan processes.

Borrowing

Council generally plans to fund all cash operating costs from sources other than borrowing but may in specific circumstances, where it determines prudent to do so, fund some operating costs from borrowing.

Lump sum and development contributions

Council does not use lump sum or development contributions as a source of revenue.

Funding alternatives

Council will consider funding alternatives as they become available during the Long Term Plan period. These alternatives may be considered significant at the time, and if so we will engage with the community as required following an assessment of the issue against Council's Significance and Engagement policy.

Funding sources for capital expenditure

Capital expenditure is costs associated with the purchase, improvement and replacement of assets. After consideration of the legislative analysis and Financial Principles, the following are the preferred order of funding sources for capital expenditure.

- Proceeds from the sale of assets
- Grants, subsidies, sponsorship and other sources of revenue that directly apply to the given asset
- Reserves and/or borrowing depending which is the most efficient source of funding

Capital expenditure on new assets is generally not directly funded by rates as this places the entire cost on current ratepayers. Instead, the use of reserves and/or borrowing, allows for the cost to be spread over time through interest and depreciation so that all beneficiaries of the asset contribute towards the cost.

Any net operating surpluses are accumulated into various reserve funds. A specific asset replacement reserve is accumulated through funding depreciation and available for renewal of existing assets.

Proceeds from the sale of assets

Proceeds from asset sales are generally used to repay debt or off-set the borrowing requirements for the asset and its activity if it doesn't meet the Council's determination.

Grants and subsidies

Council receives grants and subsidies from other organisations, including Central Government agencies and city and district councils, to help fund some of its capital expenditure. Grants and subsidies are used whenever they are available.

Reserves and/or borrowing

Council maintains some reserve funds for capital expenditure. Capital expenditure is funded from the most efficient source, which may include borrowing.

Assessing the impact of funding needs

Council has applied the above preferences for the use of funding sources to each activity in its Funding Needs Analysis. Following section 101(3)(a) assessment Council has considered its funding mix against the overall impact of any allocation of liability for revenue needs on the community as required by section 101(3)(b).

The Long Term Plan Financial Principle which guides Council in assessing the funding mix is Principle 2:

- Council achieves the right mix to fund its activities, and keeps rates, fees and charges, affordable, fair and equitable.

Examples of how the Council has balanced its approach to funding its activities include:

- Aligning the Policy on Remission and Postponement of Rates with the local authorities. This ensures the Council's ratepayers have access to the same affordability tools, such as considering financial hardship, options for reverse equity of properties, consistent application of criteria for rates on Māori freehold land and remissions of rates for social/cultural purposes such as recreational facilities, as they do for their local authority rates
- Developing the forestry and bush remission to encourage better land use practices to lessen the amount of nutrients entering the Rororua Lakes

- Seeking alternative funding sources outside the region where wider interests exist (for example, Central Government funding for contaminated site remediation)
- Using general funds and reserves to spread the costs of services throughout the region to reduce the burden on small communities of interest, and when Council services proved wider and indirect benefits across different elements of well-being
- Considering inter-generational equity when funding depreciation and capital projects so current and future ratepayers pay their fair share

Summary of funding sources

Tables 1 and 2 show the indicative percentages each funding source is used to fund costs following our section 101(3)(a) and 101(3)(b) assessment.

Table 1: Summary of operating expenditure funding sources by sub-activity

Summary of operating expenditure funding sources by sub-activity							
Group of activities	Sub-activity	#	General funds	Targeted rates	User fees and charges and other revenue	Grants and subsidies	Reserves
Integrated Catchment Management	Tauranga Harbour	1	•		•		
	Rotorua Lakes	2a	•	•			
	Rotorua Lakes – Deed	2b	•	•			•
	Kaituna	3	•			•	
	Eastern Catchments	4	•		•	•	
	Regional Integrated Catchment Management	5	•				
Flood Protection and Control	Kaituna Catchment Control Scheme	6a	•	•	•	•	•
	Rangitāiki-Tarawera Rivers Scheme	6b	•	•	•	•	•
	Whakatāne-Waimana Rivers Scheme	6c	•	•	•	•	•
	Waioeka-Otara Rivers Scheme	6d	•	•	•	•	•
	Rangitāiki Drainage Schemes	6e		•	•		•
	Minor Rivers Schemes	6f		•			
	Minor Rivers (Ōpōtiki)	6g	•	•			
	Non Scheme Works	6h	•				•
	Regional Flood Risk Coordination	7	•				
Resource Regulation and Monitoring	Biosecurity	8	•		•		
	Air Quality	9a	•	•			
	Air Quality – Rotorua Clean Air	9b		•			
	Resource Consents	10	•		•		
	Regulatory Compliance	11	•		•		
	Maritime Operations	12	•		•	•	
Transportation	Tauranga Passenger Services	13a		•	•	•	
	Rotorua Passenger Services	13b		•	•	•	
	Western Bay Passenger Services	13c		•	•	•	
	Whakatāne Passenger Services	13d		•	•	•	
	Regional Passenger Services	13e	•			•	
	Transport Planning	14	•			•	

Key						
0	0-20%	20-40%	40-60%	60-80%	80-100%	100%
	•	•	•	•	•	•

Summary of operating expenditure funding sources by sub-activity							
Group of activities	Sub-activity	#	General funds	Targeted rates	User fees and charges and other revenue	Grants and subsidies	Reserves
Regional Development	Regional Infrastructure	15		●			●
	Regional Economic Development	16	●				
	Regional Parks	17	●		●		
Regional Planning and Engagement	Regional Planning	18	●				
	Māori Policy	19	●				
	Geothermal	20	●				
	Community Engagement	21	●	●			
	Governance	22	●				
Emergency Management	Emergency Management	23		●	●		
Technical Services	Geospatial	24	●				
	Engineering	25	●				
	Data Services	26	●		●		
	Science	27	●		●		

Key						
0	0-20%	20-40%	40-60%	60-80%	80-100%	100%
	●	●	●	●	●	●

Table 2: Summary of capital expenditure funding sources by sub-activity

Group of activities	Sub-activity	#	External/ internal loans	Reserves	Capital grants, subsidies, insurance recoveries
Integrated Catchment Management	Rotorua Lakes	2a	●	●	
	Rotorua Lakes – Deed	2b	●	●	●
	Kaituna	3	●	●	●
Flood Protection and Control	Kaituna Catchment Control Scheme	6a	●	●	●
	Rangitāiki-Tarawera Rivers Scheme	6b	●	●	●
	Whakatāne-Tauranga Rivers Scheme	6c	●	●	●
	Waioeka-Otara Rivers Scheme	6d	●	●	●
	Rangitāiki Drainage Schemes	6e	●	●	●
	Non Scheme Works	6h	●	●	●
Resource Regulation and Monitoring	Air Quality – Rotorua Clean Air	9b	●		
	Maritime Operations	12	●	●	
Transportation	Tauranga Passenger Services	13a	●	●	●
	Rotorua Passenger Services	13b	●	●	●
	Western Bay Passenger Services	13c	●	●	●
	Whakatane Passenger Services	13d	●	●	●
	Regional Passenger Services	13e	●	●	●
Regional Development	Regional Parks	17	●	●	
Emergency Management	Emergency Management	23	●	●	
Technical Services	Geospatial	24	●	●	
	Data Services	26	●	●	
	Science	27	●	●	
Corporate Services	Land and Buildings	28	●	●	
	Other Corporate Services	29	●	●	

APPENDIX 3

Amended Funding Needs Analysis

Revenue and Financing - Funding Needs Analysis

Purpose

This Funding Needs Analysis provides the background and analysis to explain the funding decisions considered by Bay of Plenty Regional Council (Council). It is guided by the financial principles documented in the Financial Strategy.

Council must comply with the Local Government Act (2002) (LGA) section 101(3). For each activity Council must determine the appropriate sources of funding that will meet the funding needs of each activity. Council will take into consideration:

- The community outcomes to which the activity primarily contributes
- The distribution of benefits between the community as a whole, any identifiable part of the community and individuals
- The period in or over which those benefits are expected to occur
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

Once the above analysis is done Council then considers the overall impact of any allocation of liability for revenue needs on the community.

The application of these requirements is subjective and provides Council with considerable latitude for judgement. The legislation places no more or less weight or priority on any one of the factors. Appendix One contains a general assessment of operating and capital funding against these factors.

Previous reviews

Council has incorporated a review of its Revenue and Financing Policy into every Long Term Plan process. The funding needs analysis to date has been incorporated in its entirety in the previous Revenue and Financing Policy.

At each review, Council may choose to reconsider all of the options for funding each activity or some particular activities. The Funding Needs analysis is adopted in support of the Revenue and Financing Policy, rather than fully incorporated.

Funding bands

The Revenue and Financing Policy is intended to be in place for the next three years before it is reviewed. Current good practice is to set bands rather than specific funding percentages to allow for minor changes over time e.g. a one off subsidy or grant.

The Revenue and Financing Policy will use the bands in table 1 below. The final setting of rates is based on the Funding Impact Statements for the relevant year.

Table 1: Funding bands

Name	Percentage range
Nil	0%
Unlikely	0% - 20%
Moderate	40% - 60%
Likely	60% - 80%
Very Likely	80% - 100%
All	100%

Activity analysis

Council must consider the funding for each activity in a way that relates exclusively to that activity. Distinct funding enables ratepayers or payers of user charges to assess more readily whether or not the cost of the service provided to them either directly or indirectly represents good value for money.

Appendix Two contains an assessment of the proposed funding bands for each activity. This assessment identifies the most likely sources of income for each activity. In all cases, general rates fund the balance of the activity after all other sources have been maximised.

Overall, the biggest changes through the Long Term Plan are for passenger transport and emergency management. Passenger Transport has increased targeted rates and no general funds for Tauranga, Rotorua, Western Bay and Whakatane bus services. Bay of Plenty Civil Defence Emergency Management has changed from a 50/50 share between regional council general funds and grants from district/city councils to 100% targeted rate. The detailed changes in funding sources for these activities are shown in table 2 below.

Through the Statement of Proposal to amend the Revenue & Finance Policy 2019/20 it is proposed to introduce new targeted rates to partially fund two activities. These are for the Community Engagement Activity, to provide transparency of revenue collected for regional safety and rescue services, and for the Regional Infrastructure Activity to allow for possible infrastructure funding that benefits specific geographic areas. The detailed changes in funding sources for these activities are shown in table 3 below.

Table 2: Proposed changes to funding sources introduced in LTP 2018-2028

Activity	Previous funding source (as per Annual Plan 17/18)	Funding source LTP 2018-2028 (average over the LTP 2018-2028)
Passenger Transport		
Tauranga Passenger Transport	Grants and subsidies 39%	Grants and subsidies 39%
	Fees and charges 25%	Fees and charges 25%
	Targeted rates 20%	Targeted rates 36%
	General funds 16%	General funds 0%
Rotorua Passenger Transport	Grants and subsidies 31%	Grants and subsidies 36%
	Fees and charges 36%	Fees and charges 25%
	Targeted rates 20%	Targeted rates 39%
	General funds 13%	General funds 0%
Western Bay Passenger Transport	n/a	Grants and subsidies 44%
		Fees and charges 13%
		Targeted rates 43%

Whakatane Passenger Transport	n/a	Grants and subsidies 41%
		Fees and charges 19%
		Targeted rates 40%
Regional Passenger Transport	Grants and subsidies 29%	Grants and subsidies 31%
	Fees and charges 7%	Fees and charges 1%
	General funds 64%	General funds 68%
Emergency Management		
Bay of Plenty Civil Defence Emergency Management Group (sub-activity)	Grants and subsidies 50%	Targeted rates 100%
	General funds 50%	
Data Services		
Data Services	Overhead allocated	General funds 80%
		Fees and charges 20%

Table 3: Proposed changes to funding sources - Revenue and Finance Policy Statement of Proposal 2019/20

Activity	Funding Source (as per LTP 2018-2028)	Proposed funding source (as per R&FP SOP 2019/20 - average over LTP 2019/20)
Regional Planning and Engagement		
Community Engagement	General Funds 100%	General funds 80% Targeted rates 20%
Regional Development		
Regional Infrastructure	Reserves or Loans 100%	Reserves or Loans 80% Targeted rates 20%

Overall funding consideration

Council is required by section 101(3)(b) to consider the overall impact of the allocation of liability for revenue needs on the community. It allows Council, as a final measure, to modify the overall mix of funding in response to these considerations.

Council may waive or discount fees and charges where it considers it appropriate to do so.

Council may remit rates where it considers it appropriate to do so and as documented in the Rates Remissions Policy. These policies address social matters as well as adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).

Council may use accounting provisions and reserve funds to spread the costs of activities over multiple years for the purpose of smoothing the cost to users and ratepayers.

Other relevant policies

Revenue and Financing Policy

Appendix One Legislative assessment of funding considerations

The following table outlines the general considerations for funding against the legislative requirements of the Local Government Act (2002) section 101(3)(a). This has been used to contribute towards the activity specific funding considerations in Appendix Two.

Table 3: Legislative assessment of funding considerations

LGA s101(3)(a)	Operating funding considerations	Capital funding considerations
Community outcomes	Council determines which of its four community outcomes an activity contributes to. Council has an indirect link between community outcomes and funding sources based on the specific considerations for each activity.	A capital project is expected to contribute to the community outcomes in the same way as the activity in which it is funded, unless Council resolves otherwise.
Distribution of benefits	Determining distribution of benefit is subjective and is for Council to determine. Council will consider how the benefit of an activity applies to households, businesses and the community as a whole. Generally individual benefits lead to fees and charges, location based benefits lead to targeted rates, and wide community benefits leads to general rates.	The distribution of benefits is expected to be the same as that for the operating expenditure of the activity in which it is funded, unless Council resolves otherwise. Council may choose to target those people or organisations who primarily benefit through lump sum options or targeted rates.
Period of benefit	For most operating expenditure the benefit is received in the year the expense is incurred. For most activities Council will cash fund depreciation (an operating expense) from revenue sources and this, along with other surplus cashflow, will be used to fund capital expenditure for asset renewal or debt repayments. Some operational expenditure (provisions) may have a benefit over multiple years and so Council may choose to fund the activity over that period.	For most capital projects the benefit is received over the life of the asset. Council will have regard to the equitable distribution of costs to each generation for the building and renewal of the asset. Funding depreciation and interest are the primary ways to spread the cost of the asset over its life.
Who creates the need	Some things Council must do because the actions or inactions of individuals or groups creates the need to undertake the activity. Council may choose to target these people or organisations through fines, charges or rates.	Some capital projects are required by the actions or inactions of individuals or groups creates the need to undertake the activity. Council may choose to target these people or organisations through targeted rates.
Separate funding	Council must consider the practicalities of separate funding along with transparency and accountability. In some cases while it may be desirable to charge individuals there may be no practical way of doing so. With regard to the rates contribution, the costs and benefits of separate rating mechanisms for separate activities should be weighed up. Council does not wish to make a complex rating system which is expensive to maintain and confusing to interpret as this will not contribute to improved transparency and accountability.	Council must consider the practicalities of separate funding along with transparency and accountability. In some cases while it may be desirable to charge individuals there may be no practical way of doing so.

Appendix Two Funding analysis for each activity

Integrated Catchment Management

Activity – Tauranga Harbour

The Tauranga Harbour activity integrates the environmental work we do in the Tauranga Harbour and its catchments, from Waihi to Pāpāmoa Beach and inland through the Kaimai Range. The catchment includes Tauranga City, the largest urban centre in the Bay of Plenty. We work with our partners and community to ensure a healthy and thriving harbour and catchment that contributes to our wellbeing today and in the future.

The Tauranga Moana Programme has been established to coordinate, prioritise and deliver on all our work related to improving the health of the harbour and its catchment. Tauranga City Council, Western Bay of Plenty District Council and the Regional Council are partners in the Programme, allowing an adaptive and collaborative management approach. The Programme is overseen by the Tauranga Moana Advisory Group which includes representatives from Tauranga Moana Iwi Collective and Councillors from the three councils.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life
Who benefits?	The benefits of the activity are distributed evenly across the community. Regional benefits arise from protection and restoration of the Harbour and improved scientific knowledge of the coastal environment. Local benefits accrue to residents in the sub-region due to their immediate proximity and access to the Harbour. The activity provides benefits to individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements.
Time frame of benefits	The benefits of expenditure, relating to current planning and delivery of protection work, are both short and long-term, with cumulative benefits as environmental well-being improves over time. The activity is provided continuously, with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses.
Individuals and groups creating demand for service	A wide range of community sectors drive the need for this activity, including people who interact with the water in the Harbour, and the landowners in the wider catchment who cause nutrients and contaminants to reach waterways that feed into the Harbour.
Rationale for funding mix	<p>The coastal environment is a public asset and activities to manage it provide regional benefits. However, it is clear that those living on or near the coast receive a greater benefit from sustainable coastal management than those living inland.</p> <p>The advice provided to individual landowners provides public good arising from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice.</p>
Operating funding mix	<p>80-100 percent general funds; 0-20 percent other revenue.</p> <p>This means that funding via general rates based on land values (which are highest on the coast) provides the closest match between benefits and costs. Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p>

Legislative assessment of funding considerations for operating and capital expenditure

Capital funding mix	There are no significant capital costs.
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Activity – Rotorua Lakes

The Rotorua Lakes activity integrates the delivery of services within the Rotorua Lakes catchments including implementing lake water quality action plans, investigating lake restoration options, supporting ongoing research and monitoring interventions.

The Rotorua Te Arawa Lakes Programme has been established to coordinate, prioritise and deliver on all our work related to improving the health of the Rotorua Lakes. Te Arawa Lakes Trust, Rotorua Lakes Council and the Regional Council are partners in the Programme, which is part-funded through a Deed of Funding Agreement with the Crown.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input type="checkbox"/> A healthy environment <input checked="" type="checkbox"/> Freshwater for life
Who benefits?	<p>This activity provides a mix of national, regional, local and individual benefits. National and regional benefits arise where a nationally-significant water body is protected or restored. Local and individual benefits arise for those who live near or adjacent to lakes protected or restored.</p> <p>The activity provides benefits to individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements.</p>
Time frame of benefits	<p>The benefits of the current expenditure, relating to current planning and delivery of protection work, are both short and long-term, with cumulative benefits as environmental well-being improves over time. The activity is provided continuously with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses. Long-term benefits arise from capital expenditure on physical works such as structures to restore the Rotorua lakes.</p>
Individuals and groups creating demand for service	<p>Exacerbators include a range of land uses (particularly the primary sector) and households with septic tanks plus those individuals or groups of individuals who act in ways that are incompatible with sustainable management of our water resources. A significant component of exacerbation is historic land use, with some natural contributions from geothermal discharge. Regulatory controls are now in place to cap the current level of discharge from rural activities.</p> <p>Past and present landowners have contributed to a need to improve land management practices. Current landowners require advice to sustainably manage land.</p> <p>Examples include over-extraction from our water resources in periods of drought or discharges of contaminants that have more than minor adverse environmental effect.</p>
Rationale for funding mix	<p>Since the activity benefits a range of sectors described above, a combination of sources are required to fund the costs of services provided by the activity.</p> <p>The advice provided to individual landowners provides public good arising from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice.</p> <p>While all residents of the region benefit from sustainable water management, resource users receive greater benefits than other landowners. Where possible beneficiaries and exacerbators of the work undertaken on the investigation and management of our water resources are recovered via Resource Management Act (RMA) Section 36 charges.</p>

Legislative assessment of funding considerations for operating and capital expenditure

Operating funding mix	<p>Projects on the four priority lakes - Rotorua, Rotoiti, Rotoehu and Ōkāreka - are funded from the Rotorua Lakes Deed: 50 percent from Central Government (through the Ministry for the Environment); 25 percent from general funds and 25 percent from targeted rates. Projects not covered by the Rotorua Lakes Deed are funded 50 percent general funds and 50 percent targeted rates from the Rotorua District (differentiated by land area).</p> <p>Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate. Expenditure for projects covered by the Deed that is carried forward from previous years will be funded from the Rotorua Lakes Deed Funding reserve. Operating costs for land use change to reduce nutrients in the catchments of the Rotorua Lakes will be funded 50 percent from existing reserves and 50 percent from Central Government (through the Ministry for the Environment).</p> <p>This funding mix recognises the equal benefit of the Lakes activity to those in the Rotorua district (local and individual) and those outside (regional and national). At the same time it also recognises that, while those within the district contribute more to the need for the activity, some of the adverse effects have been caused over many years in the past, or by geothermal influences.</p> <p>The Rotorua Lakes targeted rate model is based on land area differential applying fixed rates to each of three land area categories (0-1.999 hectares, 2-9.999 hectares and greater than 10 hectares).</p>
Capital funding mix	<p>50 percent of funding comes from Central Government (through the Ministry for the Environment) under the Rotorua Lakes Deed. The remaining 50 percent plus non-Deed sub-activities are funded through existing reserves.</p>

Activity – Kaituna

The Kaituna activity integrates the environmental work we do in the catchments of the Kaituna River and Te Awa o Ngatoroirangi / Maketu Estuary, the Pongakawa River and Waihi Estuary, and the Waitahanui Stream. The activity includes implementation of the prioritised actions identified in the Kaituna River and Ongatoro/Maketū Estuary Strategy (2009), and will implement priorities in Te Maru o Kaituna River Authority's new Kaituna River Document.

Legislative assessment of funding considerations for operating and capital expenditure

Link to community outcomes	<input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life
Who benefits?	<p>The benefits of the activity are distributed evenly across the community. Regional benefits arise from sustainable management of natural and physical resources, and achievement of community outcomes, in an integrated way within the region. Local benefits arise from addressing issues associated with water and soil quality and quantity, biodiversity, coastal protection and enhancement through landowner / occupier agreements, tangata whenua, industry partnerships and community care group activity.</p> <p>The activity benefits individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements.</p>
Time frame of benefits	<p>The benefits of the current expenditure, relating to current planning and delivery of protection work, are both short and long-term in nature, with cumulative benefits accruing as environmental well-being improves over time. The activity is provided on a continuous basis with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses.</p>
Individuals and groups creating demand for service	<p>Present landowners and occupiers; pastoral, horticulture, forestry, rural, urban regional community require advice to protect and enhance biodiversity, water and soils, and the coastline.</p> <p>The political and legislative landscape including obligations to Māori created by the Treaty of Waitangi settlements, iwi and hapū management plans, the RMA and LGA.</p> <p>The National Policy Statement on Fresh Water (NPSFW) directs local government to manage water and land use in an integrated and sustainable way, allowing economic growth to occur within set water quality and quantity limits.</p>
Rationale for funding mix	<p>The coastal environment is a public asset and activities to manage it provide regional benefits. However, it is clear that those living on or near the coast receive a greater benefit from sustainable coastal management than those living inland.</p> <p>The advice provided to individual landowners provides public good arising from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice.</p> <p>While all residents of the region benefit from sustainable water management, resource users receive greater benefits than other landowners.</p>
Operating funding mix	<p>80-100 percent general funds; 0-20 percent grants and subsidies.</p> <p>Project costs for Kaituna/Maketū Estuary Strategy implementation are funded through investment reserves.</p> <p>This means that funding via general rates based on land values (which are highest on the coast) provides the closest match between benefits and costs. Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p>

Legislative assessment of funding considerations for operating and capital expenditure	
Capital funding mix	The capital work for the Kaituna River Re-diversion and Te Awa o Ngatoroirangi/Maketū Estuary Enhancement Project in the Ongatoro/Maketū Estuary will provide protection long-term. Capital is funded from reserves or by loans.

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Activity – Eastern Catchments

The Eastern Catchments activity integrates the environmental work we do in the multiple catchments from Ōtamarākau east. In particular it supports Ōhiwa Harbour Strategy, the Tarawera, the Rangitāiki, and the Waiōtahe catchments, and the Eastern Coast Care programme.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life
Who benefits?	<p>The benefits of the activity are distributed evenly across the community. Regional benefits arise from sustainable management of natural and physical resources, and achievement of community outcomes, in an integrated way within the region. Local benefits arise from addressing issues associated with water and soil quality and quantity, biodiversity, coastal protection and enhancement through landowner / occupier agreements, tangata whenua, industry partnerships and community care group activity.</p> <p>The activity benefits individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements.</p>
Time frame of benefits	<p>The benefits are both short and long-term. The activity is provided continuously, with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses. Cumulative benefits also accrue as environmental well-being improves over time.</p>
Individuals and groups creating demand for service	<p>Present landowners and occupiers; pastoral, horticulture, forestry, rural, urban regional community require advice to protect and enhance biodiversity, water and soils and the coastline. The political and legislative landscape including obligations to Māori created by the Treaty of Waitangi settlements, iwi and hapū management plans, the RMA and LGA. The National Policy Statement on Fresh Water (NPSFW) directs local government to manage water and land use in an integrated and sustainable way, allowing economic growth to occur within set water quality and quantity limits.</p>
Rationale for funding mix	<p>The coastal environment is a public asset, and activities to manage it provide regional benefits. However, it is clear that those living on or near the coast receive a greater benefit from sustainable coastal management than those living inland. The advice provided to individual landowners provides public good arising from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice. While all residents of the region receive benefits from sustainable water management, resource users receive greater benefits than other landowners.</p>
Operating funding mix	<p>80-100 percent general funds; 0-20 percent other revenue, 0-20 percent grants and subsidies.</p> <p>This means that funding via general rates based on land values (which are highest on the coast) provides the closest match between benefits and costs. Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p>
Capital funding mix	<p>There are no significant capital costs.</p>

Activity – Regional Integrated Catchment Management

The Regional Integrated Catchment Management activity delivers the regional work associated with sustainable water and land use, including biodiversity. This activity facilitates the sustainable management of natural and physical resources, and achievement of community outcomes in an integrated way within the region.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input type="checkbox"/> A healthy environment <input checked="" type="checkbox"/> Freshwater for life
Who benefits?	<p>The benefits of the activity are distributed evenly across the community. Regional benefits arise from sustainable management of natural and physical resources, and achievement of community outcomes, in an integrated way within the region. Local benefits arise from addressing issues associated with water and soil quality and quantity, biodiversity, coastal protection and enhancement through landowner / occupier agreements, tangata whenua, industry partnerships and community care group activity.</p> <p>The activity provides benefits to individual landowners, Māori, rural industry sectors and communities across the region. The wider community and future generations will get enhanced economic, environmental, social and cultural value from these improvements.</p>
Time frame of benefits	<p>The benefits are both short and long-term. The activity is provided continuously, with the Biodiversity sub-activity Standard Operating Procedures being implemented, monitored and reviewed as work progresses. Cumulative benefits also accrue as environmental well-being improves over time.</p> <p>Short-term - relating to current planning and delivery of restoration and protection work.</p>
Individuals and groups creating demand for service	<p>Present landowners and occupiers; pastoral, horticulture, forestry, rural, urban regional community require advice to protect and enhance biodiversity, water and soils and the coastline.</p> <p>The political and legislative landscape including obligations to Māori created by the Treaty of Waitangi settlements, iwi and hapū management plans, the RMA and LGA.</p> <p>The National Policy Statement on Fresh Water (NPSFW) directs local government to manage water and land use in an integrated and sustainable way, allowing economic growth to occur within set water quality and quantity limits.</p>
Rationale for funding mix	<p>The advice provided to individual landowners provides public good from sustainable land management across the region. It is not considered efficient to recover costs from individual beneficiaries as it may discourage landowners from obtaining advice.</p> <p>While all residents of the region receive benefits from sustainable water management, resource users receive greater benefits than other landowners.</p>
Operating funding mix	<p>100 percent general funds.</p> <p>This means that funding via general rates based on land values (which are highest on the coast) provides the closest match between benefits and costs. Benefits accrue to the regional community from sustainable land use. Benefits to property indicates value-based rate.</p>
Capital funding mix	<p>There are no significant capital costs.</p>

Flood Protection and Control

Activity – Rivers and Drainage Schemes

The Rivers and Drainage Schemes activity involves ownership, management and maintenance for the five major and 37 minor rivers and drainage schemes. The activity also comprises other programmes such as the Kopeopeo Canal Remediation Project.

Our river and drainage scheme responsibilities include providing flood protection stop banks, flood pump stations, floodgates and erosion control structures and constructing flood ways. We also carry out regular maintenance of structures, stream clearing and lake level monitoring and management of Lakes Rotorua and Rotoiti.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input checked="" type="checkbox"/> Safe and resilient communities <input type="checkbox"/> A vibrant region
Who benefits?	The river scheme sub-activities have public (local, regional and national) and private benefits. The private benefits accrue to individual landowners and occupiers through the protection of lives, livelihoods and property. Local benefits occur because a range of public facilities, infrastructure and services receive security from flooding. Private and local benefits account for the greatest proportion of benefit from the sub-activity. Regional and national benefits arise because productive land, in flood prone areas provides an economic benefit through the multiplier effect to the wider region and nation.
Time frame of benefits	The benefits are both short and long-term. The activity is provided continuously, with the Asset Management Plan being implemented, monitored and reviewed over time. Long-term benefits arise from on-going protection of land from anticipated future increases in flood events. Cumulative benefits also accrue as land management practices (for example, soil conservation and stream protection works) improve in the scheme catchment over time.
Individuals and groups creating demand for service	People whose actions or inaction cause damage to scheme works are exacerbators. The Council has a regulator mechanism – the Floodway and Drainage Bylaw – to control these exacerbators. The land use practices of landowners that increase the amount of rainfall runoff into the catchment's network of waterways increase the required capacity of the schemes to cope with flood events
Rationale for funding mix	<p>A mix of funding tools is required to reflect the wide range of benefits that the schemes provide to different groups and individuals. The significant amount of activity-specific capital costs suggests a need for a mix of short and long-term funding tools.</p> <p>These benefits are drained land for production.</p> <p>Those within a scheme who, in addition to their share of national and regional benefits, also receive local or individual benefits from the scheme should contribute additional funding to reflect those benefits. These local and individual benefits make up the vast proportion of the benefits from the scheme, and a targeted rate is therefore the best funding tool to recover the associated costs.</p>

Legislative assessment of funding considerations for operating and capital expenditure

	<p>The targeted rate based on where the land is situated within the scheme and land area within each rating unit would most accurately match the apportionment of benefits.</p> <p>The general rate is value-based as the benefits are to the property as well as regionally.</p>
Operating funding mix	<p>River Schemes; 0-20 percent general funds; 60-80 percent targeted rates to catchment- land area differential; 0-20 percent other revenue; 0-20 percent grants and subsidies; 0-20 percent reserves.</p> <p>Targeted rates recognise the private benefits to properties in the catchment. They are struck on the basis of a given per hectare rate that has been calculated for each of a number of sub catchments. The general funding component reflects economic benefit from protection of productive property and infrastructure falling equally to people across the region.</p> <p>Rangitāiki Drainage Scheme; 80-100 percent targeted rates for the land area differential; 0-20 percent other revenue; 0-20 percent grants and subsidies. The targeted rate land area differential reflects private benefits in proportion to property land area.</p> <p>The Minor Rivers Schemes are funded 100 percent from targeted rates.</p> <p>Minor River Schemes (Ōpōtiki); 80-100 percent targeted rates and 0-20 percent general funds. Three of the Minor River Schemes in the Ōpōtiki area have 20 percent general funding to recognise the regional benefit from protection of the transport network, and 80 percent targeted funding to reflect private benefit.</p> <p>Non Scheme works; 100 percent general funds.</p>
Capital funding mix	<p>River and drainage capital expenses provide long-term protection and are funded through reserves, loans, or capital grants. Major flood repair projects will be funded from borrowing and some insurance recoveries are forecasted.</p> <p>Project costs for the Kopeopeo Canal Remediation Project are to be funded through reserves, and funding from the Ministry for the Environment.</p>

Activity – Regional Flood Risk Coordination

The Regional Flood Risk Coordination Activity provides leadership, management, information and advice to manage flood risks and flood hazards in the Bay of Plenty.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input type="checkbox"/> A healthy environment <input checked="" type="checkbox"/> Safe and resilient communities
Who benefits?	The activity provides region-wide benefits by providing advice on flood management throughout the region.
Time frame of benefits	The benefits are both short and long-term. The activity is provided continuously. Long-term benefits from flood management manuals, and the design of structural and non-structural flood mitigation measures.
Individuals and groups creating demand for service	No major exacerbators.
Rationale for funding mix	Flood risk co-ordination provides benefits across the region. The majority of the costs should be met by the region as a whole. Where specific advice is provided for private benefit of an individual or organisation, the Council will seek to recover the portion of the cost that is a private benefit. Owners of high-value land have more to lose from poor catchment management than owners of low value land. The land value general rate is therefore an appropriate funding tool for this sub-activity.
Operating funding mix	100 percent general funds. The general funding component reflects economic benefit from protection of productive property and infrastructure falling equally to people across the region - land area differential.
Capital funding mix	There are no significant capital costs.

Resource Regulation and Monitoring

Activity – Biosecurity

The Biosecurity activity manages pests in the region through the Regional Pest Management Plan (RPMP), providing regional leadership in pest plant and pest animal management. The activity also supports national initiatives under agreements with external agencies, including Ministry for Primary Industries and Department of Conservation.


Legislative assessment of funding considerations for operating and capital expenditure

Link to community outcomes	<input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> A vibrant region
Who benefits?	This activity provides a mix of national, regional, local and individual/land owner benefits. National benefits arise from the prevention of pest spread to other regions. The regional benefit arises through protecting community values, including biodiversity and ecosystem services. Landowners also obtain a private benefit through having threats to their production removed.
Time frame of benefits	The benefits are both short and long-term. The activity is provided on a continuous basis and is monitored and reviewed over time. Cumulative benefits accrue as environmental well-being is maintained or improves over time.
Individuals and groups creating demand for service	<p>Past and present landowners have contributed to a need to improve land management practices. Current landowners require advice to effectively manage pests. Regulatory tools are used to control and mitigate the effects of potential exacerbators.</p> <p>Central Government through the Biosecurity Act 1993.</p>
Rationale for funding mix	For initiatives that provide national benefits, the Council will seek recovery from the Ministry for Primary Industries (MPI) and Biosecurity NZ on a cost recovery basis. Substantial benefits to some landowners and occupiers through productivity gains and to the greater community through protecting biodiversity and ecosystem services.
Operating funding mix	<p>80-100 percent general funds, 0-20 percent other revenue.</p> <p>Benefits accrue to the national and regional communities from sustainable land use. The benefits to property indicates value-based rate. Note: The 0-20 percent nominated above is an average recovery of costs for the activities. It does not constitute a target cost recovery but indicates an on-going average level of funding from other public funding.</p>
Capital funding mix	There are no significant capital costs.

Activity – Air Quality

The Air Quality activity focuses on regional air quality through regional planning for air management under the Resource Management Act 1991, monitoring of air issues and operating the Rotorua Clean Air programme.

Legislative assessment of funding considerations for operating and capital expenditure

Link to community outcomes	 A healthy environment
Who benefits?	A significant proportion of the benefits are distributed across the Rotorua community. There are also wider regional public benefits from reduction in air pollution, particularly public health and regional amenity benefits for Rotorua as a domestic and international destination.
Time frame of benefits	The benefits are both short and long-term. The activity is provided continuously. The main period of benefit is the present to 2020 where there are no more than three exceedances of the air quality standard after 1 September 2016, and no more than one exceedance after 1 September 2020.
Individuals and groups creating demand for service	Exacerbators are predominantly homes with inefficient heating appliances, and to a lesser extent, air discharges from industry or business
Operating funding mix	40-60 percent general funds, 40-60 percent uniform targeted rate to the Rotorua urban area. A uniform targeted rate (a fixed charge per property in the Rotorua urban area) is the best proxy for equal individual benefit across the area. General funds reflect wider benefits and a regional commitment to address significant problems wherever in the region these occur.
Capital funding mix	There are no significant capital costs that are specific to the above activity. Hot Swap loans are funded from external or internal loans and recovered through a targeted rate for properties within the Rotorua Airshed area that have received a loan from the Council under the Clean Heat Conversion scheme.

Activity – Resource Consents

The Resource Consent activity processes and makes decisions on resource consent applications under the Resource Management Act 1991 and/or rules in our regional plans, ensuring statutory requirements are fulfilled and a fair process for decision-making on regional natural resource use is followed.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life
Who benefits?	<p>Those who benefit most directly from this activity are the consent applicants who seek resource consent (a resource allocation). They pay a direct charge (actual and reasonable costs) for this service.</p> <p>This activity benefits the Bay of Plenty region. It ensures through allocation that the development and use of the natural and physical resources in the region is sustainable for ratepayers and residents.</p>
Time frame of benefits	<p>The benefits are both short and long-term. The activity is provided continuously. The duration of benefits for individuals is determined by the term of the consent issued. The long-term benefit is the sustainable management of scarce natural resources balancing competing demands for future generations.</p>
Individuals and groups creating demand for service	<p>Those individuals and businesses who undertake activities that require resource consents are exacerbators.</p>
Rationale for funding mix	<p>Consent processing provides substantial benefits to consent holders. The benefits, separately funded through user fees and charges (Section 36 charges), exceed the costs. The remaining benefits from providing information and advice to the public about the consents process and rules in our plans are spread evenly across the regional community.</p>
Operating funding mix	<p>40-60 percent general funds; 40-60 percent fees and charges.</p> <p>The Council's aim is to ensure user fees and charges under Section 36 of the RMA are set to the level that maximises recovery of actual and reasonable costs of the private good component of this activity. This currently equates to approximately 40-60 percent user charges. This is an average recovery of costs for the whole activity. It does not constitute a target cost recovery but indicates an on-going average level of funding from fees and charges. The balance of costs after user charges (approximately 40-60 percent of the total activity cost) is met by general funding. General funds are used to recover costs which deliver a public good, those which cannot be recovered for statutory reasons and other costs which cannot be recovered efficiently from private beneficiaries</p>
Capital funding mix	<p>There are no significant capital costs.</p>

Activity – Regulatory Compliance

The Regulatory Compliance activity is made up of three main components; compliance monitoring of resource consents, responding to environmental complaints and enforcing compliance with the Resource Management Act, Regional Plans and National Regulations and Standards. The aim of the activity is to ensure development activities involving water, geothermal, air, land and coastal resources do not negatively impact on the natural environment or put people's health at risk.

Legislative assessment of funding considerations for operating and capital expenditure

Link to community outcomes	<input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life
Who benefits?	The activity provides a mix of national, regional, local and individual benefits. National and regional benefits arise from minimising the potential impact on people and the natural environment caused by contaminated land. Local and individual benefits arise because adjacent resource users.
Time frame of benefits	The activity provides both immediate short-term benefits (for example, compliance monitoring and enforcement) and long-term benefits (for example, managing contaminated sites). The activity is provided on a continuous basis.
Individuals and groups creating demand for service	Identified exacerbators include consent holders for individuals, industries and businesses, and previous landowners who have contaminated land.
Rationale for funding mix	<p>Monitoring resource consent compliance is 100 percent cost recovered through Section 36 charges. If enforcement is required for a breach of a regional plan and a resource consent is not involved, costs may be recovered through infringement notices and prosecutions.</p> <p>The bulk of our response and proactive activities are not currently recovered although the Council endorses the 'polluter pays' principle. The most cost-effective funding method is user charges. General funds will be used where costs cannot be recovered by other means</p>
Operating funding mix	<p>60-80 percent general funds; 20-40 percent fees and charges.</p> <p>The Council's aim is to ensure user fees and charges under Section 36 of the RMA are set to the level that maximises recovery of actual and reasonable costs of the private good component of this activity. This currently equates to approximately 20-40 percent user charges. This is an average recovery of costs for the whole activity. It does not constitute a target cost recovery but indicates an on-going average level of funding from fees and charges.</p> <p>The balance of costs after user charges (approximately 60-80 percent of the total activity cost) is met by general funding. General funds are used to recover costs which deliver a public good, those which cannot be recovered for statutory reasons and other costs which cannot be recovered efficiently from private beneficiaries. Regulatory compliance costs that are a result of current consent holder or polluter activities are not subsidised from general funding. The Council aims to recover 100 percent of private good or exacerbator driven costs.</p>
Capital funding mix	There are no significant capital costs.

Activity – Maritime Operations

The Maritime Operations activity ensures navigation safety and maritime oil spill response is provided 24/7 in the Bay of Plenty region as required by regulations and Council requirements. Our goal is to ensure that all our users operate safely and in harmony with one another and the environment to ensure our waters are available for the prosperity and enjoyment of future generations.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	Safe and resilient communities
Who benefits?	The activity provides a mix of national, regional, local and individual benefits. National and regional benefits arise from minimising the likelihood of maritime accidents that have an impact on people and the natural environment, including oil pollution response. Local and individual benefits arise because navigation aids help commercial and recreational vessels to avoid accidents and the associated financial and personal costs.
Time frame of benefits	The benefits are both short and long-term. The short-term initiatives are providing immediate mitigation and response to maritime incidents to immediately benefit the community. Long-term benefits include providing designated areas (such as shipping channels, mooring areas, and recreational use) in Council's frameworks.
Individuals and groups creating demand for service	Individuals who carry out unsafe navigation safety practices are potential causes of accidents. The exacerbators of the marine oil pollution are those who use or transport petrochemical products in the marine environment. The activity is a necessary 'insurance policy' against the possibility of oil spills.
Rationale for funding mix	<p>To reflect the national and regional benefits for both people and the environment from ensuring safe use of the region's navigable waterways, a regional contribution towards the costs of navigation safety is required.</p> <p>To reflect the individual and private privileges from mooring commercial operations, boat owners/operators pay a representative proportion of the costs of the activity. The most appropriate tools to recover these costs are fees and charges on owners and operators.</p> <p>The polluter of maritime oil incidents will meet the majority of the costs of Council's oil spill response.</p>
Operating funding mix	<p>60-80 percent general funds; 20-40 percent fees and charges; 0-20 percent grants and subsidies.</p> <p>Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region. User charging through mooring charges and Port levies are set to the level that fully recovers the actual and reasonable costs of the private good component of this activity.</p> <p>Note: The 20-40 percent nominated above is an average recovery of costs for the activities. It does not constitute a target cost recovery but indicates an on-going average level of funding from user charges.</p>
Capital funding mix	There are some capital costs associated with purchasing and maintaining maritime safety equipment to provide the services of the activity. Capital is funded from the asset replacement reserve, through the cash surplus created by depreciation, or by loans.

Transportation

Activity – Passenger Transport

The Passenger Transport activity enables and makes available a range of safe and reliable transport options to improve economic efficiency and environmental sustainability.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input type="checkbox"/> A healthy environment <input checked="" type="checkbox"/> A vibrant region
Who benefits?	<p>This activity provides a mix of national, regional, local and individual benefits. National and regional benefits arise because passenger transport services allow all people (both residents and visitors) to move from place to place through the efficient use of transport networks, and by reducing the economic and social costs of congestion.</p> <p>Local benefits from passenger transport services arise for those who live in close proximity to the services. Differential local benefits also arise depending on the level of service available in local communities.</p> <p>Private benefits accrue to those using passenger transport services.</p> <p>The rural service provides national and regional benefit from improved mobility and efficient transport networks. Local benefit is uneven across the region, as some rural centres have higher levels of service. There is also individual benefit to users.</p>
Time frame of benefits	<p>The benefits are both short and long-term. The services are provided continuously. Cumulative benefits accrue over time as shifts take place from private vehicles to passenger transport and as people travel more by passenger transport.</p>
Individuals and groups creating demand for service	<p>Increased population generally contribute to the need for additional passenger transport services. Different service levels are required by different areas. Individuals or groups of users are charged through the fare box.</p>
Rationale for funding mix	<p>Increased service levels have begun to be delivered. Different levels of benefit are provided to communities across the region based on their level of service for their location. In order to provide clear links to areas where a higher level of service is provided, a targeted rate for bus services is based on location.</p> <p>Private beneficiaries (in this instance passenger transport users) are charged directly through fares.</p>
Operating funding mix	<p>Tauranga Passenger Services: 20-40 percent grants and subsidies; 20-40 percent fees and charges; 20-40 percent targeted rates.</p> <p>Rotorua Passenger Services: 20-40 percent grants and subsidies; 20-40 percent fees and charges; 20-40 percent targeted rates.</p> <p>Western Bay Passenger Services: 40-60 percent grants and subsidies; 0-20 percent fees and charges; 40-60 percent targeted rates</p> <p>Whakatāne Passenger Services:</p>

Legislative assessment of funding considerations for operating and capital expenditure	
	<p>40-60 percent grants and subsidies; 0-20 percent fees and charges; 40-60 percent targeted rates</p> <p>Regional Services:</p> <p>20-40 percent grants and subsidies; 60-80 percent general funds</p>
Capital funding mix	Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation.

Final Draft for adoption

Activity – Transport Planning

The Transport Planning activity provides for regional land transport planning mandated by the Land Transport Management Act 2003 (LTMA).

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input type="checkbox"/> A healthy environment <input checked="" type="checkbox"/> A vibrant region
Who benefits?	This activity provides benefits that are evenly distributed across the region. It plans for a safe, integrated, sustainable and responsive land transport system that provides benefits to all people (both residents and visitors). National benefits also arise because the benefits of transport planning in the Bay of Plenty are received by visiting land transport users from outside the region.
Time frame of benefits	The benefits of are both short and long-term. The activity is provided continuously, with transport planning documents regularly reviewed and updated. Cumulative benefits accrue over time as well-being increases due to improvements to the quality of land transport networks and services in the Bay of Plenty.
Individuals and groups creating demand for service	Business groups, industry, residents, visitors all expect a safe and efficient transport network.
Rationale for funding mix	The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region's population. The funding tool that most closely approximates this is a UAGC on individual dwellings.
Operating funding mix	60-80 percent general funds; 20-40 percent grants and subsidies. Benefits are evenly spread across the region's population. General Funds are the best available proxy for benefit to all people in the region.
Capital funding mix	There are no significant capital costs.

Regional Development


Activity – Regional Infrastructure

The Regional Infrastructure activity provides funding for infrastructure projects by third parties in the Bay of Plenty. Funding assistance is provided for projects that were successful through the contestable Regional Infrastructure Fund process that was run in 2014 and through direct funding to local Councils for sewerage reticulation and treatment systems, and transport infrastructure.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input type="checkbox"/> Freshwater for life <input checked="" type="checkbox"/> A vibrant region
Who benefits?	The activity has a can include projects with either regional or local benefit if they deliver Council's community outcomes. The assessment framework will ensure that the appropriate beneficiaries of each project are defined, which may be region-wide or sub-regional.
Time frame of benefits	The benefits are both short and long-term. Short-term benefits include the increased ability to seek other funding sources and economic benefits from construction. Cumulative benefits arise over time as funded projects deliver their expected outcomes.
Individuals and groups creating demand for service	No identifiable exacerbator for Regional Infrastructure Grants. Third party infrastructure funding benefits individuals within the area the infrastructure is provided.
Rationale for funding mix	Council has a strong balance sheet and can provide bridging funding to third parties to get the infrastructure project completed. The benefit of the funding is specific to the group benefiting from the infrastructure so a targeted rate will be applied.
Operating funding mix	The direct cost of the grants could be paid for from reserves or debt, particularly for upfront costs, but this would be recovered through general funds if there was a region wide benefit, or through targeted rates if the benefit is limited to a certain geographic area. Costs to administer the activity are managed within other activities.
Capital funding mix	There are no capital costs.

Activity – Regional Economic Development

The Regional Economic Development activity provides leadership, facilitation and support across the region for economic development. The focus of this programme is our economic development strategy, Bay of Connections. The activity works with industry, local and central government and other key stakeholders across the region and the country to implement the portfolio of sector strategies, including the Regional Growth Programme, in partnership with central government. There are currently 13 key industry areas, and we work with additional industry sectors as the need arises.

Legislative assessment of funding considerations for operating and capital expenditure		
Link to community outcomes		A vibrant region
Who benefits?	The activity provides benefits across the region by coordinating sustainable development actions regionally. It also provides national benefits by increasing the Bay of Plenty's contribution to the national economy.	
Time frame of benefits	The benefits are both short and long-term. The activity is provided on a continuous basis. Cumulative benefits arise over time as economic well-being improves.	
Individuals and groups creating demand for service	No identifiable exacerbator.	
Rationale for funding mix	While it may be desirable for transparency reasons to fund the activity separately through an equal charge across the region, the size of the activity does not warrant separate funding.	
Operating funding mix	100 percent general funds. General funds are used as economic development in the region provides a benefit proportionate to existing wealth, where property value is used as a proxy for wealth.	
Capital funding mix	There are no significant capital costs.	

Activity – Regional Parks

The Regional Parks activity provides ownership and management of Regional Parks; currently Pāpāmoa Hills Regional Park and Onekawa Te Māwhai Regional Park, for cultural heritage protection and recreation purposes.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input checked="" type="checkbox"/> A vibrant region
Who benefits?	This activity provides benefits across the region. Visitors to the region also benefit from being able to enjoy and use the regional parks.
Time frame of benefits	The benefits of current expenditure are both short and long-term. Short-term benefits arise from the current park operation, and long-term benefits arise because assets are available for present and future generations.
Individuals and groups creating demand for service	The demand for this service is considered to be community-wide, with no one particular group or organisation creating the demand.
Rationale for funding mix	The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region's population. The funding tool that most closely approximates this is a UAGC on individual dwellings.
Operating funding mix	80-100 percent general funds, 0-20 percent user fees and charges. Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region.
Capital funding mix	Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation.

Regional Planning and Engagement

Activity – Regional Planning

The Regional Planning activity provides the Council with planning and policy advice. It includes development of strategies, policies and plans to identify how the natural and physical resources in the region are to be managed. This activity sets the Bay of Plenty Regional Council's strategic direction.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input checked="" type="checkbox"/> A healthy environment <input checked="" type="checkbox"/> Freshwater for life <input type="checkbox"/> Safe and resilient communities <input type="checkbox"/> A vibrant region
Who benefits?	Benefits are distributed evenly across the regional community. All members of the regional community can access the same information and contribute to the Council's strategic direction on resource management matters.
Time frame of benefits	The benefits are short-term. The Council's statutory policy is regularly reviewed as new information comes to hand or when required by legislation.
Individuals and groups creating demand for service	Where the sustainable management of natural resources are put at risk, there is need for planning responses. Council also has a statutory responsibility under the Resource Management Act to sustainably manage natural resources.
Rationale for funding mix	The evenly spread nature of the benefits from this sub-activity across the region mean that the activity's costs should be evenly distributed across the region's population. The funding tool that most closely approximates this is a UAGC on individual dwellings.
Operating funding mix	100 percent general funds. Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region.
Capital funding mix	There are no significant capital costs.

Activity – Māori Policy


The Māori Policy activity provides strategic advice, support and leadership on Māori relationship management, engagement and policy, to ensure we meet our statutory responsibilities to Māori in the region. We have some 37 iwi entities, over 260 hapū and 224 marae. There are approximately 1,800 management structures covering over 5,000 Māori land blocks. As of 2017, there are 17 comprehensive Treaty claims settled and several more in progress. Also included is the He Toka Tumoana Scholarship has been created to commemorate the late Councillor Awanuiarangi Black. It assists students by providing financial support for education, activities, research and/or projects.

Legislative assessment of funding considerations for operating and capital expenditure

Link to community outcomes	<input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life
Who benefits?	The Māori Policy activity benefits the regional community by ensuring that Māori are effectively engaged in decision making to meet our statutory obligations.
Time frame of benefits	The benefits are region-wide, both immediate and into the future. This activity is provided continuously.
Individuals and groups creating demand for service	Demand for this activity has come from Māori as they seek to be more actively involved in the Council's decision making.
Rationale for funding mix	<p>The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region's population. The funding tool that most closely approximates this is a UAGC on individual dwellings.</p> <p>There are no particular costs or benefits for separate funding of this activity. Each is separately reported and budgeted for reasons of transparency and accountability.</p>
Operating funding mix	<p>100 percent general funds.</p> <p>Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region.</p>
Capital funding mix	There are no capital costs.

Activity – Geothermal

The Geothermal activity provides co-ordination of the geothermal programme and the development of a second generation Geothermal Planning framework under the Resource Management Act (RMA). The Regional Policy Statement requires development of System Management Plans (SMPs) for Tauranga and Rotorua systems, and development of broader regional plan provisions to clarify the status of several systems. These SMPs will provide the basis for plan changes to the Regional Water and Land Plan, which are needed to enhance our ability to sustainably manage the region's geothermal resource.

Legislative assessment of funding considerations for operating and capital expenditure		
Link to community outcomes		A healthy environment
Who benefits?	The benefits are region wide, both immediate and into the future. There is some private benefit to individual geothermal users.	
Time frame of benefits	The benefits are both short and long-term and the activity is provided continuously. Cumulative benefits also accrue as environmental well-being improves over time.	
Individuals and groups creating demand for service	Exacerbators include those individuals or groups of individuals who act in ways that are incompatible with sustainable management of our geothermal resources.	
Rationale for funding mix	Benefits distributed evenly over regional community.	
Operating funding mix	100 percent general funds. Value basis is used to reflect the protection and preservation of property.	
Capital funding mix	There are no capital costs.	

Activity – Community Engagement

The Community Engagement activity leads planning, facilitation and advice support across the Council, advising on legislative procedure requirements. Community engagement through specific programmes builds awareness, involvement, engagement and education to help achieve Council's objectives across the community, inclusive of all ages and sectors. A key focus for the activity is the water programme, working across the wider community.


The activity manages the Community Fund which includes the Environmental Enhancement Fund (EEF) and the Community Initiatives funding (CIF). EEF provides seed funding for community groups to improve the environment, raise environmental awareness and use the enthusiasm and skills of the community. The EEF programme also includes the He Mātāpuna Akoranga ā Hāwea Vercoe – Hāwea Vercoe Commemoration Fund, which has been set up to provide seed funding to Bay of Plenty Kura Kaupapa Māori, Kohanga Reo and bilingual schools for projects that achieve environmental outcomes.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input checked="" type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input type="checkbox"/> A vibrant region
Who benefits?	This activity supports and advises Councillors and staff within the Regional Council and works alongside the region's seven territorial authorities, Māori, community members, young people in families and schools. Businesses, community groups, schools and individuals from across the region all benefit from this activity. EEF activities benefits community groups, residents, schools and other stakeholders throughout the region.
Time frame of benefits	Although EEF and CIF projects are often completed within relatively short time-frames (typically within a 12 month cycle) with immediate benefits for the environment and community, there are often additional benefits to the environment and community as the project becomes more established as a result of the seed funding. Much of the work undertaken is in a support role with benefits that can take a significant amount of time to realise.
Individuals and groups creating demand for service	The demand for this service is considered to be community-wide, with no one particular group or organisation creating the demand. Individuals and community groups seeking funding and support for community projects have driven the demand for this activity.
Rationale for funding mix	The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region's population. The funding tool that most closely approximates this is a UAGC on individual dwellings.
Operating funding mix	The Community Engagement activity is primarily funded through general rates. However, a portion may be collected via a targeted rate to support funding of charitable safety and rescue services. Benefits are evenly spread across the region's population.
Capital funding mix	There are no significant capital costs.

Activity – Governance Services

The Governance Services activity supports the democratic structure and processes of the Council. The activity assists the Council in decision-making processes and supports elected members in providing good governance in an open and transparent manner. Governance Services are responsible for the representation structure, the administration of the triennial elections, elected members' remuneration and expenses and ensuring Council, committee and co-governance meetings comply with legislative requirements. Costs associated with the Chief Executive's office are included in the Governance activity.

Legislative assessment of funding considerations for operating and capital expenditure

Link to community outcomes	 A vibrant region
Who benefits?	Benefits are distributed evenly across the regional community. The elected members of Bay of Plenty Regional Council represent all members of the region's community.
Time frame of benefits	The benefits are short-term. Governance Services are provided continuously.
Individuals and groups creating demand for service	While lobby groups could be considered exacerbators, it is not practical to determine the extent to which these groups increase the cost of governance.
Rationale for funding mix	The evenly spread nature of the benefits from this activity across the region mean that the costs should be evenly distributed across the region's population. The funding tool that most closely approximates this even spreading of costs would be a UAGC on individual dwellings.
Operating funding mix	100 percent general funds. Benefits are evenly spread across the region's population. General funds are the best available proxy for benefit to all people in the region.
Capital funding mix	There are no significant capital costs.

Emergency Management


Activity – Emergency Management

The Emergency Management activity provides Civil Defence Emergency Management (CDEM) services to the Council, as well as regional emergency management leadership.

Along with all Councils in the region, Bay of Plenty Regional Council is a member of the Bay of Plenty Civil Defence Emergency Management Group and the administering authority for the Group. This Group establishes and maintains arrangements that ensure co-ordination and communication happens, and that support is available when it's needed.

Alongside the CDEM Group, Emergency Management Bay of Plenty is a shared service arrangement between Councils in the region which delivers some CDEM activities and works with our communities to increase understanding and awareness of our hazard-scape.

Legislative assessment of funding considerations for operating and capital expenditure

Link to community outcomes	 Safe and resilient communities
Who benefits?	This activity provides benefits to all people and property owners in the region, as emergencies can occur anywhere in the region. It enables co-ordinated planning and response to regional civil defence emergencies, which can occur at any location at any time. There is also national benefit arising from protection of nationally significant infrastructure.
Time frame of benefits	The benefits of current expenditure are short-term in nature. Civil Defence Emergency Management is provided on a continuous basis. The CDEM Group needs the ability to prepare for and respond to emergency events now and in the future.
Individuals and groups creating demand for service	The demand for the CDEM Group's service is considered to be community-wide, with no one particular group or organisation creating the demand. Emergency Management BOP's services are provide as requested by territorial authorities.
Rationale for funding mix	<p>The CDEM Group provides benefits that are distributed evenly across the regional community.</p> <p>Regional Council funding of Civil Defence Emergency Management is a statutory requirement and is matched by territorial authorities in the region based on the CDEM Group Plan.</p> <p>Emergency Management BOP assists with services requested by territorial authorities in the region. They enable co-ordinated planning and response to regional civil defence emergencies.</p>
Operating funding mix	<p>Bay of Plenty Civil Defence Emergency Management Group:</p> <p>100 percent targeted rates</p> <p>Emergency Management Bay of Plenty:</p> <p>40-60 percent targeted rate; 40-60 percent grants and subsidies</p> <p>Lifelines:</p> <p>100% other revenue</p> <p>A separate differential targeted rate is applied to each rating per territorial authority location to fund this activity to make it clear to ratepayers how much they are contributing for this activity.</p>

Legislative assessment of funding considerations for operating and capital expenditure

Capital funding mix	Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation.
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Final Draft for adoption

Technical Services

Activity – Geospatial

The Geospatial activity provides maps, other visual aids, mapping applications and data analysis to support decision making and aid in understanding issues facing our community. The activity supports Council to perform its regulatory function across a number of activities including: Integrated Catchment Management, Civil Defence and Emergency Management, Community Engagement, Regional Flood Risk Coordination, Regulatory Compliance and various planning activities.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input type="checkbox"/> Safe and resilient communities <input type="checkbox"/> A vibrant region
Who benefits?	The activity provides region-wide benefits by providing mapping services throughout the region.
Time frame of benefits	The benefits are both short and long-term as the activity is provided continuously.
Individuals and groups creating demand for service	The demand for this service is considered to be community-wide, with no one particular group or organisation creating the demand.
Rationale for funding mix	The activity provides region-wide benefits in both short and long-term. Regional benefits are from mapping services on historical and new development areas. Solutions often cross territorial authority boundaries.
Operating funding mix	100 percent general funds. Benefits are spread across the region's population. General funds are the best available proxy for benefit to all people in the region.
Capital funding mix	Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation.

Activity – Engineering

The Engineering activity provides technical advice and support across Council, ensuring that Council assets are well planned and designed and development is undertaken in a manner that does not create unnecessary risk or adverse effects. The activity is responsible for maintaining and updating asset management plans and the Council's infrastructure strategy.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input checked="" type="checkbox"/> Safe and resilient communities <input type="checkbox"/> A vibrant region
Who benefits?	The activity provides region-wide benefits by providing advice on integrated catchment management throughout the region.
Time frame of benefits	<p>The benefits are both short and long-term. The activity is provided continuously.</p> <p>Regional benefits by providing advice on natural hazard mitigation to existing and new development areas. Solutions often cross territorial authority boundaries.</p>
Individuals and groups creating demand for service	The impact of on-going and intensive land development is the most significant contributor to the need for the activity.
Rationale for funding mix	The activity provides region-wide benefits by providing advice on integrated catchment management throughout the region.
Operating funding mix	<p>100 percent general funds.</p> <p>The benefits are both short- and long-term. The activity is provided continuously.</p> <p>Regional benefits by providing advice on natural hazard mitigation to existing and new development areas. Solutions often cross territorial authority boundaries.</p>
Capital funding mix	There are no significant capital costs.

Activity – Data Services

The Data Services activity supports Council activities through the collection, analysis and monitoring of a range of natural resources data in the Bay of Plenty. These data enable Council to meet the increasing standards, data management and reporting requirements arising from new legislation, particularly the National Policy Statement for Freshwater and the National Objectives Framework. The activity facilitates assessment of the region's performance against such national guidelines and standards, as well as the efficiency and effectiveness of our Regional Policy Statement and regional plans.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input type="checkbox"/> Safe and resilient communities
Who benefits?	The benefits of Data Services activity are distributed across the regional community, with landowners potentially receiving the largest benefit from the monitoring of environmental issues.
Time frame of benefits	The benefits are both short and long-term as the activity is provided continuously.
Individuals and groups creating demand for service	The demand for this service is considered to be community-wide, with no one particular group or organisation creating the overall demand. Identified exacerbators include consent holders for individuals, industries and businesses, and previous landowners who have contaminated land.
Rationale for funding mix	The activity provides region-wide benefits in both the short and long-term. Regional benefits are from monitoring environmental issues in existing and new development areas. Solutions often cross territorial authority boundaries. Monitoring benefits consent holders as well as the general public. The most effective funding method is therefore to fund a proportion of costs from consent holders (Section 36 RMA charges) and a proportion of costs from general rates.
Operating funding mix	<p>60-80 percent general funds; 20-40 percent fees and charges.</p> <p>The Council's aim is to ensure user fees and charges under Section 36 of the RMA are set to the level that ensures recovery of actual and reasonable costs of the private good component of this activity. This currently equates to approximately 20-40 percent user fees and charges. This is an average recovery of costs for the whole activity. It does not constitute a target cost recovery but indicates an ongoing average level of funding from fees and charges. The balance of costs is met by general funds. General funds are used to recover costs which deliver a public good, those which cannot be recovered for statutory reasons and other costs which cannot be recovered efficiently from private beneficiaries.</p>
Capital funding mix	Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation.

Activity – Science

The Science activity provides accessible, relevant and trusted science that empowers others to make informed decisions on water, air, land use and geothermal, for our region's well-being. The activity supports projects across Council by providing clear direction, sound tools and methods, the right expertise, good information management and linkages that enable the sustainable development of natural resources across the region.

Legislative assessment of funding considerations for operating and capital expenditure	
Link to community outcomes	<input type="checkbox"/> A healthy environment <input type="checkbox"/> Freshwater for life <input type="checkbox"/> Safe and resilient communities
Who benefits?	The benefits of the Science activity are distributed across the regional community, with landowners potentially receiving the largest benefit from the identification and monitoring of environmental issues. However, monitoring of the state of and trends in the natural environment provide input to regional environmental management on behalf of all the region's residents.
Time frame of benefits	The benefits of current expenditure are short-term - current expenditure relates to current monitoring. The activity is provided continuously, based on the understanding that the value of the data, and the investment in collecting it, is enhanced as more data is collected.
Individuals and groups creating demand for service	Consent holders who hold consents to discharge contaminants or extract resources are exacerbators. They also benefit from regional knowledge about the state or quality of resources.
Rationale for funding mix	Natural environment regional monitoring benefits consent holders as well as the general public. The most effective funding method is therefore to fund a proportion of costs from consent holders (Section 36 RMA charges) and a proportion of costs from general rates.
Operating funding mix	<p>80-100 percent general funds, 0-20 percent fees and charges.</p> <p>The Council's aim is to ensure user fees and charges under Section 36 of the RMA are set to the level that ensures the recovery of actual and reasonable costs of the private good component of this activity. This currently equates to approximately 0-20 percent user charges. This is an average recovery of costs for the whole activity. It does not constitute a target cost recovery but indicates an ongoing average level of funding from fees and charges. The balance of costs after user charges (approximately 80-100 percent of the total activity cost) is met by general funds. General funds are used to recover costs which deliver a public good, those which cannot be recovered for statutory reasons and other costs which cannot be recovered efficiently from private beneficiaries.</p>
Capital funding mix	Capital is funded through loans, or the asset replacement reserve, through the cash surplus created by depreciation.

APPENDIX 4

Amended Statement of Investment Policy and objectives - Toi Moana Fund

Treasury Statement of Investment Policy and Objectives - Toi Moana Fund

Introduction

Purpose

The purpose of this Statement of Investment Policy and Objectives ('SIPO') is to describe Bay of Plenty Regional Council's (the Council) investment policy and investment objectives for its Toi Moana fund. It provides the policy framework for Council to effectively supervise, monitor and evaluate the management of the fund.

The Toi Moana fund was formed during the development of the Long Term Plan 2018-2028. It was recognised that the funds could be used for long term investment purposes to optimise returns to Council over the long run.

Effective date

This SIPO takes effect from 1 July 2019.

Review dates

The next review date for this SIPO is by 30 June 2020, or sooner if market conditions warrant it.

The review is to be endorsed by the Audit and Risk Committee (or equivalent) and then approved by the Council.

Scope

This SIPO relates to Council's Toi Moana fund.

Funds may be held in the following forms:

- 'Income' assets; incorporating cash, term deposits, long term, liquid fixed interest investments and commercial paper
- 'Growth' assets, incorporating equity investments, directly and via managed funds, and other approved growth assets

The total fund as at 1 July 2019 is \$45 million. Council expects the capital base to be maintained at \$45 million (the minimum targeted balance of the Toi Moana reserve). The agreed investment term is five years.

In the Long Term Plan 2018-2028 Council has budgeted on net annual investment income from these funds of \$2.25 million from years one to five.

Investment management structure

The fund is to be managed by the investment Manager selected by BOPRC who can best achieve the outcomes of this SIPO. This is most likely to be Quayside Holdings Limited.

The Investment Manager is responsible for administering the Fund and selecting and managing its investments.

Objectives

Investment objectives

Councils overarching strategic goals for its Toi Moana Fund are:

- Council will maintain a long-term perspective to ensure assets are protected for future generations and over the long run will consider the impact of inflation
- Council will ensure that investment returns are optimised within the risk management parameters specified in its Treasury Policy and SIPO

Investment philosophy

As a responsible public authority, Council's philosophy is that all investments must be prudent and the associated risks and returns balanced against the key aim of capital preservation. Council's Treasury framework is supportive of its inter-generational responsibilities to ratepayers. The primary focus is capital protection, followed by an appropriate return and acceptable liquidity.

The Investment Manager of the Toi Moana fund is empowered to develop investment strategies that best fit the objectives and risk tolerance of the fund. In developing and amending investment strategies the Investment Manager must consider the investment objectives of the Toi Moana Fund and apply a responsible investment framework filter when considering investments as outlined below.

Investment performance objectives

The objectives of this fund are capital protection of the initial investment and a targeted cash yield is 5.0% per annum.

Quayside Holdings Limited has provided capital protection as part of the management of the fund. This is in alignment with Council's key aim of capital preservation.

All returns are assessed in NZD.

Investment time horizon

The investment guidelines are based on upon an investment time frame of five years. Interim fluctuations should be viewed with appropriate perspective.

Investment risk

Bay of Plenty Regional Council bears the investment risk, managing the risk is a key objective of the the Investment Manager.

Socially responsible investments

Responsible investment, including environmental, social and governance considerations (ESG), is taken into account in the investment policies and procedures.

Responsible investing does not require ruling out opportunities but it does require decision-makers to incorporate ESG information into investment and borrowing decisions to identify and consider activities known to be socially, culturally and environmentally detrimental.

ESG factors are numerous and continually changing. Environmental factors include climate change, greenhouse gas emissions, resource depletion, waste and pollution, deforestation. Social factors include working conditions, local communities, conflict, health and safety and employee relations. Governance factors include executive pay, bribery and corruption, board diversity and structure, and tax strategy. The Investment Manager will incorporate ESG information in its investment decision-making process to ensure that all relevant factors are accounted for when assessing risk and return.

Our manager must screen potential investments from an ethical perspective to ensure they meet the following criteria as an important part of our due diligence process. We will look to avoid investing in in companies whose principal business activity is:

- the manufacture and sale of armaments
- the manufacture and sale of tobacco
- the promotion of gambling

Where an investment is made into a managed fund, exchange traded fund, or collective investment vehicle the exclusion test shall be applied against the fund and any constituents representing greater than 5% of that fund.

Policy setting and management

Council may approve/amend the policy parameters set in relation to investment activities. These changes will be minuted and incorporated into the SIPO and the dates of the changes noted. Changes will be made in consultation with the Investment Manager(s).

Allocation of responsibilities

Council and staff responsibilities are outlined in the Treasury Policy and Treasury Delegations Manual. The Council may change Investment Managers from time to time as it sees fit at its sole discretion but notes the five year investment horizon.

Investment managers

The investment manager will:

- Manage investments in accordance with the guidelines and objectives as outlined in the SIPO
- Ensure investment assets are appropriately diversified and conform with the council's time horizon and agreed risk/return profile
- Specify and advise on Strategic Asset Allocation and Tactical Asset Class Allocation
- Outline expected returns and risk, or volatility, within the selected strategies
- Define the procedure to be used for reporting, reviewing and possible modification of strategies from time to time

Risk tolerance

Council recognises that some risk must be assumed in order to achieve the long term investment objectives. Risk tolerance is affected by three factors:

- Capacity to accept risk,
- Willingness to accept risk, and
- Required rate of return

Capacity to accept risk

Council's capacity to accept risk is a function of its investment time horizon, prospective future contributions, current financial conditions, fund requirements and reserve facilities.

Time horizon: This SIPO has been prepared on the basis that Council is expected to exist in perpetuity. The investment time horizon of Council is therefore long term. This increases capacity to accept risk.

Financial capacity: Councils current financial condition and level of funding requirements imply reasonable capacity to tolerate short to medium term volatility in the value of its investment portfolios. This increases capacity to accept risk.

Based on the combination of time horizon and financial circumstances, Council's implied capacity to accept risk is assessed as Medium to High although its willingness to accept risk is lower.

Willingness to accept risk: Council is a risk averse entity. Where possible Council seeks to minimise volatility or risk. Notwithstanding this risk aversion, the Council acknowledge that investing solely in capital stable investments exposes the portfolio to the risk of inflation. This impacts the real value of investments. Council is willing to accept some risk in order to increase expected return in line with maintaining intergenerational equity.

Required rate of return

Careful consideration of cash flow requirements is essential to determine the required rate of return. To achieve the desired level of contributions to cash flow and liquidity needs, an assumed portfolio size of \$45 million; a return of 5.0% should be sufficient to meet Council's financial strategy.

Risk summary and selection of asset allocation

The table below summarises the Council's level of risk tolerance as measured by the three risk factors:

Risk Measure	Level of risk
Capacity of accept risk	Medium to high
Willingness to accept risk	Low
Required rate of return	High

Council's Toi Moana reserve liquidity and risk requirements are detailed below:

Reserve	Funds used for	Level of acceptable risk	Liquidity needs
Toi Moana reserve	Investment returns	Medium	Low liquidity

Over the long term, the average rate of investment return is related to the level of risk and term of investments within the portfolio. The Toi Moana reserve requires low liquidity and therefore Council should receive a return premium because of the council's willingness to commit to investments for a longer fixed period than the other reserves.

Based on Councils required return, capacity and willingness to accept risk, it is recommended that a conservative portfolio is adopted which is suitable for a Medium level of risk.

Investment policy and implementation

General

In general terms when making decisions on investments the managers will have regard to the overall circumstances of the Portfolio and will comply with all applicable legislative requirements.

The investments will be managed with a view to ensuring sufficient liquidity to meet expected return requirements.

Investment risk will be limited by diversification both within and between asset classes as determined appropriate by the investment manager.

Asset class guidelines

The Toi Moana Fund may consist of a mixture of growth and income assets.

The Investment Manager is empowered to make investments in the following asset classes and assets:

- Cash – term deposits, cash on call, commercial paper
- NZ fixed interest – NZ Government, NZ Registered Banks, local authority and NZ State Owned Enterprise bonds, corporate bonds, fixed interest funds
- International fixed interest – via managed funds that are 100% hedged back into NZ Dollars
- Equities, either via managed funds or directly

Asset allocation

The Manager of the fund is empowered to develop asset allocations that best fit the objectives and risk tolerances of the fund.

Investment performance monitoring and reporting

The goals of performance monitoring are to:

- Assess the extent to which the investment objectives are being achieved
- Compare the performance against the performance of relevant market indices
- Allow the Audit and Risk Committee (or equivalent) to continually assess the ability of the Council to meet the Treasury objectives

Quarterly reporting on investment fund performance, may include but is not limited to the following:

- Current investments
- Cash flows received and paid during the period
- Performance of the portfolio under the investment mandate and agreed objectives

Materiality

Whether or not a breach of this SIPO is material is determined at the discretion of the Manager. In considering whether or not a breach is material, the Manager will give consideration to:

- The nature of the breach;
- The cause of the breach, including whether or not the breach is the result of sharp short-term market movements; and
- The size of the breach.

A breach of a range resulting from market movements, which is corrected within 5 business days, will not ordinarily be deemed material for limit break reporting purposes.

Monitoring Process

The Finance Team will monitor the investments for compliance on a quarterly basis, including reporting from the investment managers.

Resolution and Reporting

Where the Chief Financial Officer becomes aware of a breach, the relevant investment or underlying fund manager will be instructed to remedy the breach immediately.

Where the Chief Financial Officer determines that a material breach has occurred and that breach is not resolved within 5 business days, the Manager will immediately report the limit break to Council, otherwise the Chief Financial Officer will report the limit break to Council each quarter.

Taxation

The Fund is to reflect Council's status as an zero rated tax payer.

Withdrawals and reinvestments

Council relies on the investment income generated from the funds for cash flow requirements. Currently no income generated from the funds will be reinvested. Investment income payment dates will be mutually agreed with the Investment Manager.

Council is committed to maintaining the capital base of the Toi Moana fund and no funds are forecast to be withdrawn from this reserve within the agreed investment time frame.

Liaison requirements

The Investment Manager is expected to be available for attendance at Council meetings at dates and times mutually agreed. It is expected that they will attend on a quarterly basis.

The Investment Manager must also be available for liaison with council by telephone at any reasonable time.

Review

The Council will review this SIPO at least annually to determine whether the stated investment objectives are still relevant and it is feasible that they will be achieved. Short term changes in the financial markets should not require adjustments to the SIPO.

APPENDIX 5

Quayside Holdings SIPO High Yield Investment Fund

Statement of Investment Policy and Objectives (SIPO)

High Yield Investment Fund

31 May 2019

Table of Contents

1	Introduction.....	3
1.1	Policy Effective Dates	3
1.2	The Fund.....	3
1.3	Limit on Investors	4
1.4	The Manager.....	4
1.5	Purpose.....	4
1.6	Taxation	4
1.7	Contributions and Withdrawals.....	5
1.8	Advice and Custody	5
1.9	Fees.....	5
1.10	Responsible Investment	5
1.11	Excluded Investments.....	6
2	Asset Allocation	7
2.1	Asset Allocation	7
2.2	Reference Portfolio	7
2.3	Rebalance Periods.....	7
2.4	Foreign Currency Hedging.....	7
2.5	Leverage and Stock Lending	7
2.6	Investments Outside of the SIPO Limits	8
3	Asset Class Rules.....	9
3.1	New Zealand Equities.....	9
3.2	Australian Equities.....	9
3.3	New Zealand Fixed Income.....	9
3.4	Cash	10
4	Reporting.....	11
4.1	Pricing.....	11
4.2	Trustee Reporting.....	11
4.3	Risk Reporting.....	11
4.4	Reporting to Unit Holders.....	11
4.5	Conflicts of Interest.....	11

1 Introduction

1.1 Policy Effective Dates

This is the inaugural Statement of Investment Policy and Objectives (“SIPO”) of the High Yield Investment Fund and was approved by resolution of the Board of the Quayside Group on 5 June 2019.

The SIPO is intended to be a live document and regularly updated.

1.2 The Fund

The High Yield Investment Fund (“the Fund”) is to be established on 1 July 2019, and will have the following criteria

Investment Horizon	5 Years plus
Target Yield	5% cash
Growth Target	Capital Preservation plus
Distributions	Quarterly via withdrawal
Investment Vehicle	Portfolio Investment Entity
Investment Mandate	Per this SIPO
Inception Date	1 July 2019
Investment Manager	Quayside Holdings Limited
Fund Trustee	Quayside Securities Limited
Total Expense Ratio	0.40%

The Bay of Plenty Regional Council (“BOPRC”) Long Term Plan 2018 – 2028 Treasury Policy notes the following

“The Toi Moana Fund was established with a primary objective of providing optimised long term investment returns without the restraint of liquidity requirements.

Council’s secondary objective when investing this fund is to protect its investment in the longer term.

Within the above credit constraints, Council seeks to:

- *optimise returns through longer termed investments*

Where Toi Moana Funds are managed internally, the Investment Parameters, Approved Financial Instruments and Counterparty Credit Limit sections of this Policy apply. Where funds are externally managed, the specific Council agreed parameters contained within the SIPO agreed with the external investment manager apply.

Quayside would be considered an external manager if specific Council funds such as the Toi Moana Fund were managed and all external manager controls and requirements would apply.”

The objectives of the fund are

- Annual cash flows of 5%, and
- Long term capital preservation over an initial period of seven years.

1.3 Limit on Investors

The High Yield Investment Fund is a closed membership fund and only open to wholesale investors by invitation only.

As at 1 July 2019 the following parties have been invited to subscribe for units in the fund

- Quayside Holdings Limited
- Bay of Plenty Regional Council

1.4 The Manager

Quayside Securities Limited has appointed Quayside Holdings Limited to be manager (**‘the Manager’**) of the Fund. The role of the Manager commences on 1 July 2019. Quayside Holdings Limited is the parent of Quayside Securities Limited.

Quayside Holdings Limited is a Council-Controlled Organisation (CCO) under the Local Government Act, itself being a 100% subsidiary of the Bay of Plenty Regional Council (**“BOPRC”**). Quayside and its subsidiaries (the **“Group”**) also act as the independent commercial investment vehicle of the Council.

Roles inside the Manager

Quayside Securities Limited:	Quayside Securities Limited (QSL) are a corporate trustee of the assets of Quayside Investment Trusts. Quayside Securities is the promoter of the Fund.
Toi Moana Trust:	Toi Moana Trust, the Fund, is a Portfolio Investment Entity (PIE) for the purpose of Income Tax. Council, by virtue of the exemption under the Income Tax Act 2007 Schedule 29A (7) is able to hold more than 20% of a PIE.
Quayside Holdings Limited:	Quayside Holdings Limited is the Manager of the Fund.

1.5 Purpose

The Statement of Investment Policy and Objectives (**“SIPO”**) sets out The Funds investment philosophy. This includes investments styles, guidelines, asset allocations and delegations.

1.6 Taxation

The Fund will be registered as a Portfolio Investment Entity. Taxation payable in respect of the income earned will be charged at each investors Prescribed Investor Rate (PIR).

Investors must have a holding of less than 20% of the Fund unless they are an exempt entity under the Income Tax Act.

1.7 Contributions and Withdrawals

Contributions to, or withdrawal from the fund take place at the end of each quarter.

Transactions should be given one calendar month notice so the fund can prepare the necessary investment transactions.

Withdrawals are enacted with the value date of the last business day of the quarter. Cash payment in relation to any withdrawal Investment will be made within one week of value date.

Funding for contribution shall be received within one day of the quarter end.

The Fund will be valued monthly for PIE taxation and reporting purposes. The valuation methodology is aligned with the policy employed by the Manager of the fund.

1.8 Advice and Custody

The Fund will utilise third party brokers for transactions and a third-party custodian for asset custody.

The Manager has the right to appoint or remove custodians or brokers at any time upon approval from the Fund Trustee.

Brokerage incurred by the Fund will be at the rate negotiated by the Manager with the third party broker.

The Fund does not permit its custodian to stock lend its assets.

1.9 Fees

The Fund will be charged a Management Fee of 0.40%. The fee will cover the expenses of the Manager including accounting, audit, manager fees, trustee fees, custody and other traditional fund costs.

Brokerage incurred on investment transactions is not part of the Management Fee and will be incurred directly by the fund as part of each transaction.

1.10 Responsible Investment

The Fund investments must be in accordance with its Principles of Responsible Investment.

The Principles are applicable to both service providers and underlying investments.

The Manager has adopted Principles of Responsible Investing. The Manager demonstrates these Principles through investment selection, governance, monitoring, continued improvement and adherence to industry standards. The Fund applies the same standard for Responsible Investment as the Manager.

1.11 Excluded Investments

The Fund, by virtue of the current investment of the Manager, the following are excluded investments, either equity or fixed income

Port of Tauranga Limited

Quayside Holdings Limited

For the purpose of clarity, the Fund is not a local authority.

The Investment Manager will incorporate ESG information in its investment decision-making process to ensure that all relevant factors are accounted for when assessing risk and return.

2 Asset Allocation

2.1 Asset Allocation

The asset allocation and the strategic plan of the Group is premised on being able to achieve target returns over a long term, being the Groups reference portfolio. This is reflective of both a total gross yield, but also a cash component to enable to the group to achieve its treasury and dividend aspirations.

For the purpose of reading the table below, the cash yield is a component of the gross yield, with capital gain and usable tax credits being other components.

Asset Class	Strategic Asset Allocation	Minimum Allocation	Maximum Allocation
New Zealand Equities	90%	50%	100%
Australian Equities	0%	0%	20%
NZ Fixed Interest	8%	0%	25%
Cash	2%	0%	25%

The board of Quayside Securities Limited is responsible for the Asset Allocation of the Fund, including interim changes in Asset Allocation.

Any changes in Asset Allocation will be reported to unit holders on a quarterly basis.

2.2 Reference Portfolio

The Fund has two reference portfolio objectives

Distribution: Achieve an annual cash distribution rate of 5% net

Capital Preservation: Have a 5+ year rolling preservation of capital after distributions

The above is premised on a high dividend yield portfolio with a rolling gross yield of 7.5% over five years.

2.3 Rebalance Periods

Where the Fund has a withdrawal or contribution of greater than 20% of the Fund a period of one month prior (in the case of withdrawal) or one month post (in the case of contribution) shall be allowed for the corresponding investment transactions to occur. During this rebalance period, breaches of the Maximum Allocation are not deemed a breach of SIPO.

2.4 Foreign Currency Hedging

The Fund expects most assets to carry NZD exposure. Foreign exposure will not be hedged.

2.5 Leverage and Stock Lending

The Fund is not permitted to apply leverage, or stock lend investments.

2.6 Investments Outside of the SIPO Limits

The Group may undertake investments that are specifically outside of the targeted asset allocation ranges and or outside of the specified parameters of an asset class as outlined in this SIPO.

Any investment outside of the SIPO Limits must:

- occur with a unanimous resolution of the Board of the Fund Trustee; and
- acknowledge that the investment is outside of the current SIPO; and
- report on such investments at the end of each quarter, and
- be capped at a maximum of 5% of the fund for a single investment; and
- be capped at a maximum of 10% of the fund for all “Investments Outside of the SIPO Limits”.

3 Asset Class Rules

3.1 New Zealand Equities

- Index: NZX50 Gross Index
- Style: Direct equity selection
- Parameters:
- All equities held must be listed on the NZX All Index Exchange (www.nzx.com) or the Unlisted Exchange (www.unlisted.co.nz).
 - A minimum of 75% of the New Zealand Equity portfolio by value will be members of NZX 50.
 - A minimum of 8 securities must be held for diversity.
 - Primary purpose must be compliant with Funds Principles of Responsible Investing.
 - No single equity shall exceed 25% of the New Zealand Listed Equity Portfolio.
 - No equity holding shall exceed 5% of the equity's market capitalisation.
 - Minimum parcel size for initial investment is \$250,000.

3.2 Australian Equities

- Index: S & P / ASX200 Gross Index NZD Unhedged
- Style: Direct equity selection and or selected listed / unlisted vehicles
- Transacting: Share Investment assets held in Fund are subject to the PIE taxation regime and have no transacting restrictions where they meet the PIE taxation rules (ASX 200, Australian domicile, non-stapled securities).
- Australian equity transactions not subject to the PIE provisions are taxed via the Fair Dividend Rate (FDR) taxation rules and subject to 'quick-sale' taxation provisions within the act. Investment transactions into these assets are also be subject to taxation considerations.
- Parameters:
- All equities held must be either directly, or on a look through basis listed on the ASX Equities Exchange.
 - A minimum of 75% of the Australian Equity portfolio by value will be members of ASX 200.
 - No single equity shall exceed 5% of the Fund.
 - Primary purpose must be compliant with Funds Principles of Responsible Investing.
 - No equity holding shall exceed 5% of the equity's market capitalisation.
 - Minimum parcel size for initial investment is \$250,000 NZD.

3.3 New Zealand Fixed Income

- Index: ANZ Corporate A Bond Index
- Style: Direct bond selection
- Parameters:
- All instruments must be (or are to be) listed on the NZDX All Index Exchange or tradable by brokers or banks OTC.
 - All instruments must be able to be priced, either via listed markets or custodial pricing.

- Where over \$5m is held in NZ Fixed Income, a minimum of 3 securities must be held for diversity (where the term of investment is intended for a period greater than three months). Where less than \$5m is held, no minimum number of securities applies.
- Counterparty risk for Investments must be investment grade rated or better (BBB- or better) is capped at \$10,000,000.
- Counterparty risk for unrated bonds, where the issue is listed on the NZDX, and the issuer is a member of the NZX50 is capped at \$2,500,000.
- Minimum parcel size for initial investment is \$250,000.

3.4 Cash

Index: NZ Official Cash Rate

Style: Direct selection

- Parameters:
- A minimum of 75% of the portfolio by value will be invested with institutions with a credit rating of A.
 - All cash assets must be invested with institutions with a credit rating of B or better.
 - A maximum of \$5m of assets can be invested with a single institution (excluding cash held with the custodian).
 - A maximum of \$5m can be invested in a single transaction.
 - Primary purpose must be compliant with Fund Principles of Responsible Investing.
 - All investment holding shall be with an institution subject the RBNZ capital regulations.

4 Reporting

4.1 Pricing

The Fund will be priced monthly in accordance for the accepted standards for a PIE. This will include a unit price, plus tax attribution.

The manager will hold a unit register of holders of units in the PIE.

4.2 Trustee Reporting

The board meetings of Quayside Securities Limited as Trustee will consider a standing item reporting the:

- period performance versus benchmarks;
- compliance with this Statement of Investment Policy and Objectives.

The format and content of board reporting is on a case by case basis.

4.3 Risk Reporting

Adherence to the SIPO is a responsibility of all staff of the Manager.

It is the responsibility of the Risk Manager to monitor such adherence or breaches and to report such to the Trustee, and where appropriate Unit Holders.

The Risk Team are also responsible for any Internal Audit monitoring against the SIPO requested by the Managers Audit and Risk Committee.

4.4 Reporting to Unit Holders

Unit Holders will receive regular updates on the fund.

This will include, but is not limited to

- Monthly Unit Price Reporting
- Quarterly Performance Reporting versus Reference Portfolio
- Annual Audited Financial Statements
- Confirmation of Contributions and Withdrawals

In the Case of Bay of Plenty Regional Council as a Unitholder, an investment update on the Fund will be part of Quayside Holdings broader quarterly update.

4.5 Conflicts of Interest

Members of the board, management team, or any contracted service providers are expected to report any conflict of interests to the Chairman of the board of the Trustee and the Chief Executive.

APPENDIX 6

Amended Liability Management Policy

Liability management policy

Purpose

This Policy covers Council's management of all borrowing, as defined in Section 112 of the LGA and the Local Government Borrowing Act 2011 (LGBA), as well as management of other liabilities. Section 113 of the LGA prohibits Council from borrowing or entering into incidental arrangements in denominations other than New Zealand currency. Section 11 of the LGBA provides an exemption for LGFA transactions.

General policy

As required under the Act, Council may borrow in New Zealand dollars as it considers appropriate, and exercises flexible and diversified funding power. Council approves the long-term borrowing requirement for each financial year as part of the annual planning process. Arrangements for precise terms and conditions of borrowing are delegated to the CE. (refer to the Treasury Procedures Manual for delegations made by the CE).

Council may raise debt, up to its approved debt limit, for the following primary purposes:

- Fund capital expenditure requirements
- Scheme debt to fund river and drainage scheme renewals expenditure and capital expenditure requirements
- Manage timing differences between cash inflows and outflows and to maintain Council's liquidity and, if necessary, to fund emergency expenditure
- Investment purposes which may include providing advances to CCO's for strategic and commercial purposes

Council considers the impact on borrowing limits, the size and the economic life of the asset that is being funded, and its consistency with the current Annual and Long Term plans before approving new debt.

Council is able to borrow through a variety of market mechanisms. These include issuing stock and debentures, commercial paper (CP), direct bank borrowing or loans with private placement investors, internal reserves or special funds or accessing the short-term and long-term capital markets directly.

In evaluating strategy for new borrowing (in relation to source, term, size and pricing), Council considers:

- Available terms from banks, capital markets and loan stock issuance (including LGFA)

- Prevailing interest rates and margins relative to markets comparative to term for loan stock issuance, capital markets and bank borrowing
- The liquidity, funding and interest rate risk-management parameters as detailed in this policy
- Legal documents and financial covenants, together with credit rating considerations
- An assessment of the outlook for credit margins and interest rate movements

Council's ability to readily attract cost-effective borrowing from a wide range of sources is largely driven by its ability to rate meaning Councils effectively sit just below Central Government in relation to the credit characteristics assumed by investors and financial institutions.

Council can use short-term and long-term funding to achieve an appropriate borrowing mix and to balance the requirements of liquidity and funding risk management.

NZ LGFA Limited

Despite anything earlier in the Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA
- provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself
- commit to contributing additional equity (or subordinated debt) to the LGFA if required
- subscribe for shares and uncalled capital in the LGFA
- secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue

Liquidity and funding limits

Cash flow deficits in various future periods, based on long-term financial forecasts, are reliant on the maturity structure of cash, financial investments, loans, and bank facilities. Liquidity risk management focuses on the ability to access committed funding at that future time to fund the gaps.

Funding risk management centres on the ability of Council to re-finance or raise new debt at a future time and the ability at that time to achieve the same or more favourable pricing (fees and borrowing margins) and terms compared to existing facilities/debt. Because of the high level of creditworthiness of Council given its ability to rate the key funding risk faced relates to pricing risk rather than the ability to access funds in the future.

Liquid funds (including cash and cash equivalents) and committed funding (capital markets, bank debt) must be maintained as detailed in to the following section – Debt Ratios and Limits

Council has the ability to pre-fund up to 18-24 months of forecast debt requirements including re-financings. Debt re-financings that have been pre-funded, will remain included within the funding maturity profile until their maturity date.

The CFO has the discretionary authority to re-finance existing debt on more favourable terms that does not extend the term of the debt. Such action is to be reported to Council at the earliest opportunity. If re-financing on more favourable terms extends the term of the debt this must be ratified by Council before formal acceptance of the offer.

A key factor of funding risk management is to spread and control the risk by reducing the concentration of funding maturities at any one point in time. So if a one-off internal or external negative credit events occur, the overall interest cost through adverse credit margins movements is not unnecessarily increased, or term availability and general flexibility reduced. After taking advice from its external Treasury Advisor Council has determined that an appropriate funding risk control limit is to have no more than \$50 million of long term debt mature over the next 12 months or any 12 month period thereafter.

Liquid funds (including cash and cash equivalents) and committed funding (capital markets, bank debt) must be maintained as detailed in to the following section – Debt Ratios and Limits.

Debt ratios and limits

Total external debt levels in place will be managed within the limits detailed in the following table.

Ratio	
Net interest / Total revenue	<20%
Net debt /Total revenue	<250%
Net interest / Annual rates and levies (debt secured under debenture)	<30%
Liquidity (liquid funds + committed funding / total external debt)	>110%

Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue.

Revenue excludes non-government capital contributions (e.g. developer contributions and vested assets).

Net debt is defined as total external debt less liquid financial deposits/investments.

Liquid funds are cash and cash equivalents defined as being:

- Overnight bank cash deposits
- Wholesale/retail bank term deposits no greater than 30 days
- Bonds or floating rate notes that have a long term credit rating of at least 'A-' and mature within 12 months. Wholesale/ retail bank term deposits linked to pre-funding of maturing term debt exposures

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

Financial covenants are measured on the Council only, not the consolidated group.

Disaster recovery requirements will be met through the liquidity ratio and contingency reserves.

Interest rate risk management

The following risk control limits will only be activated once forecast core external debt exceeds \$50 million. Until this level any interest rate hedging or adherence to the funding profile requirements is at the discretion of the CFO.

Exposure to interest rate risk is managed and mitigated through the controls below where:

- **“Core debt”** is all core external debt (existing and forecast) at the respective debt-ending periods less actual fixed rate and cash investments and any inter-group loans that are back to back with an external lender.
- **“Fixed Rate Debt”** is all debt or fixed interest rate derivatives with an interest rate repricing beyond 6 months. Any debt or fixed interest rate derivatives with an interest rate repricing within 6 months is defined as floating rate debt
- **“Floating Rate Debt”** is defined as an interest rate re-pricing within 6 months. This includes any Floating Rate Note (FRN) with a maturity date beyond 6 months that is not swapped to a fixed rate

Fixed rate debt must be within the following interest rate repricing bands:

Fixed Rate Maturity Profile ⁽¹⁾		
Period	Minimum Fixed	Maximum Fixed
Less than 3 years	30%	100%
3 - 5 years	15%	80%
5 - 12 years	0%	60%
Greater than 12 years	Council approval	Council approval

1. *Delegated authorities to position the interest rate risk portfolio within the above ranges out to a maximum period of 12 years are detailed in the Treasury Procedures Manual.*

A fixed rate maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. However, maintaining a maturity profile beyond 90-days requires specific approval by Council.

Security

Council's external borrowings and interest rate management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed. Under a Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Rating Act. The security offered by Council ranks equally or pari passu with all lenders. A Debenture Trust Deed is required to borrow funds through the LGFA.

Security may be offered over specific assets, but only with the Council's prior approval.

Repayment

Council repays borrowings from rates, 'decline in relative service potential' funds, surplus funds, and proceeds from investment and asset sales. It is Council's policy to repay debts as they fall due, using one or more of:

- Surplus operating funds
- Rating revenues established for that purpose
- Surplus proceeds from investment or asset sales
- Regular instalments of principal and interest, especially within internal scheme capital works loans
- Re-financing with new debt

For internal purposes the loan should be repaid in a timeframe appropriate to the asset for which the loan was raised, with a maximum term of 30 years. Surplus loan monies are to be repaid as soon as it is economically practical to do so.

Guarantees/contingent liabilities and other financial arrangements

Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, Trusts, or Business Units, when the purposes of the loan are in line with Council's strategic objectives.

Council is not allowed to guarantee loans to Council Controlled Trading Organisations under Section 62 of the LGA.

Reserves

With rivers and drainage scheme activities, there are special reserves that provide for unforeseen disaster-type events. These reserves are managed to reduce the scheme activities borrowings and avoid negative spread on interest rates between borrowed and invested money.

Approved financial instruments

Approved interest rate instruments are as follows:

Category	Instrument
Cash management and external borrowings	Bank overdraft Committed bank loans (short term and long term loan facilities) Uncommitted money market facilities Loan stock/private placement Fixed Rate Note (Medium Term Note/Bond) and FRN issuance Commercial paper (CP)
Treasury Investments	Term deposits Stock, bonds, FRNs with approved counterparties. Commercial paper from approved counterparties. LGFA borrower notes
Interest rate risk management	Interest rate swaps including: •Forward start swaps (start date <12 months, unless linked to existing maturing swap/collar with notional amount amounts not exceeding maturing swap/collar) •Amortising swaps (whereby notional principal amount reduces) Interest rate options on:

Category	Instrument
	•Bank bill rate (BKBM) (purchased caps and one for one collars) •Interest rate swaptions (purchased swaptions and one for one collars with matching notionals only)
Foreign exchange management	Spot foreign exchange Forward exchange contracts) Purchased currency options

Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option only the 'sold' side of the collar can be closed out by itself, leaving the Council with a purchased cap only.

Interest rate caps with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 3.00% above the current underlying swap rate, cannot be counted as part of the fixed rate cover percentage calculation.

The forward start period on swap/collar strategies is to be no more than 12 months, unless the forward starting swap/collar starts on the expiry date of an existing fixed interest rate instrument (i.e. either derivative or fixed rate borrowings) and has a notional amount which is no more than that of the existing fixed interest rate instrument.

Counterparty credit limits

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party. The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into.

Treasury related transactions would only be entered into with organisations specifically approved by Council within this policy or with specific Council approval before the transaction is completed.

Counterparties and limits can only be approved on the basis of long-term credit ratings (Standard & Poor's or Moody's) being BBB and above or short term rating of A2 or above; with the exception of New Zealand Local Authorities, who may be unrated.

Limits should be spread among a number of counterparties to avoid concentrations of credit exposure.

The following table details the credit limits for investments and derivative transactions.

Limits for Approved Investment Instruments			
Counterparty	Rating - S&P or Moodys or Fitch equivalent	Individual Counterparty Limit	Category Limit % of Portfolio
NZ Govt Guaranteed	N/A	\$500M	100%
LGFA	N/A	\$100M	50%
Local Authorities	A+ or better	\$50M	50%
	A or below/Unrated	\$25M	
NZ Registered Banks	AA- or better	\$100M	100%
NZ Registered Banks	A to A+	\$50M	
Subordinated Debt (NZ Reg Banks)	BBB or better	\$20M	10%
Corporates	AA- or better	\$50M	30%
Corporates	BBB or better	\$10M	30%
SOE's	BBB or better	\$10M	30%

Limits for Approved Derivative Instruments			
Counterparty	Rating - S&P or Moodys or Fitch equivalent	Individual Counterparty Limit	Category Limit % of Portfolio
NZ Registered Banks	AA- or better	\$50M	deducted from senior limit
NZ Registered Banks	A to A+	\$10M	deducted from senior limit

In determining the usage of the above limits, the following product weightings will be used:

- Investments (such as Bank Deposits) – 100% of Face Value including accrued interest
- Derivatives - Marked to Market (“MTM”) value plus Potential Credit Exposure (PCE)

Potential Credit Exposure

- Interest Rate Risk Management – (e.g. swaps/swaptions) MTM + (FV * remaining tenure * 2%)
- Foreign Exchange instruments* (e.g. Forward Exchange Contracts/Options) – MTM + (FV * square root [remaining tenure (y)] * 5%)

MTM is defined as positive if the position is “in the money” for Council and negative if it is “out of the money” for Council. For each instrument, if MTM + PCE is negative, a nil value is assigned.

Foreign currency risk management

Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and/or equipment.

All individual amounts in excess of NZD\$500,000 equivalent for foreign exchange (excluding any foreign exchange risk in any externally managed funds) must be hedged using foreign exchange contracts or options, once the expenditure has been approved and the foreign currency amount and timing of payment are known.

Council cannot borrow within or outside New Zealand, in a currency other than the New Zealand dollar.

Measuring treasury performance

In order to determine the success of Council's treasury management function, benchmarks and performance measures are detailed in the Treasury Procedures Manual.

Review of policy

In line with the LGA, section 102(5) there are no mandatory consultation requirements for Council's Liability Management Policy or Investment Policy.

It must be reviewed on a no less than three-yearly basis by an appropriate independent external party although amendments can be made through Council resolution any time within the three-yearly period.

Other relevant documents

1. Financial Strategy
2. Significance and Engagement Policy
3. Financial Policies
4. Treasury Strategy
5. Treasury Procedures/Delegations Manual (*where available*)
6. Statement(s) of Investment Policy and Objectives (*where available*)

APPENDIX 7

Amended Treasury Delegations Manual

Treasury Delegations Manual

Introduction

Purpose

The purpose of these Treasury Delegations is to outline Bay of Plenty Regional Council's (the Council) delegations for the treasury activity. The formalisation of these delegations enables treasury risks within Council to be prudently managed.

Review

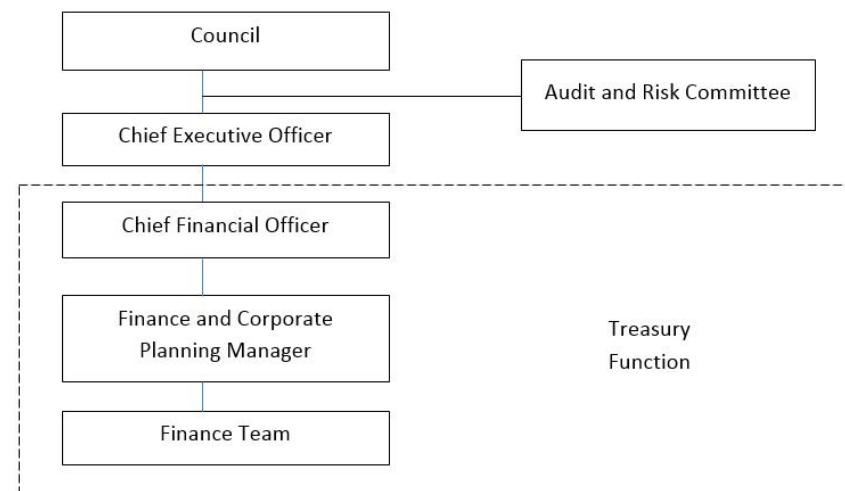
The treasury delegations will be reviewed and updated (where appropriate) at least on an annual basis.

Roles and responsibilities

Management responsibilities

Overview of management structure

All of the Council's treasury management activities are undertaken by the Treasury Function. The following diagram illustrates those individuals and bodies who have treasury responsibilities:



Council

Council's responsibilities are detailed in the Treasury Policy document.

Audit and Risk Committee

The Audit and Risk Committee has the following responsibilities:

- Recommending the Treasury Policy, Strategy and SIPO (or changes to existing policy) to the Council.
- Receiving recommendations from the CEO and CFO and making submissions to the Council on all treasury matters requiring Council approval.
- Review borrowing and investment management activity through regular meetings and reporting
- Review performance measurement criteria for all treasury activity.
- Monitoring six-monthly performance against benchmarks.

The Audit and Risk Committee will:

- Oversee the implementation of the Council's treasury management strategies and monitor and review the effective management of the treasury function.
- Ensure that the information presented to the Council is timely, accurate and identifies the relevant issues and is represented in a clear and succinct report.
- Discuss treasury matters on a six monthly basis (and informally as required).

Chief Executive Officer (CEO)

While the Council has final responsibility for the policy governing the management of the Council's risks, it delegates overall responsibility for the day-to-day management of such risks to the CEO. The Council formally delegates to the CEO the following responsibilities:

- Ensuring the Council's policies comply with existing and new legislation.
- Ensuring all Treasury activities are within the parameters approved in the Treasury Policy.
- Approving the register of cheque and electronic banking signatories.
- Approving new counterparties and counterparty limits as defined within this policy and recommended by the CFO.

Chief Financial Officer (CFO)

The CEO formally delegates the following responsibilities to the CFO:

- Overall management responsibility for borrowing and investment activities.
- Recommending policy changes to the Audit and Risk Committee for evaluation.
- Ongoing risk assessment of borrowing and investment activity, including procedures and controls.
- Approving new borrowing undertaken in line with Council resolution and approved borrowing strategy.
- Approving re-financing of existing debt.
- Approving treasury transactions in accordance with policy parameters outside of the FCPM's delegated authority.
- Authorising the use of approved financial market risk management instruments within discretionary authority.
- Recommending authorised signatories and delegated authorities in respect of all treasury dealing and banking activities.
- Proposing new funding requirements falling outside the Annual Plan and LTP to the Audit and Risk Committee for consideration and submission to the Council.

- Overseeing a triennial review of the Treasury Policy, treasury procedures and all dealing and counterparty limits.
- Receiving advice of breaches of Treasury Policy and significant treasury events from the MATL.
- Managing the long-term financial position of the Council in accordance with Council's requirements.
- Ensuring that all borrowing and financing covenants to lenders are adhered to.
- Ensuring management procedures and policies are implemented in accordance with this Treasury Policy.
- Ensuring all financial instruments are valued and accounted for correctly in accordance with current best practice accounting standards.
- Monitoring and reviewing the performance of the Treasury Function in terms of achieving the objectives of minimising funding costs and maximising investment returns year-to-year, within the risk management and framework agreed by Council.
- Approving the opening and closing of bank accounts.
- Signing the Debenture Stock and Security Stock certificates in relation to the Council's Debenture Trust Deed, in compliance with sections 112 and 118 of the LGA (when required during LGFA registration).

Finance and Corporate Planning Manager (FCPM)

The FCPM administers the day-to-day treasury activities of the Council's Treasury Function. The CFO formally delegates the following responsibilities to the FCPM who in turn may delegate these to the MATL:

- Overseeing and managing relationships with financial institutions including the LGFA.
- Approving treasury transactions in accordance with policy parameters within delegated authority.
- Authorising interest rate hedge transactions (swaps, forward rate agreements (FRAs) and options) with bank counterparties to change the fixed-floating mix to re-profile the Council's interest rate risk on either debt or investments.
- Making decisions and authorisations to raise and lower fixed rate (interest rate market price re-set greater than 12 months) percentage of core external debt or the treasury investment position within interest rate policy risk control limits.
- Designing, analysing, evaluating, testing and implementing risk management strategies to position the Council's net interest rate risk profile to be protected against adverse market movements within the approved policy limits.
- Monitoring credit ratings of approved counterparties.
- Recommending changes to credit counterparties to the CEO and CFO.

- Co-ordinating annual reviews with the Council's selected credit rating agency.
- Investigating financing alternatives to minimise borrowing costs, margins and interest rates, making recommendations to Audit and Risk Committee as appropriate.
- Negotiating bank funding facilities as required and managing bank and other financial institution relationships.
- Organise treasury transactions in accordance with set limits.
- Entering into FX hedging transactions in accordance with the section in this policy on Foreign Exchange risk.
- Monitoring treasury exposure on a regular basis, including current and forecast cash position, investment portfolio, interest rate exposures and borrowings.
- Providing written evidence of executed deals on an agreed form immediately to the Finance Team.
- Co-ordinating the compilation of cash flow forecasts and cash management.
- Managing the operation of all bank accounts including arranging group offsets, automatic sweeps and other account features.
- Handling all administrative aspects of bank counterparty agreements and documentation such as loan and International Swap Dealer's Association (ISDA) swap documents.
- Undertaking a triennial review of the Treasury Policy, treasury procedures and all dealing and counterparty limits and submitting to the CFO.

Finance Team

The CFO formally delegates the following responsibilities to the FCPM, who in turn may delegate these to the Finance Team:

- Updating treasury system/spreadsheets for all new, re-negotiated and maturing transactions.
- Preparing treasury reports.
- Monitoring all treasury exposures daily.
- Forecasting future cash requirements.
- Review funding requirements, develop borrowing and interest rate risk management strategy (at least 6 monthly), and provide recommendations to the FCPM, CFO.
- Review cashflow requirements for both the short term and long term, develop financial investment strategy and provide recommendations to FCPM, CFO.
- Completing deal tickets for treasury transactions.
- Execute approved borrowing, investment and interest rate risk management strategies.

- Reviewing and approving borrowing and investment system/spreadsheet reconciliations to the general ledger.
- Updating credit standing of approved counterparty credit list on a quarterly basis.
- Delivering monthly reports to the MATL and FCPM covering cash/liquidity, investment profile, funding profile and interest rate risk position.
- Reconciling monthly summaries of outstanding financial contracts from banking counterparties to internal records.
- Updating treasury system/spreadsheets for all new, re-negotiated and maturing transactions.
- Accounting for all treasury transactions in accordance with legislation and generally accepted accounting principles and the Council's accounting policy.
- Checking compliance against limits and preparing reports on an exceptions basis.
- Approving all amendments to the Council's records arising from checks to counterparty confirmations.
- Creating batches for borrowing and investment settlements and arranging for approval by authorised signatories.
- Prepare cashflow forecasts and undertake cash management activity within policy guidelines.
- Approve month end treasury accruals proposed by the SMA due to absences.
- Approve bank reconciliations.
- Ensure that treasury transactions are recorded in accordance with financial reporting standards.
- Prepare bank reconciliations.

Internal audit

- On-going review of treasury procedures and controls.

Delegation of authority and authority Limits

Treasury transactions entered into by the Council without the proper authority are difficult to cancel given the legal doctrine of "apparent authority". Insufficient authority for a given bank account or facility may prevent the execution of certain transactions (or at least cause unnecessary delays). Therefore, the following procedures will apply:

- All delegated authorities and signatories will be reviewed at least every six months to ensure that they are still appropriate and current.

- A comprehensive letter will be sent to all bank counterparties, at least every year, detailing all relevant current delegated authorities of the Council and contracted personnel empowered to bind the Council.
- Whenever a person with delegated authority on any account or facility leaves the Council, all relevant banks and other counterparties will be advised in writing on the same day to ensure that no unauthorised instructions are to be accepted from such persons.

The Council has the following responsibilities, either directly, or via the following stated delegated authorities:

Activity	Delegated Authority	Limit
Approving and changing policy	The Council	Unlimited
Borrowing new debt	The Council	Unlimited (subject to legislative and regulatory limitations)
	CEO (delegated by Council)	Subject to Council
	CFO (delegated by Council)	Resolution and policy
Signing Stock/Debenture Issuance Certificate – As per the Debenture Trust Deed	CFO (delegated by the CEO)	As per the Annual Council Plan to meet lenders requirements
Acquiring and disposing of investments other than financial investments	The Council	Unlimited
Approving charging assets as security over borrowing	The Council	Subject to terms of the Debenture Trust Deed
Overall day-to-day risk management	CEO (delegated by Council)	Subject to policy
	CFO (delegated by Council)	
	FCPM (delegated by Council)	
Re-financing existing debt	CEO (delegated by Council)	Subject to policy
	CFO (delegated by Council)	
Approving transactions outside policy	The Council	Unlimited
Adjusting net debt or net investment interest rate risk profile	FCPM	Per risk control limits

Activity	Delegated Authority	Limit
Managing investments and funding maturities in accordance with Council approved facilities	FCPM	Per risk control limits
Setting maximum daily transaction amount (each of borrowing, investing, foreign exchange, interest rate risk management or cash management) excluding roll-overs on debt facilities. LGFA borrowing is considered net of borrowers notes.	The Council	Unlimited
	CEO (delegated by Council)	\$40 million
	CFO (delegated by Council)	\$30 million
	FCPM (delegated by Council)	\$15 million
Authorising lists of signatories	CEO	Unlimited
Opening/closing bank accounts	CEO and CFO	Unlimited
Reviewing the Treasury Policy every 3 years	Audit and Risk Committee	N/A
	CFO and FCPM	
Ensuring compliance with Policy	CFO and FCPM	N/A

Operational risk

Operational risk is the risk of loss as a result of human errors including fraud, system failures, or inadequate procedures and controls. Operational risk is very relevant when dealing with financial instruments given that:

- Financial instruments may not be fully understood
- Reliance is often placed on the specialised skills of one or two people
- Most treasury instruments are executed over the phone

Operational risk is minimised by these key internal controls.

Key internal controls

Dealing authorities and limits

Transactions will only be executed by authorised persons and within limits approved by the Council.

Segregation of duties

There will be adequate segregation of duties among the core borrowing and investment functions of deal execution, confirmation, settling and accounting/reporting. There will be a documented approval process for borrowing and investment activity.

Procedures and controls

- The CFO will have responsibility for establishing appropriate structures, procedures and controls to support borrowing and investment activity.
- All borrowing, investment, cash management and risk management activity will be undertaken in accordance with approved delegations authorised by the Council.
- All treasury products will be recorded and diarised within a treasury system, with appropriate controls and checks over journal entries into the general ledger. Deal capture and reporting will be done immediately following execution and confirmation. Details of procedures, including templates of deal tickets, will be included in a treasury procedures manual separate to this policy. The Council will capture the percentage of deals transacted with banks to determine competitiveness and reconcile the summary.

Procedures and controls will include:

- Regular management reporting
- Regular risk assessment, including review of procedures and controls
- Organisational systems, procedural and reconciliation controls to ensure:
 - All borrowing and investment activity is bona fide and properly authorised.
 - Checks are in place to ensure the Council's accounts and records are updated promptly, accurately and completely.
 - All outstanding transactions are revalued regularly and independently of the execution function to ensure accurate reporting and accounting of outstanding exposures and hedging activity.
 - Cheque/Electronic Banking Signatories will be approved by the CEO. Dual signatures will be required for all cheques and electronic transfers.
- All counterparties will be provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.
- All deals will be recorded on properly formatted deal tickets by the FCPM and approved, where required, by the CFO. Market quotes for deals (other than cash management transactions) will be perused by the FCPM before the transaction is executed. Deal summary records for borrowing, investments, interest rate risk management and cash management transactions (on spreadsheets) will be maintained and updated promptly following completion of transaction.

- All inward letter confirmations, including registry confirmations, will be received and checked against completed deal tickets and summary spreadsheets records to ensure accuracy.
- Deals, once confirmed, will be filed (deal ticket and attached confirmation) in deal date/number order.
- Any discrepancies arising during deal confirmation checks which require amendment to the Council records will be signed off by the CFO.
- The majority of borrowing and investment payments will be settled by direct debit authority.
- For electronic payments, batches will be set up electronically. These batches will be checked to ensure settlement details are correct. Payment details will be authorised by two approved signatories as per Council registers.
- Bank reconciliations will be performed monthly. Any unresolved unreconciled items arising during bank statement reconciliation which require amendment to the Council's records will be signed off by the FCPM.

A monthly reconciliation of the treasury management system and / or borrowing and investment spreadsheets to the general ledger will be carried out by the Finance Team. It will be included as part of the balance sheet reconciliation documentation.

Cash management

The treasury function is responsible for managing the Council's cash surpluses and/or deficits.

The Council maintains rolling weekly and monthly cashflow projections which form the basis of its cash management activity.

The Council manages its working capital balances by matching cash inflows to outflows, and managing timing differences to its favour.

Significant projects (over \$2 million) must provide monthly cashflows to Treasury for approval and to ensure adequate funding provisions. Changes to project cashflows must be reported monthly to Treasury to enable funding to accommodate the changes.

The Finance Team will:

- Calculate and maintain comprehensive cash flow projections on a weekly (four weeks forward), monthly (12 months forward) and annual (five years) basis
- Electronically download all the Council bank account information weekly

- Co-ordinate the Council's operating activities to determine weekly cash inflows and outflows with the objective of managing the cash position within approved parameters
- Undertake short-term borrowing functions as required, minimising overdraft costs
- Ensure efficient cash management, through improvement to accurate forecasting using spreadsheet modelling
- Minimise fees and bank charges by optimising bank account/facility structures
- Monitor the Council's usage of cash advance facilities
- Provide reports to FCPM detailing actual cash flows during the month compared with those forecasted
- Maximise the return from surplus funds by ensuring significant payments are made within the vendor's payment terms, but no earlier than required, unless there is a financial benefit from doing so.

Derivative accounting treatment

The Council uses financial arrangements ("derivatives") for the primary purpose of reducing its financial risk to fluctuations in interest rates. The purpose of this section is to articulate Council's accounting treatment of derivatives in a broad sense.

Under NZ IPSAS changes in the fair value of derivatives go through the Income Statement unless derivatives are designated in an effective hedge relationship.

The FCPM is responsible for advising the CFO of any changes to relevant NZ IPSAS which may result in a change to the accounting treatment of any financial derivative product.

Reporting and meetings

Reports

The following reports will be produced:

Report Name	Frequency	Prepared by	Recipient
Treasury Exceptions Report	Daily	Finance Team	FCPM / CFO
Weekly Cashflow Report	Weekly	Finance Team	FCPM / CFO
Monthly Treasury Report incl: Treasury investments Cash flow forecast report Funding facility report Risk Exposure position Risk Management performance Policy Compliance Borrowing limits Interest rate exposure report Cost of funds report Funding risk report	Monthly	Finance Team	FCPM / CFO
Summary Treasury Report incl: Short term treasury management activities Debt maturity profile Statement of public debt	Six-monthly	Finance Team	FCPM / CFO Audit and Risk Committee / Council
Counterparty Credit Limits Report	Daily for exceptions / Quarterly	Finance Team	FCPM / CFO Audit and Risk Committee / Council
Revaluation of financial instruments	Quarterly	Finance Team	FCPM / CFO

Meetings

A summary treasury report will be presented for discussion on at least a six monthly basis to the Audit and Risk Committee (or equivalent). Initially this will be quarterly. This will discuss treasury activity for the previous quarter with an outline of the recommended borrowing, interest rate risk hedging activities and any proposed investments for the upcoming quarter. Other Treasury matters can be discussed informally as required.

SUPPORTING DOCUMENT - Final Draft Annual Plan 2019/20 For Adoption

Report To: Regional Council

Meeting Date: 27 June 2019

Report From: Mat Taylor, General Manager, Corporate

Setting of Rates 2019/20

Executive Summary

This report is to recommend the setting of rates, due dates for the payment of rates and penalties for 2019/20 in accordance with sections 23, 24, 57 and 58 of the Local Government (Rating) Act 2002.

The report sets out;

- The general and targeted rates Council will set for 2019/20, and
- The dates of instalments and penalties.
- The appointment of the local district and city councils to collect the rates assessed by Bay of Plenty Regional Council in accordance with section 53 of the Local Government (Rating) Act 2002.

Recommendations

That the Regional Council:

- 1 Receives the report, Setting of Rates 2019/20;**
- 2 Confirms that the rates for the financial year 1 July 2019 to 30 June 2020 are set and assessed in accordance with the Local Government (Rating) Act 2002.**
- 3 Confirms that the significance of the decision has been assessed as MEDIUM, and under Section 79 of the Local Government Act 2002 (LGA) confirms the written record of the manner in which section 77 and section 78 matters have been addressed.**
- 4 Notes that, as required by the Local Government Act 2002, Council followed the special consultative procedure on the funding impact statement that was part of the Annual Plan 2019/20 process.**
- 5 Confirms that the amounts of the rate specified in the rate tables of the resolution, for the financial year commencing 1 July 2019 to 30 June 2020, includes the Council's Goods and Services Tax component.**

- 6 Sets a general rate based on land value, calculated as a rate in the dollar of the rateable land value of each rateable rating unit in the region. The rate in the dollar is different according to the location of the land within each district and city council as land values are equalised.**

General Rates Land Value		\$13,157,235
Constituent Authority	Rates Expressed as cents per dollars of rateable land value	
Kawerau		0.023497
Ōpōtiki		0.031298
Rotorua (Pt)		0.026408
Taupō (Pt)		0.025904
Tauranga		0.022835
Western Bay of Plenty		0.027691
Whakatāne		0.029215
Offshore Islands		0.132858

- 7 Sets a uniform annual general charge as a fixed amount per rating unit on all rateable land in the region.**

Uniform Annual General Charge	\$18,757,556
Fixed amount per rating unit	\$144.26

- 8 Sets targeted rates for Kaituna Catchment Control Scheme. These rates are set differentially for all rateable land situated in the Kaituna Catchment Control Scheme within the Tauranga, Western Bay of Plenty and Rotorua constituent districts.**

The two targeted rates are set as follows;

- (i) Where the land is situated and calculated using the area of land within the rating unit,
- (ii) Where the land is situated and calculated using the extent of provision of service to the rating unit.

Kaituna Catchment Control Scheme targeted rates

Category	Rate per hectare \$	Site component \$	Revenue sought \$
A1P	223.87	223.87	443,893
A2P	179.10	201.48	26,924
A3P	134.32	179.10	22,818
A4P	89.55	156.71	24,802
A1	179.10	167.90	110,893
A2	145.52	145.52	52,098
A3	111.94	145.52	52,455

A4	78.35	145.52	30,282
A5	67.16	145.52	89,725
A6	55.97	123.13	21,378
A7	40.30	111.94	21,167
A8	26.86	0.00	2,969
A9	8.95	0.00	778
A10	4.48	0.00	746
A11	2.24	0.00	546
B1	26.86	67.16	23,061
B2	20.15	55.97	7,221
B3	11.19	44.77	20,473
B4	6.72	33.58	34,873
B5	4.48	33.58	58,121
C1	6.72	33.58	6,711
C2	3.92	33.58	111,727
C3	2.69	33.58	31,122
C4	2.24	0.00	4,782
C6R	1.34	0.00	1,444
C8	0.90	22.39	6,419
C5	2.69	22.39	116,740
C6	1.57	17.91	17,506
C7	0.90	67.16	2,389
C9	0.67	17.91	4,498
R01	44.77	89.55	23,089
R02	0.00	67.16	70,222
R03	33.58	27.98	675,540
TP1	22.39	33.58	98,383
Total			2,215,795

- 9 Sets a targeted rate for the Rangitāiki-Tarawera Rivers Scheme. The rate is set differentially for all rateable land situated in the Rangitāiki-Tarawera Rivers Scheme catchment within the Whakatāne, Kawerau, Rotorua and Taupō constituent districts.

The targeted rate is set as follows;

- (i) Where the land is situated and calculated using the area of land within the rating unit.

Rangitāiki-Tarawera Rivers Scheme targeted rates

Category	Rate per hectare \$	Revenue sought \$
A1	181.22	1,458,545
A2	128.36	201,402
A3	98.16	179,489
A4	75.51	84,629
A5	64.18	442,711
A6	22.65	3,664
B1	113.26	240,175
B2	90.61	43,978
B3	67.96	48,224

B4	52.85	453,455
B5	37.75	60,515
B6	13.59	503
B7	10.57	1,899
C1	9.82	77,472
C2	6.80	351,427
C3	2.27	214,816
C4	1.51	94,691
C5	1.13	24,342
U1	5,776.26	231,080
U2	5,436.48	308,303
U3	981.59	24,627
U4	641.81	499,818
U5	453.04	46,141
Total		5,091,906

10 Sets targeted rates for Whakatāne-Tauranga Rivers Scheme. These rates are set differentially for all rateable land situated in the Whakatāne-Tauranga Rivers Scheme catchment within the Whakatāne constituent district.

The two targeted rates are set as follows;

- (i) Where the land is situated and calculated using the area of land within the rating unit,
- (ii) Where the land is situated and calculated using the extent of provision of service to the rating unit.

Whakatane-Tauranga Rivers Scheme targeted rates

Category	Rate per hectare \$	Site component \$	Revenue sought \$
A1	206.57	206.57	152,653
A2	174.79	174.79	69,424
A3	143.01	150.95	228,187
A4	119.17	135.06	362,451
A5	87.39	0.00	21,104
A6	63.56	111.23	27,622
A7	47.67	95.34	35,565
A8	31.78	87.39	76,990
A9	15.89	0.00	2,052
B1	71.50	0.00	157,671
B2	39.72	71.50	111,872
B3	31.78	47.67	57,635
B4	23.83	39.72	10,504
B5	3.18	0.00	1,437
C1	9.53	79.45	42,757
C2	6.36	31.78	63,090
C3	4.77	31.78	45,027
C4	3.18	7.94	7,463
C5	1.59	7.94	37,914
U1	715.05	214.51	574,078

U2	524.37	166.84	165,278
U3	278.07	111.23	259,894
U4	174.79	95.34	126,299
U5	15.89	0.00	11
Total			2,636,978

- 11 Sets targeted rates for the Waioeka-Otara Rivers Scheme. The rates are set differentially for all rateable land situated in the Waioeka-Otara Rivers Scheme catchment within the Ōpōtiki constituent district.**

The two targeted rates are set as follows;

- (i) Where the land is situated and calculated using the area of land within the rating unit,
- (ii) Where the land is situated and calculated using the extent of provision of service to the rating unit.

Waioeka-Otara Rivers Scheme targeted rates

Category	Rate per hectare \$	Site component \$	Revenue sought \$
A1A	390.94	451.09	23,374
A2	210.51	330.80	28,674
A2A	300.73	375.91	13,588
A3	180.44	270.65	136,115
A3A	240.58	330.80	6,907
A4	150.36	210.51	81,130
A4A	195.47	270.65	4,551
A5	135.33	210.51	62,229
A6	105.25	210.51	958
A7	90.22	210.51	10,871
A8	75.18	210.51	97,944
B1	60.15	0.00	16,220
B2	9.02	0.00	154
C1	15.04	180.44	44,442
C2	9.02	180.44	15,209
C3	6.01	150.36	14,799
C4	4.51	60.15	21,419
C5	3.01	60.15	3,338
C6	1.20	60.15	10,784
R	3.01	0.00	285
U1AC	1,804.35	1,323.19	48,283
U1AR	902.18	661.60	75,257
U1C	1,443.48	1,082.61	162,441
U1R	721.74	541.31	455,080
U2AC	1,323.19	962.32	16,702
U2AR	661.60	481.16	55,160
U2C	962.32	842.03	10,897
U2R	481.16	421.02	129,772
U3R	120.29	240.58	100,026
Total			1,646,609

- 12 Sets a targeted rate for the Rangitāiki Drainage Rating Area. The rate is set differentially for all rateable land situated in the defined Rangitāiki Drainage Rating Area situated on the Rangitāiki Plains within the Whakatāne constituent district.**

The targeted rate is set as follows;

- (i) Where the land is situated and calculated using the area of land within the rating unit.

Rangitāiki Drainage targeted rates

Category	Rate per hectare \$	Revenue sought \$
A	64.80	500,810
B	58.32	64,837
C	54.44	78,539
D	47.31	288,836
E	38.88	105,434
F	29.16	71,656
G	22.03	82,646
H	16.20	1,805
I	7.78	5,930
U1	129.61	28,373
U2	64.80	3,926
Total		1,232,792

- 13 Sets a targeted rate for Passenger Transport. The rate is set differentially as an amount per rating unit on all rateable properties within the defined boundaries of Tauranga City, Urban Rotorua, Western Bay District and Whakatāne District. The passenger transport targeted rate is set as follows;**

- (i) Where the rateable unit is situated.

Passenger Transport targeted rate		
Category	Rate per rating unit \$	Revenue sought \$
Tauranga City	179.78	10,405,852
Rotorua Urban	98.10	2,167,881
Western Bay District	23.33	525,218
Whakatāne District	13.18	196,652
Total		13,295,603

- 14 Sets a targeted rate for the Rotorua Lakes Programme. The rate is set differentially as an amount per rating unit on all rateable properties within the Rotorua constituent district. The Rotorua Lakes programme targeted rate is set as follows;**

- (i) Area of land within the rating unit.

Rotorua Lakes Programme targeted rate		
Category - All Properties	Rate per rating unit \$	Revenue sought \$
0 - 1.9999ha	108.99	2,787,417
2 - 9.9999ha	231.24	163,717
10ha and over	758.53	577,242
Total		3,528,376

- 15 Sets a targeted rate for Rotorua Air Action Plan Implementation. The rate is set differentially as a fixed amount per rating unit on all rateable properties within the defined boundary of Urban Rotorua.

The Council sets the Rotorua Air Action Plan Implementation targeted rate as follows;

- (i) Where the rateable unit is situated.

Rotorua Air Action Plan Implementation targeted rate		
Category	Rate per rating unit \$	Revenue sought \$
Rotorua Urban	21.95	485,152

- 16 Sets a targeted rate for Civil Defence Emergency Management. The rate is set differentially as an amount per rating unit on all rateable properties within the Kawerau, Ōpōtiki, Rotorua, Tauranga, Western Bay of Plenty and Whakatāne constituent districts.

The Civil Defence Emergency Management targeted rate is set as follows;

- (i) Where the rateable unit is situated.

Civil Defence Emergency Management targeted rate		
Category - All Properties	Rate per rating unit \$	Revenue sought \$
Kawerau	23.22	66,636
Ōpōtiki	22.31	110,213
Rotorua	22.15	599,019
Tauranga	20.77	1,202,257
Western Bay of Plenty	20.27	456,335
Whakatāne	23.33	348,160
Total		2,782,620

- 17 Sets a targeted rate for Rotorua Air Clean Heat Conversion. The rate is set differentially as an amount per rating unit within the defined boundary of Rotorua Air shed Area with liability to Council.

The Council sets the Rotorua Air Clean Heat Conversion targeted rate as follows;

- (i) Where the rateable unit is situated, and calculated based on the extent of loans provided by Council under the Clean Heat Conversion scheme.

Rotorua Air Clean Heat Conversion targeted rate

Category	Rate \$	Revenue sought \$
CH001	680.00	42,840
CH002	660.00	13,860
CH003	640.00	19,840
CH004	620.00	17,360
CH005	600.00	10,800
CH006	580.00	6,380
CH007	560.00	7,840
CH008	540.00	5,400
CH009	520.00	1,560
CH010	500.00	2,000
CH011	480.00	2,400
CH1	460.00	140,760
CH2	455.00	21,840
CH3	450.00	18,000
CH4	445.00	11,570
CH5	440.00	22,440
CH6	435.00	13,920
CH7	430.00	20,640
CH8	425.00	13,600
CH9	420.00	10,080
CH10	415.00	14,110
CH11	410.00	9,020
CH12	405.00	7,695
CH13	400.00	7,600
CH14	395.00	16,985
CH15	390.00	12,870
CH16	385.00	15,785
CH17	380.00	4,560
CH18	375.00	8,250
CH19	370.00	9,620
CH20	365.00	5,840
CH21	360.00	6,480
CH22	355.00	2,485
CH23	350.00	5,250
CH24	345.00	9,315
CH25	340.00	4,080
CH26	335.00	4,355
CH27	330.00	9,570
CH28	325.00	12,675
CH29	320.00	3,200
CH30	315.00	4,410
CH31	310.00	3,100

CH32	305.00	1,525
CH33	300.00	4,500
CH34	295.00	4,720
CH35	290.00	5,510
CH36	285.00	1,425
CH37	280.00	4,480
CH38	275.00	1,925
CH39	270.00	5,670
CH40	265.00	530
CH41	260.00	1,300
CH42	255.00	2,040
CH43	250.00	1,750
CH44	245.00	1,225
CH45	240.00	1,680
CH46	235.00	705
CH47	230.00	1,840
CH48	225.00	3,375
Total		624,585

- 18 Sets targeted rates for the minor rivers and drainage scheme. The rates are set differentially for all rateable land situated in the defined communal pumped drainage and defined minor river and drainage schemes areas.**

The Council sets one targeted rate for each scheme as follows;

- (i) Where the land is situated and calculated using the area of land within the rating unit.**

Waiotahi River District targeted rates

Category	Rate per hectare \$	Revenue sought \$
A	153.56	16,678
B	122.85	19,976
C	92.13	17,615
D	51.19	2,602
E	30.71	2,331
F	15.36	2,898
Total		62,100

Huntress Creek Drainage District targeted rates

Category	Rate per hectare \$	Revenue sought \$
A	50.20	10,573
B	38.49	3,054
C	25.10	1,822
D	16.73	892

E	11.71	384
F	5.02	1,675
Total		18,400

Waiotahi Drainage District targeted rates

Category	Rate per hectare \$	Revenue sought \$
A	22.20	1,895
B	18.50	3,844
C	14.80	934
D	11.10	499
E	7.40	32
F	3.70	846
Total		8,050

Awaiti West Pumped Drainage Scheme targeted rate

Category	Rate per hectare \$	Revenue sought \$
A	86.75	1,093
B	39.91	5,874
C	17.35	3,424
D	8.68	419
Total		10,810

Omeheu Adjunct Communal Pumped Drainage Scheme targeted rates

Category	Rate per hectare \$	Revenue sought \$
A	105.60	1,086
B	79.20	6,348
C	58.08	3,234
D	31.68	2,767
E	15.84	858
F	5.28	124
URBAN	279.85	12,033
Total		26,450

Murray's Communal Pumped Drainage Scheme rates

Category	Rate per hectare \$	Revenue sought \$
A	127.07	15,804

B	91.49	1,084
C	81.32	3,321
D	35.58	1,411
Total		21,620

- 19 Sets targeted rates uniformly for all rateable land situated in the defined drainage and defined minor river and drainage schemes areas.**
The rates are set as follows;

(i) Where the land is situated and calculated using the land area of each scheme.

Minor Drainage Schemes targeted uniform rates

Category	Rate per hectare \$	Revenue sought \$
Angle Road	27.06	6,210
Awakeri	44.72	12,765
Baird-Miller	91.92	12,650
Foubister	60.27	6,325
Gordon	81.84	8,050
Greigs Road	86.38	61,640
Halls	161.48	39,100
Hyland-Ballie	31.73	7,475
Kuhanui	145.55	12,075
Longview-Richlands	79.36	9,200
Martin	516.23	69,000
Massey	46.10	19,665
Mexted-Withy	89.71	24,955
Omeheu East	79.54	33,350
Pedersen - Topp	50.29	5,750
Platts	9.99	3,680
Reynolds	108.11	13,915
Robinsons	180.10	13,225
Travurzas	11.62	2,300
Wylids	22.65	4,255
Poplar Lane	56.23	3,163
Awaiti East	164.63	23,460
Total		392,208

- 20 Sets the following instalment due dates for all rates other than the Minor River and Drainage Scheme rates as set out below. The due dates for each territorial constituent area are for an equal amount of the rates.**

(i) The respective instalment due dates are as follows;

Kawerau District	
Instalment One	23 August 2019
Instalment Two	22 November 2019
Instalment Three	21 February 2020

Instalment Four	22 May 2020
Ōpōtiki District	
Instalment One	23 August 2019
Instalment Two	22 November 2019
Instalment Three	21 February 2020
Instalment Four	22 May 2020
Rotorua District	
Instalment One	20 August 2019
Instalment Two	20 November 2019
Instalment Three	20 February 2020
Instalment Four	20 May 2020
Taupō District	
Instalment One	20 August 2019
Instalment Two	20 November 2019
Instalment Three	20 February 2020
Instalment Four	20 May 2020
Tauranga City	
Instalment One	30 August 2019
Instalment Two	28 February 2020
Western Bay of Plenty District	
Instalment One	20 September 2019
Instalment Two	27 February 2020
Whakatāne District	
Instalment One	23 August 2019
Instalment Two	22 November 2019
Instalment Three	21 February 2020
Instalment Four	22 May 2020

21 Sets the following penalties regime for all rates other than the Minor River and Drainage Scheme rates;

- (i) Pursuant to sections 57 and 58(1)(a) of the Local Government (Rating) Act 2002, with respect to rates assessed in the 2019/20 year, a penalty of 10% for all areas other than the Kawerau District and 5% for the Kawerau District will be added to the amount of any instalment that has been assessed after 1 July 2019 and which is unpaid after the relevant due date set out in section 20. The penalty will be added on the respective instalment penalty date shown in (ii).

- (ii) The respective instalment penalty dates are as follows;

Kawerau District	
Instalment One	26 August 2019
Instalment Two	25 November 2019
Instalment Three	24 February 2020
Instalment Four	25 May 2020
Ōpōtiki District	

Instalment One	23 August 2019
Instalment Two	22 November 2019
Instalment Three	21 February 2020
Instalment Four	22 May 2020
Rotorua District	
Instalment One	21 August 2019
Instalment Two	21 November 2019
Instalment Three	21 February 2020
Instalment Four	21 May 2020
Taupō District	
Instalment One	27 August 2019
Instalment Two	27 November 2019
Instalment Three	27 February 2020
Instalment Four	27 May 2020
Tauranga City	
Instalment One	5 September 2019
Instalment Two	5 March 2020
Western Bay of Plenty District	
Instalment One	25 October 2019
Instalment Two	27 March 2020
Whakatāne District	
Instalment One	26 August 2019
Instalment Two	25 November 2019
Instalment Three	24 February 2020
Instalment Four	25 May 2020

- (iii) Pursuant to sections 57 and 58(1)(b) of the Local Government (Rating) Act 2002, with respect to rates assessed before 1 July 2019, a penalty of 10% for all areas other than the Kawerau District and 5% for the Kawerau District will be added to any rates unpaid on 4 July 2019. The penalty will be added on the date shown below.

The respective additional penalty dates are as follows;

District	Penalty assessed date	Penalty application date
Kawerau District	4 July 2019	5 July 2019
Rotorua District	4 July 2019	5 July 2019
Taupō District	4 July 2019	5 July 2019
Tauranga City	4 July 2019	5 July 2019
Western Bay of Plenty District	4 July 2019	5 July 2019
Whakatāne District	1 October 2019	2 October 2019

- (iv) Pursuant to sections 57 and 58(1)(c) of the Local Government (Rating) Act 2002, with respect to rates assessed in previous financial years, a further penalty of 10% for Rotorua District, Tauranga District and Western Bay of Plenty District, and 5% for the Kawerau District will be added on any rates to which a penalty has been added under 21(iii) if the rates remain unpaid six months after the previous penalty was added.

The respective additional penalty dates are as follows;

District	Penalty application date
Kawerau District	7 January 2020
Rotorua District	8 January 2020
Tauranga City	5 January 2020
Western Bay of Plenty District	7 January 2020

- 22 Set that Minor River and Drainage Scheme rates shall be payable at the office of the Bay of Plenty Regional Council, Quay Street, P O Box 364, Whakatāne in one instalment on or by 20 January 2020.
- 23 Set the following penalties regime for the Minor River and Drainage Scheme rates:
 - (i) Pursuant to sections 57 and 58(1)(a) of the Local Government (Rating) Act 2002, with respect to the Minor River and Drainage Scheme rates assessed in the 2019/20 year, a penalty of 10% will be added to the amount that remains unpaid after the date stated above, on 20 February 2020.
 - (ii) Pursuant to sections 57 and 58(1)(b) of the Local Government (Rating) Act 2002, with respect to Minor River and Drainage Scheme rates assessed before 1 July 2019, a penalty of 10% will be added on any rates that remain unpaid on 4 July 2019. The penalty will be added on 4 July 2019.
 - (iii) Pursuant to sections 57 and 58(1)(c) of the Local Government (Rating) Act 2002, with respect to Minor River and Drainage Scheme rates, a further penalty of 10% will be added on any rates to which a penalty has been added under (ii) if the rates remain unpaid six months after the previous penalty was added. The penalty will be added on 20 February 2020.
- 24 Pursuant to section 27(7) of the Local Government (Rating) Act 2002, the Council delegates' authority to the constituent district and city councils of the Bay of Plenty region to keep and maintain the rating information database for those areas on its behalf.
- 25 Appoints in accordance with section 53 of the Local Government (Rating) Act 2002 the constituent district and city councils of the Bay of Plenty region, i.e. Kawerau District Council, Ōpōtiki District Council, Rotorua District Council, Taupō District Council, Tauranga City Council, Western Bay of Plenty District Council, Whakatāne District Council, to collect the rates assessed by Bay of Plenty Regional Council, excluding Minor River and Drainage Scheme targeted rates.
- 26 Agrees that in respect of the Minor River and Drainage Scheme targeted rates which are collected directly by the Bay of Plenty Regional Council, where the total amount of rates payable, in respect of any property is \$9.99 or less, pursuant to Section 54 of the Local Government (Rating) Act 2002, the rates payable in respect of the property will not be collected.
- 27 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.

1 Introduction

The Consultation Document for the Annual Plan 2019/20 was made available to the public on 18 March 2019, with a closing date for submissions being 6 May 2019. Hearings of submissions and deliberations on all submissions received as part of the consultation process were held before Council in June 2019. Council considered all practical options available at the deliberations meeting for the consultation topic, and other issues rates; the rates to be set are a result of those decisions.

The rates set out in this paper are in accordance with the Annual Plan 2019/20 Revenue and Financing Policy and Funding Impact Statement, as required by section 23 of the Local Government (Rating) Act 2002.

A resolution is required to set the rates, due dates and penalties regime for the 2019/20 financial year.

2 Analysis of Options

Council participated in a comprehensive series of workshops and meetings as part of the development of the Annual Plan. A number of options and scenarios were considered on different components of the Plan during the course of this process. Further options on a number of key matters were considered as part of the deliberations process.

3 Community Views

Community views were sought using the special consultative procedure prescribed in the Local Government Act 2002. The Bay of Plenty community has had the opportunity to be involved in the Annual Plan through the submissions and hearings process. Councillors have considered the community views and feedback during the deliberations process.

4 Council's Accountability Framework

4.1 Community Outcomes

This proposal directly contributes to all Community Outcomes in the council's Long Term Plan 2018-2028.

4.2 Long Term Plan Alignment

This work is planned under the Finance and Corporate Planning Activity in the Long Term Plan 2018-2028.

Current Budget Implications

This work is being undertaken within the current budget for the Finance and Corporate Planning Activity in the Long Term Plan 2018-2028.

Future Budget Implications

Future implications have been included in the Annual Plan 2019/20.

Andy Dixon
Accounting Team Leader
for General Manager, Corporate
18 June 2019

Report To: Regional Council

Meeting Date: 27 June 2019

Report From: Mat Taylor, General Manager, Corporate

2019 LGNZ Remits Recommendations

Executive Summary

Council is required to appoint its voting delegates for the LGNZ Annual General Meeting and to provide guidance as to how it proposes to vote on the twenty four remits received.

Recommendations

That the Regional Council:

- 1 Receives the report, 2019 LGNZ Remits Recommendations;**
- 2 Support the recommendations on the various remits as identified in the report and recommend the Bay of Plenty Regional Council delegates vote accordingly.**
- 3 Approves Cr John Cronin as a Bay of Plenty Regional Council voting delegate at the LGNZ AGM alongside Chairman Leeder and Deputy Chair Cr Jane Nees.**

1 BOPRC voting delegates

Under the LGNZ membership rules BOPRC are entitled to three votes at the LGNZ Annual General Meeting which will be held on Sunday 7 July 2019.

Traditionally two of these have been assigned to the Chairman and Deputy Chair. Council is asked to appoint one further voting delegate and it is recommended that this be assigned to Cr Cronin in light of his service to the Council and this being his last LGNZ AGM.

2 LGNZ remits

LGNZ has received twenty four remits for consideration at their AGM. Staff have provided commentary and a recommended position on those that fall within a regional council's jurisdiction as outlined in Appendix 1.

3 Budget Implications

3.1 Current Year Budget

There are no current budget implications in supporting or otherwise the LGNZ remits.

3.2 Future Budget Implications

While there may be future budget implications if the government implement some of the remits, these are unknown at this stage.

4 Community Outcomes

The support or otherwise of the LGNZ remits directly contributes to all the Community Outcome in the Council's Long Term Plan 2018-2028.

Yvonne Tatton
Governance Manager

for General Manager, Corporate

18 June 2019

APPENDIX 1

2019 LGNZ AGM Remits Recommendations

2019 LGNZ AGM Remits Recommendations

Staff recommendations on remits

Remit	Title	Staff	Recommendation	Rationale
1	Climate Change – local government representation	Stephen Lamb	Support	<p>The key aspect of this remit is that it is expected that Local Government will eventually carry significant responsibility for climate change policy implementation. This will particularly relate to adaptation – managing risks, funding regimes and introducing RMA controls over land use.</p> <p>This remit simply seeks that Central Government include Local Government representatives in the process of policy development.</p>
2	Ban on the sale of fireworks to the general public	n/a	Abstain	This is a Territorial Authority matter and not under Regional Council's jurisdiction.
3	Traffic Offences – red light running	Garry Maloney	Support	Red-light-running contributes to crashes. Demerit points are more effective than fines in deterring unsafe road user behaviour in order to reduce and eventually eliminate the social, financial and road trauma burden of these crashes.
4	Prohibit parking on grass berms	n/a	Abstain	This is a Territorial Authority matter and not under Regional Council's jurisdiction.
5	Short term guest accommodation	n/a	Abstain	This is a Territorial Authority matter and not under Regional Council's jurisdiction.
6	Nitrate in drinking water	Sarah Omundsen	Support	Christchurch has raised the issue because nitrate

				levels are forecast to increase in their groundwater supplies. It would certainly be good to have a clearer picture of the risk NZ wide.
7	Local Government Information and Meetings Act (1987) LGOIMA requests	Donna Llewellyn	Support	On the basis that the remit reflects BOPRC's experiences with LGOIMAs over recent years – increases in volume, more requests from media and/or serial requesters, frivolous / vexatious requests and increasing staff time and effort to manage LGOIMA requests. In-house legal is involved with approximately 15% of LGOIMAs annually which are complicated or have risks to the organisation. Furthermore, we are experiencing a number of informal complaints or formal investigations carried out by the Office of the Ombudsman which are managed by our legal team. There is scope for more discipline around charging, but that is a hard threshold and no data as to how other local authorities deal with that or are successful. There is a need for a sector-wide picture to see trends and experiences and to better inform best practice, advocate for simplification or legislative change where appropriate.
8	Weed control	Chris Ingle	Abstain	The use of glyphosate herbicide is registered by EPA as lawful for use in New Zealand. While it is entirely up to each individual user of any chemical herbicide as to how much they do, or do not use, the reality is that many of the pest plant control works required under our Council's Pest Management Plan (RPMP) will need to use glyphosate or other chemical products in order to comply with the Plan rules. Alternatives are not always available or may be more

				<p>expensive.</p> <p>Therefore we suggest the remit is neither supported nor opposed. While there is absolutely nothing wrong with one user (eg HCC) reducing their use of this herbicide for their reserve management functions within an urban environment, LGNZ should not be sending the message to the general public that this herbicide is unsafe for general use, particularly in the rural setting.</p> <p>The agricultural sector may have no other practical choice than to use glyphosate to comply with RPMP rules, and we do not want to send the message that it is somehow wrong or unethical to use this chemical, especially given that the national authority (EPA) has declared it safe for use in NZ. The effectiveness of some of the rules in our RPMP may be compromised if public opinion shifts to the extent that it became unethical to use this chemical for general weed control.</p>
9	Building defects claims	n/a	Abstain	This is a Territorial Authority matter and not under Regional Council's jurisdiction.
10	Social Housing		Support	Council resolution 9 May 2019
11	Procurement	Mat Taylor	Support	A collaborative procurement process for standardised designs could lead to significant cost savings to our communities
12	Single use polystyrene	Stephen Lamb	Support	This remit seeks agreement to advocate for the extension of the Waste Minimisation Act 2008 to include a ban on single-use polystyrene.

				<p>This is on the basis that “single use” of this product is unsustainable and that other options exist.</p> <p>As with similar initiatives there would be a process of examining the economic impact of a ban and the ability for appropriate, more sustainable options to be able to substitute for polystyrene.</p> <p>While this remit is not directly related to Council’s core business it does support the waste management activities of city/district councils. The remit is effectively advocating for Central Government to initiate a process to examine the issue as a first step.</p>
13	Local Government Act 2002 (infrastructure asset owner issue)	Mat Taylor	Support	Historic assumptions that there is statutory authority for the siting of Three Waters infrastructure on private land do not reflect the complete picture.
14	Campgrounds regulations	n/a	Abstain	This is a Territorial Authority matter and not under Regional Council’s jurisdiction.
15	Living Wage	Fiona McTavish	Support	As a council we pay a living wage to staff and advocate for a living wage to be paid to all contractors.
16	Sale and supply of Alcohol Act	n/a	Abstain	This is a Territorial Authority matter and not under Regional Council’s jurisdiction.
17	Greenhouse gases	Stephen Lamb	Support	<p>This remit advocates for Central Government to explore the idea of the RMA being revised to provide the ability to consider greenhouse gas emissions when making decisions under the RMA. This is currently excluded by the legislation.</p> <p>On the face of it this remit would provide for another</p>

				<p>pathway for the management of greenhouse gas emissions. It is however a complex area as all activities are associated with the release of greenhouse gases when considered on a lifecycle basis. There is however the potential benefit in exploring this idea to identify significant sources and mitigation options through a RMA planning process.</p> <p>This remit would link to Remit #1 where Local Government is involved in any policy development.</p>
18	Climate Change- funding policy framework	Stephen Lamb	Support	<p>The future funding of climate change is of growing concern as more is found out about the exposure of infrastructure and communities to climate change impacts. These impacts have most clearly been articulated around sea level rise but other impacts are also relevant.</p> <p>Various suggestions have been made but there is as yet no clear framework for working through the “who pays?” question for any given situation. This issue is also closely aligned to the risk of legal challenge to Local Government in climate change litigation.</p> <p>The Climate Change Adaptation Technical Working Group recommended that their work be continued through a technical working group – and this remit advances this idea.</p> <p>This is a significant issue for the whole of Local Government and attention to this issue should be supported.</p>
19	Road Safety		Support	Council resolution 9 May 2019

20	Mobility scooter safety	Garry Maloney	Abstain	This is a road controlling authority issue and not under Regional Council's jurisdiction.
21	Museums and galleries	n/a	Abstain	This is a Territorial Authority matter and not under Regional Council's jurisdiction.
22	Resource Management Act	Sarah Omundsen	Do not support	Whanganui have raised concerns about the current process for appointing commissioners potentially leading to corruption, lack of diversity, and lack of opportunity for new commissioners to gain experience. They propose to have the process run by MfE. We are concerned that this will result in the appointment of commissioners with a lack of local context/knowledge, and add a further layer of bureaucracy to an already complex process. The concerns raised can best be managed by Councils ensuring they have a clear, robust and transparent process to appoint commissioners.
23	Mayors decision to appoint Deputy Mayor	n/a	Abstain	This is a Territorial Authority matter and not under Regional Council's jurisdiction.
24	Beauty Industry	n/a	Abstain	This is a Territorial Authority matter and not under Regional Council's jurisdiction.

Report To: Regional Council

Meeting Date: 27 June 2019

Report From: Garry Maloney, Transport Policy Manager

Recommendation to Council from Public Transport Committee: Land Transport Management Act 2003 Delegation

Executive Summary

This report outlines a recommendation to Council from the Public Transport Committee meeting held 10 May 2019 to delegate its powers to approve (or otherwise) applications to register or vary exempt public transport services under Part 5 of the Land Transport Management Act (“the Act”) 2003, to the Chief Executive.

Recommendations

That the Regional Council:

- 1 Receives the report, Recommendation to Council from Public Transport Committee: Land Transport Management Act 2003 Delegation;**
- 2 Approves the Public Transport Committee recommendation of 9 May 2019 that the Regional Council delegates the functions and powers of the Regional Council under Part 5 of the Land Transport Management Act 2003 to the Chief Executive for proposals to operate or vary “exempt services” under the Act.**

1 Background

The Land Transport Management Act 2003 Part 5 sets out the provisions for Regulation of Public Transport, with Subpart 2 specifically relating to Registration of Exempt Services.

If Council receives an application to register an exempt public transport service it must consider such an application in accordance with the provisions in Part 5, Subpart 2 of the Act.

Part 5 of the Act requires an application to be approved, or otherwise, by the Council within 15 working days. Currently this function sits with the Council (for all exempt services) and for the 2016-19 triennium, it appears it has not been delegated to the Chief Executive, as it has been in the past. Given Council and its Committees’ meeting cycles, the Public Transport Committee, based on staff advice, recommends that Council delegates the function to the Chief Executive.

2 Budget Implications

2.1 Current Year Budget

The recommended decision does not have a current budget implication.

2.2 Future Budget Implications

The recommended decision does not have a future budget implication.

2.3 Summary of Financial Implications

There are no financial implications relating to the recommended decision.

3 Community Outcomes

The recommended decision aligns with to the Vibrant Region Community Outcome in the Council's Long Term Plan 2018-2028.

Tone Nerdrum Smith
Committee Advisor

for Transport Policy Manager

14 June 2019

Report To: Regional Council

Meeting Date: 27 June 2019

Report From: Mat Taylor, General Manager, Corporate

Lake Rotoma/Rotoiti Wastewater Reticulation

Executive Summary

As part of Long Term Plan 2015-2025, Council approved funding contributions for Lake Rotoiti and Rotomā wastewater reticulation totalling \$8.559 million. Rotorua Lakes Council is close to completing work on the shared wastewater treatment plant and reticulation for Lake Rotomā. This paper recommends that Council approves the first payment towards these wastewater reticulation schemes of \$5.665 million, pending staff review of the final invoicing payment certificates for work completed to the end of June 2019. Staff have reviewed interim payment certificates and confirm that the invoiced work complies with all funding conditions.

Recommendations

That the Regional Council:

- 1 Receives the report, Lake Rotoma/Rotoiti Wastewater Reticulation;**
- 2 Authorises the Chief Executive to make payments in relation to the Lake Rotoiti/Rotomā Wastewater Reticulation schemes subject to Rotorua Lakes Council meeting all funding requirements.**

1 Background

As part of Long Term Plan 2015-2025, Council approved funding contributions for Lake Rotoiti and Rotomā wastewater reticulation totalling \$8.559 million, which was apportioned as \$3.708 million for Lake Rotoma and \$4.851 million for Lake Rotoiti. This funding was approved in order to reduce the cost to individual ratepayers and as a contribution towards the environmental and lake water quality benefit.

There has been one change to the preferred solution for the project relating to improved pre-treatment of wastewater at source prior to reticulation. This was required as a resource consent condition.

2 Status of works

The Lake Rotoiti/Rotomā project has a total cost of \$35 million. The major infrastructure components that are suitable for Council to contribute funding towards are the shared wastewater treatment plant (WWTP) (\$6.5 million), Rotomā reticulation (\$10.8 million) and Rotoiti reticulation (\$6.1 million).

The latest status updates from Rotorua Lakes Council staff on these items is in the following sections.

2.1 Wastewater Treatment Plant (\$6.1 million)

The plant is nearing completion, and it is expected that commissioning will commence in June 2019. The commissioning phase is programmed to commence 19th June, which starts with plant items, control systems etc, then to operation with clean water and finally process commissioning with wastewater. Wastewater commissioning is planned to commence 2nd August.

2.2 Rotoma Reticulation (\$10.8 million)

The pipeline from Rotoma to the Treatment Plant is completed. Two pump stations are yet to be completed which will be June 2019. The reticulation includes part of the Rotoiti area. This component of the project also includes installation of on-site systems at Rotoma which by plant commissioning is expected to have about 80% of individual sites complete. Some individual properties are withholding approval for on-site works which is proving challenging to work through. However, a Council hearing of objectors concerns has provided a clear direction and most remaining non-approved properties will now be more likely to give their consent.

2.3 Rotoiti Reticulation (\$6.1 million)

This component of the project is now under construction ahead of the original schedule. The bulk of the pipeline should be completed early 2020, but there are some challenges with Maori Land approval to provide reticulation for some properties, and this will take some time to work through.

3 Recommended payment

Staff have reviewed interim payment certificates for the completed work and confirm that they meet all funding requirements. As at the end of May 2019, \$16 million of the \$16.9 million had been expended against the WWTP and Rotomā Reticulation components of the wider project. Staff confirm that the following initial contribution is suitable for Council to approve a payment to Rotorua Lakes Council as outlined in the following table:

Item	Budget \$000	Payment \$000	Reason
Lake Rotomā Reticulation	3,708	3,708	Completion of main reticulation infrastructure works.
Lake Rotoiti Reticulation	4,851	1,957	Proportional contribution to shared WWTP and components of reticulation completed through Rotomā reticulation contract.
TOTAL	8,559	5,665	

4 Budget Implications

4.1 Current Year Budget

The current year budget for Lake Rotomā is \$3.708 million with a further \$4.851 million for Lake Rotoiti in 2020/21. Making a payment of \$5.665 million will result in an overspend this financial year of \$1.957 million due to earlier than expected delivery. This will be funded from the Infrastructure Reserve.

4.2 Future Budget Implications

The future budget for Lake Rotoiti has been re-phased as part of Annual Plan 2019/20. The majority of this is expected to be drawn down in 2019/20 rather than 2020/21. This has a resulting minor cost in interest revenue foregone, which is more than offset by increased net treasury income i.e. the rates impacts shown below are notional only. Council's contribution is limited to \$8.559 million.

4.3 Summary of Financial Implications

Financial Impact (Inflated Numbers)										
	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)	2021/22 (\$000)	2022/23 (\$000)	2023/24 (\$000)	2024/25 (\$000)	2025/26 (\$000)	2026/27 (\$000)	2027/28 (\$000)
Total Operating Expenditure	5,665	2,070	824							

Additional Funding Required	1,957	2,070	-4,027							
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Rates Impact										
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Targeted Rates %										
General Rates %		0.2	-0.3							

5 Community Outcomes

This project directly contributes to the Freshwater for Life Community Outcome in the Council's Long Term Plan 2018-2028.

Mark Le Comte
Programme Manager Corporate Performance

for General Manager, Corporate

18 June 2019